

DECLARATION OF COVENANTS AND RESTRICTIONS
FOR HIDDEN HARBOR COMMUNITY AND BY-LAWS FOR
HIDDEN HARBOR HOMEOWNERS' ASSOCIATION, INC.

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This Instrument Prepared By:
Richard D. Crotteau
Miller, Martin, Hitching, Tipton,
Lenihan & Waterhouse
10th Floor, Volunteer Building
Chattanooga! TN 37402

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HIDDEN HARBOR HOMEOWNERS ASSOCIATION DUES POLICY

ADOPTED BY THE BOARD OCTOBER 21, 1993

- 001 Full payment of dues is due upon receipt of the Statement from the Association.
- 002 All homeowners, their children, family and guests are barred from using the pool, tennis courts, parks, boat dock and other community facilities (including during official neighborhood activities) if any portion of the homeowners' dues remain unpaid for more than three (3) months after mailing of the Semi-Annual Statement.
- 003 The Board may place a lien upon the property of any delinquent homeowner. The Lien will be released when the dues are paid in full together with attorney fees of 15% of the amount owed when the Lien is registered and the costs of registration of the Lien and its release.
- 004 (A) The Board may file suit against any delinquent homeowner.
- (B) No warning need be given prior to the taking of this action. The suit will be dismissed if the outstanding dues are paid in full together with an attorney's fee of 20% of the balance sued for or owed, whichever is greater, plus Court costs and lien and release registration fees if the homeowner contacts and arranges the same with The Business Manager or counsel for the Association prior to the date (a Monday at 11:00 A.M.) the case is set for Docket Call in General Sessions Court.
- (C) Should the homeowner not contact and make arrangements with The Business Manager or Counsel for the Association, the Association will seek a Judgment for all outstanding dues, attorney fees of 33-1/3% of the balance due, Court costs and any lien and release registration fees. Failure to make such arrangements or to appear at the assigned Docket Call will result in a Default Judgment being entered against the homeowner.
- (D) If a homeowner fails to comply with the arrangements made or does not pay a Default Judgment, a garnishment may be issued to the homeowners' jobs, banks, or any person or entity owing money to the homeowner. No prior warning of this action need be given by The Business Manager, Counsel, or the Board.
- (E) Any arrangements or changes in the arrangements must be initiated by the homeowner with The Business Manager or Counsel for the Association. No homeowner should expect a call, letter or other notice other than the original Semi-Annual Statement prior to the taking of any of the above actions. Calls, letters or other communications from The Business Manager, counsel or Board may be made or issued in their discretion.

DECLARATION OF COVENANTS AND RESTRICTIONS
FOR HIDDEN HARBOR COMMUNITY AND BY LAWS FOR
HIDDEN HARBOR HOMEOWNERS' ASSOCIATION, INC.

This DECLARATION made this 29th day of October 1976, by LAKESHORE DEVELOPMENT COMPANY INC., a Tennessee corporation, ROCK BLUFF, INC., a Tennessee corporation, and, JAMES L. HOUSER, TRUSTEE and GLENN F GATLIN, TRUSTY, both residents of Hamilton County, Tennessee. Hereinafter the corporations and Trustees shall sometimes collectively be referred to as the "Developers."

RECITALS

Developers are the owners of the real property described in Article II of this Declaration and desire to create thereon a residential community known as RIDDEN HARBOR COMMUNITY, with permanent parks, playgrounds, open spaces and other Common Properties for the benefit of the community.

Developers desire to provide for preservation of the values and amenities in the community and for the maintenance of said parks, playgrounds, open spaces and other Common Properties; and to this end¹ desire to Subject the real property described in Article II, together with such Additional Land as may be added hereto as provided in Article II, to the covenants, restrictions¹ easements, affirmative obligations, charges, and liens, hereinafter set forth, each and all of which is and are hereby declared to be for the benefit of the Property and each and every Owner of any and all parts thereof; and

Developers have deemed it desirable, for the efficient preservation of the values and amenities in the community, to create an entity to which should be delegated and assigned the

power *and* authority of holding title to and maintaining and administering the Common Properties and administering and enforcing the covenants and restrictions governing the same and collecting and disbursing all assessments and charges necessary for such maintenance, administration and enforcement, as hereinafter created; and

Developers have caused or will cause to be incorporated under the laws of the State of Tennessee, HIDDEN HARBOR HOMEOWNERS' ASSOCIATION, INC., a Corporation Not for Profit, for the purpose of exercising the above functions and those which are more fully set out hereafter;

DECLARATION

NOW, THEREFORE, the Developers subject the real property described in Article I~, and such Additional Land as may be added and subjected hereto pursuant to Article II *hereof to the* terms of this Declaration and declare that the same is and shall be held, transferred, sold, conveyed, leased occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens (some-times referred to as the Covenants) hereinafter set forth.

ARTICLE I

DEFINITIONS

The following words and terms, when used in this Declaration, or any supplemental Declaration (unless the context shall clearly indicate otherwise) shall have the following meanings:

1.01. Additional Land. "Additional Land shall mean real property that may become subject to this Declaration in

accordance with the terms and conditions of Article II hereof.

1.02. Association. "Association" shall mean HIDDEN HARBOR HOMEOWNERS' ASSOCIATION, INC., a Tennessee corporation Not For Profit.

1.03. Board of Directors or Board. "Board of Directors or "Board" shall mean the governing body of the Association established and elected pursuant to this Declaration.

1.04. Common Expense. "Common Expense" shall mean and include (1) expenses of administration, maintenance, repair or replacement of the Common Properties; (2) expenses agreed upon as Common Expenses by the Association; (3) expenses declared Common Expenses by the provisions of this Declaration; and (4) all other sums assessed by the Board of Directors pursuant to the provisions of this Declaration.

1.05. Common Properties. "Common Properties shall mean those areas of land with any improvements thereon which are conveyed to the Association or to any governmental entity and required to be maintained by the Association, and are intended for the common use and development of all Owners, including without limitation, parks, walks and streets and roads at such time as the same are closed to the general public.

1.06. Covenants. "Covenants" shall mean the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens set forth in this Declaration.

1.07. Declaration. "Declaration" shall mean this Declaration of Covenants and Restrictions for HIDDEN HARBOR COMMUNITY and By-Laws for HIDDEN HARBOR HOMEOWNERS' ASSOCIATION, INC., and any Supplemental Declaration filed pursuant to the terms hereof.

1.08. Developers. "Developers" shall mean LAKESHORE

DEVELOPMENT COMPANY, INC., a Tennessee corporation, ROCK BLUFF, INC., a Tennessee corporation and, JAMES L. HOUSER, TRUSTEE and GLENN F. GATLIN, TRUSTEE, both residents of Hamilton County, Tennessee, and their successors and assigns.

1.09. Dwelling Unit. "Dwelling Unit" shall mean any building situated upon the Properties designated and intended for use and occupancy by a single family.

1.10. Existing Land. "Existing Land" shall mean the real property described in Article II hereof.

1.11. First Mortgage. "First Mortgage" shall mean a recorded Mortgage with priority over other Mortgages.

1.12. First Mortgagee. "First Mortgagee" shall mean a beneficiary, creditor or holder of a First Mortgage.

1.13. Lot or Lots. "Lot" or "Lots" shall mean any improved or unimproved plat of land shown as a Lot upon any recorded final subdivision map of any part of the Properties, with the exception of Common Properties.

1.14. Manager. "Manager" shall mean a person or firm appointed or employed by the Board to manage the daily affairs of the Association in accordance with instructions and directions of the Board.

1.15. Member or Members. "Member" or "Members" shall mean any or all Owner or Owners who are Members of the Association.

1.16. Mortgage. shall mean shall mean a deed of trust, as well as a Mortgage.

1.17. Mortgagee. "Mortgagee" shall mean a beneficiary, creditor, or holder of a deed of trust, as well as a holder of a Mortgage.

1.18. Owner or Owners. "Owner" or "Owners" shall mean the record owner or owners, whether one or more persons, firms, associations, corporations, or other legal entities, of the fee simple title to any Lot situated upon the Properties but, notwithstanding any applicable theory of a mortgage, shall not mean or refer to the Mortgagee, unless and until such Mortgagee has acquired title pursuant to foreclosure, nor shall the term "Owner" mean or refer to any lessee or tenant of an Owner. The Developers may be an "Owner."

1.19. Property or Properties. "Property" or "Properties" shall mean the Existing Land and any Additional Land which is subject to this Declaration or any Supplemental Declaration under the provisions hereof.

1.20. Record or To Record. "Record" or "To Record" shall mean to record pursuant to the laws of the State of Tennessee relating to the recordation of deeds and other instruments conveying or affecting title to real property.

ARTICLE II

PROPERTIES, ADDITIONAL LAND AND COMMON PROPERTIES AND IMPROVEMENTS THEREON

2.01. Existing Land. The real property which is, and shall be held, transferred, sold, conveyed, leased and occupied, subject to these Covenants, is located in Hamilton County, Tennessee and is more particularly described as follows:

A. LAKESHORE DEVELOPMENT COMPANY, INC.'S PROPERTY:

Lots shown on plat of *ROCK BLUFF-UNIT ONE (1)* recorded in Plat Book 26, Page 181, Register's Office of Hamilton County, Tennessee;

Subject to the Restrictive Covenants recorded in Book 2268, Page 533, Register's Office Hamilton County, Tennessee, until Termination thereof as set out in Section 2.02 hereof;

Less and excluding the following lots until such time as the following lots are, or any lot is, added, submitted, and declared to be subject to this Declaration:

- Lot Eight (8) - Rock Bluff, Unit One (1) (Franklin K. Freeman and wife, Sherrie D. Freeman)
- Lot Ten (10) - Rock Bluff, Unit One (1) (James P. Penney and wife, Shelby Jean Penney)
- Lot Twenty-Eight (23) - Rock Bluff, Unit One (1) (Roy W. Anglin and wife, Jean Halloway Anglin)

B. JAMES L. HOUSER, TRUSTEE and GLENN F. GATLIN, TRUSTEE PROPERTY:

Lots shown on plat of HIDDEN HARBOR, UNIT ONE (1) recorded in Plat Book 31, Page 29, Register's Office of Hamilton County, Tennessee;

Less and excluding the following lots until such time as the following lots are, or any lot is, added, submitted and declared to be subject to this Declaration:

- Lot Nineteen (19), Hidden Harbor, Unit One (1) (Carl Cooper and wife, Kay Cooper)
- Lot Twenty-One (21), Hidden Harbor, Unit One (1) (Hal Epps West and wife, Ruth Borrows West)
- Lot Twenty-Three (23), Hidden Harbor, Unit One (1) (James L. Houser, Trustee)
- Lot Twenty-Four (24), Hidden Harbor, Unit One (1) (R & W Builders, Inc., a Tennessee corporation)
- Lot Twenty-Five (25), Hidden Harbor, Unit One (1) (R & W Builders, Inc., a Tennessee corporation)

- Lot Twenty-Six (26), Hidden Harbor, Unit One (1)
(James L. Houser, Trustee)

- Lot Twenty-Nine (29), Hidden Harbor, Unit One (1)
(John D. Houser, Trustee)

- Lot Thirty (30), Hidden Harbor, Unit One (1)
(Kay Cooper, Trustee)

- Lot Thirty-Six (36), Hidden Harbor, Unit One (1)
(Glenn F. Gatlin, Trustee)

- Lot Forty-Seven (47), Hidden Harbor, Unit One (1)
(Kenneth G. Thompson, Trustee and David C. Lewis,
Trustee)

- Lot Forty-Eight (48), Hidden Harbor, Unit One (1)
(Kenneth G. Thompson, Trustee and David C. Lewis,
Trustee)

C. GLENN F. GATLIN, TRUSTEE PROPERTY: Lots shown on plat of RIDGE
POINT ESTATES recorded in Plat Book 29, Page 280, Register's Office of Hamilton County, Tennessee;

Subject to the Restrictive Covenants recorded in Book 2311, Page 579, Register's Office
of Hamilton County, Tennessee, until termination thereof as set out in Section 2.02 hereof;

Less and excluding the following lots until such time as the following lots are, or any lot
is, added, submitted and declared to be subject to this Declaration:

- Lot Six (6) - Ridge Point Estates
(Thomas E. Thurman and wife, Susan L. Thurman)

- Lot Twelve (12) - Ridge Point Estates
(William M. Dunn, Jr., and wife, Terry A. Dunn)

D. ROCK BLUFF, INC.'S PROPERTY: The following described property:

BEGINNING at an iron pin in the Southeastern line of Fairview Road, said point being also in the Northeastern line of the Boyd C. Hutton tract, as described in Book 1568, page 609, in the Register's Office of Hamilton County, Tennessee; running thence Northeastwardly, along Fairview Road, two hundred thirty-seven and fifteen hundredths (237.15) feet to an iron pin in the line of the Stanley Hixson tract, as described in Book 1309, page 412, in said Register's Office; thence South eighty-nine (89) degrees fifty-two (52) minutes East, one hundred ninety-seven and twenty-seven hundredths (197.27) feet to an iron pin in the line of the Wiley Phillips tract, as described in Book 1395, page 531, in said Register's Office; thence South fifty-nine (59) degrees twenty-two (22) minutes East, along the Phillips' tract, and continuing along the James B. Penney, et al., tract, as described in Book 2035, page 308, in said Register's Office, a distance of three hundred twenty-six and eighty-seven hundredths (326.87) feet to an iron pin; thence continuing along the Penney tract, the following calls and distances: South thirteen (13) degrees twenty-six (26) minutes East, one hundred one and ninety-seven hundredths (101.97) feet to an iron pin; South sixty-four (64) degrees forty (40) minutes East, three hundred nine and thirty-eight hundredths (309.38) feet to an iron pin; South fifty-five (55) degrees six (06) minutes East, two hundred twenty-six and eighty hundredths (226.80) feet to an iron pin; South forty-seven (47) degrees seven (07) minutes East, three hundred forty-six and five-tenths (346.5) feet to an iron pin; South twenty-one (21) degrees seven (07) minutes East, along the Penney tract, and continuing along the Ernest Montgomery tract as described in Book 1395, page 187, in said Register's Office, three hundred thirty (330) feet to an iron pin; thence continuing along the Montgomery tract, South forty-nine (49) degrees seven (07) minutes East, two hundred eighty and five-tenths (280.5) feet to an iron pin; thence South twenty-one (21) degrees seven (07) minutes East, three hundred thirty (330) feet to an iron pin; thence North seventy-one (71) degrees fifty-three (53) minutes East, one hundred fifty-six and seventy-five hundredths (156.75) feet to an iron pin; thence South twenty (20) degrees forty (40) minutes East, ninety-eight and seventy-one hundredths (98.71) feet to Monument No. 249-3, being in the line of the James Gauntt tract, as described in Book 979, page 53, in said Register's Office; thence along the Gauntt tract, South thirty-seven (37) degrees ten (10) minutes East, nineteen hundred

five and forty hundredths (~905.40) feet to Monument No. 250-2, in the property of TVA; thence, along the TVA property, South twenty-eight (28) degrees seventeen (17) minutes East, five hundred twenty and thirty-six hundredths (520.36) feet to Monument LS 8-11.; thence South fifteen (15) degrees fifty (50) minutes East, fifteen hundred twenty and ninety-seven hundredths (1520.97) feet to Monument LS 8-10; thence South seventeen (17) degrees forty-one (41) minutes West, nine hundred fourteen and forty-eight hundredths (914.48) feet to Monument LS 8-9; thence North sixty (60) degrees forty-one (41) minutes West, seven hundred thirty and seventy-four hundredths (730.74) feet to Monument LS 8-8; thence South forty-three (43) degrees twenty-eight (28) minutes West, two hundred fourteen and fifty-five hundredths (214.55) feet to Monument LS 8-7, in the six hundred eighty-five and forty-four hundredths (685.44) contour line; thence Westwardly along the contour line two hundred sixty (260) feet, more or less, to an iron pin; thence North forty-four (44) degrees seventeen (17) minutes West, seven hundred thirteen and thirty-nine hundredths (713.39) feet to an iron pin; thence North thirty-seven (37) degrees East, two hundred eighty-five (285) feet to TVA Monument 251-1, in the line of the Paul Fitzgerald tract, as described in Book 2076, page 883, in said Register's Office; thence along the Fitzgerald tract, and continuing along the Jesse Schouggins tract, as described in Book 1066, page 203, in said Register's Office, a distance of eleven hundred seventy-six and thirty-four hundredths (1176.34) feet to an iron pin in the Schouggins line; thence along the Schouggins' line, and the Charles W. Goolesby line, as described in Book 1073, page 55, in said Register's Office, a distance of ten hundred sixty-five and sixty-six hundredths (1065.66) feet to a metal rod in the Ault tract; thence North forty (40) degrees forty (40) minutes West, along the Ault tract, twelve hundred sixteen and ninety-four hundredths (1216.94) feet to a metal rod in the Northern line of a no-named road or the Quarry Road; thence South eighty-five (85) degrees twenty (20) minutes East, five hundred sixty-four and ninety-seven hundredths (564.97) feet to a gate post in the Boyd C. Hutton line, as described in Book 1568, page 607, in said Register's Office; thence North sixty (60) degrees five (05) minutes East, along the Hutton line, nine hundred fifty-nine and eighty-three hundredths (959.63) feet to an iron pin in a fence post corner; thence continuing along the Hutton tract, North forty (40) degrees West, twentyone hundred eighty and sixty-eight hundredths

(2180.68) feet to an iron pin in the Southeastern line of Fairview Road, the point of beginning.

EXCEPTING FROM the above described property, that part subdivided as Rock Bluff, Unit One (1), as shown by plat of record in Plat Book 26, ~page 181, in the Register's Office of Hamilton County, Tennessee. The above described tract, after this exception, contains one hundred seventy-seven (177) acres, more or less.

FOR PRIOR TITLE, see deeds recorded in Book 2193, page 526, Book 2248, page 179, and in Book 2313, page 366, in the Register's Office of Hamilton County, Tennessee.

2.02. Termination of Restrictive Covenants.

A. LAKZSHORE DEVELOPMENT COMPANY, INC. by execution hereof, forever releases and discharges the property described in Section 2.01 (A) from the Restrictive Covenants recorded in Book 2268, Page 533, Register's Office of Hamilton County, Tennessee; provided that said release and discharge shall only be effective at such time as all the record owners of the excluded lots in Section 2.01 (A) record a similar release and submission of their property to this Declaration and all Mortgagees of said excluded lots consent to such release and submission. Thereaf ter, the Covenants of this Declaration shall be controlling.

B. GLENN F. GATLIN, TRUSTEE, by execution hereof,

forever releases and discharges the property described in Section 2.01(C) from the Restrictive Covenants recorded in Book 2311, Page 579, Register's Office of Hamilton County, Tennessee; provided that said release and discharge shall only be effective at such time as all the record owners of the excluded lots in Section. 2.01(C) record a similar release and submission of their property to this Declaration and all Mortgagees of said excluded lots consent to such release and submission. Thereafter, the Covenants of this Declaration shall be controlling.

2.03. Additional Land. Additional lands may become subject to this Declaration in the following manner:

A. Additions. Rock Bluff, Inc., its successors and assigns, shall have the right from time to time, without further consent of the Association, to bring within the plan and operation of this Declaration, additional properties in future stages of the Development.

The additions authorized under this and the succeeding subsection shall be made by filing of record a Supplementary Declaration of Covenants and Restrictions with respect to the Additional Land which shall extend the operation and effect of the Covenants of this Declaration to such Additional Land.

The Supplementary Declaration may contain such complementary additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary or

convenient, in the judgment of Rack Bluff, Inc., to reflect the different character¹ if any, of the added properties and as are not inconsistent with the plan of this Declaration, provided that any such additions and modifications shall have the prior approval of the Hamilton County Planning Commission.

In the event additional properties are brought within the plan and operation of this Declaration, adequate, just and equitable provisions must first be made so as to equalize the costs and burdens between the Members who own Lots in the Existing Properties and those who own or will own Lots in the additional properties with relation to the Common Properties including the initial costs by Developers, the cost of facilities, improvements and the operation and maintenance of the same.

Furthermore, the record owners of the Lots excluded under Sections 2.OIA and 2.013 may submit their Lots, or some of the Lots, to this Declaration.

B. Mergers. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, in the alternative, the properties, rights and obligations may, by operation of law, be added to the properties of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer the covenants and restrictions established by this Declaration with the Existing Land, as herein provided.

2.04. Common Properties and Improvements Thereon.

A. The Developers intend to develop the Existing Land in accordance with a master plan dated October 11 1976; provided, however, the Developers reserve the right to review and modify the master plan from time to time, with the approval of the Hamilton County Planning Commission.

B. The Developers shall convey to the Association, from time to time, such property, as they, in their sole discretion deem appropriate. Thereafter such property shall be included within the term "Common Properties".

C. The Developers contemplate improving the common Properties with two (2) tennis courts, a swimming pool, and a fishing pier if applicable governmental permits can be obtained. It is presently contemplated that all such improvements will be completed on or before June 1, 1978; however, the Developers reserve the right to extend that period of time to June 1, 1979. In the event that said improvements are not completed by the latter date, the Developers shall have the option of:

1. Requesting a further extension of time from the Board; or
2. Paying to the Association the amount necessary to complete the improvements.

D. Developers, at their sole option and expense, may build and improve the Common Properties with such other improvements as they deem desirable.

E. If the Developers subject Additional Land to this Declaration, they will provide improvements and amenities on the Common Properties from the Additional Land as they shall deem equitable and just.

ARTICLE III
ASSOCIATION

3.01. Membership. The Developers and every person or entity who is a record Owner of a fee simple interest or an undivided fee simple interest of at least fifty percent (50%) in any Lot which is subject to this Declaration shall be a Member of the Association, provided that any such person or entity who holds such title or interest merely as a security for the performance of an obligation shall not be a member of the Association. Membership shall be automatically transferred to the new Owner upon the conveyance of any Lot and recording of the Deed of conveyance if the Register's Office of Hamilton County, Tennessee. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

3.02. Voting Rights. The Association shall have one class of voting membership. Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 3.01. When more than one person holds such interest or interests in any Lot, all such persons shall be Members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot. A Member casting a vote representing a Lot owned by such Member shall not be entitled to cast an additional vote for the Dwelling Unit upon said Lot. When one or more co-owners sign a proxy or purports to vote for his or her co-owners, such vote shall be counted unless one or more of the other co-owners is present

and objects to such vote, or if not present, submits a proxy or objects in a written instrument delivered to the Secretary of the Association before the vote is counted. If co-owners disagree as to the vote, the vote shall be split equally among the co-owners. The Developers shall be entitled to one (1) vote for each Lot owned by them.

ARTICLE IV

THE BOARD OF

4.01. Board of Directors. Subject to Section 4.12 of this Article herein below, the administration of the Property on behalf of the Association shall be conducted by a Board of Directors ("Board") which shall consist of five natural persons of legal age, each of whom shall be an Owner or a member of the household of an Owner at all times during membership on the Board.

4.02. Election. At each annual meeting, subject to the provisions of Section 4.12 hereof, the Association shall be conducted of the Board as inquired under Sections 4.02 and 4.03 who shall serve the terms set out in Section 4.02; provided, however, the members of the Board elected to succeed the Developers may be elected at a special meeting duly called and specifically called for that purpose by Developers, the Board elected at that special meeting to serve until the first annual meeting of the Association held thereafter. At least thirty (30) days prior to any annual meeting of the Association, the Board shall elect from the Association a Nominating Committee of not less than two (2) Owners (none of whom shall be members

of the Board) which shall recommend to the annual meeting one nominee for each position on the Board to be filled at that particular annual meeting. Nomination for a position on the Board may also be made by petition filed with the Secretary of the Association at least seven (7) days prior to the annual meeting of the Association, which petition shall be signed by ten (10) or more Owners and by the nominee named therein indicating his willingness to serve as a member of the Board, if elected.

4.03. Term. Members of the Board shall serve for a term of two (2) years; provided, however, that three (3) members of the first Board elected by the Association at the annual meeting thereof shall be elected and shall serve for a term of one (1) year and the other two (2) members shall be elected and serve for a term of two (2) years. Thereafter, all Board members elected each year shall serve for a term of two (2) years. The members of the Board shall serve until their respective successors are duly elected and qualified, or until their death, resignation or removal.

4.04. Resignation and Removal. Any member of the Board may resign at any time by giving written notice to the President, the remaining Board members or the Manager. Any member of the Board may be removed from membership on the Board by a two-thirds (2/3rds) majority affirmative vote of the Association except that a vacancy on the Board shall be deemed to exist in the event of the death of a member, the disability of a member which, in the opinion of a majority of the Board, renders such member incapable of performing Board duties, or in the event a

member shall cease to be an Owner. Whenever there shall occur a vacancy on the Board for any reason, the remaining members shall elect a successor member to serve until the next annual meeting of the Association or until a special meeting is called for filling vacancies, at which time said vacancy shall be filled by the Association for the unexpired term, if any.

4.05. Compensation. The members of the Board shall receive no compensation for their services unless expressly provided for by the Association but shall be reimbursed for reasonable expenses incurred by them in the performance of their duties.

4.06. Powers and Authority of the Board. The Board, for the benefit of the Property and the Association, shall enforce the provisions of this Declaration, these By-Laws, the Rules and Regulations governing the Property. Subject any provision herein, the Board shall have the power and - authority to acquire and pay for the following, which shall be deemed Common Expenses of the Association:

A. Water, sewer, garbage collection, electrical, telephone and gas and other necessary utility services for the Common Properties.

B. The services of a person or firm to manage its affairs (herein called "Manager"), to the extent deemed advisable by the Board as well as such other personnel as the Board shall determine shall be necessary or proper for the operation of the Property, whether such personnel are employed directly by the Board or are furnished by the Manager. All persons employed to manage or assist in the management or

maintenance of the Property shall be employed at the will of the *Board*; provided that a manager may be employed for successive periods not exceeding three (3) years in each case. The Board may delegate any of its duties, powers or functions relating to the daily administrative affairs of the Association to any person or firm designated by the Board to act as Manager.

C. Legal and accounting services necessary or advisable in the operation of the Property and the enforcement of this Declaration, these By-Laws, and any Rules and Regulations made pursuant thereto.

D. A fidelity bond naming the Manager, and such other persons as may be designated by the Board as principals and the Board, Association and Owners as obligees, in an amount to be determined from time to time by the Board.

E. Painting, maintenance, repair, replacement and landscaping of the Co-on Properties, including resurfacing of existing roads. The Board shall also have the exclusive right from time to time to acquire and dispose of by sale or otherwise and without the necessity of approval by any Owner, furnishings and equipment and other personal property for the Common Properties and to provide maintenance, repair and replacement thereof.

F. Any other materials, supplies, labor, services, maintenance, repairs, structural alterations, insurance, taxes or assessments that the Board is required to secure or pay for pursuant to the terms of this Declaration, these By-Laws or any Rules or Regulations promulgated hereunder or which¹ in its opinion, shall be necessary or advisable for the operation of the Property or for the enforcement of

this Declaration, these By-Laws, or the Rules and Regulations.

The Board shall have the exclusive right to contract for all goods, services, including security personnel, and insurance, payment for which is to be made from Common Expenses. The provision shall not be construed to prohibit the Board from delegating such authority to the Manager as it deems proper.

4.07. Additional Powers of the Board. The Board shall have the right to acquire, operate, lease, manage, mortgage, and otherwise trade and deal with the Common Properties as may be necessary or convenient in the operation and management of the Common Properties, and in accomplishing the purposes set forth herein. The Board or any managing agent or entity designated by the Board shall be deemed the agents of the Owners and as such shall manage, maintain and improve the Common Properties and also collect, conserve, allocate and expend money received from the Owners in a manner consistent with such agent's relationship and in conformity with this Declaration, these By-Laws and the Rules and Regulations.

4.08. Meetings of the Board. Meetings of the Board shall be held at such places within or without the State of Tennessee as the Board shall determine. Three (3) members of the Board shall constitute a quorum, and if a quorum is present, the decision of a majority of those present shall be the act of the Board. Meetings of the Board shall be chaired by the President of the Association and the minutes shall be recorded by the Secretary of the Association, whether said Secretary is a member of the Board or not. The Board shall annually elect all of the officers set forth in Section 5.05 hereof. The

meeting for the election of officers shall be held at a meeting of the Board to be held immediately following the annual meeting of the Association. Any action required to be or which may be taken by the Board may be taken without a meeting of the Board pursuant to a written consent setting forth the action so taken, signed by all members of the Board.

4.09. Special Meetings. Special meetings of the Board may be called by the President of the Association or by any two Board members.

4.10. Notice of Meetings. Regular meetings of the Board may be held without call or notice. The person or persons calling a special meeting of the Board shall, at least ten (10) days before the meeting, give notice thereof by any usual means of communication. Such notice need not specify the purpose for which the meeting is called. If an agenda is prepared for such a meeting, the meeting need not be restricted to discussions of those items listed on the agenda.

4.11. Waiver of Notice. Any members of the Board may, at any time, waive notice of any meeting of the Board in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board at any meeting thereof shall constitute a waiver of notice of such meeting unless a Board member attends the meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called and does so object by delivering a written document to that effect.

4.12 Developers Perform Functions. Until (a) October 1, 1980, or (b) the sale of seventy-five percent (75%)

of the Lots, as Lots are defined in Section 8.05(A), whichever of (a) or (b) first occurs, the rights, duties and functions of the Board shall be exercised by the following: Herman Ferger, III, President of Lakeshore Development Company, Inc.; Atwood Butler, Vice-President of Lakeshore Development Company, Inc.; James L. Houser; V. P. Serodino; and Glenn F. (atlin; provided that at any time prior thereto at their option, Developers may call a special meeting of the Association to elect a Board to succeed Developers pursuant to Section 4.02 hereof. If (a) above should be the first to occur, then from October 1, 1980, until (b) occurs, but in no event after October 1, 1983. Developers shall retain the right to appoint two members to the Board, which members may or may not be Owners; provided Developers may by written notice to the Board at any time waive the right of appointment of one or both of such Directors under this Section 4.12. If any vacancies exist on the Board prior to (a) or (b) occurring, said vacancies shall be filled by majority vote of the remaining directors.

4.13. Notice of Election. After the election of the Board to succeed the first Board, the Secretary of the Association shall execute and, where desirable, acknowledge and record a certificate stating the names of all of the members of the then Board, provided, that in the event of the disability or other incapacity of the Secretary, the President of the Association shall be empowered to execute the aforesaid certificate. The certificate shall be conclusive evidence thereof in favor

of all persons who rely thereon in good faith.

4.14. Fiscal Year. The fiscal year shall be determined by the Board.

4.15. Special Committees. The Board by resolution duly adopted may designate one or more special committees, each committee to consist of two (2) or more Owners appointed by the Board¹ which, to the extent provided in said resolution, shall have and may exercise the powers set forth in said resolution. The Board may also rescind any such resolution by a further resolution duly adopted. Such Special Committee or Committees shall have such name or names as may be determined from time to time by the Board. Such Special Committees shall keep regular minutes of their proceedings and report the same to the Board when required. The Board may appoint Owners to fill vacancies on Special Committees.

4.16. Rules and Regulations. The Board shall have the power and right to adopt and amend rules and regulations for the purpose of governing the details of the operation and use of the Common Properties and setting forth restrictions on, and requirements respecting the use and maintenance of the Common Properties. Copies of the Rules and Regulations shall be furnished to each Owner prior to the time the same shall become effective.

4.17. Limitation on Capital Additions, Etc. Except as permitted in Article 4.06(E) and Article XI, the Board shall authorize no structural alterations capital additions to, or capital improvements of the Common Properties¹ any of which require an expenditure in excess of Five Thousand Dollars (\$5,000.00) without approval of a majority vote of the Association; or in

excess of Ten Thousand Dollars (\$10,000.00) without approval of two-thirds of the vote of the Association; provided, however, that the Board shall have the power to make any such structural alterations, capital additions to, or capital improvements of, the Common Properties as are necessary, in the Board's reasonable judgment to preserve or maintain the integrity thereof without obtaining such approval, if in the opinion of the Board an emergency exists which should be corrected before a meeting of the Association could be reasonably called and held.

4.18. Failure to Insist on Strict Performance Not Waiver. The failure of the Board or its agents to insist, in any one or more instances, upon the strict performance of any of the terms, covenants, conditions or restrictions in this Declaration or these By-Laws, or the Rules and Regulations or to exercise any right or option herein contained, or to serve any notice or to institute any action shall not be construed as a waiver or a relinquishment, for the future of such term, covenant, condition or restriction, right, option or notice; but such term, covenant, condition or restriction, right, option or notice shall remain in full force and effect.

ARTICLE V

THE ASSOCIATION; MEETINGS, OFFICERS, ETC.

5.01. Quorum. The presence in person or by proxy at any meeting of the Association of fifty percent (50%) of the Owners of Lots subject to assessment under Section 8.05A or Owners entitled to cast at least fifty (50) votes, whichever is less, in response to notice to all Owners properly given in accordance with Sections 5.02 or 5.03 of the By-Laws, as the

case may be, shall constitute a quorum. Unless otherwise expressly provided in this Declaration, any action may be taken at any meeting of the Association upon the affirmative vote of persons entitled to cast a majority of the votes which are represented at such meeting.

5.02. Annual Meeting. There shall be an annual meeting of the Association on the first Monday of February at 6:00 P.M. at such reasonable place or other time (but not more than sixty (60) days before or after such date) as may be designated by written notice by the Board delivered to the Owners not less than fifteen (15) days prior to the date fixed for said meeting. At or prior to the annual meeting, the Board shall furnish to the Owners: (1) a budget for the coming fiscal year that shall itemize the estimated Common Expenses of the coming fiscal year with the estimated allocation thereof to each Owner; and (2) a statement of the Common Expenses itemizing receipts and disbursements for the previous and, if then available, for the current fiscal year, together with the allocation thereof to each Owner. Within ten (10) days after the annual meeting, the budget statement shall be delivered to the Owners who were not present at the annual meeting if not previously provided.

5.03. Special Meeting. Special meetings of the Association may be held at any time and at any reasonable place to consider matters which, by the terms hereof, require the approval of all or some of the Owners, or for any other reasonable purpose. Special meetings shall be called by a majority of the Board, or by at least one-third (1/3) of the Owners by written notice, delivered to all Owners not less than thirty (30) days prior to the date fixed for said meeting. The notice shall

specify the date, time and place of the meeting, and the matters to be considered.

5.04. Parliamentary Rules. Robert's Rules of Order (latest edition) shall govern the conduct of Association meetings when not in conflict with this Declaration or other such rules adopted by the Board.

5.05. Officers. The officers of the Association shall be a President, Vice-President, Secretary, and Treasurer. Each officer shall be required to be an Owner, and the President must be a member of the Board. No officer shall receive compensation for serving as such. Officers shall be annually elected by the Board and may be removed and replaced by the Board. The Board may, in its discretion, require that officers be subject to fidelity bond coverage.

A. President. The President shall preside at all meetings of the Association and of the Board and may exercise the powers ordinarily allocable to the presiding officer of an association, including the appointment of committees.

B. Vice-President. In the absence or inability of the President, the Vice-President shall perform the functions of the President.

C. Secretary. The Secretary shall keep the minutes of all proceedings of the Board and of the meetings of the Association and shall keep such books and records as may be necessary and appropriate for the records of the Association and the Board, including the minute book wherein the resolutions shall be recorded.

D. Treasurer. The Treasurer shall be responsible for the fiscal affairs of the Board and the Association, but may delegate the daily handling of funds to the Manager and accounting to accountants selected by the Board.

ARTICLE VI

LIABILITY AND INDEMNIFICATION

6.01. Liability of Members of the Board and Officers. The members of the Board, the officers and any agents and employees of the Association: (i) shall not be liable to the Owners or Association as a result of their activities as such for any mistake of judgment, or otherwise, except for their own willful misconduct, bad faith, or failure to exercise that degree of diligence, care and skill which ordinarily prudent men would exercise under similar circumstances in like positions; (ii) shall have no personal liability to an Owner or any other person or entity under any agreement, instrument or transaction entered into by them on behalf of the Owners in their capacity as such; (iii) shall have no personal liability in tort to an Owner or any other person or entity direct or imputed by virtue of acts performed by them as Board members and/or officers except for their own willful misconduct, bad faith, or failure to exercise that degree of diligence, care and skill which ordinarily prudent men would exercise under similar circumstances in like positions; and (iv) shall have no personal liability arising out of the use, misuse or condition of the Common Properties, or which might in any other way be assessed against or imputed to them as a result or by virtue of their capacity as such Board members and/or officers.

6.02. Indemnification by Association. To the extent now or hereafter permitted by applicable law, the Association shall indemnify and hold harmless any person, his heirs and personal representatives, from and against any and all personal liability, and all expenses, including without limitation counsel fees and court costs, incurred or imposed¹ or arising

out of or in settlement of any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative instituted by any one or more Owners or any other persons or entities, to which he shall be or shall be threatened to be made a party by reason of the fact that he is or was a member of the Board or an officer or agent or employee of the Association, provided, in the case of any settlement, that the Board shall have approved the settlement, which approval is not to be unreasonably withheld. Such right of indemnification shall not be deemed exclusive of any other rights to which such person may be entitled as a matter of law or agreement or by vote of the Association or of the Board, or otherwise. The indemnification by the Association set forth in this Article VI shall be paid by the Board on behalf of the Association and shall constitute a Common Expense.

6.03. Costs of Suit in Actions Brought by One or More Owners on Behalf of All Owners. No suit shall be brought by one or more but less than all Owners on behalf of all Owners without approval of a majority of Owners and, if approval is obtained, the plaintiff's expenses, including reasonable counsel's fees and court costs, shall be a Common Expense unless such suit is brought by one or more Owners against other Owners, the Association or against the Board, the officers, employees, or agents thereof, in their capacities as such, with the result that the ultimate liability asserted would, if proved, be borne by all Owners as defendants, in which event the plaintiff's expenses, including counsel's fees and court costs, shall not be charged as a Common Expense.

6.04. Notice of Suit and Opportunity to Defend.

Suits brought against the Association, or the Board, or the officers, employees or agents thereof, in their respective capacities as such, or the Property as a whole, shall be directed to the President of the Association, who shall promptly give written notice thereof to the other members of the Board and any Mortgagees, and shall be defended by the Board, and the Association and all Owners shall have no right to participate other than through the Board in such defense. Suits against one or 'more, but less than all Owners shall be directed to such Owners, who shall promptly give written notice thereof to the Board and to the Mortgagees of the Lots affected, and shall be defended by such Owners at their expense.

ARTICLE VII

PURPOSES, USES AND RESTRICTIONS

7.01. Common Properties. The Common Properties shall not be used except for one or more of the following purposes:

A. Recreational facilities, the primary purpose of which is to serve the residents of Hidden Harbor Community.

B. Historic Sites.

C. Parks and Parkway Areas.

D. Natural Sites worthy of scenic preservation.

E. Walking paths and bicycle paths.

The Common Properties shall remain permanently as open space and there shall be no subdivision of same. No building, structure or facility shall be placed, installed,

erected, or constructed in or on said Common Properties, unless it is purely incidental to one or more of the uses above specified. Notwithstanding any other provision of this Declaration, no amendment shall be made hereto affecting the Common Properties without the consent and approval of the Hamilton County Planning Commission, and no amendment shall be made hereto which in any manner impairs or diminishes the rights of the members of the Association in the Common Properties.

Any sewage disposal plant, and easements appurtenant although deeded to the Association, shall be exempted uses above specified.

7.02. Dwelling Unit. A Dwelling Unit shall be and used only as a single-family private residence.

7.03 Business Use. No panel or commercial trucks shall be habitually parked in driveways or on streets in front of property. No commercial or home business shall be permitted within the Properties except that the Developers shall have the right to maintain a sales office upon the Property, and, until the last Lot being offered for sale has been sold, the Developers may maintain one or more model Dwelling Units upon the Property. Nothing contained herein shall prohibit the Association from permitting, maintaining or operating concessions, or vending machines, on the Common Properties.

7.04. Obstructions. No obstruction of the Common Properties shall be permitted.

7.05. Signs. No sign of any kind shall be displayed to the public view from any Lot or from the Common Properties, without the prior written consent of the Association.

7.06. Animals. No animals, livestock or poultry shall be raised, bred or kept on any Lot or in or upon the Common Properties, except that dogs, cats, and other household pets may be kept in any Dwelling Unit, but shall not be bred for commercial purposes, subject to the Rules and Regulations adopted by the Board.

7.07. Unkempt Conditions. It shall be the responsibility of the Owner to prevent the development of any unclean, unsightly, or unkempt building or grounds on such Owner's Lot or Lots which shall tend to substantially decrease the beauty of the specific area or of the neighborhood as a whole.

7.08. Noxious Activity. No noxious or offensive activity shall be carried on upon any Lot, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood. There shall not be maintained any plants or animals, or device or thing of any sort whose normal activities or existence is in any way noxious, dangerous, unsightly, unpleasant or of a nature as may diminish or destroy the enjoyment of other property in the neighborhood by the Owners thereof. Furthermore, no liquor, beer, wine or other intoxicating substances shall be sold on or from the Property or Common Properties.

7.09. Permitted Entrances. In order to implement and effect insect, reptile and woods fire control, the Developers reserve for themselves and for the Association and its agents the right to enter upon any Lot on which a Dwelling Unit has not been constructed and upon which no landscaping plan has

been implemented (with prior written approval of the Association for such plan) g such entry to be made by personnel with tractors or other suitable devices, for the purpose of mowing, removing, clearing¹ cutting or pruning underbrush, weeds or other unsightly growth, which in the opinion of the Developers or the Association detracts from the overall beauty, setting and safety of the Property or Common Properties. Such entrance for the purpose of mowing, cutting, clearing or pruning shall not be deemed a trespass. The Developers and Association and its agents may likewise enter upon such land to remove any trash which has collected on said Lot without such entrance and removal being deemed a trespass. The provisions of this Section 7.09 shall not be construed as an obligation on the part of the Developers or the Association or its agents to mow, clear, cut or prune any Lot or to provide garbage or trash removal services.

7.10. Garages. Each Dwelling unit shall have a double car garage or carport, such garage or carport to be constructed at the same time as the Dwelling Unit. A garage may be located in the basement of a Dwelling t]nit. There shall be no detached garages. Any garage having an opening on the street upon which the Dwelling Unit fronts shall have the inside walls finished.

7.11. Parking. In addition to the provisions of Section 7.10, each Owner shall provide space for parking automobiles of f the street prior to the occupancy of any Dwelling Unit constructed on a Lot or subdivision of Lots in accordance with reasonable standards established by the Board.

7.12. Street Side Light. Each Owner shall erect and maintain at least one outside light, gas or electric, either on a lamppost or supporting column of some similar type, within fifteen (15) feet of the street curb.

7.13. Driveways. All driveways on Lots shall be constructed of plant mix asphalt or of concrete.

7.14. Mobile Homes and Towed Vehicles. No mobile type of home shall be placed or permitted to remain on any Lot. Any boat trailers, campers or other towed vehicles kept on any Lot shall be parked at the rear of the rear line or elevation of the Dwelling Unit thereon.

7.15. Sewage Disposal. There shall not be erected, permitted, maintained or operated on any Lot any privy, cesspool, vault or any form of privy, except such sewage system as meets the requirements of the Hamilton County Health Department regulations.

7.16. Temporary Structures. No outbuilding, garage, shed, tent, trailer, or temporary building of any kind shall be erected, constructed, permitted, or maintained prior to commencement of the erection of a Dwelling Unit; provided, however, that this Section shall not be deemed or construed to prevent the use of a temporary construction shed during the period of actual construction of any Dwelling Unit nor the use of adequate sanitary toilet facilities for workmen -which shall be provided during such construction.

7.17. Occupancy Before Completion. No Dwelling Unit shall be used either permanently or temporarily as a residence until the exterior of said Dwelling Unit and all yard work is completed.

7.18. Outbuildings. No trailer, tent, barn, servants quarters, or other similar outbuilding or structures shall be placed upon any Lot at any time, either temporarily or permanently, other than temporary construction equipment vans or sheds during the course of construction. Tree houses and exterior storage structures shall be permitted provided prior approval is obtained in accordance with Article X.

7.19. Tanks and Garbage Receptacles. No fuel tanks or similar storage receptacles may be exposed to view, and such tanks or receptacles may be installed only within a Dwelling Unit, within any accessory building, within a screened area or buried underground. Garbage receptacles shall be placed in a screened area, approved fence, shrubbery or combination thereof, when placed next to the road for garbage pickup.

7.20. Wells. No private water wells may be drilled or maintained on any residential Lot without the written consent of the Board.

7.21. Subdivision of Lots. No Lot shall be sub-divided or its boundary lines changed, except with the written consent of the Board. However, the Developers reserve unto themselves, their successors and assigns, and unto the Association, its successors or assigns, the right to use any Lot or Lots, or portion thereof, as a right-of-way, and the right to replete any two (2) or more Lots shown on the plat of any portion of the Property in order to create a Lot or Lots; and to take such other steps as are reasonably necessary to make such replatted Lots suitable and fit as a building site to include but not be limited to the relocation of easements, walkways, rights of way, to conform to the new boundaries of replatted

Lots or *parts* thereof to make one (1) Lot. In such event, the combined Lots shall be considered as one (1) Lot for the purpose of the applications of the provisions of this Declaration. Any changes in the boundary lines of any Lots and any replatting of any Lots must first receive the approval of the Kamilton County Planning Commission and must be in compliance with applicable zoning and subdivision regulations.

7.22. Easements Reserved. The Developers reserve unto themselves, their successors and assigns, and to the Association, its successors and assigns, a perpetual, alienable and releasable easement and right on, over and under the ground to erect, maintain and use electric and telephone poles, wires, cables, conduits, sewers, water mains, and other suitable equipment for the conveyance and use of electricity, telephone equipment, gas, sewer, water, or other public conveniences or utilities on, in or over those portions of each Lot, parcel or tract of land within ten (10) feet of each side lot line and fifteen (15) feet of each rear lot line for utility line purposes; provided¹ however, that no such utility easement shall be applicable to any portion of such Lot, parcel, or tract as may (a) have been used prior to the installation of such utilities for construction of a building whose plans were approved pursuant to the provisions of Article X by the Association or (b) have been designated as the site for construction of a building on a plot plan which has been filed with the Association and which has been approved in writing by the Association. These easements and rights expressly include the right to cut any trees, bushes or shrubbery, make any gradings of the soil, or to take any other similar

action reasonably necessary to provide economical and safe utility installation and to maintain reasonable standards of health, safety and appearance. The Developers and the Association further reserve the right to locate wells, pumping stations, and tanks within residential areas and on the Common Properties, or to locate same upon any Lot with the permission of the Owner of such Lot. Such rights may be exercised by any successor licensee of the Developers or the Association but this reservation shall not be considered an obligation of the Developers or the Association to provide or maintain any such utility or service.

7.23. Square Footage Requirements. No Dwelling Unit shall be constructed and maintained on any Lot unless it shall conform to the minimum square foot enclosed dwelling area requirements set forth in this Section computed by external measurement. The term "enclosed dwelling area" as used in these minimum size requirements shall mean the total enclosed area within a Dwelling Unit; provided, however, that such term does not include garages, terraces, decks open porches, and the like areas, or shed-type porches, even though attached to the Dwelling Unit. The term does include, however, screened porches, if the roof of such porches forms an integral part of the roof line of the main Dwelling Unit or if they are all on the ground floor of a two-story structure.

A. Ranch -Type Dwelling Units. Ranch-type Dwelling Units, whether with or without a basement, shall have a minimum of 1,500 square feet of enclosed dwelling area if a single story building, and a minimum of 1,900 square feet of enclosed dwelling area if a two story building.

B. Split-Level Dwelling Units. Split-level and split-foyer Dwelling Units shall have a minimum of 1,400 square feet of enclosed dwelling area on the main floor and a minimum of 300 square feet of enclosed dwelling area on the lower part of the Dwelling Unit.

7.24. Set Backs and Fences. A Dwelling Unit or any part thereof 1 exclusive of terraces, stoops, steps, and other such areas not covered by a roof, shall not be erected or maintained nearer than forty (40) feet to the front or street line of any Lot; provided, however, that where the topography of the land makes this impractical, the Developers or the Board, in their sole discretion, may reduce the front set-back line as to any one of said Lots, but to not less than a set-back line of twenty-five (25) feet or the set-back shown on any plat. No Dwelling Unit, with the exclusions set forth above, shall be located nearer than ten (10) feet to any side or interior Lot or property line, nor nearer than twenty (20) feet to any side street line. A rear yard of not less than twenty-five (25) feet shall be provided. On corner Lots, Dwelling Units may be erected to front either street or angled to front the intersection of such streets. Furthermore, no fences shall be erected or maintained in front of the rear line or elevation of a Dwelling Unit. All set-backs can be varied by the Board and applicable governmental authorities, if required.

7.25. Combining Lots. Nothing herein shall prevent an Owner of two (2) or more adjoining Lots from building a single Dwelling Unit upon said Lots provided the minimum square

footage requirements of Section 7.22 are complied with and the set-back requirements of Section 7.23 as to the outside property lines of said Lots are complied with. The Owner of multiple Lots shall pay an assessment on each Lot.

7.26. Building Materials. No exposed concrete blocks shall be used in any part of the building, foundation, or elevation of a Dwelling Unit, nor shall any asbestos siding, permastone, or stucco be used on the exterior of any part of the foundation, elevation, or retaining wall that is visible from the street; provided, however, that the Developers or the Board, in their sole discretion, may permit some stucco to be used on the exterior of the elevation, but not in the foundation. The approval of the Developers or the Board of such use of stucco must be in writing and recorded in the Register's Office of Hamilton County, Tennessee.

7.27. Swimming Pools. Swimming pools may be erected and installed on the Lots provided: (a) approval is obtained in accordance with Article X; and (b) no part thereof shall be erected or maintained in front of the rear line or elevation of a Dwelling Unit unless approved by the Board and applicable governmental authorities, if required.

7.28. Violations and Enforcement. In the event of the violation, or attempted violation, of any one or more of the provisions of this Article or of this Declaration, the Developers, their successors or assigns, or the Association, its successors or assigns, including all parties hereafter becoming Owners of any one or more of the Lots to which the provisions of this Declaration apply, may bring an action or

actions against the Owner seeking to enjoin such violation, or attempted violation, and the Owner shall be further liable for such damages as may accrue, including any court costs and reasonable attorney's fees incident to any such proceeding, which casts and fees shall constitute liquidated damages. In the event of a violation of set-back lines, either side or front, which may be minor in character, a waiver thereof may be made by the Developers, their successors or assigns, or the Board. Further, the Developers or the Board may grant variances as to the enclosed dwelling area requirement of a Dwelling Unit, or other restrictions set forth in this Article, if such variances do not, in the sole discretion of the Developers or the Board adversely affect the purposes sought to be attained hereby.

By reason of the rights of enforcement of the provisions of this Article being given unto Owners of Lots (subject to rights of variance reserved by the Developers and the Board), it shall not be incumbent upon the Developers or upon the Association to enforce the provisions of this Article or to prosecute any violation thereof.

ARTICLE VIII

ASSESSMENTS

8.01. Creation of the Lien and Personal Obligation of Assessments. The Developers, by recordation of this Declaration, for each Lot owned by them within the Properties, each Owner by acceptance of a deed conveying a Lot, whether or not it shall be so expressed in any such deed or other conveyance, and the record owners of the excluded lots in Sections 2.01(A) and (B)

by submission of such lots to this Declaration under the provisions of Section 2.02 hereof, shall be deemed to covenant and agree to all of the terms and provisions of these covenants and pay to the Association annual assessments and special assessments for the purposes set forth in Section 8.04 of this Article, such assessments to be fixed, established and collected from time to time as hereinafter provided. The Owner of each Lot shall be personally liable, such liability to be joint and several if there are two or more co-owners, to the Association for the payment of all assessments, whether annual or special, which may be levied while such party or parties are Owners of a Lot. The annual and special assessments, together with such interest thereon and costs of collection therefor as hereinafter provided, shall be a charge and continuing lien on the Lot and all of the improvements thereon against which each such assessment is made. Unpaid assessments shall bear interest from due date to date of payment at the rate set by the Board, and said rate can be changed from time to time so that the rate is reasonably related to the economic situation.

8.02. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the Owners and for the improvement and maintenance of the Common Properties.

The special assessments shall be used for the purposes set forth in Section 8.04 of this Article.

8.03. Basis and Maximum Amount of Annual Assessments. Until the year beginning January 1, 1979, the annual assessments shall not be more than One Hundred Twenty Dollars (~120.00) per year per Lot unless a higher annual assessment is approved by three-fourths

(3/4ths) of the vote at the annual or any special meeting of the Association. The Owner of one or more Lots who also owns one or more Dwelling Units located upon the Lot(s) shall pay one assessment for each Lot but shall not be assessed for the Dwelling Units located thereon. From and after January 1, 1979, the annual assessment may be increased each year by a percentage which equals the rise in the cost of living for the previous year as reflected in the Consumer Price Index - United States for urban wage earners and Clerical workers (including single workers) (or similar publication to be selected by the Board if it ceases to be published) for such year unless three-fourths (3/4ths) of the vote at the annual or any special meeting of the Association votes against said increase or votes to increase said annual assessment by a greater amount or to decrease the annual assessment.

8.04. Special Assessments for Improvements and Additions. In addition to the annual assessments authorized by Section 8.03 hereof, the Association may levy special assessments for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto or addition to the Common Properties, provided that any such assessment shall have the assent of three-fourths (3/4ths) of the vote of the Lot Owners, excluding the Lots owned by Developers, at a duly called meeting of the Association, written notice of which shall be sent to all Members at least thirty (30) days in advance setting forth the purpose of the meeting.

8.05. Property Subject to Assessment.

A. Only land within the Properties which has been

subdivided into Lots, and the plats thereof filed for public record, shall constitute a Lot for purposes of these assessments. Projected locations for future platted lots shown on the Master Plat will not be subject to assessment, unless and until such locations are subdivided into Lots, filed of record, and subjected to this Declaration.

B. Lots subject to assessment under the preceding paragraph and owned by the Developers are assessable at one-half (1/2) the assessment on Lots owned by others.

8.06. Exempt Property. No Owner may exempt himself from liability for any assessment levied against his Lot by waiver of the use or enjoyment of any of the Common Properties or by abandonment of his Lot or in any other way.

The following property, individuals, partnerships or corporations, subject to this Declaration, shall be exempted from the assessment, charge and lien created herein:

- (a) The grantee of a utility easement.
- (b) All properties dedicated and accepted by a local public authority and devoted to public use.

(c) All Common Properties as defined in Article I hereof.

(d) All Properties exempted from taxation by the laws of the State of

Tennessee, upon the terms and to the extent of such legal exemptions. This exemption shall not include special exemptions, now in force or enacted hereinafter, based upon age, sex, income levels or similar classification of the Owners.

8.07. Date of Commencement of Annual Assessments.

A. The annual assessments provided for herein shall

commence on the date (which shall be the first day of a month) fixed by the Board to be the date of commencement, but not earlier than January 1, 1977, nor later than December 1, 1977. The Developers shall maintain the Common Properties until the date of commencement of such assessments.

B. The first annual assessments shall be made for the balance of the calendar year and shall become due and payable on the day fixed for commencement. The assessments for any year, after the first year, shall become due and payable the first day of January of said year, however, the Board may authorize payment in four (4) equal quarterly payments.

C. The amount of the annual assessment which may be levied for the balance remaining in the first year of assessment shall be an amount which bears the same relationship to the annual assessment provided for in Section 8.03 hereof as the remaining number of months in that year bears to twelve. The same reduction in the amount of the assessment shall apply to the first assessment levied against any Lots in Additional Land if the assessment commences at a time other than the beginning of any assessment period.

D. The due date of any special assessment under Section 8.04 hereof shall be fixed in the resolution authorizing such assessment.

8.08. Lien. Recognizing that the necessity for providing proper operation and management of the Properties entails the continuing payment of costs and expenses therefor, the Association is hereby granted a lien upon each Lot and the improvements thereon as security for the payment of all assessments against said Lot, now or hereafter assessed, which lien

shall also secure all costs and expenses, and reasonable attorney's fees, which may be incurred by the Association in enforcing the lien upon said Lot. The lien granted to the Association may be foreclosed as other liens are foreclosed in the State of Tennessee. Failure by the Owner or Owners to pay any assessment, annual or special, on or before the due dates set by the Association for such payment shall constitute a default, and this lien may be foreclosed by the Association.

8.09. Lease, Sale or Mortgage of Lot. Whenever any Lot may be leased, sold or mortgaged by the Owner thereof, which lease, sale or mortgage shall be concluded only upon compliance with other provisions of this Declaration, the Association, upon written request of the Owner of such Lot, shall furnish to the proposed lessee, purchaser or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by the Owner of such Lot; and such statement shall also include, if requested, whether there exists any matter in dispute between the Owners of such and the Association under this Declaration. Such statement shall be executed by any officer of the Association, and any lessee, purchaser or mortgagee may rely upon such statement in concluding the proposed lease, purchase or mortgage transaction, and the Association shall be bound by such statement.

In the event that a Lot is to be leased, sold or mortgaged at the time when payment of any assessment against said Lot shall be in default, then the rent, proceeds of such purchase or mortgage shall be applied by the lessee, purchaser or mortgagee first to payment of any then delinquent assessment or installments thereof due to the Association before payment

of any rent, proceeds of purchase or mortgage to the Owner of any Lot who is *responsible for* payment of such delinquent assessment.

In any voluntary conveyance of a Lot, the grantee(s) shall be jointly and severally liable with the grantor(s) for all unpaid assessments against the grantor(s) and the Lot made prior to the time of such voluntary conveyance, without prejudice to the right of the grantee(s) to recover from the grantor(s) the amounts paid by the grantee(s) therefor.

ARTICLE IX
MORTGAGES, *MORTGAGEES* AND PROCEDURES AND
RIGHTS RELATING THERETO

9.01. Register of Owners and Mortgages. The Association shall at all times maintain a register setting forth the names of the Owners, and, in the event of a sale or transfer of any Lot to a third party, the purchaser or transferee shall notify the Association Board in writing of his interest in such Lot, together with such recording information that shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any Lot. Further, the Owner shall at all times notify the Association of any Mortgage and the name of the Mortgagee on any Lot, and the recording information which shall be pertinent to identify the Mortgage and Mortgagee. The Mortgagee may, if it so desires, notify the Association of the existence of any Mortgage held by it, and upon receipt of such notice, the Association shall register in its records all pertinent information pertaining to the same.

9.02. Subordination of Lien to First Mortgages. The liens provided for in this Declaration shall be subordinate to

the lien of a First Mortgage on any Lot if, and only if, all assessments, whether annual or special, with respect to such Lot having a due date on or prior to the date such Mortgage is recorded have been paid. In the event a First Mortgagee shall acquire title to any Lot by virtue of any foreclosure, deed in lieu of foreclosure, or judicial sale, such Mortgagee acquiring title shall only be liable and obligated for assessments, whether annual or special, as shall accrue and become due and payable for said Lot subsequent to date of acquisition of such title. In the event of the acquisition of title to a Lot by foreclosure, deed in lieu of foreclosure, or judicial sale, any assessments, whether annual or special, as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners as a part of the Common Expense; provided, however, nothing contained herein shall be construed as releasing the party or parties liable for such delinquent assessments from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

9.03. Amendments. No Amendment to this Article IX shall adversely affect the rights of any First Mortgagee whose Mortgage was recorded prior to the Amendment unless such Mortgagee consents to such Amendment.

9.04. Extension of Benefits to Other Mortgagees. By subordination agreement executed by a majority of the Board, the benefits of Sections 9.02 and 9.03 of this Article may be extended to Mortgagees not otherwise entitled thereto.

9.05. Mortgagees' Approval of Certain Actions. Unless at least seventy-five percent (75%) of the First Mortgagees (based upon one vote for each First Mortgage owned) of the Lots

have given their prior written approval, the Association shall not be entitled to:

A. By act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Properties owned, directly or indirectly, by the Association;

B. Change the method of determining the obligations, assessments, dues or other charges which may be levied against a Lot Owner;

C. By act or omission change, waive or abandon the plan of regulations, or enforcement thereof, pertaining to the architectural design or exterior appearance of the units, the maintenance of the Common Properties or the upkeep thereof; or

D. Use hazard insurance proceeds for losses to any Common Properties for other than the repair, replacement or reconstruction of such Common Properties.

9.06. Notice of Default to First Mortgagees. If requested by a First Mortgagee, the Association shall notify each First Mortgagee of any default by the Mortgagor of a Lot in the performance of said Mortgagor's obligations under this Declaration which is not cured within sixty (60) days.

9.07. Examination of Books. Each Owner and each Mortgagee of a Lot shall be permitted to examine the books and records of the Board and Association during regular business hours.

ARTICLE X

ARCHITECTURAL CONTROL

10.01. Review and Approval of Plans and Specifications for Construction, Additions, Alterations or Changes to Structures.

No Dwelling Unit, building, fence or other structure, drives or parking areas, shall be erected, placed or altered on any Lot until the proposed building plans, specifications, exterior color or finish, site plan (showing the proposed location of such Dwelling Unit, building, fence, or structure, drives and parking areas) and construction schedules have been approved in writing by the Board or an architectural committee appointed by said Board. Refusal or approval of plans, location, or specifications may be based upon any ground, including purely aesthetic considerations, which, in the sole discretion of the Board or committee, shall be deemed sufficient. No alterations in the exterior appearance of any Dwelling Unit, building, fence or other structure shall be made without like approval. One (1) copy of all plans and related data shall be furnished to the Board or committee for its records. In the event said plans, location, specifications, or construction schedule shall have been properly submitted to the Board, and the Board should, within thirty (30) days of such submission, fail to give notice of approval or disapproval, such plan) locations, specifications or construction schedule shall be deemed to be approved in full. In the event of the completion of a Dwelling Unit without any proceedings being brought to enjoin the same, it shall be conclusively presumed that the plans, location, specification, or construction schedule of such Dwelling Unit have been approved.

10.02. Approval Standards. Approval of any proposed building plan, location, specifications or construction schedule submitted under Section 10.01 will be withheld unless such plans, location, and specifications comply with the provisions of Article VII of this Declaration and unless such construction

schedule complies with the provisions of Section 10.03. Approval of the plans and specifications by the Board or an architectural committee is for the mutual benefit of all Owners and is not intended to be, and shall not be construed as, an approval or certification that the plans and specifications are technically sound or correct from an engineering or architectural viewpoint. Each Owner shall be individually responsible for the technical aspect of the plans and specifications.

10.03. Exterior Completion. The exterior of all Dwelling Units and other construction must be completed within six (6) months after the construction of the same shall have commenced, except where such completion is impossible or would result in great hardship to the Owner or builder due to strikes, fires, national emergency or natural calamities.

ARTICLE XI

EMINENT DOMAIN

11.01. Board's Authority. If all or any part of the Common Properties (excluding personality) is taken or threatened to be taken by Eminent Domain, the Board is authorized and directed to proceed as follows:

A. To obtain and pay for such assistance from such attorneys, appraisers, architects, engineers, expert witnesses and other persons, as the Board in its discretion deems necessary or advisable, to aid and advise it in all matters relating to such taking and its effect, including, but not limited to (i) determining whether or not to resist such proceedings or convey in lieu thereof, (ii) defending or instituting any necessary proceedings and appeals, (iii) making any settlements with

respect to such taking or attempted taking, and (iv) deciding if, how and when to restore the Common Properties.

B. To negotiate *with* respect to any such taking, to grant any permits, licenses and releases and to convey all or any portion of the Common Properties and to defend or institute, and appeal from, all proceedings as it may deem necessary or advisable in connection with the same.

C. To have and exercise all such powers with respect to such taking or proposed taking and such restoration as those vested in Boards of Directors of corporations with respect to corporate property, including but not limited to, purchasing, improving, demolishing and selling real estate.

11.02. Notice to Owners and Mortgagees. Each Owner and each First Mortgagee on the records of the Association shall be given reasonable written advance notice of all final offers before acceptance, proposed conveyances, settlements and releases, contemplated by the Board, legal proceedings and final plans for restoration, and shall be given reasonable opportunity to be heard with respect to each of the same and to participate in and be represented by counsel in any litigation and all hearings, at such Owner's or Mortgagee's own expense.

11.03. Reimbursement of Expenses. The Board shall be reimbursed for all attorneys', engineers I, architects' and appraisers' fees, and other costs and expenses paid or incurred by it in preparation for, and in connection with, or as a result of, any such taking out of the compensation, if any. To the extent that the expenses exceed the compensation received, such expenses shall be deemed a Common Expense.

ARTICLE XII

OWNER COMPLAINTS

12.01 Scope. The procedures set forth in this Article for Owner Complaints shall apply to all complaints regarding the use or enjoyment of the Property or any portion thereof or regarding any matter within the control or jurisdiction of the Association, including, without limitation, decisions of the Association or of the Board of Directors of the Association.

12.02 Grievance Committee. There shall be established a Grievance Committee (referred to in this Article as "the Committee") to receive and consider all Owner complaints. The Committee shall be composed of the President of the Association and two other Owners appointed by and serving at the pleasure of the Board of Directors.

12.03 Form of Complaint. All complaints shall be in writing and shall set forth the substance of the complaint and the facts upon which it is based. Complaints are to be addressed to the President of the Association and sent in the manner provided in Section 14.03 for sending notices.

12.04 Consideration by the Committee. Within twenty (20) days of receipt of a complaint, the Committee shall consider the merits of the same and notify the complainant in writing of its decision and the reasons therefor. Within ten (10) days after notice of the decision, the complainant may proceed under Section 12.05; but if complainant does not, the decision shall be final and binding upon the complainant.

12.05 Hearing Before the Committee. Within ten (10) days after notice of the decision of the Committee, the complainant

may, in a writing addressed to the President of the Association, request a hearing before the Committee. Such hearing shall be held within twenty (20) days of receipt of complainant's request. The complainant, at his expense¹ and the Committee, at the expense of the Association, shall be entitled to legal representation at such hearing. The hearing shall be conducted before at least two members of the Committee and may be adjourned from time to time as the Committee in its discretion deems necessary or advisable. The Committee shall render its decision and notify the complainant in writing of its decision and the reasons therefor within ten (10) days of the final adjournment of the hearing. If the decision is not submitted to arbitration within ten (10) days after notice of the decision, as provided for in Section 12.07, the decision shall be final and binding upon the complainant.

12.06 Questions of Law. Legal counsel for the Association shall decide all issues of law arising out of the complaint, and such decisions shall be binding on the complainant.

12.07 Questions of Fact; Arbitration. If there shall be any dispute as to any material fact, either the Committee or the complainant may, at their option, within ten (10) days after notice of the decision as provided for in Section 12.05, submit the same to arbitration in accordance with the provisions for arbitration adopted by the American Arbitration Association by filing with the other party a notice of its intention to do so. The decision of the arbitrator shall be final and binding upon the complainant and the Committee. In the event of arbitration, each party shall bear one-half of the expense thereof.

12.08 Exclusive Remedy. The remedy for Owner complaints provided herein shall be exclusive of any other remedy,

and no Owner shall bring suit against the Committee, the Association, the Board of Directors or any member of same in his capacity as such member without first complying with the procedures for complaints herein established.

12.09 Expenses. All expenses incurred by complainant, including, without limitation, attorneys' fees and arbitration expenses and the like shall be the sole responsibility of complainant. All expenses of the Committee incident to such complaint shall be deemed a Common Expense of the Association.

ARTICLE XIII

REMEDIES ON DEFAULT

13.01 Scope. Each Owner shall comply with the pro-visions of this Declaration, the By-Laws and the Rules and Regulations of the Association as they presently exist or as they may be amended from time to time, and each Owner shall be responsible for the actions of his or her family members, servants, guests, occupants, invitees or agents.

13.02 Grounds for and Form of Relief. Failure to comply with any of the Covenants of this Declaration, the By-Laws, or the Rules and Regulations promulgated by the Board which may be adopted pursuant thereto shall constitute a default and shall entitle the Association to seek relief which may include, without limitation, an action to recover any unpaid assessment, annual or special, together with interest as provided for in Section 8.01, any sums due for damages, injunctive relief, foreclosure of lien or any combination thereof, and which relief may be sought by the Association or, if appropriate and not in conflict with the provisions of this Declaration and By-Laws, by an aggrieved Owner.

13.03 Recovery of Expenses. In any proceeding arising because of an alleged default by an Owner the Association, if successful, shall, in addition to the relief provided for in Section 13.02, be entitled to recover the costs of the proceeding and such reasonable attorneys' fees as may be allowed by the court, but in no event shall the Owner be entitled to such attorneys' fees.

13.04 Waiver. The failure of the Association or of an Owner to enforce any right, provision, covenant or condition which may be granted herein or the receipt or acceptance by the Association of any part payment of an assessment shall not constitute a waiver of any breach of a Covenant, nor shall same constitute a waiver to enforce' such Covenant(s) in the future.

13.05 Election of Remedies. All rights, remedies and privileges granted to the Association or an Owner or Owners pursuant to any term, provision, covenant or condition of this Declaration and By-Laws shall be deemed to be cumulative and in addition to any and every other remedy given herein or otherwise existing, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to any such party at law or in equity.

ARTICLE XIV

GENERAL PROVISIONS

14.01 Duration. The Covenants of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Board, the Association, the Developers, or Owner of any Lot subject to this Declaration,

their respective legal representatives, heirs, successors and assigns.

14.02 Amendments. This Declaration may be amended in accordance with the following procedure:

A. An amendment to this Declaration may be considered at any annual or special meeting of the Association; provided¹ however, that, if an annual meeting, notice of consideration of the amendment and a general description of the terms of such amendment shall be included in the notice of the annual meeting provided for in Section 5.02, and, if a special meeting, similar notice shall be included in the notice of the special meeting provided for in Section 5.03. Notice of any meeting to consider an amendment shall also be sent to each Mortgagee listed upon the register of the Association.

B. At any such meeting, the amendment must be approved by an affirmative three-fourths (3/4ths) vote of those Owners present and voting.

C. If an amendment is approved as set forth in Paragraph B of this Section, the Secretary shall mail a true copy of the amendment to each Owner, informing each Owner that he shall have twenty (20) days from such notice within which to reply, in writing, to the Secretary and to indicate his approval or disapproval of such amendment. If seventy-five (75%) percent of those Owners responding within said twenty (20) day period shall indicate their approval of the amendment, it shall be deemed adopted.

D. An amendment adopted under paragraph C of this Section shall become effective upon its recording in the Register's Office of Hamilton County, Tennessee, and the president and Secretary shall execute, acknowledge and record the amendment

the Secretary shall certify on its face that it has been adopted in accordance with the provisions of this Section; provided, that in the event of the disability or other incapacity of either, the Vice President shall be empowered to execute, acknowledge and record the amendment. The certificate shall be conclusive evidence to any person who relies thereon in good faith, including, without limitation, any Mortgagee, prospective purchaser, tenant, lienor or title insurance company that the amendment was adopted in accordance with the provisions of this Section.

E. The certificate referred to in paragraph D of this Section shall be in substantially the following form:

C E R T I F I C A T E

I, _____, do hereby certify that I am the Secretary of Hidden Harbor Homeowners' Association, Inc. and that the within amendment to the Declaration of Covenants and Restrictions of Hidden Harbor Community and By-Laws for Hidden Harbor Homeowners' Association, Inc. was duly adopted by the Owners of said Association in accordance with the provisions of Section 14.02 of said Declaration.

Witness my hand this _____ day of _____, _____

Secretary
Hidden Harbor Homeowners'
Association, Inc.

No amendment shall be made affecting the Common Properties which is in any manner inconsistent with the permitted uses and purposes for such properties set out in Section 7.01. Until seventy-five percent (75%) of the Lots have been sold, no amendment to this Declaration shall be made without the prior approval of the Hamilton County Planning Commission. No amend-

merit to This Declaration shall be made which shall adversely affect the rights of Mortgagees under Section 9.03.

14.03 Notices. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent, and notice thereby given, when mailed, postpaid¹ to the last known address of the Owner on the records of the Association at the time of such mailing. Notice to one of two or more co-owners of a Lot shall constitute notice to all co-owners. It shall be the obligation of every Owner to immediately notify the Secretary in writing of any change of address. Any notice required to be sent to the Board, the Association or any officer thereof, or the Developers under the provisions of this Declaration shall likewise be deemed to have been properly sent, and notice thereby given, when mailed, postpaid, to such entity or person at the following address:

806 Cherry Street

Chattanooga, Tennessee 37402

The address for the Board, the Association, or any officer thereof may be changed by the Secretary or President of the Association by executing, acknowledging, and recording an amendment to this Declaration stating the new address or addresses. Likewise, any developer may change his or its address by executing, acknowledging, and recording an amendment to this Declaration stating his or its new address.

14.04 Severability. Should any covenant or restriction herein contained, or any Article, Section, Subsection, sentence, clause, phrase or term of this Declaration be declared void, invalid, illegal, or unenforceable, for any reason, by the adjudication of any court or other tribunal having jurisdiction

over the parties hereto and the subject matter hereof, such judgment shall in no wise affect the other provisions hereof which are hereby declared to be severable, and which shall remain in full force and effect.

14.05 Captions. The captions herein are inserted only as a matter of convenience and for reference and are in no way intended to define, limit or describe the scope of this Declaration nor any provision hereof.

14.06 Use of Terms. Any use herein of the masculine shall include the feminine, and the singular the plural, when such meaning is appropriate.

14.07 Interpretation. The provisions of this Declaration shall be liberally construed to effectuate their purpose. Failure to enforce any provision hereof shall not constitute a waiver of the right to enforce said provision or any other provision hereof.

14.08 Law Governing. This Declaration is made in the State of Tennessee, and any question pertaining to its validity, enforceability, construction or administration shall be determined in accordance with the laws of that State.

14.09 Effective Date. This Declaration shall become effective upon its recording.

IN WITNESS WHEREOF, the Developers have executed, or caused to have executed by its duly authorized officers this Declaration on the date first above written.

LAKESHORE DEVELOPMENT COMPANY, INC.
By:

Clerman Ferguson, Pres.

ROCK BLUFF, INC.

By: Elizabeth J. Serodino, Secy.

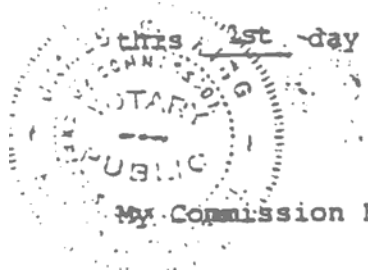
James L. Houser, Trustee
JAMES L. HOUSER, TRUSTEE

Glenn F. Gatlin, Trustee
GLENN F. GATLIN, TRUSTEE

STATE OF TENNESSEE

COUNTY OF HAMILTON

Before me, James E. King, of



this 1st day of November, 1976.

James E. King
Notary Public

the state and county aforesaid, personally appeared Herman

Ferger, III, with whom I am personally

acquainted, and who, upon oath, acknowledged himself to be President of LAKESHORE DEVELOPMENT COMPANY, INC.,

the within named bargainor, a corporation, and that he as such President, being authorized so to do, executed

the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as President

WITNESS my hand and seal, at office in Hamilton County 1st day, of November, 1976.

STATE OF TEEESSEE

COUNTY OF HAMILTON

Before me, James E. King, of the

state and county aforesaid, personally appeared Elizabeth J. Serodino, with whom I am personally acquainted, and who,

WITNESS my hand and notarial seal at office in said
county and state this 1st day of November, 1976.

Edu Berger

Notary Public

My Commission Expires: my Commission Expires Jan. 7, 1979



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NOV 13 1976

NOV 13 04 PM '76

DO. ...
HAMPDEN COUNTY
STATE OF TENNESSEE

Tract: Hidden Harbor Homeowners Assn.
2002 Rock Island Rd
Nixem, Tenn 37134

AMENDMENT I

BE IT RESOLVED, that Section 7.08 of Article VII of the Declaration of Covenants and Restrictions for Hidden Harbor Community and By-Laws for Hidden Harbor Homeowners' Association, Inc. is hereby amended by including the words, and/or Common Properties, after the word Lot in the first sentence of that Article. The sentence to read:

no noxious or offensive activity shall be carried on upon any Lot, and/or Common Properties, nor shall anything be done thereon tending to cause embarrassment, discomfort, annoyance or nuisance to the neighborhood.

AMENDMENT II

BE IT RESOLVED, that Section 7.08 of Article VII of the Declaration of Covenants and Restrictions for Hidden Harbor Community and By-Laws for Hidden Harbor Homeowners, Inc. is hereby amended by adding the following sentence.

No motorcycles, motor scooters, or mopeds shall be operated on the Common Properties, excepting normal street travel.

AMENDMENT III

BE IT RESOLVED, that Section 8.05 of Article VIII of the Declaration of Covenants and Restrictions for Hidden Harbor Community and fly-Laws for Hidden Harbor Homeowners' Association, Inc. is hereby amended by deleting Paragraph ~~B'Y and inserting in its stead the following:

B. From and after January 1, 1980 Lots subject to assessments pursuant to Paragraph A of this Section ~ and which are owned by the Developers shall be assessable at one-half (1/2) the assessment provided in, or set in accordance with Sections 8.03 and 8.04.

AMENDMENT IV

BE IT RESOLVED, that Section 8.05 of Article VIII of the Declaration of Covenants and Restrictions for Hidden Harbor Community and By-Laws for Hidden Harbor Homeowners' Association, Inc. is hereby amended by adding a Paragraph "C" as follows:

C. From and after January 1, 1980 all Lots subject to assessment pursuant to Paragraph A of this Section 8.05, to which Paragraph B does not apply and which no Dwelling Unit has been constructed, shall be assessable at one-half (1/2) the assessment provided in, or set in accordance with Sections 8.03 and 8.04.

Amending the Declaration of Covenants and Restrictions for Hidden Harbor Community and By-Laws for Hidden Harbor Homeowners' Association, Inc. as recorded at the Hamilton County Courthouse in Book 2358 pages 211 and 222.

AN AMENDMENT TO THE COVEANTS AND RESTRICTIONS OF HIDDEN HARBOR
BOOK 358 page 177

AMENDMENT VII

The following section is to be an addition to the items of article VII:

7.18 (A) SATELLITE TELEVISION RECEIVING DISHES OR ANTENNAS.

BE IT RESOLVED, that Section 7.18 (A) of Article VII of the Declaration of Covenants and Restrictions for Hidden Harbor Community and By-Laws for Hidden Harbor Homeowners' Association, Inc. is hereby amended by adding a Paragraph "A" as follows:

Defined: Satellite Television Receiving Dish or Antenna: A device commonly parabolic in shape, mounted at a fixed point on the ground or roof and designed to capture television signals transmitted via satellite communications facilities and serving a function similar to a television antenna.

RESTRICTIONS: All Satellite Television Receiving Dishes, antennas, or similar devices must be mounted to the rear elevation of the dwelling and may not be visible from the street lot line of the home. Structures such as screens, fences, or plants may be used to conceal the device. The location and screening of the Satellite Television Receiving Dish must be approved by the Architectural Committee prior to installation as provided for other structural modifications by the Restrictions and Covenants.

Any device mounted on the dwelling may not be visible from the street lot line of the dwelling.

File

This instrument prepared by:
Thomas E. Dixon
First American Title
6066 Shallowford Road
Chattanooga, TN 37421

Instrument: 2000052200276
Book and Page: GI 5600 953
Data Processing Fee \$2.00
Misc Recording Fee \$8.00
Total Fees: \$10.00
User: KLYNN
Date: 22-MAY-2000
Time: 12:33:04 P
Contact: Pam Huvst
Hamilton County Tennessee

AMENDMENT TO DECLARATION OF COVENANTS AND
RESTRICTIONS FOR HIDDEN HARBOR COMMUNITY AND
BY-LAWS FOR HIDDEN HARBOR HOMEOWNERS ASSOCIATION, INC.

THIS AMENDMENT TO DECLARATION (HEREINAFTER "AMENDMENT") is
made this 12th day of May, 2000 by Hidden Harbor Homeowners'
Association, Inc., a Tennessee Corporation.

RECITALS:

OK 2322

Reference is made to that certain Declaration of Covenants and Restrictions
recorded in Book 2358, Page 177, as amended in Book 2431, Page 54, and as amended in
Book 2495, Page 41, and as amended in Book 2707, Page 549, and as amended in Book
3149, Page 719, in the Office of the Register of Deeds of Hamilton County, Tennessee
(HEREINAFTER "THE RESTRICTIVE COVENANTS").

AMENDMENTS:

Hidden Harbor Homeowner's Association, Inc. has adopted the following amendments to
the Restrictive Covenants.

Section 7.11 of Article VII of the Restrictive Covenants is hereby amended by adding the
following sentences:

Each Owner shall cause all vehicles owned or used regularly by Owner or members of
Owner's household to be parked only in driveways and garages. Parking in yards or on any
street in the neighborhood is strictly prohibited, excepting infrequent use of the street
parking for guests.

Section 4.01 of Article IV of the Restrictive Covenants is hereby amended by increasing the
number of Board Members from five to seven changing the provision to read as follows:

Subject to section 4.12 of this Article herein below, the administration of the
property on behalf of the Association shall be conducted by a Board of Directors
("Board") which shall consist of seven natural persons of legal age, each of whom shall
be an Owner or a member of the household of an Owner at all times during membership
on the Board.

CERTIFICATE

I, Jackie Blancett, do hereby certify that I am the Secretary of Hidden Harbor Homeowners' Association, Inc. and that the within amendment to the Declaration of Covenants and Restrictions of Hidden Harbor Community and By-Laws for Hidden Harbor Homeowners' Association, Inc. was duly adopted by the Owners of said Association in accordance with the provisions of section 14.02 of said Declaration.

Witness my hand this 12th day of May, 2000

Hidden Harbor Homeowners'
Association, Inc., a Tennessee Corporation

By: Jackie Blancett
Jackie Blancett
Title: Secretary

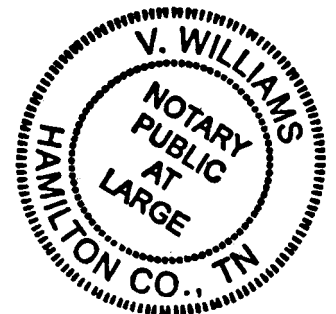
STATE OF TENNESSEE)
)
COUNTY OF HAMILTON)

Before me V. Williams of the state and county aforesaid, personally appeared Jackie Blancett, with whom I am personally acquainted, and who, upon oath, acknowledged herself to be Secretary of Hidden Harbor Homeowners' Association, Inc., the within named bargainer, a Tennessee corporation, and that she as such Secretary, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by herself as Secretary.

WITNESS my hand and seal this 12th day of May, 2000.

Notary Public V. Williams

My commission expires: 8/5/2003



STATE OF TENNESSEE
Hamilton County



April 19, 1989
DATE (Month, Day, Year)

**Hamilton County Board of Commissioners
RESOLUTION**

No. 486-40 (Prev. Res. #489-14)

TITLE A RESOLUTION TO AMEND HAMILTON COUNTY'S MASTER LIST OF ROADS AND SPEED LIMITS TO ACCEPT CERTAIN ROADS IN HIDDEN HARBOR SUBDIVISION.

WHEREAS, Hidden Harbor₁ a Planned Unit Development, has 18 private roads which the Association has requested the Hamilton County *Commission* to accept as public roads; and,

WHEREAS, Hamilton County Commission deems it in the County's best interest to accept said roads as public district roads; and,

WHEREAS, the Hidden Harbor Home Owners Association Will pay to Hamilton County Five Thousand Dollars (\$5,000) for road repairs.

NOW, THEREFORE, BE IT RESOLVED BY THIS COUNTY LEGISLATIVE BODY, IN SESSION ASSEMBLED:

The Hamilton County Board of Commissioners accepts the 18 private roads in Hidden Harbor as described on Exhibit "A" attached hereto and amends the Master List of Roads and Speed Limits to include these roads as public roads.

BE IT FURTHER RESOLVED THAT THIS RESOLUTION TAKE EFFECT JULY 1, 1989, THE PUBLIC WELFARE REQUIRING IT.

in County, ~~Chattanooga~~, Tenn.
CERTIFIED TRUE COPY
12th day of July, 1989
(BILL) KNOWLES, County Clerk
Deputy Clerk
Approved:
As Amended:
Rejected:

CERTIFICATION OF ACTION
[Signature]
County Clerk

EFFECTIVE UNDER TEN (10) DAY PROVISION
CHAPTER 934, TENNESSEE PUBLIC ACTS OF 1978.
TEST: [Signature]
Deputy County Clerk
TE: May 1, 1989

Approved:
Vetoed:

County Executive
4/19/89
Date

m25 p111

EXHIBIT "A"

1. Brian Lane leads from Sand Dunes Drive in a northerly direction 0.09 miles to a turnaround.
2. Glen Stone Lane leads from Lake Meadows Drive in a northerly direction 0.04 miles to a turnaround.
3. Harbor Master Drive leads from Hidden Harbor Road in a southerly direction 0.47 miles and to a turnaround.
4. Hidden Harbor Road leads from Fairview Road in an easterly direction 0.76 miles to a dead-end.
5. Jamia Lane leads from Sand Dunes Drive in an easterly direction 0.07 miles to a turnaround.
6. Lake Meadows Drive leads from Rock Bluff Road in a westerly direction 0.39 miles to Hidden Harbor Road; and from Hidden Harbor Road in an easterly direction 0.27 miles to a turnaround.
7. Lake Peninsula Drive leads from Sea Haven Drive in an easterly direction 0.23 miles to Sea Haven Drive.
8. Light Tower Circle leads from Lighthouse Drive in an easterly and westerly direction 0.34 miles to Lighthouse Drive.
9. Light Tower Drive leads from Lake Meadows Drive in a southerly direction 0.07 miles to Light Tower Circle.
10. Mountain Bay Drive leads from Rock Bluff Road in a southerly direction 0.42 miles to Lake Meadows Drive.
11. River Winds Lane leads from Rock Bluff Road in an easterly direction 0.09 miles to a turnaround.
12. Rock Bluff Road leads from Fairview Road in a southeasterly direction 0.67 miles to a *turnaround*.
13. Sand Dunes Drive leads from Harbor Master Drive in an easterly direction 0.28 miles and to Lake Peninsula Drive.
14. Schooner Bay Lane leads from Rock Bluff Road in an easterly direction 0.16 miles to a turnaround.
15. Sea Gull Lane leads from Lake Meadows Drive in a northerly direction 0.10 miles to a turnaround.

Exhibit "A"

Page -2-

- 16. Sea Haven Drive leads from Sand Dunes Drive in a southerly direction 0.41 miles to Lake Peninsula Drive and from Sand Dunes Drive in a northerly direction 0.16 miles to a turnaround.
- 17. Shallow Mar Lane leads from Rock Bluff Road in a westerly direction 0.19 miles to a turnaround.
- 18. White Sands Lane leads from Rock Bluff Road in a northerly direction 0.12 miles to a turnaround.

4 5 6 8

IDENTIFICATION
REFERENCE

MAY 10 9 47 AM '90

SARAH P. DEFRIESE
REGISTER
HAMILTON COUNTY
STATE OF TENNESSEE

05/10/90 MISC

12.00

**12.00 8