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MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	185.00
DF FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	387.00

STATE OF TENNESSEE, ROANE COUNTY

MARLENE HENRY
REGISTER OF DEEDS

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

RARITY RIDGE

August 15, 2003

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EXHIBIT "C" Allocation Formula for Assessments and Voting Rights

EXHIBIT "D" Maintenance Agreement with City of Oak Ridge

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

RARITY RIDGE

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR RARITY RIDGE ("Declaration") is made as of the date set forth on the signature page hereof by Oak Ridge Land Company, L.L.C., a Tennessee limited liability company (referred to herein as the "Declarant").

Declarant is the owner of the real property described on Exhibit "A," which is attached and incorporated by reference. This Declaration imposes upon the Properties mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Properties and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties. In furtherance of such plan, this Declaration provides for the creation of Rarity Ridge Owners Association, Inc. to own, operate and maintain Common Areas and to administer and enforce the provisions of this Declaration and the By-Laws (capitalized terms are defined in Article 1 below).

It is contemplated that the Properties will be developed as a residential development with complementary commercial components, comprised of various office, retail, and other permitted uses allowed under the Zoning Ordinance, with public and/or private streets, sidewalks, street lights, open spaces and other Common Areas and Improvements for the benefit of the Owners of Parcels made subject to the terms of this Declaration.

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

ARTICLE 1: DEFINITIONS

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

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

1.2 "**Area of Common Responsibility**": The Common Area, together with those areas, if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration, any Cost Sharing Agreement, the Zoning Ordinance, or other applicable covenant, contract, or agreement.

1.3 **“Articles of Incorporation” or “Charter”**: The Charter of Rarity Ridge Owners Association, Inc., as filed with the Secretary of State of the State of Tennessee, April 17, 2003.

1.4 **“Association”**: Rarity Ridge Owners Association, Inc., a Tennessee nonprofit mutual benefit corporation, its successors or assigns.

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

1.6 **“By-Laws”**: The By-Laws of Rarity Ridge Owners Association, Inc., as they may be amended.

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

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

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

1.10 **“Cost Sharing Agreement”**: Any agreement, contract or covenant between the Association and an owner or leasehold owner of property adjacent to, in the vicinity of, or within the Properties, including any Private Amenity, for the allocation of expenses for amenities and/or services that benefit both the Association and the owner or leasehold owner of such property.

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

1.12 **“Declarant”**: Oak Ridge Land Company, L.L.C., a Tennessee limited liability company, or any successor, successor-in-title, or assign who takes title to any portion of the property described on Exhibits “A” or “B” for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant; provided however, there shall be only one (1) “Declarant” hereunder at any one time.

1.13 **“Declarant-Related Entity”**: Any Person or entity which is a parent, subsidiary or affiliate of the Declarant, and/or in which the Declarant or any parent, subsidiary or affiliate of the Declarant or any officer, director, shareholder, partner, member, manager or trustee of any of the foregoing owns, directly or indirectly, not less than thirty-three percent (33.0%) of such entity, including but not limited to Rarity Communities, Inc.

1.14 **Development Period**: The period of time during which the Declarant or any Declarant-related Entity owns any property which is subject to this Declaration, any Additional Property or any Private Amenity, or has the unilateral right to subject Additional Property to this Declaration

pursuant to Section 7.1; provided however, the Development Period shall not terminate until one hundred percent (100%) of the total number of Parcels permitted by the Master Plan for the property described on Exhibits "A" and "B" have certificates of occupancy issued thereon by the controlling governmental authority, have been conveyed to Persons other than the Declarant or a Declarant-Related Entity and initial vertical construction on each Parcel is complete. The Declarant may, but shall not be obligated to, unilaterally relinquish its rights under this Declaration and/or terminate the Development Period upon an earlier date by recording a written instrument in the Register of Deeds Office for Roane County. Easements and Dedications of Land granted to governmental entities, including but not limited to the City of Oak Ridge, are not subject to limitations on the Development Period..

1.15 **"District"**: One or more Parcels which share common interests, other than those common to all Parcels in the Properties, as more particularly described in Section 3.3. For example, and by way of illustration and not limitation, an office complex comprised of several Parcels surrounding a common plaza, a retail/commercial center comprised of various Parcels sharing common parking areas, a condominium, or a separately developed single-family housing development each might be designated as separate Districts. A District may be comprised of more than one use and may include noncontiguous tracts of property. District boundaries may be established and modified as provided in Section 3.3

1.16 **"District Assessments"**: Assessments levied against the Parcels in a particular District or Districts to fund District Expenses, as described in Sections 8.1 and 8.3.

1.17 **"District Association"**: Any condominium association or other owners association having concurrent jurisdiction with the Association over any District.

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

1.19 **"DRB"**: The Design Review Board as described in Section 9.2.

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

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

1.22 **"Governing Documents"**: The Declaration, By-Laws, Articles of Incorporation, all Supplemental Declarations, the Design Guidelines (as such term is defined in Section 9.3 (a) herein), the Zoning Ordinance, the rules of the Association, any Lake Use Restrictions, all Cost Sharing Agreements, and all additional covenants governing any portion of the Properties, or any of the above, as each may be amended from time to time.

1.23 **"Improvement"**: Any structure or improvement, broadly defined to include but not be limited to, buildings of a permanent or temporary nature (with temporary buildings being permitted only during the construction of other Improvements, subject to approval by the DRB), outbuildings, underground installations, slope alterations, surface water drainage facilities, sediment control devices, roads, berms, driveways, alley ways, parking areas or facilities, loading docks and areas, garbage

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

1.24 **"Lake"**: Any body of water located within the Properties which is or will be owned by the Association and made subject to the Lake Use Restrictions by the Association. Notwithstanding the foregoing, the definition of "Lake" will not include the following: (1) Watts Bar Lake and the Clinch River, both of which are located adjacent to Rarity Ridge; and (2) any streams, creeks, areas designated on the recorded plat as "wetlands".

1.25 **"Lake Use Restrictions"**: Use restrictions, rules and procedures for the Lakes promulgated by the Association.

1.26 **"Leasehold Owner"**: The lessee under any lease of a Parcel with an initial term of not less than twenty (20) years, and which lessee has been assigned all of the Owner's rights and obligations under this Declaration with respect to the leased premises.

1.27 **"Maintenance Agreement"** That certain Maintenance Agreement entered into between the Rarity Ridge Owners Association, Inc. and the City of Oak Ridge dated the day of ____, 2003 and attached hereto as Exhibit "B".

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

1.29 **"Management Fee"** Fees and costs assessed by the Declarant or any Declarant-related entity on a per parcel per month basis for services provided to Rarity Ridge Owners Association, Inc. in managing the business of the Association.

1.30 **"Master Plan"**: The Conceptual Master Plan for Rarity Ridge, as such plan may be amended from time to time, and as submitted and approved by the City of Oak Ridge, Tennessee, (the "City"), which plan includes the property described on Exhibit "A" and all or a portion of the Additional Property described on Exhibit "B" that Declarant may from time to time anticipate subjecting to this Declaration. Inclusion of property on the Master Plan shall not, under any circumstances, obligate Declarant to subject such property to this Declaration, nor shall the exclusion of property described on Exhibit "B" from the Master Plan bar its later annexation in accordance with Article 7. Notwithstanding the above, all present and future references to the Master Plan shall refer to the then latest version of the Master Plan prepared for the Declarant.

1.31 **"Member"**: A Person subject to membership in the Association pursuant to Section 3.2. The definition of "Member" does not include the City of Oak Ridge, which is exempt from membership.

1.32 **"Mortgage"**: A mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Parcel.

1.33 **"Mortgagee"**: A beneficiary or holder of a Mortgage.

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

1.35 **“Owner”**: One (1) or more Persons who hold the record title to any Parcel, including the Declarant and any Declarant-Related Entity, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Parcel is owned by more than one (1) Person, all such Persons shall be jointly and severally obligated to perform the responsibilities of such Owner. An Owner (including the Declarant or any Declarant-Related Entity) who has transferred or otherwise conveyed a leasehold interest in and to any Parcel to a Leasehold Owner may, in its sole discretion, assign in such lease, all of such Owner’s rights and obligations as an owner herein; provided, however, that any such assignment shall not relieve such Owner from its duties and obligations hereunder except as expressly provided herein. From and after receipt of such assignment, Declarant, the Association and the DRB shall recognize the Leasehold Owner as the Owner of such Parcel.

1.36 **“Parcel”**: A portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed. Each separately platted lot shall be deemed to be a separate Parcel, regardless of the number of uses or businesses operated on such lot, unless otherwise specified by the applicable Supplemental Declaration. The term shall refer to the land, if any, which is part of the Parcel as well as any Improvements thereon. In the case of a portion of the Properties intended and suitable for subdivision but as to which no final lot subdivision map has been filed, such property shall be deemed to be a single Parcel until such time as a final lot subdivision map is filed of record with respect to all or a portion of the property. This term shall not include Common Area, common property owned by any District Association, or property owned by or dedicated to the public.

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

1.38 **“Private Amenity”**: Certain real property and any Improvements and facilities thereon located adjacent to, in the vicinity of, or within the Properties which are owned and operated, in whole or in part, by Persons other than the Association for recreational or other purposes. Any Private Amenity shall be designated by the Declarant in its sole discretion. The use of the term “Private Amenity” shall not be construed to imply or require a private club. Private Amenities may be operated on a club membership, daily fee, use fee, public, or private basis or otherwise.

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

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

1.41 **“Rarity Ridge”**: That certain mixed use residential and commercial community located on the property described on Exhibits “A” and “B” in the City of Oak Ridge, Roane County, Tennessee developed by the Declarant and commonly known and referred to as Rarity Ridge.

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

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

1.44 **“Supplemental Declaration”**: An instrument filed in the Public Records which subjects Additional Property to this Declaration, designates Districts, and/or imposes, expressly or by reference, additional restrictions and obligations on the land described in such instrument. The term shall also refer to an instrument filed by the Declarant pursuant to Section 3.5 which designates Voting Groups or pursuant to Section 7.4 which imposes additional restrictions or limits on the Declarant or the Association, any declaration of covenants, conditions and restrictions, and any declaration of condominium.

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

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

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

1.48 **“Zoning Ordinance”** Ordinance Number 2, titled “The Zoning Ordinance of Oak Ridge, Tennessee.

ARTICLE 2: PROPERTY RIGHTS

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

- (a) This Declaration and all other Governing Documents;
- (b) Any restrictions or limitations contained in any deed conveying such property to the Association;
- (c) The right of the Board to adopt, amend and repeal rules regulating the use and enjoyment of the Common Area, including rules limiting the number of invitees who may use the Common Area;
- (d) The right of the Board to allow persons other than Owners, Occupants and their respective employees, lessees, invitees, clients, customers and guests to use any facilities situated upon the Common Area upon such conditions and fees as may be established by the Board;
- (e) The right of the Board to suspend the right of an Owner to use any recreational and social facilities within the Common Area pursuant to Section 4.3;
- (f) The right of the Board to impose reasonable requirements and charge reasonable admission or other use fees for the use of any facility situated upon the Common Area;
- (g) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(h) The right of the Association, acting through the Board, to dedicate or transfer all or any portion of the Common Area, subject to any approval requirements set forth in the Governing Documents (subject to the provisions of the Zoning Ordinance as set out in further detail in Section 4.2 below);

(i) The rights of certain Owners to the exclusive use, access and enjoyment of those portions of the Common Area designated "Exclusive Common Areas," as more particularly described in Section 2.2; and

(j) The right of the Declarant and any Declarant-Related Entity to conduct activities and establish facilities within the Properties as provided in Article 13.

Any Owner may extend its right of use and enjoyment to such Owner's employees, lessees, invitees, clients, customers, and guests, as applicable, subject to reasonable regulation by the Board.

2.2 **Exclusive Common Area.** Certain portions of the Common Area may be designated as Exclusive Common Area and reserved for the exclusive use or primary benefit of Owners and Occupants of specified Parcels or Districts. By way of illustration and not limitation, Exclusive Common Areas may include recreational and social facilities, entry features, roads, alleys, parking areas, landscaped medians, parks and open spaces and other portions of the Common Area within a particular District or Districts. All costs associated with maintenance, repair, replacement, and insurance of an Exclusive Common Area shall be assessed against the Owners of Parcels to which the Exclusive Common Areas are assigned either as a District Assessment or as a Specific Assessment, as applicable.

Initially, any Exclusive Common Area shall be designated as such, and the exclusive use thereof shall be assigned in the deed by which the Common Area is conveyed to the Association, or in this Declaration, or any Supplemental Declaration and/or on the subdivision plat relating to such Common Area; provided however, any such assignment shall not preclude the Declarant from later assigning use of the same Exclusive Common Area to additional Parcels and/or Districts during the Development Period. Thereafter, a portion of the Common Area may be assigned as Exclusive Common Area of particular Parcels or a particular District or Districts and Exclusive Common Area may be reassigned upon approval of the Board and the vote of Members holding a Majority of the total Class "A" votes in the Association, including, if applicable, a Majority of the Class "A" votes within the District(s) to which the Exclusive Common Area is assigned, if previously assigned, and within the District(s) to which the Exclusive Common Area is to be assigned or reassigned. During the Development Period, any such assignment or reassignment shall also require the Declarant's written consent.

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

2.3 **Lakes.** Access to and use of the Lakes is strictly subject to the Lake Use Restrictions and no Person gains any right to enter or to use the Lakes or to gain access to the Lakes from the Properties other than by virtue of membership in the Association. Each Owner acknowledges and agrees to strictly abide by the Lake Use Restrictions. Any Person, including any Owner, using any Lake for any purpose shall assume the risk of such use. Under no circumstance shall the Declarant, any Declarant-Related Entity, the Association, or any Person acting on their behalf assume any liability for use of any Lake by an Owner, its invitees, or licensees.

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

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

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

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

2.6 **Private Amenities.** Access to and use of any Private Amenity is strictly subject to the rules and procedures of the owner of such Private Amenity, and no Person gains any right to enter or to use any Private Amenity by virtue of membership in the Association or ownership or occupancy of a Parcel. All Persons, including all Owners and Occupants, are hereby advised that no representations or warranties have been or are made by the Declarant, any Declarant-Related Entity, the Association, or by any Person acting on behalf of any of the foregoing, with regard to the continuing ownership or operation of any Private Amenity, and no purported representation or warranty in such regard, either written or oral, shall be effective unless specifically set forth in a written instrument executed by the record owner of the Private Amenity.

ARTICLE 3: MEMBERSHIP AND VOTING RIGHTS

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

3.2 **Voting.** The Association shall have two (2) classes of membership, Class "A" and Class

(a) **Class "A".** Class "A" Members shall be all Owners except the Class "B" Member, if any. Class "A" Members shall have the number of votes allocated to the Parcel in which they hold the interest required for membership under Section 3.1 in accordance with the formula set forth in Exhibit "C".

If there is more than one (1) Owner of a Parcel, the votes for such Parcel shall be exercised as the co-Owners determine among themselves and advise the secretary of the Association in writing prior to the vote being taken. Absent such advice, the Parcel's vote shall be suspended if more than one (1) Person seeks to exercise it. No vote shall be exercised on behalf of any Parcel if any assessment for such Parcel is delinquent. In addition, no vote shall be exercised for any property which is exempt from assessment.

If Voting Delegates have been elected by a District pursuant to Section 3.4, the vote for each Parcel owned by a Class "A" Member shall be exercised by the Voting Delegate representing the District of which the Parcel is a part, as provided in such Section.

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

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

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

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

Any District may request that the Association provide a higher level of service or special services for the benefit of Parcels in such District and, upon the affirmative vote, written consent, or a combination thereof, of Owners of a Majority of the Parcels within the District, the Association may, in its sole discretion, provide the requested services. The cost of such services, which may include a reasonable administrative charge in such amount as the Board deems appropriate (provided any such administrative charge shall apply at a uniform rate per Parcel to all Districts receiving the same service), shall be assessed against the Parcels within such District as a District Assessment pursuant to Article 8 hereof

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

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

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

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

(c) The presence, in person or by proxy, of Class "A" Members representing at least ten percent (10%) of the total Class "A" votes attributable to Parcels in the District shall constitute a quorum at any District meeting. Each Class "A" Member who owns a Parcel within the District shall be entitled to cast the number of votes allocated to the Parcel in accordance with the formula set forth in Exhibit "C".

(d) At each election, the Owners within each District shall elect a Voting Delegate who shall be responsible for casting all votes attributable to Parcels owned by Class "A" Members in the District on all Association matters requiring a membership vote. In addition, each District shall elect an alternate Voting Delegate who shall be responsible for casting such votes in the absence of the Voting Delegate. The candidate who receives the greatest number of votes shall be elected as Voting Delegate and the candidate receiving the next greatest number of votes shall be elected as the alternate Voting Delegate. The Voting Delegate and the alternate Voting Delegate shall serve a term of one (1) year and until their successors are elected. No Person shall be eligible to serve as a Voting Delegate or an alternate Voting Delegate if any assessment for such Person's Parcel is delinquent.

(e) Any Voting Delegate or alternate Voting Delegate may be removed, with or without cause, upon the vote or written petition of Owners holding at least a Majority of the total Class "A" votes attributable to Parcels in the District which the Voting Delegate or alternate Voting Delegate represents. Any Voting Delegate or alternate Voting Delegate shall be automatically removed and ineligible to cast the votes attributable to Parcels in such Voting Delegate's District if any assessment for alternate, a successor shall be elected by the Owners of Parcels within the District to fill the vacancy for the remainder of such delegate's term.

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

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

3.5 **Voting Groups.** The Declarant may designate Voting Groups consisting of one (1) or more Districts for the purpose of electing directors to the Board. The designation of Voting Groups, if any, shall promote representation on the Board of Directors for various groups having dissimilar interests. Following termination of the Development Period, the number of Voting Groups within the Properties shall not exceed the total number of directors to be elected by the Class "A" Members pursuant to the By-Laws. The Members within each Voting Group shall vote on a separate slate of candidates for election to the Board, with each Voting Group being entitled to elect the number of directors specified in the By-Laws.

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

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

ARTICLE 4: RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1 **Function of Association.** The Association shall be the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility and all Improvements thereon. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board may adopt pursuant to Article 10. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of Tennessee. The Association shall be the organization serving as the "Maintenance Association" pursuant to the Zoning Ordinance.

4.2 **Personal Property and Real Property for Common Use.** The Association may acquire, hold, and dispose of tangible and intangible personal property and real property. The Declarant and its designees, including but not limited to any Declarant-Related Entity, with the Declarant's prior written consent, may convey to the Association improved or unimproved real estate, or interests in real estate, located within the property described in Exhibits "A" or "B," personal property and leasehold and

other property interests. Such property shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. Declarant shall not be required to make any Improvements or repairs whatsoever to property to be conveyed and accepted pursuant to this Section, including, without limitation, dredging or otherwise removing silt from any Lake, pond or other body of water that may be conveyed. During the Development Period, the Association shall reconvey to Declarant any portions of the Properties originally conveyed by Declarant to the Association for no consideration upon written request of Declarant. The Association shall provide of any proposed transfer of Common Area in those circumstances where notice is required by the Zoning Ordinance. The Association shall also include provisions in any agreement to lease common space, as such provisions are specifically required by the Zoning Ordinance.

4.3 **Enforcement.** The Board or any committee established by the Board, with the Board's approval, may impose sanctions for violation of the Governing Documents after compliance with the notice and hearing procedures set forth in Section 3.22 of the By-Laws. Such sanctions may include, without limitation:

- (a) imposing monetary fines which shall constitute a lien upon the Parcel of the violator. (In the event that any Occupant, employee, lessee, invitee, client, customer or guest of a Parcel violates the Governing Documents and a fine is imposed, the fine may first be assessed against the Occupant; provided however, if the fine is not paid by the Occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board.);
- (b) filing liens in the Public Records for non-payment of any assessments or fees;
- (c) filing notices of violations in the Public Records providing record notice of any violation of the Governing Documents;
- (d) suspending an Owner's right to vote;
- (e) suspending any Person's right to use facilities within the Common Area; provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Parcel; and
- (f) suspending any services provided by the Association to an Owner or the Owner's Parcel if the Owner is more than thirty (30) Days delinquent in paying any assessment or other charge owed to the Association.

In the event that any Occupant, employee, lessee, invitee, client, customer or guest of a Parcel violates the Governing Documents, the Board or any committee established by the Board, with the Board's approval, may sanction the Occupant and/or the Owner of such Parcel.

In addition, the Board, or the covenants committee, if established, may elect to enforce any provision of the Governing Documents by exercising self-help (specifically including, but not limited to, the filing of liens in the Public Records for non-payment of assessments and other charges, the towing of vehicles that are in violation of parking rules, or the correction of any maintenance, construction or other violation of the Governing Documents) without the necessity of compliance with the procedures set forth in the By-Laws. The Association may levy a Specific Assessment to cover all costs incurred in bringing a Parcel into compliance with the terms of the Governing Documents in accordance with Section 8.6(c).

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

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

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

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

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

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

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

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

4.7 **Dedication of or Grant of Easements on Common Area.** The Association, or during the Development Period, the Declarant, may dedicate or grant easements across portions of the Common Area to Roane County, Tennessee, or the City, or to any other local, state, or federal governmental or quasi-governmental entity.

4.8 **Rezoning.** No Owner or any other Person may apply or join in an application to amend, vary or modify the Zoning Ordinance or rezone or apply for any zoning variance or waiver as to all or any portion of the Properties without the prior written consent of the Board. Every Person that acquires any interest in the Properties acknowledges that Rarity Ridge is a master planned community, the development of which is likely to extend over many years, and agrees not to protest, challenge or otherwise disagree with (a) changes in uses or density of property outside of his Parcel, or (b) changes in the Master Plan relating to property outside of his Parcel. Declarant or any Declarant-Related Entity may apply for such rezoning as to any portion of the Properties owned by it at any time.

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

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

4.11 **Lakes.** Neither the Association, the original Declarant, any Declarant-Related Entity nor any successor Declarant shall be held liable for any loss or damage by reason of use of any Lake for any purpose by Owners, their invitees, licensees, and tenants. Each Owner acknowledges, understands and covenants to inform its tenants and all Occupants of its Parcel that the Association, its Board of Directors, DRB and committees, Declarant, any Declarant-Related Entity, and any successor Declarant are not insurers and that each Person using the Lakes shall do so only as permitted under the Lake Use Restrictions and applicable governmental laws, ordinances, rules and regulations. Each Person assumes

all risks of personal injury, and loss or damage to property, including Parcels, resulting from or associated with use of the Lakes.

4.12 **View Impairment.** Neither the Declarant, any Declarant-Related Entity, the Association, nor the owners of any Private Amenities, guarantees or represents that any view over and across any Lake, other water body, Common Area, public park or other facility or Private Amenity from Parcels will be preserved without impairment. The owners of such areas shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in their sole and absolute discretion, to add trees and other landscaping or to install improvements or barriers (both natural and artificial) to such areas from time to time. Any such additions or changes may diminish or obstruct any view from the Parcels and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed. Each Owner, by acceptance of a deed, acknowledges that any view of a Lake, other water body, Common Area, public park or other facility or Private Amenity which the Parcel may enjoy as of the date of the purchase of the Parcel may be impaired or obstructed by the natural growth of existing landscaping, the installation of additional trees, other landscaping or other types of improvements or barriers (both natural and artificial) within such areas.

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

4.14 **Provision of Services.** The Association may provide or contract for services and facilities for the Owners, Occupants, and their employees, lessees, invitees, clients, customers and guests. The Association shall be authorized to enter into contracts or other similar agreements with other entities, including Declarant or any Declarant-Related Entities, to provide such services and facilities. The costs of services and facilities provided by the Association may be funded by the Association as a Common Expense or charged to the benefited Parcel(s) as a Specific Assessment. By way of example, some services and facilities which may be provided include cable, digital, satellite or similar television services, internet, intranet or other computer related services, fire protection, Utilities, patrols or security services, street cleaning, waste collection, landscaping, special and promotional events coordination, and similar services and facilities. The Board, without the consent of the Class "A" Members of the Association, shall be permitted to add, modify or cancel any services or facilities being provided. Nothing contained herein can be relied upon as a representation as to the services and facilities, if any, which will be provided by the Association.

4.15 **Future Development.** Each Owner acknowledges, understands and covenants to inform its lessees and all Occupants of its Parcel that the Properties and areas adjacent to the Properties are subject to further development and expansion, and therefore, there may be certain inconveniences during any period of construction, and Owner as well as any of its tenants or Occupants of its Parcel waives all claims with respect thereto. Owner agrees that if Owner or Owner's employees, lessees, invitees, clients, customers, guests, contractors or agents enter onto any area of construction, they do so at their own risk, and that the Declarant, all Declarant-Related Entities, the Association, and their respective contractors, agents or employees shall not be liable for any damage, loss or injury to such persons.

ARTICLE 5: MAINTENANCE

5.1 Association's Responsibility.

(a) The Association shall maintain and keep in good condition, order and repair the Area of Common Responsibility, which may include, but need not be limited to all Common Area; landscaping and other flora, parks, structures, and improvements, including any bike and pedestrian pathways/trails, alleys, parking areas and sidewalks situated upon the Common Area;

all furnishings, equipment and other personal property of the Association;

any street trees, street furniture, landscaping and other flora, irrigation systems, parks, bike and pedestrian pathways/trails, buffers, structures and Improvements within public rights-of-way within or abutting the Properties or upon such other public land adjacent to or within the Properties as deemed necessary in the discretion of the Board;

any Lakes (provided that the Association may leave the Lakes in their natural state without further obligation for maintenance);

any storm water management facilities serving the Properties (if not maintained by a governmental agency or located on or within a Parcel);

all planter strips and landscaping within any rights-of-way, medians, roundabouts or squares of the roadways within or adjacent to the Properties to the extent that the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard;

all entry signs and features serving the Properties, constructed by or on behalf of the Declarant, excluding entry signs and features which are maintained by a District Association or Parcel Owner;

all signage within or adjacent to public rights-of-way within or adjacent to the Properties which the Board, in its sole discretion, deems appropriate;

such additional portions of any property included within the Area of Common Responsibility as may be dictated by this Declaration, any Supplemental Declaration, any Cost Sharing Agreement, the Zoning Ordinance, or any contract or agreement for maintenance thereof entered into by the Association; and

any property and facilities owned by the Declarant and made available, on a temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

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

(b) The Association shall maintain the facilities and equipment within the Area of Common Responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs, unless Members holding sixty-seven percent (67%) of the Class "A" votes in the Association and, during the Development Period, the Declarant agree in writing to discontinue such operation.

(c) The Association may be relieved of all or any portion of its maintenance responsibilities herein to the extent that (i) such maintenance responsibility is otherwise assumed by or assigned to an Owner or a District Association; (ii) such maintenance responsibility is otherwise assumed by the City pursuant to a Maintenance Agreement (as such term is defined in Section 5.6 below) executed by the City; or (iii) such property is dedicated to any local, state, or federal governmental or quasi-governmental entity; provided however, that in connection with any such assumption, assignment or dedication, the Association may reserve or assume the right or obligation to continue to perform all or any portion of its maintenance responsibilities, if the Board determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

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

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

(e) During the Development Period, if the Association fails to perform its maintenance responsibilities hereunder properly and to comply with the Community-Wide Standard, the Declarant may, upon not less than ten (10) Days' notice and opportunity to cure such failure, cause such maintenance to be performed and in such event, shall be entitled to reimbursement from the Association for all costs incurred. The Association shall maintain the Common Area in reasonable order and condition in accordance with the Master Plan adopted by the City. Failure of the Association to maintain the Common Area in such condition as required by the Zoning Ordinance shall permit the City to exercise the remedies set forth in the Zoning Ordinance pertaining to "Failure of Maintenance Organization." In particular, if the Association fails to maintain the Common Area in reasonable order and condition in accordance with the Master Plan (or a master plan for a particular "sub-area" of Rarity Ridge), the City Manager of the City may serve written notice upon the Association, as the owner of the Common Area, in accordance with the Zoning Ordinance. The Association shall have thirty (30) days from receipt of the notice to correct and cure any deficiencies. If the Association has continued to fail to maintain the Common Area, then a public hearing shall be held, after notice to the Association and the Owners of the applicable Units. If, after a public hearing, the City determines that the Association has materially failed to diligently attempt to maintain the Common Area, then the City shall have the right to call upon any private or public agency to maintain the Common Area for such period of time as is reasonably necessary to rectify the Common Area maintenance issues, with such time period not to exceed one (1) year. If, after such time period, the City determines after notice to the original organization and a public hearing that the original organization lacks the capability to continue maintenance of common open space, the

agency appointed under the provisions of this subsection may continue maintenance for periods not to exceed one (1) year at a time with a review of the original organization's or any successor organization's capability to resume maintenance of the common open space. The cost of such maintenance shall be assessed proportionately against the properties within the TND that have a right of enjoyment of the common open space, and shall become a special assessment to the property tax or a lien on said properties. Such lien shall include an administrative fee to compensate the City for staff time which shall not exceed one hundred per cent (100%) of the yearly Property Owners Association budget for maintenance of common areas. The City shall review the Association's maintenance efforts thereafter on an annual basis and hold a public hearing to determine the Associations' ability to resume control of the Common Areas. The provisions of this paragraph are based upon the Zoning Ordinance in effect as of the date of this Declaration. Declarant shall have the right to amend this paragraph of the Declaration upon any change in the applicable Zoning Ordinance.

5.2 **Owner's Responsibility.** Each Owner shall maintain its Parcel, and all Improvements located thereon, including without limitation, all structures, parking areas, irrigation systems, sewer utility connections, drainage facilities, landscaping, setback areas and other Improvements located in rights-of-way adjacent to the Owner's Parcel in a manner consistent with the Community-Wide Standard and all Governing Documents, unless such maintenance responsibility is otherwise assumed by or assigned to the Association or a District Association. Such maintenance includes but is not limited to the following:

- (a) Removal of all litter, trash, refuse and waste at least once a week and keeping the trash pick-up, service and loading areas in a neat condition;
- (b) Lawn mowing on a regular basis such that the grass level on undeveloped land is not higher than ten inches (10") and the grass level on developed land is not higher than four inches (4");
- (c) Tree and shrub pruning;
- (d) Keeping exterior lighting, signage, fixtures, and mechanical facilities in working order;
- (e) Keeping plant materials within lawn and garden areas alive, and any adjoining rights-of-way or drainage ditches attractive and free of trash and debris;
- (f) Promptly removing and replacing any dead plant material;
- (g) Keeping parking areas, driveways, alleyways and roads in good repair;
- (h) Striping of parking areas and repainting of Improvements, as applicable; and
- (i) Repair of exterior damage to Improvements and keeping exterior Improvements in good repair.
- (j) Repair of lateral feed sewer connecting lines in the right-of-way, repair and replacement of landscaping in the right-of-way.

Every Owner shall also be responsible for the security and safety of its Parcel notwithstanding any security systems or measures which may be provided by the Association.

In addition to any other enforcement rights, if an Owner fails properly to perform its maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Parcel and the Owner in accordance with Section 8.6. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to

entry, except when entry is required due to an emergency situation. Entry by the Association or its designee under this Section shall not constitute a trespass.

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

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

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

5.5 **Party Structures.**

(a) **General Rules of Law to Apply.** Each sidewalk, driveway or similar structure which serves and/or separates any two (2) adjoining Parcels shall constitute a party structure. To the extent not inconsistent with the provisions of this Section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

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

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

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

5.6 **Maintenance under the City of Oak Ridge's TND Ordinance-**

It is the intent of the Developer to enter into a Maintenance Agreement with the City of Oak Ridge under the City's TND Ordinance. All maintenance agreements set out in this section 5 shall be

consistent with said TND Ordinance. Any property owned or controlled by the City of Oak Ridge and including the City of Oak Ridge property within the public right-of-way shall be governed by a separate Maintenance Agreement, which may be amended from time to time, between the Association and the City of Oak Ridge which shall be over this Declaration of Covenants, Conditions, and Restrictions and is attached here as Exhibit

5.7 Maintenance Agreement- That certain Maintenance Agreement entered into between the Rarity Ridge Owners Association and the City of Oak Ridge which explains the City's responsibility for repair and maintenance of City owned property, including but not limited to rights-of-way and utility easements. The Maintenance Agreement is hereto attached as Exhibit "D" and made part of the Conditions, Covenants and Restrictions for Rarity Ridge.

ARTICLE 6: INSURANCE AND CASUALTY LOSSES

6.1 Association Insurance.

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

Blanket property insurance for all insurable Improvements within the Area of Common Responsibility;

Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members;

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

Directors and officers liability coverage;

Fidelity insurance covering all Persons responsible for handling Association funds; and

Such additional insurance as the Board, in its best business judgment, determines advisable or is required by law.

In the event that any portion of the Common Area is or shall become located in an area identified by the Federal Emergency Management Agency ("FEMA") or its successor entity as an area having special flood hazards, a "blanket" policy of flood insurance on the Common Area must be maintained in the amount of one hundred percent (100%) of current "replacement cost" of all effected Improvements and other insurance property or the maximum limit of coverage available, whichever is less.

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

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the General Assessment, except that (i) premiums for property insurance obtained on behalf of a District shall be charged to the Owners of Parcels within the benefited District as a District Assessment; and (ii) premiums for insurance on Exclusive Common Areas may be included in the District Assessment of the District(s) benefited unless the Board of Directors reasonably determines that other

treatment of the premiums is more appropriate. In the event of an insured loss, the deductible shall be treated as a Common Expense or a District Expense and assessed in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one (1) or more Owners, their employees, lessees, invitees, clients, customers or guests, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Parcels pursuant to Section 8.6.

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

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

All insurance coverage obtained by the Board shall:

(1) be written with a company authorized to do business in the State of Tennessee which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

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

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

(4) contain an inflation guard endorsement;

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

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

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

(7) a waiver of subrogation as to any claims against the Board, its agents, officers, employees, Members, guests and manager(s);

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

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

(10) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause¹

(11) a cross liability provision; and

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

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

Any damage to or destruction of the Common Area shall be repaired or reconstructed unless the Members holding at least sixty-seven percent (67%) of the total Class "A" votes in the Association, and during the Development Period the Declarant, decide within sixty (60) Days after the loss not to repair or reconstruct.

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

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

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

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

6.2 Owners' Insurance. By virtue of taking title to a Parcel, each Owner covenants and agrees with all other Owners and with the Association to carry liability and property insurance with limits of not less than the full replacement cost of all insurable Improvements on its Parcel, less a reasonable deductible.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising its Parcel, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article 9. Alternatively, the Owner shall clear the Parcel of all debris and ruins and maintain the Parcel in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs that are not covered by insurance proceeds.

The requirements of this Section shall also apply to any District Association that owns common property within the District in the same manner as if the District Association were an Owner and the

common property were a Parcel. Additional recorded covenants applicable to any District may establish more stringent requirements for insurance and more stringent standards for rebuilding or reconstructing structures on the Parcels within such District and for clearing and maintaining the Parcels in the event the structures are not rebuilt or reconstructed.

ARTICLE 7: ANNEXATION AND WITHDRAWAL OF PROPERTY

7.1 **Annexation by Declarant.** Until twenty-five (25) years after the recording of this Declaration in the Public Records, Declarant may from time to time unilaterally subject to the provisions of this Declaration all or any portion of the Additional Property. The Declarant may transfer or assign this right to annex property, provided that the transferee or assignee is the developer of at least a portion of the real property described in Exhibits "A" or "B" and that such transfer is memorialized in a written, recorded instrument executed by Declarant.

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

Nothing in this Declaration shall be construed to require the Declarant or any successor to annex or develop any of the Additional Property in any manner whatsoever. Additionally, the term "annexation" as used herein shall only apply to actions by the Declarant and is not applicable to or related to any annexation actions taken by the City for purposes of expanding the jurisdictional territory of the City pursuant to applicable law.

7.2 **Annexation by Membership.** The Association may annex any real property to the provisions of this Declaration with the consent of the owner of such property, the affirmative vote of Members holding a Majority of the Class "A" votes of the Association represented at a meeting duly called for such purpose, and, during the Development Period, the written consent of the Declarant.

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

7.3 **Withdrawal of Property.** The Declarant reserves the right to amend this Declaration during the Development Period, for the purpose of removing any portion of the Properties from the coverage of this Declaration, provided such withdrawal is not unequivocally contrary to the overall uniform scheme of development for Rarity Ridge and/or to the extent that such property was originally subjected in error. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not the Declarant. If the property is Common Area, the Board shall consent to such withdrawal, with such consent by the Association deemed to be given upon the filing of an amendment as required herein by the Public Records.

7.4 **Additional Covenants and Easements.** The Declarant may unilaterally subject any portion of the Properties to additional covenants and easements, including, without limitation, covenants obligating the Association to maintain and insure such property on behalf of the Owners and obligating such Owners to pay the costs incurred by the Association through District Assessments. Such additional covenants and easements shall be set forth in a Supplemental Declaration, filed either concurrently with

or after the annexation of the subject property, and shall require the written consent of the owner(s) of the property affected by such additional covenants and easements, if other than the Declarant. Any such Supplemental Declaration may supplement, create exceptions to, or otherwise modify the terms of this Declaration, including but not limited to provisions relating to assessment obligations, capitalization amounts and transfer fees, as they apply to the subject property in order to reflect the different character and intended use of such property.

7.5 **Annexation.** The term "Annexation" as used in this Section pertains only to actions of the Declarant, and is in no way intended to apply to annexation actions undertaken by the City of Oak Ridge under Tennessee state law and set out in the Tennessee Code Annotated and applicable annexation statutes.

7.6 **Amendment.** Notwithstanding anything to the contrary contained in this Declaration, this Article 7 shall not be amended during the Development Period without the prior written consent of Declarant.

ARTICLE 8: ASSESSMENTS

8.1 **Creation of Assessments.** Assessments are hereby created for Association expenses as the Board may specifically authorize from time to time. There shall be four (4) types of assessments: (a) General Assessments to fund Common Expenses for the general benefit of all Parcels as described in Section 8.2; (b) District Assessments for District Expenses benefiting only Parcels within a particular District or Districts as described in Section 8.3; (c) Special Assessments as described in Section 8.5; and (d) Specific Assessments as described in Section 8.6. Each Owner, by accepting a deed or entering into a recorded contract of sale for any portion of the Properties, is deemed to covenant and agree to pay these assessments.

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

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

Assessments shall be paid in such manner and on such dates as the Board may establish, which may include discounts for early payment or similar time/price differentials. The Board may require advance payment of assessments at closing of the transfer of title to a Parcel and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two (2) or more installments. Unless the Board otherwise provides, the General Assessment, and any District Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on its Parcel, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately. Any

assessment or installment thereof shall be considered delinquent on the fifteenth (15th) day following the due date unless otherwise specified by Board resolution.

No Owner may exempt itself from liability for assessments by Owner's non-use of Common Area, including Exclusive Common Area reserved for such Owner's use, abandonment of its Parcel, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or Improvements, or from any other action taken by the Association or Board. The Association is specifically authorized to fully or partially exempt certain Parcels from liability for and payment of assessments as the Board may from time to time determine in its sole discretion.

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

The Governing Documents applicable to each District may designate one or more Persons who shall be responsible for collecting all assessments levied against Parcels within such District (such Person or Persons hereinafter defined and referred to as the "District Assessor"). The District Assessor shall pay the full amount of such assessments to the Association on or before the date that such assessments are due. No District Assessor may claim set-off nor abatement based upon such Person's inability or failure to collect such assessments from the Owners of Parcels within such District. If the Governing Documents applicable to a particular District create a District Association, the District Association shall serve as the District Assessor.

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

General Assessments to be levied against each Parcel subject to assessment shall be calculated in accordance with the formula set forth in Exhibit "C". The aggregate amount of the assessments shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including any reserves. In determining the level of assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years, any assessment income expected to be generated from any additional Parcels reasonably anticipated to become subject to assessment during the fiscal year, and any income expected to be generated from any Cost Sharing Agreement.

During the Development Period, the Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy and/or contributions of services and materials which may be treated as either a contribution or a loan, in the Declarant's discretion. The Board of Directors, specifically including members of the Board appointed by the Declarant, shall be authorized to execute a promissory note or notes on behalf of the Association to evidence the repayment obligation of the Association; provided however, the failure to execute such a note shall in no way diminish such obligation. Any anticipated payment or contribution by the Declarant shall be disclosed as a line item in the Common Expense budget. Payments by the Declarant in any year shall under no circumstances obligate the Declarant to continue such payments in future years, unless otherwise provided in a written agreement between the Association and the Declarant.

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

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

8.3 **Computation of District Assessments.** At least thirty (30) Days before the beginning of each fiscal year, the Board shall prepare a separate budget covering the estimated District Expenses for each District on whose behalf District Expenses are expected to be incurred during the coming year. The Board shall be entitled to set such budget only to the extent that this Declaration, any Supplemental Declaration, or the By-Laws specifically authorizes the Board to assess certain costs as a District Assessment. Any District may request that additional services or a higher level of services be provided by the Association and, upon approval of Owners within such District in accordance with Section 3.3, any additional costs shall be added to such budget. Such budget may include a contribution establishing a reserve fund for repair and replacement of capital items maintained as a District Expense, if any, within the District. District Expenses shall be allocated among all Parcels within the District(s) benefited thereby in accordance with the formula set forth in Exhibit "C" and levied as a District Assessment.

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

If the Owners within any District disapprove any line item of a District budget, the Association shall not be obligated to provide the services anticipated to be funded by such line item of the budget. If the Board fails for any reason to determine a District budget for any year, or if the budget proves inadequate for any reason, or if the use of a Parcel changes and affects the assessment obligation of the Owner of such Parcel, the Board may prepare a revised District budget for the remainder of the fiscal

year. The Board shall send a copy of the revised budget to the District Assessor for, and each Owner within, the affected District at least thirty (30) Days prior to its becoming effective. The revised budget shall become effective unless disapproved in accordance with the above procedure.

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

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

8.5 **Special Assessments.** In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against all Parcels, if such Special Assessment is for Common Expenses, or against the Parcels within any District if such Special Assessment is for District Expenses.

Any Special Assessment shall become effective unless disapproved at a meeting by Members holding at least sixty-seven percent (67%) of the total Class "A" votes allocated to Parcels which will be subject to such Special Assessment and, during the Development Period, by the Declarant. There shall be no obligation to call a meeting for the purpose of considering any Special Assessment except on petition of the Members as provided for special meetings in Section 2.4 of the By-Laws, which petition must be presented to the Board within twenty (20) Days after the date of the notice of such Special Assessment. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

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

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Parcel(s) or Occupants thereof upon request of the Owner pursuant to a list of choices of special services which the Board may from time to time authorize to be offered to Owners and Occupants (which might include, without limitation, landscape maintenance, patrols or security services, pest control service, cable, digital or similar television services, internet or intranet service, fire protection, Utilities and special and promotional events coordination), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner;

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

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

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

The Association may also levy a Specific Assessment against the Parcels within any District to reimburse the Association for costs incurred in bringing the District into compliance with the provisions of the Declaration, any applicable Supplemental Declaration, the Articles, the By-Laws, and rules; provided however, the Board shall give prior written notice to the District Assessor and the Owners of Units in the District and an opportunity for the Owners within the District to be heard before levying any such assessment.

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

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

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

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

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

8.9 **Failure to Assess.** Failure of the Board to establish assessment amounts or rates or to deliver or mail the District Assessor or each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments and District Assessments on the same basis as during

the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

8.10 **Capitalization of Association.** Upon acquisition of record title to a Parcel by the first Owner thereof other than the Declarant or any Declarant-Related Entity, a contribution shall be made by or on behalf of the purchaser of the Parcel to the working capital of the Association in an amount equal to percent (100%) of the annual General Assessment for that Parcel for that year. This amount shall be in addition to, not in lieu of, the annual General Assessment and shall not be considered an advance payment of such assessment. This amount shall be collected and disbursed to the Association at closing of the purchase and sale of the Parcel and may be used by the Association in covering operating expenses and other expenses incurred by the Association pursuant to the Governing Documents.

8.11 **Variation of Level of Assessments.** Notwithstanding anything to the contrary contained in this Article 8 or elsewhere in this Declaration, in setting the levels or amounts of the various assessments provided for herein, and using the formula for determining same as provided in Exhibit "C", the Board may, but shall not be obligated to, consider the size and location of the Parcel, the level of maintenance provided by the Association and the particular usage of any Parcel, such as commercial, retail, service or residential (such designations being used as examples only). Such factors shall be considered a reasonable basis upon which to differentiate between assessments levied on various Parcels or Districts within the Properties or to exempt a Parcel from any or all assessments.

8.12 **Payment of Assessments by Declarant and Declarant-Related Entities.** Notwithstanding anything provided in this Declaration to the contrary, neither the Declarant (as a Member of the Association or as the Owner of any Parcel) nor any Declarant-Related Entity shall be responsible for the payment of any assessments with respect to any Parcel owned by Declarant or such Declarant-Related Entity unless such Parcel has been improved by the erection of Improvements thereon and a certificate of occupancy has been issued by the controlling governmental authority, in which event the Owner of such Parcel shall pay assessments in the manner set forth in this Article 8.

8.13 **Transfer Fees.** Excluding any sales or transfers between and among the Declarant and any Declarant-Related Entities and also excluding the first sale of each Parcel from the Declarant or a Declarant-Related Entity to an Owner other than the Declarant or a Declarant-Related Entity, but including all other sales of all Parcels, a transfer fee shall be paid by or on behalf of the purchaser of each Parcel equal to one-half of one percent (0.5%) of the total purchase price of such Parcel, which transfer fee shall be paid to the Association. This amount shall be collected and disbursed to the Association at the closing of the purchase and sale of each Parcel, except as provided above. Such funds may be used by the Association in its sole discretion and may include without limitation, the cost of park maintenance, community events and similar expenditures. The Association may, but shall not be obligated to, assign the right to collect transfer fees to a tax-exempt organization pursuant to Section 4.10. In the event of non-payment of such transfer fee, the amount due shall bear interest and shall be collectible as an assessment, as set forth in this Article 8. The Association may require the purchasing and/or selling Owner to provide reasonable written proof of the applicable sales price, such as executed closing statements, contracts of sale, copies of deeds, or other such evidence.

8.14 **Assessments by or on behalf of the City.** The assessments referenced in this Article 8 do not replace or supercede the assessments that may be made on behalf of the City pursuant to the Zoning Ordinance.

8.15 **Non-applicability of Assessments to City property.** The assessments referenced within this Declaration shall not be assessed against property within Rarity Ridge, if any, that has been dedicated to or conveyed to the City.

ARTICLE 9: ARCHITECTURAL STANDARDS

9.1 **General.** No Improvements shall be placed, erected, installed, constructed or altered upon any Parcel except in compliance with this Article and with the prior written approval of the appropriate reviewing body under Section 9.2, in accordance with the application and approval requirements pursuant to Section 9.3.

All Improvements constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect or other qualified building designer acceptable to the Design Review Board, in its sole discretion. All plans and specifications shall be subject to review as provided herein.

This Article shall not apply to the activities of the Declarant, nor to Improvements to the Common Area by or on behalf of the Association. This Article may not be amended during the Development Period without the Declarant's written consent.

9.2 **Architectural Review.** Responsibility for review of all applications for use, construction and modifications under this Article shall be handled by the reviewing bodies described below, the members of which need not be Members of the Association or representatives of Members, and may, but need not, include architects, landscape architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the DRB. The reviewing bodies may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred in having any application reviewed by architects, engineers or other professionals.

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

(b) **Modifications Committee.** The Board of Directors may establish one (1) or more Modifications Committees ("MC"). The members of any Modifications Committee shall be appointed by and shall serve at the discretion of the Board. If established, a MC shall have jurisdiction over modifications, additions, or alterations of specific Parcels or Districts, including existing Improvements, after completion of initial construction on the Parcel. The DRB shall have the right to veto any action taken by any MC which the DRB determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the DRB. Any MC may be eliminated and its duties assumed by the DRB at any time in the discretion of the Board.

9.3 **Guidelines and Procedures**

(a) **Design Guidelines.** The Declarant may prepare and amend from time to time design and construction guidelines and application and review procedures for the Properties ("Design Guidelines"). Any Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions which vary according to land use and from one (1) portion of the Properties to another depending upon the location, unique characteristics, and intended uses. For example, by way

of illustration but not limitation, the Design Guidelines may impose stricter requirements on those portions of the Properties adjacent to or visible from any Lakes or any Private Amenity. The Design Guidelines are intended to provide guidance to Owners regarding matters of particular concern to the reviewing bodies in considering applications hereunder, but shall not necessarily be the exclusive basis for decisions of the reviewing bodies. The term "Design Guidelines" includes that certain plan (the "Regulating Plan for Rarity Ridge") prepared and adopted by the Declarant from time to time to establish additional development standards for some or all portions of Rarity Ridge. Such plan may include additional restrictions and concept illustrations and be contained in a Supplemental Declaration of Conditions, Covenants and Restrictions for specific Parcels or Districts and recorded in the County of Roane..

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

(b) Procedures. No activities within the scope of Section 9.1 shall commence on any portion of the Properties until an application for approval of the proposed work has been submitted to and approved by the DRB or the MC, as appropriate, and the specific use for such portion of the Properties has been approved by Declarant in accordance with Article 13. The DRB or the MC may require the submission of application forms and information as it deems necessary to consider any application and may require multiple stages of application and review for any use, construction or modification.

In the event that the DRB or MC fails to approve or to disapprove in writing any stage of an application within sixty (60) Days after submission of all information and materials reasonably requested, the application shall be deemed denied unless an extension of such time period is agreed to by both the reviewing body and the applicant.

Notwithstanding the above, the DRB by resolution may exempt certain activities from the application and approval requirements of this Article, provided that such activities are undertaken in strict compliance with the requirements of such resolution. However, no approval whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the DRB pursuant to Section 9.5.

(c) Basis of Approval. In reviewing each submission, the reviewing body may consider (but shall not be limited to consideration of) the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, setbacks and finish grade elevation, among other things. Decisions of the reviewing bodies may be based solely on aesthetic considerations and shall be made by a Majority vote of all members of the reviewing body. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as members of the reviewing bodies change over time.

Review of the plans shall be based on general adequacy of site dimensions, conformity and harmony of the exterior design, location with neighboring structures and sites, relation of finished grades and elevations to neighboring sites, compatibility with first class commercial, retail, and mixed use developments, and conformity to both the specific and general restrictions and covenants set forth herein, and in any Design Guidelines. The reviewing body shall have the right to disapprove any submitted plans of any Parcel if such plans are not in conformity with the provisions of this Declaration or any Design Guidelines, or if the reviewing body, acting pursuant to Article 9 hereof in its discretion determines that such plans are not in the best interest of the contemplated development of the Properties as a master planned mixed use development as described by this Declaration.

Approval by the DRB of any plans and specifications or the granting of a variance with respect to this Declaration, the Design Guidelines or any rules and regulations of the Association, shall not in any way be construed to set a precedent for approval, alter in any way this Declaration, the Design Guidelines or any rules and regulations of the Association or be deemed a waiver of the DRB's right, in its discretion, to disapprove similar plans and specifications, use of any Improvement, or any of the features or elements which are subsequently submitted for use in connection with any other Parcel.

(d) Commencement and Completion. All work shall be commenced and completed within such period as provided in the notice of approval; provided however, all work shall be completed within twelve (12) months after commencement of construction. The reviewing body may, in its sole discretion, grant an extension if commencement or completion is delayed due to causes beyond the reasonable control of the Owner. In the event construction of the work called for by the approved plans has not substantially commenced within the period set forth in the notice of approval, then the approval shall be deemed expired and no construction shall thereafter commence unless a written renewal is granted by the reviewing body.

(e) Easements and Common Area Dedications. As a prerequisite of approval of plans, the DRB shall have the power to require an Owner who has submitted plans to grant any reasonable Utility and drainage easements as may be required for the enjoyment and benefit of the Owners or the Association. Where possible, the DRB shall attempt to locate any such required easements along the perimeter of the Parcel, within existing or proposed rights-of-way, within other existing or proposed easements, or in such a manner as to not materially impair the proposed use of the Parcel.

(f) Architect, Builder and General Contractor Approval. In order to ensure that appropriate standards of construction are maintained throughout the Properties, all architects, builders and general contractors must be approved by the DRB prior to engaging in any construction activities within the Properties. The DRB shall implement a review process utilizing established criteria and requiring the submission of a written application for approval. Approval of any plans may be withheld until such time as the Owner's architect, builder or contractor has been approved by the DRB. Approval of an architect, builder or general contractor may be conditioned upon an agreement with the DRB to maintain certain insurance coverages required by the DRB, pay construction deposits to ensure completion of a project without damage to the Properties, and pay fees determined by the DRB, from time to time. Approval of architects, builders and contractors may not be construed as a recommendation of a specific architect, builder or contractor by the DRB or the Declarant, nor a guarantee or endorsement of the work of such architect, builder or contractor. The DRB shall maintain a list of general architects, builders or general contractors who are currently approved and licensed by the State of Tennessee and shall provide copies of the list to Owners upon request. Once approved (unless such approval is withdrawn by the DRB), an approved architect, builder or contractor shall not be required to re-submit to the approval process.

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

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

approval of any plans or the granting of any variances by the DRB shall not necessarily eliminate the need for approval of such plans by the City of Oak Ridge and shall not serve as a representation or warranty by the DRB that such plans shall be approved by the City.

9.6 **Limitation of Liability.** The standards and procedures established pursuant to this Article are intended to provide a mechanism for maintaining and enhancing the overall aesthetics of the Properties only, and shall not create any duty to any Person. Neither the Declarant, the Association, the Board, the DRB nor the MC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, the adequacy of soils or drainage, nor for ensuring compliance with building codes and other governmental requirements, nor for ensuring that all Improvements are of comparable quality, value or size, of similar design, or aesthetically pleasing or otherwise acceptable to neighboring property owners. Neither the Declarant, the Association, the Board, the DRI, the MC, any committee, nor any member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction or modifications to any Parcel. In all matters, the Declarant, the Board, the DRB, the MC, and their members shall be defended and indemnified by the Association as provided in Section 4.6.

9.7 **Enforcement.** The Declarant, any member of the DRB, the MC, the Board, or the representatives of each shall have the right, during reasonable hours and after reasonable notice, to enter upon any Parcel to inspect the same for the purpose of ascertaining whether any Improvement is in violation of this Article. Any Improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written notice from the DRB or MC, Owners shall, at their own cost and expense, remove such structure or Improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore the property as required, any authorized agent of Declarant, the DRB, the MC or the Board shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. Entry for such purposes and in compliance with this Section shall not constitute a trespass. In addition, the Board may enforce the decisions of the Declarant, the DRB and the MC by any means of enforcement described in Section 4.3. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefited Parcel and collected as a Specific Assessment pursuant to Section 8.6.

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

The DRB, the MC, the Association, the Declarant, and the members, officers or directors of the foregoing shall not be held liable to any Person for exercising the rights granted by this Article. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article may be excluded by the DRB from the Properties, subject to the notice and hearing procedures contained in the By-Laws.

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

ARTICLE 10: USE RESTRICTIONS

10.1 **General.** This Article sets out certain use restrictions which must be complied with by all Owners and Occupants of any Parcel. Declarant has established the Properties as a mixed use development with the intent that the development be comprised of a residential area with complimentary commercial components interspersed throughout the Properties. The Properties shall be used only for residential, office, retail, and commercial purposes consistent with the Zoning Ordinance, this Declaration and any Supplemental Declarations.

10.2 **Plan of Development; Applicability; Effect.** Declarant has established a general plan of development for the Properties as a master planned mixed use development in order to enhance all Owners' quality of life and collective interests, the aesthetics and environment within the Properties, and the vitality of and sense of community within the Properties, all subject to the Board's and the Members' ability to respond to changes in circumstances, conditions, needs, and desires within the master planned mixed use development and to regulate and control the Area of Common Responsibility. The Properties are subject to the Master Plan, the land development, architectural, and design provisions described in Article 9, the other provisions of this Declaration governing individual conduct and uses of and actions upon the Properties, any applicable Supplemental Declaration, and the rules promulgated pursuant to this Declaration, all of which establish affirmative and negative covenants, easements, and restrictions on the Properties, and which are enforceable by the Association as set forth in this Declaration.

The Properties shall be used only for such purposes permitted by the Zoning Ordinance and specifically approved by the Declarant or its designee, consistent with this Declaration and any Supplemental Declaration. As set forth in Section 13.5, Declarant retains the right, in its discretion, during the Development Period, to specifically determine, limit and otherwise review and designate the uses permitted for any Parcel or group of Parcels to one or more of the uses permitted by the Zoning Ordinance. Such specific permitted use designations may be amended only as provided in Section 13.5. The Declarant's rights with respect to approval, limitation, and designation of specific uses for any of the Properties shall be fully assignable or delegable by Declarant at any time and from time to time. During the Development Period, Declarant may further, in its discretion, establish such rules, regulations and procedures for initial and continuing review and approval of the use or uses for all Parcels on a case by case basis.

All provisions of this Declaration and any rules shall apply to all Owners, Occupants, employees, lessees, clients, customers, guests and invitees of any Parcel. Any lease on any Parcel shall provide that the lessee and all Occupants of the leased Parcel shall be bound by the terms of this Declaration, the By-Laws, and the rules of the Association.

10.3 **Procedures for Review and Enforcement of Parcel Specific Uses.** In order to carry out the general plan of development, create enhancements to the Properties and maintain the values thereof, Declarant has been given and retains in its discretion, as provided above in Section 10.1 and in Article 13 and throughout this Declaration, the specific right and authority to limit the specific use or uses of any portion of the Properties, including any one Parcel or portions thereof or group of Parcels, or negatively restrict any Parcel or portions thereof or group of Parcels from being used for a certain use or uses. Accordingly, no activities within the scope of Section 9.1 shall commence on any portion of the Properties until an application for approval of the proposed use or uses for the specific Parcel or Parcels or other portion of the Properties in question, has been submitted to and approved in writing by Declarant or its designee. Thereafter, the use for all or any portion of a specific Parcel or group of Parcels shall not be changed from that last approved by Declarant in accordance with Article 13 unless and until an application for such change in use has been submitted to and approved in writing by Declarant or its designee. Declarant or its designee may require the submission of application forms and such information

as it deems necessary to consider any application for approval of an initial use and/or for the approval of a change in use from one previously approved. Notwithstanding the foregoing, in the event the Declarant fails to approve or to disapprove in writing an application for initial use or for a change of use within thirty (30) Days after submission of all requested information and materials, the application and the specific use for which approval is being sought shall be deemed approved unless an extension of such time period is agreed to by Declarant and the applicant. All such review and approval of the use or uses for any portion of the Properties shall be done and made in Declarant's sole and absolute discretion and an approval of a specific use for a Parcel or portion thereof, or a group of Parcels shall not be deemed an approval for any other Parcels nor shall it constitute a waiver of the right to withhold approval as to any similar proposals for use of a specific Parcel or of other Parcels within the general area. The failure of an Owner to submit and obtain approval for the specific use to be carried out on or within its Parcel (whether initial uses or change in use), or to comply with such use after approval thereof shall be deemed a violation of this Declaration and shall be subject to enforcement by Declarant and/or the Association as provided in this Declaration and in the By-Laws. Declarant may, without limitation, designate all or certain of its rights and authority under this Section to the DRB.

All Owners and Occupants of Parcels and purchasers are given notice that the specific operational use or uses of each Parcel is limited by the use review and approval rights of Declarant. Each Owner, by acceptance of a deed or entering into a contract for the purchase of a Parcel, acknowledges the rights of Declarant with respect to review and approval of the specific uses of the Properties, agrees to abide thereby, and further acknowledges and agrees that the specific use and enjoyment and marketability of its Parcel can be affected.

10.4 **Obnoxious or Offensive Activity.** No obnoxious or offensive activity shall be allowed on the Properties, nor shall any use or practice be allowed which is a source of annoyance, embarrassment or discomfort to Owners or their tenants or invitees, or which interferes with the peaceful possession and proper use and enjoyment of the Properties, nor shall any improper, unsightly, offensive or unlawful use be made of any Parcel or of the Common Area. All laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction over the Properties shall be observed. Restricted and prohibited activities include without limitation, the following terms and conditions:

(a) The use, enjoyment and occupancy of the Properties shall be in such a manner so as not to cause or produce any of the following effects discernible outside the building located thereon, or affect the adjoining property or any portion by its volume, duration, pounding beat, frequency or shrillness; smoke, dust, or dirt; unusual fire or explosive hazards; or vibration or light.

(b) Loading, service and refuse areas shall be constructed in accordance with the plans approved by the DRB. No accumulation of rubbish, trash, or garbage shall be made except between regular garbage pick ups, and then only in approved containers and screened from view from streets and other Parcels.

(c) No use of any radio, loudspeaker, horn, whistle, bell, or other sound device shall be audible to Occupants of other Parcels, except alarm devices used exclusively for security purposes.

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

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

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

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

10.5 **Fuel Storage and Dispensing.** On-site storage and dispensing of gasoline, heating, or other fuels is prohibited, except that a reasonable amount of fuel may be stored on each Parcel for emergency purposes and for the operation of lawn mowers and similar tools or equipment. The Association shall be permitted to store fuel for operation of maintenance vehicles, generators, and similar equipment. This provision shall not apply to fuels stored and dispensed incident to the retail operation of a gasoline service station or convenience store dispensing fuel for primarily passenger vehicles and household uses, nor to any underground fuel tank approved by the DRB, nor to any underground or above-ground fuel tank actively used for storage of fuels used incident to cooking operations in connection with the operation of a restaurant or other food service facility approved by the DRB, and provided in either case that operation and installation of such facilities shall be according to applicable laws, ordinances, and regulations, including without limitation zoning ordinances. This Section 10.5 shall not apply to any fuel stored by the City for its municipal purposes.

10.6 **Animals and Pets.**

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

(b) Pets shall be kept on a leash or otherwise confined in a manner acceptable to the Board, and shall not be permitted to roam free, or, in the sole discretion of the Board, make objectionable noise, endanger the health or safety of, or constitute a nuisance or inconvenience to the Owners or Occupants of Parcels and their employees, lessees, invitees, clients, customers and guests. Pets shall be registered, licensed and inoculated as required by law. The owners of the pet shall be responsible for all of the pet's actions. Pet waste shall be promptly removed and disposed of in proper receptacles. If, in the sole opinion of the Board, any animal becomes dangerous or an annoyance or nuisance in the Properties or to nearby property or destructive to wildlife, the animal shall be removed from the Properties. By way of explanation and not limitation, this Section may be enforced by exercising self-help rights provided in Section 4.3 of the Declaration.

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

(d) A reasonable number of dogs, cats, and other common household pets may be permitted in a Parcel: (i) if related to the approved specific use of the Parcel. (i.e. a grooming service or a

retail store selling pet supplies may keep pets within such Parcels); and (ii) in conjunction with the conduct of business in a Parcel, such as the use of animals to provide security for a Parcel or for the temporary keeping of pets within a Parcel by the Owner or Occupant of such Parcel.

10.7 **Common Area, Plazas, Sidewalks, and Bike and Pedestrian Pathways/Trails.**

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

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

10.8 **Lakes and Other Water Bodies.** Lakes shall be used only in accordance with the Lake Use Restrictions promulgated by the Declarant and the Association. No Person may use any Lake in any fashion for irrigation of a Parcel. Notwithstanding the foregoing, the Association shall have the right to use the equipment it deems necessary at the times and places it deems necessary to comply with its maintenance responsibilities. The Association shall not be responsible for any loss, damage, or injury to any Person or property arising out of the authorized or unauthorized use of any Lake. In addition, the Association shall not be responsible for maintaining, increasing or decreasing the water level within any Lake or other water body or removing vegetation from any Lake or other water body. With the exception of any community dock constructed on behalf of the Association, no docks, piers, or gazebos shall be constructed, attached or floated upon or adjacent to any Lake.

10.9 **Parking and Vehicles.**

(a) Unless otherwise authorized by the Declarant, parking of the following vehicles within the Properties is restricted: construction vehicles or equipment, mobile homes, recreational vehicles, golf carts, boats and other water craft, trailers, stored vehicles or inoperable vehicles. The foregoing vehicles may be parked only in enclosed garages or other areas as may be designated by the Board and approved in accordance with Article 9 of the Declaration. Construction vehicles and equipment shall be exempt from this provision during daylight hours for such period of time as is reasonably necessary for construction within a Parcel or the Common Area. In the sole discretion of the Board, limitations may be placed on the parking areas, times for parking and points of entry for construction and commercial vehicles.

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

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

10.10 **Environmental Protection.** Any activities which materially disturb or destroy the vegetation, wildlife, or air quality within the Properties or adjoining buffer zones or which use excessive amounts of water or which result in unreasonable levels of sound or light pollution are prohibited. Restricted and prohibited activities include without limitation the following:

(a) Dumping of grass clippings, leaves or other debris, chemicals, petroleum products, fertilizers, or other potentially hazardous or toxic substances in any buffer zone, drainage or irrigation ditch, swale or elsewhere within the Properties or adjoining areas, except that fertilizers may be applied to landscaping on Parcels provided care is taken to minimize runoff

(b) Obstructing, rechanneling or any other interfering with drainage flows after location and installation of drainage swales, storm sewers, or storm drains, except that the Declarant, any Declarant-Related Entity and the Association shall have such right, provided that the exercise of such right shall not materially diminish the value of or unreasonably interfere with the use of any Parcel without the Owner's consent.

(c) Installing of sprinkler or irrigation systems or wells of any type which draw upon water from Lakes, creeks, streams, rivers, ponds, wetlands, canals, or other ground or surface waters within the Properties, except that Declarant, any Declarant-Related Entity and the Association shall have the right to draw water from such sources.

Living trees shall be removed from the Properties only in conformance with plans approved in accordance with Article 9.

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

10.11 **Construction Activities.** No construction, erection, or placement of any structure, permanently or temporarily, on the outside portions of the Parcel, whether such portion is improved or unimproved is permitted, except in strict compliance with the provisions of Article 9 of the Declaration. The following restrictions shall also apply:

(a) After commencement of construction of any Improvements in the Properties, the Owner shall diligently prosecute the work thereon, such that the Improvements shall not remain in a partly finished condition any longer than reasonably and normally necessary for completion thereof

(b) The Owner of the Parcel on which Improvements are being constructed shall at all times keep streets and parking contiguous to the Parcel free from excess dirt, mud, garbage, trash or other debris as may be occasioned by construction of the Improvements.

(c) Rocks and trees removed during construction of Improvements shall be disposed of in strict conformance with plans approved in accordance with Article 9.

(d) Storage of construction materials and equipment shall strictly conform to plans approved in accordance with Article 9. The foregoing materials and equipment shall not be permitted within any natural barriers established prior to construction.

10.12 **Signs**. No signs, advertisements, billboards, solicitation or advertising structures or any kind shall be erected, modified or maintained on a Parcel or within the Properties unless prior written approval of the Board of Directors and Owner's Association is obtained. In addition, with respect to any Parcels that are restricted to, intended for, or used primarily for residential purposes, no "for sale" or "for lease" signs shall be permitted on any portion of such Parcels, including within any residences located thereon, if such sign would be visible from the exterior of such Parcel as determined in the Board's sole discretion. The Board of Directors may restrict the size, materials, color, lettering, illumination and placement of all signs. The restrictions of this Section shall not apply to community directional signs erected or constructed by or on behalf of the Declarant or a Declarant-Related Entity.

10.13 **Fences or Walls**. No fences or walls shall be erected except with prior written DRB approval or as part of a District Regulating Plan as part of a specific Supplemental Declaration for that District.

10.14 **Lighting**. Exterior lighting must be approved by the DRB. Seasonal decorative lights may be used only pursuant to rules and regulations established by the Board from time to time.

10.15 **Air-Conditioning Equipment**. No air conditioning equipment which is visible on the exterior of any Improvement shall be permitted in the Properties unless constructed in accordance with plans approved by the DRB. Approval shall be based on adequacy of screening and/or landscaping of the equipment.

10.16 **Temporary Structures**. Except as specifically approved in writing in advance by the DRB, no temporary buildings (including construction trailers) shall be erected or placed on the Properties.

10.17 **Antennas**. Antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind shall be constructed only after written approval of the DRB. Notwithstanding the foregoing, the DRB shall regulate antennas, satellite dishes, or any other apparatus for the transmission or reception of television, radio, satellite or other signals of any kind only in strict compliance with all federal laws and regulations.

10.18 **Subdivision**. Subdivision of a Parcel into two (2) or more Parcels, or changing the boundary lines of any Parcel after a plat including such Parcel has been approved and filed in the Public Records is prohibited, except with the written consent of the Declarant during the Development Period and the Board thereafter.

10.19 **Alleys**. Owners of Parcels located adjacent to alleys and other permitted users of any alley shall be obligated to refrain from any actions which would deter from or interfere with the use and enjoyment of the alley by other authorized users of the alley. Prohibited activities shall include, without limitation, obstruction of any of the alleys. For the purposes of this Section, the term "alley" shall refer to a thoroughfare providing access to, through or within Parcels that may be more particularly described

on a recorded subdivision plat for such Parcels. No structures or trees shall be placed in an alley which is used in whole or part as a public entity easement without prior consent of the City of Oak Ridge.

10.20 **Occupants Bound.** All provisions of the Declaration, By-Laws and of any rules and regulations, use restrictions or Design Guidelines governing the conduct of Owners and establishing sanctions against the Owners shall also apply to all occupants even though Occupants are not specifically mentioned.

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

ARTICLE 11: EASEMENTS

Declarant reserves, creates, establishes, promulgates, and declares the non-exclusive, perpetual easements set forth herein for the enjoyment of the Declarant, any Declarant-Related Entity, the Association, the Members, and the Owners, and their successors-in-title.

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

11.2 **Easements for Utilities, Etc.**

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

Declarant may assign to the local water supplier, sewer service provider, electric company, telephone company, and natural gas supplier the easements set forth herein across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining Utility lines, meters and boxes, as applicable.

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

(c) Any damage to a Parcel outside of an easement resulting from the exercise of the easements described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Parcel, nor shall it unreasonably interfere with the use of any Parcel, and except in an emergency, entry onto any Parcel shall be made only after reasonable notice to the Owner or Occupant.

(d) Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements. This Section shall not be applicable to easements in favor of the City of Oak Ridge.

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

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

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

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

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

11.4 **Easements to Serve Additional Property.** The Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal, appurtenant easements for itself and its duly authorized successors and assigns, including without limitation, successors-in-title, agents, representatives, and employees, successors, assigns, licensees, and mortgagees, over the Common Area for the purposes of enjoyment, use, access, and development of the Additional Property, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads, for the posting of signs, and for connecting and installing Utilities and Improvements on such property. In addition, Declarant reserves the non-exclusive right and power to grant such specific easements and licenses as may be necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described on Exhibits "A" or "B."

11.5 **Maintenance, Construction, Utility and Drainage Easements.** The Owners of all Parcels recognize and agree that temporary construction and permanent and perpetual maintenance easements and all rights of access reasonably necessary to permit construction and maintenance of the

Common Area, including reasonable permanent easements to permit installation and maintenance of Utilities, roads, walkways and storm water drainage on the Properties are hereby granted to and retained by Declarant for the benefit of Declarant and of the Association and their respective Mortgagees, employees, independent contractors, agents and assigns. Such easements must be granted and conveyed hereafter by each Owner to Declarant and the Association for the benefit of Declarant and of the Association and their respective Mortgagees, employees, independent contractors, agents and assigns. Each Owner, by taking title to its respective Parcel, hereby grants and conveys and shall be deemed to have consented and agreed to hereafter designate, grant and convey such easements when requested to do so by Declarant or the Association. Each Owner, by taking title to its respective Parcel, shall also be deemed to have agreed to obtain from all appropriate parties, including its Mortgagees and trustees under deeds to secure debt, the written subordination of any and all Mortgages, deeds to secure debt, security interests and all other liens that encumber or in any way affect its respective Parcel to such easements and to all other easements, rights-of-way and rights of ingress, egress, access and passage now set forth in or otherwise provided for in or contemplated by this Article. Such written subordination instruments shall be provided promptly and without delay to Declarant and the Association when requested by Declarant or the Association. Each Mortgagee, noteholder under a deed to secure debt, trustee under a deed to secure debt and other holders of any security interest in any Parcel by accepting a security interest in or legal or equitable title to a Parcel, shall be deemed to have consented to and agreed that its security interest or legal or equitable title is subject to said easements and agrees to execute any instrument reasonably required to subordinate its debt and security instruments to such easements, rights-of-way and rights of ingress, egress, access and passage subject to the same not materially adversely affecting the Parcel serving as the security for the obligations owed to such Mortgagee or noteholder. Such easements will contain terms and conditions reasonably requested by Declarant or the Association, as the case may be, but such easements will not unreasonably interfere with the development, use and occupancy of any Parcel or unreasonably affect access to, or operation of, any such Parcel. All temporary construction easements, and temporary access rights in connection therewith, of Declarant shall terminate automatically when construction of the Common Area for which such easement is granted or retained is completed, but the permanent and perpetual maintenance easements, and access rights in connection therewith, of Declarant and the Association shall continue in full force and effect except as hereinafter provided. Prior to the Declarant's or the Association's exercise of any easement rights created by this Section, a written instrument defining the location of the respective easement shall be approved by the appropriate governmental entity.

11.6 **Roadside Access Easements.** There is hereby reserved to Declarant, the Association and the general public an easement for access, adjacent and parallel to all public road rights-of-way within the Properties, extending from the curb to the far side of any sidewalk or jogging or bicycle path running more or less parallel to the curb, for the purpose of using such sidewalk or path. There is also hereby reserved to Declarant, the Association, and the designees of each, a right to go upon, over and across all property adjacent to public road rights-of-way within the Properties to maintain, repair, and replace street furniture (e.g., park benches), sidewalks and paths, sewer and utility connections, and traffic and directional signs.

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

Owner, except by emergency personnel acting in their official capacities. Entry under this Section shall not constitute a trespass.

11.8 **Easements for Maintenance and Enforcement.**

(a) Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, reciprocal easements for the Association to enter all portions of the Properties, including each Parcel, to (a) perform its maintenance responsibilities under Article 5, and (b) make inspections to ensure compliance with the Governing Documents. Except in emergencies, entry onto a Parcel shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense.

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

(c) In addition, Declarant reserves, creates, establishes, promulgates and declares non-exclusive, perpetual, appurtenant rights and easements for the City or its duly authorized designee to enter all portions of the Properties, including each Parcel, to perform various maintenance tasks in accordance with Section 5.1(e). Except in emergencies, entry onto a Parcel shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the City at its expense.

(d) Entry under this Section shall not constitute a trespass.

11.9 **Public Park Easements.** There is hereby reserved to Declarant and the Association an easement for access to all public parks adjacent to or surrounded by the Properties for the purpose of maintaining those areas in accordance with the Community-Wide Standard.

11.10 **Landscape Easements and Tree Preservation.** There are hereby reserved to Declarant during the Development Period, the Association and the designees of each, non-exclusive easements for access, installation, pruning and other maintenance, removal and replacement of street trees and landscaping over those portions of the Properties lying adjacent to all roadways and consisting of a strip of land as shown on the plat of the Properties. This easement shall run the entire length of, and on both sides of, all roadways ("Landscape Easement") and over such other portions of the Properties as are designated "Landscape and Access Easement" on the recorded plats of the Properties. Such easement shall include the right to disturb existing landscaping within the Landscape Easement, to dig holes and to temporarily pile dirt and plant material upon the Landscape Easement, provided the area is restored to a neat and attractive condition to the extent practical, as soon as reasonably possible after completion of the activities authorized hereunder. Nothing herein shall obligate the Declarant or the Association to undertake any of the activities that such easement authorizes. These Landscape Easement areas shall not be disturbed by any Owner without prior approval in accordance with Article 9.

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

11.12 **Easement for Special Events.** Declarant reserves, creates, establishes, promulgates and declares for itself, any Declarant-Related Entity, their successors, assigns and designees a perpetual, non-exclusive reciprocal, appurtenant easement over the Common Area for the purpose of conducting or allowing its designees to conduct educational, cultural, entertainment, promotional or sporting events, and other activities of general community interest at such locations and times as Declarant, in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Parcel, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of itself and the Occupants of its Parcel to take no action, legal or otherwise, which would interfere with the exercise of such easement or to recover damages for or as the result of any such activities.

11.13 **Liability for Use of Easements.** No Owner shall have a claim or cause of action against the Declarant, any Declarant-Related Entity, the Association, or their successors or assigns, arising out of the exercise or non-exercise of any easement reserved hereunder or shown on any subdivision plat for the Properties, except in cases of willful or wanton misconduct.

11.14 **Easements to Government Entities.**

It is the intent of Declarant that easements established by Declarant, or anyone acting on behalf of Declarant in favor of any governmental entity, including but not limited to the City of Oak Ridge, shall not be affected by this "Declaration of Covenants, Conditions, and Restrictions" unless expressly agreed to by the governmental entity in writing and placed of record in the Register of Deeds Office for Roane County.

ARTICLE 12: MORTGAGEE PROVISIONS

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

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

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

ARTICLE 13: DECLARANT'S RIGHTS

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

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

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

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

13.3 **Improvements to Common Areas.** The Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Common Area for the purpose of making, constructing and installing such Improvements to the Common Area as it deems appropriate in its sole discretion.

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

13.5 **Limitations of Use.** During the Development Period, the Declarant, acting in its sole and absolute discretion, retains the right, but not the obligation, to limit the use of any portion of the Properties, including any one Parcel or group of Parcels, to one or more, but less than all, of the permitted uses under the Zoning Ordinance. By way of example only, the Declarant may limit the use of certain Parcels or Districts to single-family residential use. In the alternative, the use of a Parcel or District may be limited to a nonresidential use permitted under the Master Plan such as, by way of example only, a specific non-food service retail use, or the use of certain Parcels may be restricted against a use already being conducted by an Owner of a Parcel within Rarity Ridge.

The limitations of use imposed by the Declarant may not be changed without the written consent of the Declarant during the Development Period. Thereafter, or at such time as the Declarant assigns it rights in this regard to the Association, any change in the limitations on use shall require the consent of the Board and the Owner(s) of the affected Parcel or Parcels and shall be set forth in a written instrument recorded in the Public Records. Declarant shall have the further right to establish such rules, regulations and procedures for initial and continuing review, approval and enforcement of the use or uses of and for

all Parcels as provided in Article 10. Any change on the limitations on use of a Parcel and the resulting change of the actual use of such Parcel may impact the assessment and voting allocations for the affected Parcel as determined in accordance with the formula set forth in Exhibit "C". The Board may, but shall not be obligated to, revise the Association's budgets to reflect such change and send the revised budgets to the District Assessors or Owners in accordance with Article 8.

13.6 **Right of Declarant to Disapprove Actions.** Declarant shall have the right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Declarant, would tend to impair rights of the Declarant under the Governing Documents, or interfere with development of or construction on any portion of the Properties, or diminish the level of services being provided by the Association.

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

(b) The Declarant shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

The Declarant, its representatives or agents may make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Declarant, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within ten (10) Days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within ten (10) Days following receipt of written notice of the proposed action. No action, policy or program shall be effective or implemented if the Declarant exercises its right to disapprove. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Declarant shall not use its right to disapprove to reduce the level of services which the Association is obligated to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

13.7 **Amendments.** Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any use restrictions and rules or Design Guidelines shall be effective without prior notice to and the written consent of the Declarant, during the Development Period. This Article may not be amended without the written consent of the Declarant. The rights contained in this Article shall terminate at such time as neither the Declarant nor any Declarant-Related Entity owns any property which is subject to this Declaration, any Additional Property or any Private Amenity nor has the unilateral right to subject Additional Property to this Declaration pursuant to Section 7.1.

13.8 **Right of Declarant to Assess Management Fees.** Declarant shall have the right to assess the Association, any district association or district within Rarity Ridge, administrative

and/or management fees on a per parcel basis for the management and administration of Association business by Declarant-Related or employees during the development period at a rate comparable to the then current and comparable industry standard as may be amended from time to time.

ARTICLE 14: GENERAL PROVISIONS

14.1 Duration.

(a) Except as otherwise limited by Tennessee law, this Declaration shall have perpetual duration. If Tennessee law limits the period during which covenants may run with the land, then this Declaration shall automatically be extended at the expiration of such period for successive periods of twenty (20) years each. Notwithstanding the above, if any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until twenty-one (21) years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) Unless otherwise provided by Tennessee law, in which case such law shall control, this Declaration may not be terminated within thirty (30) years of the date of recording without the consent of all Owners. Thereafter, it may be terminated only by an instrument signed by Owners of at least ninety percent (90%) of the total number of Parcels within the Properties and by the Declarant, during the Development Period, which instrument is recorded in the Public Records. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

14.2 Amendment.

(a) By Declarant. During the Development Period, the Declarant may unilaterally amend this Declaration or any Supplemental Declaration at any time and from time to time:

for the purpose of curing any ambiguity or any inconsistency among the provisions contained herein;

to release any Parcel from any part of the covenants and restrictions contained herein which have been violated if the Declarant, in its sole judgment, determines such violation to be a minor or insubstantial violation;

if such amendment is necessary (a) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (b) to enable any reputable title insurance company to issue title insurance coverage on the Parcels; (c) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, to make, purchase, insure or guarantee Mortgage loans on the Parcels; (d) to enable any reputable private insurance company to insure Mortgage loans on the Parcels; or (e) to satisfy the requirements of any local, state or federal governmental agency; and any other purpose.

The foregoing amendments may be made without the joinder or approval of any Owner, Mortgagee, or the Association.

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

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

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

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

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

14.4 **Litigation.** Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of Members holding seventy-five percent (75%) of the Class "A" votes in the Association, and, during the Development Period, the written consent of the Declarant. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of the Governing Documents (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article 8; (c) proceedings involving challenges to property taxation; (d) counter-claims brought by the Association in proceedings instituted against it; or (e) actions brought by the Association against any contractor, vendor, or supplier of goods or services arising out of a contract for services or supplies. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

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

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

14.7 **Cumulative Effect; Conflict.** The provisions of this Declaration shall be cumulative with any additional recorded covenants, restrictions, and declarations applicable to any District or Parcel, and the Association may, but shall not be required to, enforce such additional covenants, restrictions, and declarations applicable to any District or Parcel; provided however, in the event of a conflict between or among this Declaration and such covenants or restrictions, and/or the provisions of any articles of incorporation, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, this Declaration, the By-Laws, Articles, and rules of the Association shall prevail over those of any District or Parcel. The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Association. Nothing in this Section shall preclude any Supplemental Declaration or other recorded declaration, covenants and restrictions applicable to any portion of the Properties from containing additional covenants or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

14.8 **Use of the "Rarity Ridge" Name and Logo.** No Person shall use the words "Rarity Ridge" or the logo in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the words "Rarity Ridge" in printed or promotional matter where such terms are used solely to specify that particular property is located within Rarity Ridge and the Association and any other community association located in Rarity Ridge shall be entitled to use the words "Rarity Ridge" in its name, provided that the name chosen by the Association or any other community association located in Rarity Ridge is permitted to be registered by the Secretary of State of Tennessee or such other controlling entity.

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

14.10 **Notice of Sale or Transfer of Title.** Subject and in addition to the requirements and provisions of Article 14, any Owner desiring to sell or otherwise transfer title to its Parcel shall give the Board at least seven (7) Days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. After the transfer of title, the transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Parcel, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

14.11 **Exhibits.** Exhibits "A", "B", and "C" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by the provisions of Section 14.2.

ARTICLE 15. CLUB MEMBERSHIP AND OTHER CLUB MATTERS.

15.1 Mandatory Owner's Club Membership

Every Owner, other than the Declarant, Declarant-Related Entity, or a Builder, shall be an "Owner's Club Member" of the Rarity Ridge Club (the "Club"). but shall have the right to upgrade as set forth in Section 15.4 below. There shall be only one (1) Owner's Club Membership per Unit. If a Unit is owned by more than one (1) Person, all co-Owners shall be subject to the usage rules and requirements established by the Club in the Club's sole discretion from time to time. All Owners will be subject to the by-laws. rules. regulations. and charges of the Club and shall be responsible for payment of Owners Club Membership Dues to the Club. At the closing of a Unit, each Owner shall be required to remit an initiation deposit

applicable to an Owner's Club Membership to the Club. Upon closing and payment of such deposit, the Owner's membership shall become effective and the Owner's Club Membership shall entitle the Owner and his or her family and guests to Membership privileges at the Club in accordance with the Club's membership program. The Owner shall have no right of reimbursement or refund for initiation fees or deposits related to the Owner's Club Membership except in accordance with the Club's membership plan. and the Owner's Club Membership is non-transferable except in connection with the sale of the Unit relating to such Owner's Club Membership.

15.2 Mandatory Owner's Club Membership Dues

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

15.3 Lien for Owner's Club Membership Dues.

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

Notwithstanding anything contained herein to the contrary, as a condition precedent to the Club's obtaining lien rights, and/or enforcement rights pursuant to the terms of this Section, the Club must first provide the Association with twenty (20) Days prior written notice of the Club's intent to record a lien against a Unit, and/or proceed with other judicial or non-judicial foreclosure of the lien

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

15.4 Upgraded Owner's Club Membership.

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

EXHIBIT "A"

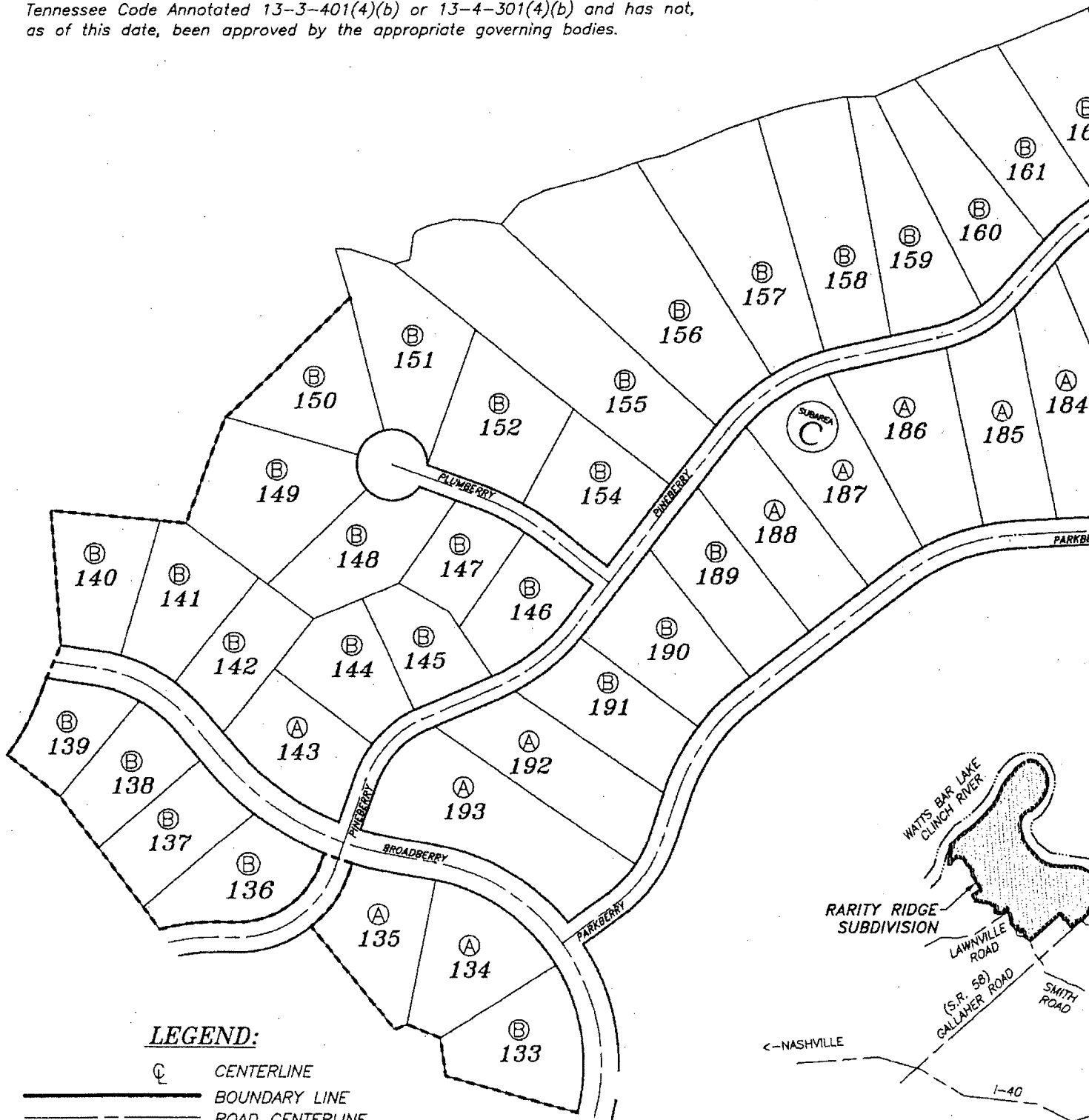
Land Initially Submitted

Exhibit "A"

SURVEYOR'S NOTES:

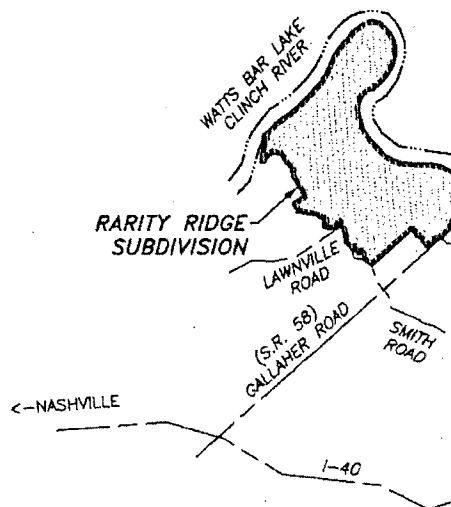
Exhibit "A" - Page 1

1. No Instruments of Record reflecting easements, rights of way, and/or ownership were furnished to the Surveyor, except as shown hereon. The Surveyor has made no attempt to access the public records for any easements. Subject to any easements, regulations or restrictions in effect at the time of this survey. No title opinion is expressed or implied.
2. This drawing is intended to represent a subdivision of land according to Tennessee Code Annotated 13-3-401(4)(b) or 13-4-301(4)(b) and has not, as of this date, been approved by the appropriate governing bodies.

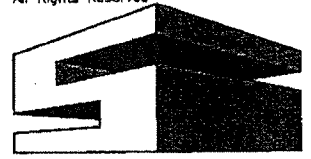


LEGEND:

- Ⓢ CENTERLINE
- BOUNDARY LINE
- ROAD CENTERLINE
- EDGE OF ROAD



LOCATION
NOT TO SCALE



SINCE 1979

STERLING
ENGINEERING, INC.

LAND SURVEYING
CIVIL ENGINEERING
ARCHITECTURE
LAND PLANNING

1017 HAMPSHIRE DRIVE
MARYVILLE, TENNESSEE
37801-3525
PHONE: VOL-984-3905
FAX: VOL-981-2815
www.sterling.us.com

EXHIBIT OF PROPOSED STREETS & LOTS

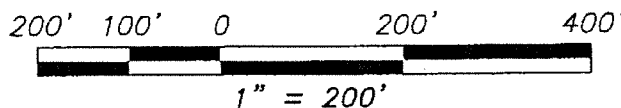
RARITY RIDGE

SUBAREA "C"

ROANE COUNTY, TN.



OWNER:
OAK RIDGE LAND COMPANY, LLC
P.O. BOX 5958
MARYVILLE, TN 37802
865-681-8591
DISTRICT 3, ROANE COUNTY
WDB X21 PG 233
TAX MAP 39 PARCEL 2.01

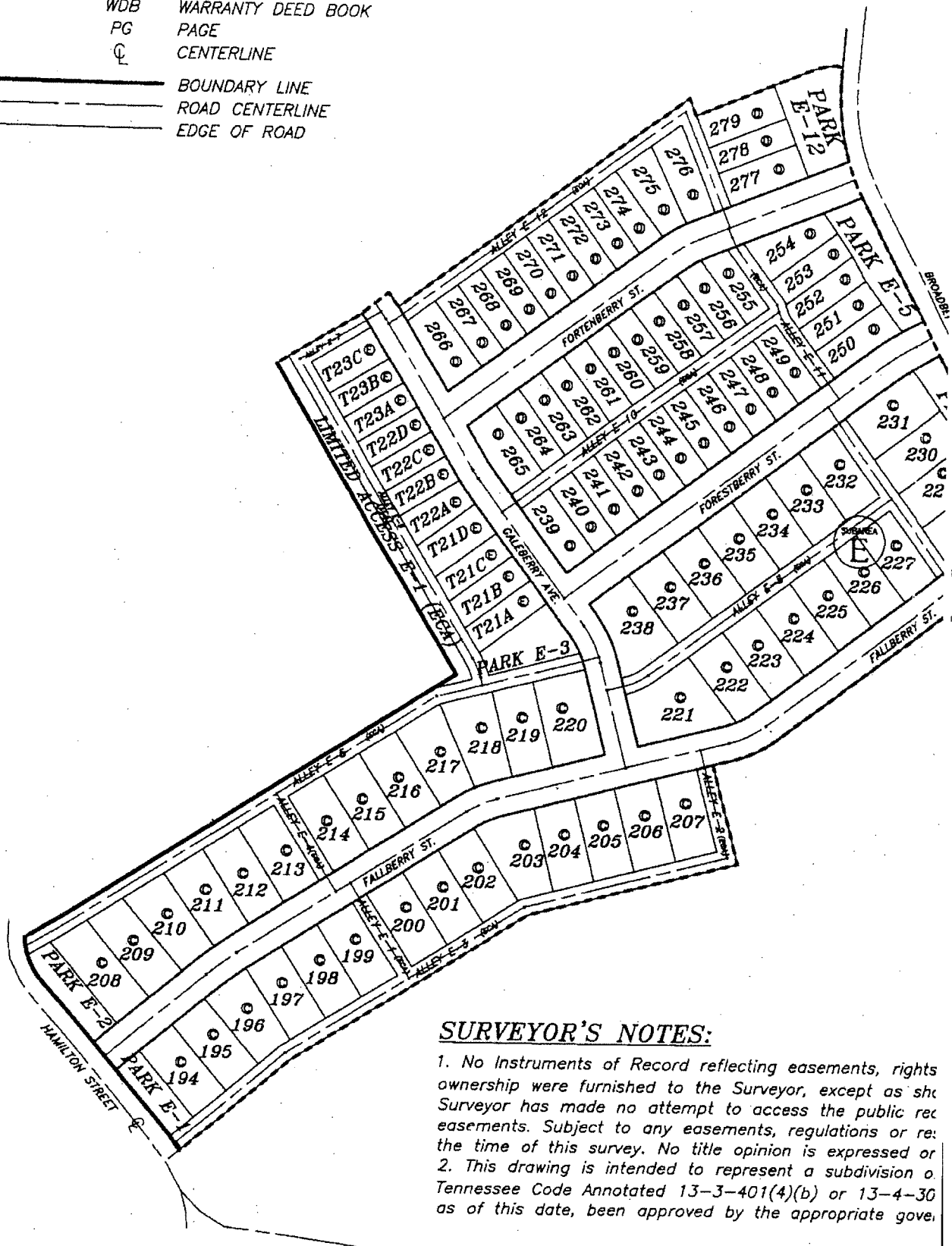


ION MAP
NO SCALE

SHEET	EX
DESIGNED:	CHS
DRAWN:	KAS
CHECKED:	CMR
DATE:	8/14/03
SCALE:	1" = 200'
DRAWING:	SubareaC-LotExhibit
PROJECT NO:	CEI#4916-D2

LEGEND:

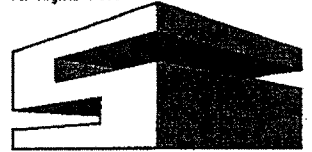
- WDB WARRANTY DEED BOOK
- PG PAGE
- Ⓞ CENTERLINE
- BOUNDARY LINE
- ROAD CENTERLINE
- EDGE OF ROAD



SURVEYOR'S NOTES:

1. No Instruments of Record reflecting easements, rights ownership were furnished to the Surveyor, except as she Surveyor has made no attempt to access the public rec easements. Subject to any easements, regulations or re the time of this survey. No title opinion is expressed or
2. This drawing is intended to represent a subdivision o Tennessee Code Annotated 13-3-401(4)(b) or 13-4-30 as of this date, been approved by the appropriate gove

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SINCE 1979

STERLING
ENGINEERING, INC.

LAND SURVEYING
CIVIL ENGINEERING
ARCHITECTURE
LAND PLANNING

1017 HAMPSHIRE DRIVE
MARYVILLE, TENNESSEE

37801-3525

PHONE: VOL-984-3905

FAX: VOL-981-2815

www.sterling.us.com

EXHIBIT OF PROPOSED STREETS & LOTS

RARITY RIDGE

SUBAREA "E" - SECT. 1

ROANE COUNTY, TN.

SHEET **EX**

DESIGNED: **CHS**

DRAWN: **KAS**

CHECKED: **CMR**

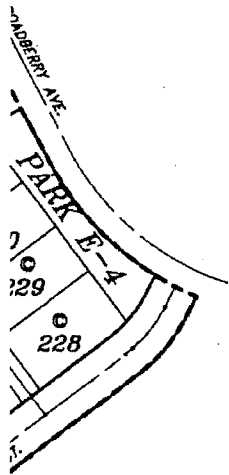
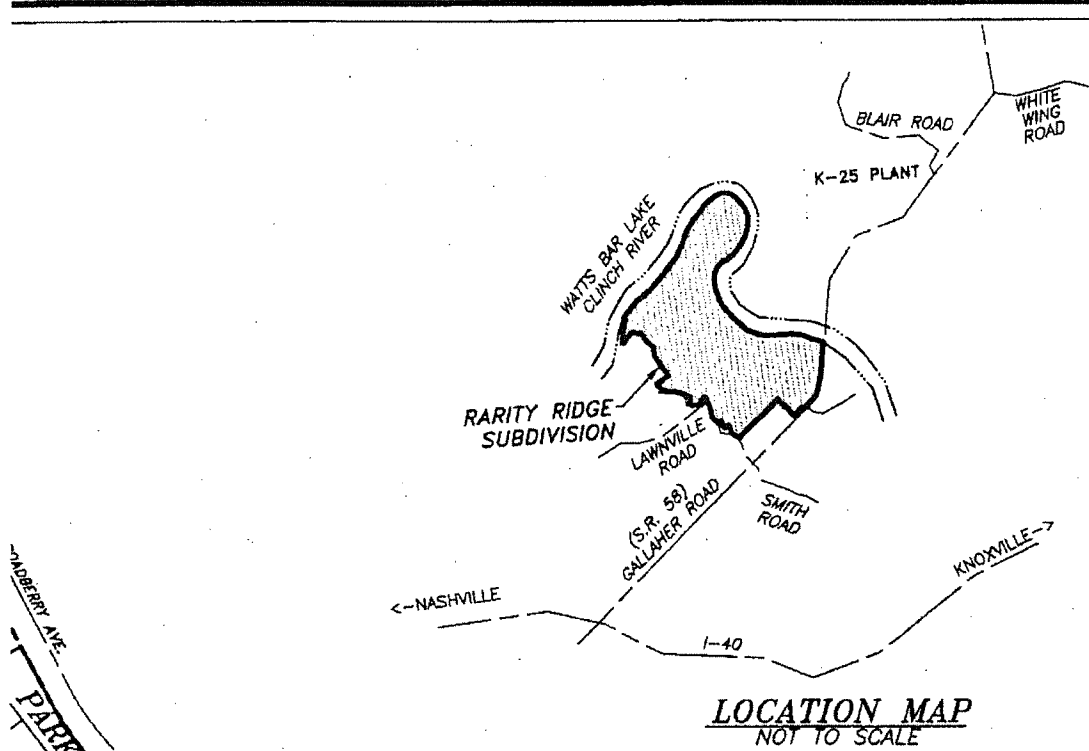
DATE: **8/14/03**

SCALE: **1" = 300'**

DRAWING:

Subarea E-Lot Exhibit

PROJECT NO.



OWNER:

OAK RIDGE LAND COMPANY, LLC
P.O. BOX 5958
MARYVILLE, TN 37802
865-681-8591
DISTRICT 3, ROANE COUNTY
WDB X21 PG 233
TAX MAP 39 PARCEL 2.01

its of way, and/or
shown hereon. The
records for any
restrictions in effect at
or implied.
of land according to
301(4)(b) and has not,
verning bodies.

200' 100' 0 200' 400'



1" = 200'

EXHIBIT "B"

Additional Property

Any real property located within five (5) miles of the perimeter boundary of the real property described on Exhibit "A" attached hereto.

Exhibit "B"

EXHIBIT "C"

Allocation Formula for Assessments and Voting Rights

Each Parcel shall have the obligation to pay assessments based upon following formula:

a. Assigning a Land Classification to Each Parcel. A Parcel is defined in Article 1 of this Declaration as a portion of the Properties which may be independently owned and separately conveyed, such as a single family home, a townhouse, an estate lot, an office or a residential condominium unit, an apartment building, an office building, or a retail center. The Declarant during the Development Period and the Board of Directors thereafter, shall determine in its sole discretion the Land Classification for each Parcel. The following Land Classifications are initially proposed for purposes of determining each Parcel's assessment obligation based upon each Parcel's use. The Declarant during the Development Period and the Board of Directors thereafter shall have the right to create new Land Classifications and to modify the definitions of existing Land Classifications. The initial Land Classifications will include the following: (a) Town Center Retail and Office Parcels used for commercial or civic purposes, such as restaurants, specialty retail shops, office condominium units, civic buildings, and office buildings; (b) Multi-Family Residential Parcels that contain one or more residential dwellings that may not be separately conveyed, such as a building containing apartments; (c) Single-Family Residential Parcels that contain a single residential dwelling which may be separately conveyed, such as an attached or detached single family home, a townhome unit, a cottage, and a residential condominium unit.

To clarify, one building may contain multiple Parcels with different Land Classifications (such as a building with retail condominium units on the first floor and several residential condominium units on the second floor). Also, one Parcel may contain multiple uses (such as a building, which is not a condominium, with for rent retail space on the first floor and rental apartments on the second floor). However, no Parcel shall be assigned multiple Land Classifications. In any instance where a Parcel may fit into two Land Classifications, then the Land Classification containing the *higher* Benefit Factor as described in Paragraph (c) below shall apply to such Parcel.

b. Establishing Building Points for each Parcel. Each Parcel shall be assigned points ("Building Points") as follows:

(1) Building Points for Parcels classified as "Single-Family Residential": Any Parcel classified as "Single-Family Residential", as provided in Paragraph (a) above, shall be allocated one (1) Building Point per Parcel regardless of the number of square feet of the Improvements on the Parcel. With respect to any unimproved Parcel which is classified as "Single-Family Residential", the Parcel shall be deemed to be allocated one (1) Building Point.

(2) Building Points for Parcels classified as "Town Center Retail and Office" or "Multi-Family Residential": Any Parcel classified as either "Town Center Retail and Office" or "Multi-Family Residential", as provided in Paragraph (a) above, shall be allocated one (1) Building Point for every 1,000 square feet, or fraction thereof, of gross floor area within the Parcel's "Structure(s)". Structures shall be deemed to include enclosed retail, office, or living spaces for which an initial certificate of occupancy has been issued or which are substantially complete, as determined by a licensed engineer or architect. Exterior areas such as parking garages, roadways, unenclosed balconies, outdoor terraces, breezeways, sidewalks (canopy-covered or otherwise) or driveways shall not be part of the square foot measurement of a Structure. Interior spaces such as vestibules, lofts, utility rooms, enclosed patios, and storage closets, shall be included as part of the square foot measurement of a Structure. The Declarant during the Development Period and the Board of Directors thereafter shall determine the final square foot measurement of the gross floor area of a Structure in its sole discretion. With respect to any unimproved Parcel (i.e., a Parcel containing no Structures), the Parcel shall be deemed to include the

number of square feet of gross floor area of a Structure intended to be constructed on such Parcel in accordance with the Master Plan, as determined in the sole discretion of the Declarant.

c. Assigning a Benefit Factor to each Parcel based upon its Land Classification.

Each Parcel shall be assigned a Benefit Factor which is established based upon the Land Classification assigned to the Parcel as follows:

<u>Land Classification</u>	<u>Benefit Factor</u>
Town Center Retail and Office	1.5
Multi-Family Residential	1.0
Single-Family Residential	2.0

d. Computation of Assessment Points. The total number of Building Points assigned to each Parcel as determined in Paragraph (b) above shall be multiplied by the Benefit Factor assigned to the Parcel as determined in Paragraph (c) above to calculate the total Assessment Points applicable to the Parcel.

e. Assessments. The decimal share of the total assessment to be levied on a particular Parcel shall be computed by dividing the Assessment Points assigned to that Parcel by the total Assessment Points for all Parcels subject to the particular assessment. The Board of Directors shall establish an annual cut-off date for computing point totals for all Parcels. The decimal share of the total assessment for the Parcel (including a summary of the computations) shall be sent to each Owner and District Assessor with the annual notice of assessment.

f. Votes. The weight of the vote allocated to each Parcel shall be computed using the same formula set forth above for assessments.

g. Re-evaluation of Land Classification, Building Points, and Benefit Factor. Parcels are subject to re-evaluation and re-classification at the sole option of the Declarant or Board, as applicable, upon the occurrence of either (a) a change in ownership of the Parcel or (b) a change in use of the Parcel approved pursuant to Article 13. Such reclassification shall be made and become effective immediately upon such change or in conjunction with the preparation of the budget as set forth in Section 8.2 of the Declaration, as determined in the sole discretion of the Declarant during the Development Period or the Board thereafter.

h. Examples (for Illustrative Purposes ONLY) of Calculating a Parcel's Assessment Points.

1. A 3,250 square foot unimproved Parcel (i.e. raw land) intended to be improved with a commercial retail building with 2,215 square feet of enclosed space and a 1,035 outdoor patio and breezeway area is assigned three (3) Building Points as shown in the first calculation below. Based upon a Land Classification of "Town Center Retail and Office" and a corresponding Benefit Factor of 1.5, this Parcel would be assigned four and one-half (4.5) Assessment Points, as follows:

2,215 square feet ÷ 1,000 = 2.15 = 3 Building Points (each fraction of a Building Point shall constitute one full Building Point).

(3 Building Points) x 1.5 [Benefit Factor for Town Center Retail and Office Space] = 4.5 Assessment Points.

2. A 1,500 square foot Parcel improved with a two-story townhome having a total of 2,700 square feet is assigned one (1) Building Point because its Land Classification is Single-Family Residential. Applying the Benefit Factor for the Single-Family Residential Classification of 2.0, this Parcel would be assigned two (2) Assessment Points, as follows:

One (1) Building Point per Parcel classified as "Single-Family Residential"

(1 Building Point) x 2.0 [Benefit Factor for Single-Family Residential] = 2 Assessment Points

3. A 50,000 square foot Parcel of land contains five (5) buildings, each of which contain four (4) 1000 square foot for-rent apartments, resulting in 20,000 square feet of Structures on the Parcel. The Parcel is assigned twenty (20) Building Points (one Building Point for every 1,000 square feet of Structures). Based on a Land Classification of Multi-Family Residential and a Benefit Factor of 1.0, this Parcel would be allocated twenty (20) Assessment Points as follows:

20,000 square feet ÷ 1,000 = 20 Building Points

(20 Building Points) x 1.0 [Benefit Factor for Multi-Family] = 20 Assessment Points

4. A tract of land is improved with a building that contains 2 stories with 1,000 square feet of Structures on each story (2,000 square feet total). The Owner is an accountant who maintains his professional offices on the lower level and resides in the upper level apartment. Neither floor of the building is capable of being separately conveyed, and therefore, the entire building on this tract of land constitutes a single Parcel despite its multiple uses. Because of these multiple uses, this Parcel may fit into multiple Land Classifications. Because the upstairs residential apartment cannot be separately conveyed, this Parcel cannot be classified as "Single-Family Residential". Instead, this Parcel may be classified as either "Multi-Family Residential" based upon the apartment on the second floor or "Town Center Retail and Office" based upon the office use of the lower level. Because the "Town Center Retail and Office" classification has the higher Benefit Factor of the two possible Land Classifications, the Parcel shall be classified as "Town Center Retail and Office" and would be allocated three (3) Assessment Points, as follows:

2,000 square feet ÷ 1,000 = 2 Building Points

(2 Building Points) x 1.5 [Benefit Factor for Town Center Retail and Office] = 3 Assessment Points

5. The Owner of the building described in Example 4 above, converts the building to a condominium so that the building contains a 1,000 square foot office condominium unit on the first floor and a 1,000 square foot residential condominium unit on the second floor. In this scenario, each condominium unit is now a separate Parcel because each such Unit may be separately conveyed. The Assessment Points for each Parcel are calculated as follows:

For the First Floor Office Condominium Unit classified as "Town Center Retail and Office":

1,000 square feet ÷ 1,000 = 1 Building Point

(1 Building Point) x 1.5 [Benefit Factor for Town Center Retail and Office] = 1.5
Assessment Points

For the Second Floor Residential Condominium Unit classified as "Single-Family Residential":

One (1) Building Point per Parcel classified as "Single-Family Residential"

(1 Building Point) x 2.0 [Benefit Factor for Single-Family Residential] = 2
Assessment Points

EXHIBIT "D"

MAINTENANCE AGREEMENT WITH CITY OF OAK RIDGE

Exhibit "D"

OAK RIDGE

TENNESSEE

CITY OF OAK RIDGE
MUNICIPAL BUILDING
POST OFFICE BOX 1 37831-0001
TELEPHONE: (865) 425-3550
FAX: (865) 425-3420

July 18, 2003

Mr. Gary F. Consorto
Vice President of Construction Operations
Rarity Communities, Inc.
116 Heron Court
Vonore, Tennessee 37885

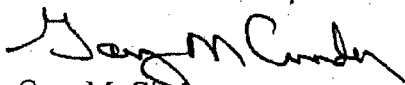
Dear Mr. Consorto:

Re: Rarity Ridge Maintenance Agreement/Declaration of Covenants, Conditions and Restrictions

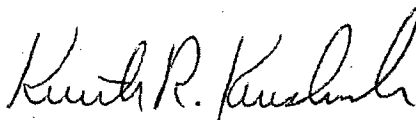
We are pleased to forward to you an executed original of the Maintenance Agreement for the Rarity Ridge development as well as the approved Declaration of Covenants, Conditions and Restrictions (CCR). Upon our receipt of verification of your recording of the CCR, you may submit your final plat for signature and recording along with the associated letters of credit. With the recording of the final plat by the City, you will have satisfied requirements of the City of Oak Ridge to apply for building permits on the ten units identified on the approved final plat.

We appreciate your interest in helping our community grow and wish you much success.

Very truly yours,



Gary M. Cinder
Interim City Manager



Kenneth R. Krushenski
City Attorney

Enclosure(s)

MAINTENANCE AGREEMENT

THIS MAINTENANCE AGREEMENT (this "Agreement") is made and entered into to be effective as of the 17th day of July, 2003, by and between the **Rarity Ridge Owner's Association, Inc.**, a Tennessee nonprofit mutual benefit corporation (the "Association") (hereinafter referred to as "Association" and the **City of Oak Ridge, Tennessee**, (the "City"), a Tennessee municipal corporation. Association and City are sometimes referred to collectively as the "Parties" and individually as a "Party."

Association, pursuant to the Declaration of Covenants, Conditions and Restrictions for Rarity Ridge, to be recorded in the land records of Roane County, Tennessee, is responsible for maintenance of certain areas of common responsibility within the mixed-use planned community within the jurisdictional limits of the City and known as Rarity Ridge (the "Development").

The City, pursuant to this Agreement, will be responsible for maintenance of certain areas of the Development, in accordance with this Agreement.

Association and City each desire that certain maintenance standards be maintained within the public rights-of-way within the Development and have reached certain agreements with respect to the Development, and are each entering this Agreement to confirm and memorialize such agreements and the respective rights and obligations of the Parties relating to the agreements.

STATEMENT OF AGREEMENT

The Association and the City acknowledge and agree that Sub Areas L and J of the Master Plan which are approved to encompass the commercial, residential and mixed-use parcels within the development will require further evaluation and explanation of the repair maintenance responsibilities of the Parties. The City and the Association further agree that a Maintenance Agreement for Sub Areas L and J would be established and executed in accordance with the City of Oak Ridge Zoning Ordinance No. 2 for the TND (Traditional Neighborhood Development) District. Preliminary drafts of a Maintenance Agreement will be expected with formal submission of either a preliminary plat or a sub-area plan within the designated sub-areas of L or J (the Towne Center). Final drafts of the Maintenance Agreement for sub-area L and J must be approved by City staff and in place prior to recording a final plat for either sub-area L or J in the Register of Deeds Office.

NOW, THEREFORE, for and in consideration of the foregoing recitals which are incorporated herein by reference, the sum of Ten and No/100ths Dollars (\$10.00) each to the other paid in hand, the covenants, conditions, and agreements hereinafter set forth, and other valuable consideration, the receipt and sufficiency of each of which are hereby acknowledged, Association and City, each being duly authorized and empowered, hereby covenant and agree, as follows:

1. Easement Area: Landscape Area and Sidewalk Area. The City and the Association acknowledge and agree that within the City's dedicated public right-of-way within the Development will be a landscaping strip (the "Landscape Area") that shall be approximately seven feet (7') in width and shall be generally located behind the curb of the public road on both sides of the road; except in conditions where sidewalks are not required. Immediately adjacent to each Landscape Area may be a sidewalk ("Sidewalk Area"), of approximately five feet (5') in width. The Sidewalk Area and/or the Landscape Area shall, be collectively referred

to as the "Easement Area." A copy of the site plan depicting the location of the Landscape Area and Sidewalk Area is attached hereto.

2. Maintenance and Repair of Easement Area. The City shall be responsible, at City's cost and expense, for all maintenance, repair and replacement activities of City-owned utility systems (including, without limitation, sewer, water, electrical, storm drainage, and any others) that are installed within the Easement Area that have been formally accepted by City of Oak Ridge for perpetual maintenance purposes. The Parties acknowledge and agree that in the event of any damage occurring to the Easement Area because of such maintenance, repair and replacement by the City of the components of the City-accepted Facilities, the City shall be responsible, at City's cost and expense, for re-establishing finish grade and for seeding the grass areas of the Landscape Area with grass of a quality of at least 31 Fescue. The City shall also be responsible, at City's cost and expense, for promptly repairing or replacing any paved surfaces within the Sidewalk Area or Landscape Area that are damaged because of such maintenance and repair of City-accepted utilities. City shall not be responsible for replacing landscaping, trees, or retaining walls placed in the public right-of-way.
3. Mowing of the Landscape Area. The Parties acknowledge and agree that the City, at City's cost and expense, will mow the grassed areas within the Landscape Area at such intervals as are typical for the City in mowing public right-of-ways. The Association shall have the right, at its discretion, to direct more frequent mowing of such grassed areas either by the Association or by owners adjacent to the Landscape Area.
4. Repairs to the Landscape Area by The Association and/or Owners: The Association and/or Private Owners shall be responsible at Association's and/or Owner's cost and expense as defined in the Conditions, Covenants and Restrictions for the Rarity Ridge Owner's Association, Inc., for repair activities including, but limited to the repair and replacement of the private irrigation system and, of trees, landscaping and other exterior amenities as required by the Supplemental Declaration and Regulating Plan recorded for that District within the Development that are within the Easement Area that are necessitated by such maintenance and repair by the City.
5. Obligation of the Association for Landscape Area Maintenance in the Public Right-of-Way Easement. The Association shall be responsible, at Association's cost and expense, for the trimming, weeding, mulching and on-going landscape maintenance within the Landscape Area, where it exists, until such time that the parcel is transferred to a private owner. Commencing at the time of transfer of title to private property ownership, said owner will be responsible at owner's cost and expense for increased mowing of the grassed areas, trimming, weeding, mulching and on-going landscape maintenance and irrigation maintenance where irrigation exists, of the Landscape Area within the public right-of-ways, in addition to replacing any landscaping, plantings or irrigation as required by a Supplemental Declaration and Regulating Plan recorded for that District, which is located in public right-of-ways resulting from necessary repair by the city, to its original level of landscape and exterior amenities.
6. Street Lights. The City shall be responsible, at City's cost and expense, for maintaining, repairing and replacing all street lights within the Development that have been supplied and installed by the City. The City shall additionally be responsible, at City's cost and expense, to supply the power source for such street lights, to replace bulbs in the street lights that do not

illuminate to the typical level illumination and to replace or repair damaged or destroyed light poles, standards or fixtures.

7. Default. A default of this Agreement shall occur upon the failure by either Party to perform or observe any of the obligations, covenants and agreements to be performed or observed under this Agreement. Upon an event of default either Party may pursue, at its option, without waiver of prejudice to any other rights and remedies provided for by this agreement or by law, any right or remedy conferred upon or reserved to either Party under law, in equity and/or under this Agreement. The Parties acknowledge and agree that they are bound by the provisions of the City of Oak Ridge Zoning Ordinance, including but not limited to the TND sections and to the approved Master Plan, as amended.
8. Binding Effect. This Agreement shall bind and inure to the benefit of the Parties, their successors and assigns.
9. Assignment. The Parties shall not assign (partially or in the entirety) any rights under this Agreement without prior written consent of the other Party, such consent to not be unreasonably withheld.
10. Notice. The Parties agree that any notices or other communications required or desired to be given by one Party to the other by this Agreement shall be given in writing addressed to the Party to be notified at the address set forth below for such Party by: (a) delivering the same in person by courier obtaining written evidence of delivery, (b) depositing the same in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to the Party to be notified, or (c) depositing the same with a nationally recognized courier service for "next day delivery," addressed to the Party to be notified, or (d) sending the same by facsimile with confirming copy sent by one of the methods set forth in (a), (b), or (c) above. Notice shall be effective only if and when received by the Party to be notified. For the purposes of notice, the addresses of the Parties, until changed as provided below, shall be as follows:

City: City of Oak Ridge, Tennessee
200 S. Tulane Avenue
P. O. Box 1
Oak Ridge, Tennessee 37831
Attention: City Manager
Facsimile Number: 865/425-3420

with copy to: City Attorney
City of Oak Ridge
200 S. Tulane Avenue
P. O. Box 1
Oak Ridge, Tennessee 37831
Facsimile Number: 865/425-3420

Association: Rarity Ridge Owner's Association, Inc.
121 Heron court
Vonore, Tennessee 37885
Facsimile Number:

with a copy to:

Epstein Becker & Green, P.C.
Resurgens Plaza
945 East Paces Ferry Road
Atlanta, Georgia 30326-1380
Attention: M. Maxine Hicks, Esq.
Facsimile Number:

The Parties may, from time to time, change their respective addresses, and each has the right to specify as its address any other address within the United States of America by giving at least five (5) days written notice to the other Party.

11. Severability. If any term, condition or provision of this Agreement, or the application thereof to any person or circumstance, shall ever be held to be invalid or unenforceable pursuant to applicable law, then in each such event the remainder of this Agreement or the application of such term, condition or provision to any other person or any other circumstance (other than those as to which it shall be invalid or unenforceable) shall not be thereby affected, and each term, covenant, condition and provision hereof shall remain valid and enforceable to the fullest extent permitted by applicable law.
12. No Waiver. Any failure by a Party hereto to insist upon strict performance by the other Party of any material provision of this Agreement shall not be deemed a waiver thereof or of any other provision hereof, and such Party shall have the right at any time thereafter to insist upon strict performance of any and all of the provision of this Agreement.
13. Exhibits. All exhibits and other documents attached to or referred to in this Agreement are incorporated herein by reference for the purposes set forth in this Agreement.
14. Authority. City hereby certifies, represents and warrants that the execution of this Agreement is duly authorized and adopted in conformity with all applicable laws. Association hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with the organizational documents of such entity.
15. Applicable Law and Venue. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Tennessee. Venue shall be in Roane County, Tennessee.
16. Review by Counsel. Each Party has thoroughly reviewed and revised this Agreement and has had the advice of counsel prior to execution hereof, and the Parties agree that neither Party shall be deemed to be the drafter thereof.
17. Number and Gender. Any defined term used in the plural shall refer to all members of the relevant class, and any defined term used in the singular shall refer to any number of members of the relevant class. Any reference to this agreement or any exhibits hereto and any other instruments, documents and agreements shall include this Agreement, exhibits and other instruments, documents and agreements as originally executed or existed and as the same may from time to time be supplemented, modified or amended.

18. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original, but taken together shall constitute only one document. The Parties agree to circulate for execution all executed such counterparts in order that each Party may obtain a counterpart executed by all Parties.
19. Miscellaneous Provisions. This Agreement, together with the exhibits hereto and the documents referenced herein, constitute the entire agreement of the Parties hereto with respect to the subject matter hereof and supersedes all prior written and oral agreements and understandings with respect to such subject matter. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by the Party against which the enforcement of the termination, amendment, supplement, waiver or modification shall be sought.

THEREFORE, IN WITNESS WHEREOF, City and Association have executed this Agreement this 17th day of July, 2003.

APPROVED AS TO FORM AND LEGALITY: CITY OF OAK RIDGE, TENNESSEE

By: Keith R. Kerschuh
City Attorney

By: Jason M. Corder
Interim City Manager

RARITY RIDGE OWNER'S ASSOCIATION,
INC.

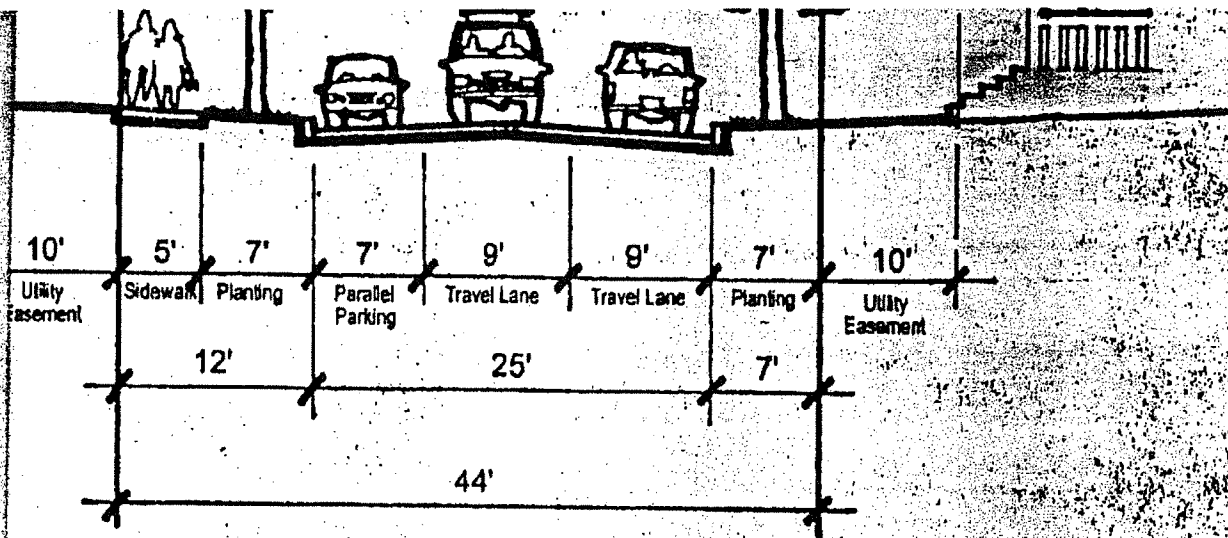
By: [Signature] [SEAL]

Its: President

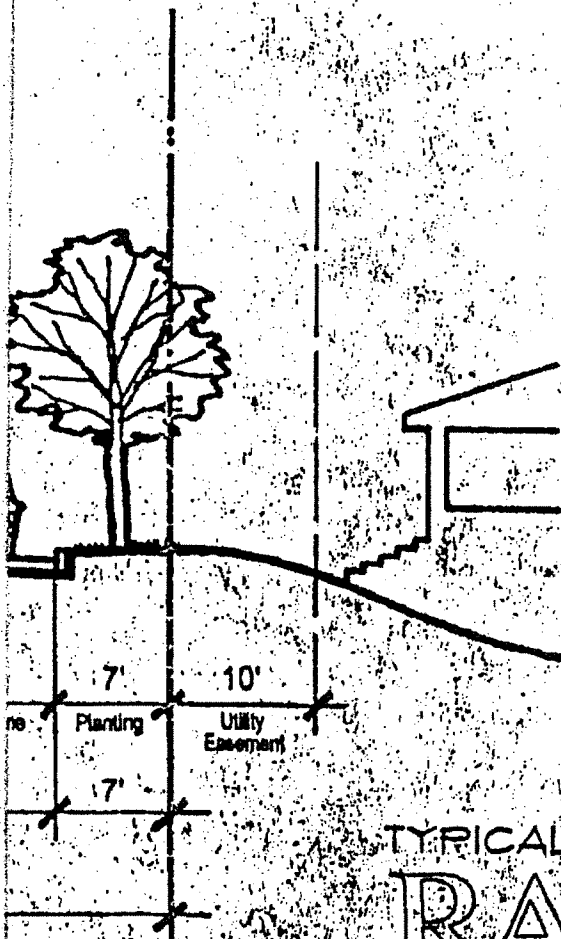
By: _____

Its: _____

Depiction of Landscape Area and Sidewalk Area



ST-44-25
RESIDENTIAL



TYPICAL STREET SECTIONS

RARITY RIDGE

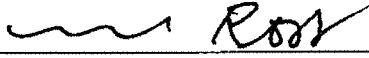
for Rarity Communities, Inc.
by Tunell-Spangler & Associates

March 25, 2007

Not to Scale

IN WITNESS THEREOF, the undersigned Declarant has executed this Declaration this 21st day of August, 2003.

OAK RIDGE LAND COMPANY, LLC.

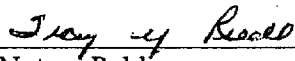
By: 
Michael L. Ross
Chief Manager

STATE OF TENNESSEE

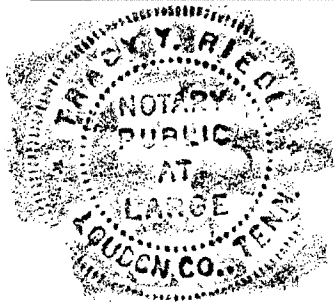
COUNTY OF Monroe

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

Witness my hand and seal, at office, this 21st day of August, 2003.


Notary Public

My Commission Expires 4-5-06



BK/PG: 1723/643-645

20000649



3 PGS:AL-DEED MISC	
ANG BATCH: 154572	01/30/2020 - 11:45 AM
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	15.00
ARCHIVE FEE	0.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	17.00

STATE OF TENNESSEE, ROANE COUNTY
SHARON BRACKETT
REGISTRAR OF DEEDS

THIS INSTRUMENT PREPARED BY:
John G. Brock, Esq.
Brock PLC
265 Brookview Centre Way, Suite 604
Knoxville, Tennessee 37919

**ASSIGNMENT OF
DECLARANT RIGHTS AND OBLIGATIONS**

THIS instrument made as of the 17 day of January, 2020, by and between RL REGI-TN OAK, LLC, a Tennessee limited liability company, and PRIMOS LAND COMPANY, LLC, a Tennessee limited liability company.

WITNESSETH:

WHEREAS, Oak Ridge Land Company, L.P., a Tennessee limited partnership, f/k/a Oak Ridge Land Company Partnership and f/k/a Oak Ridge Land Company, LLC ("ORLC") prepared and filed of record that certain Master Declaration of Covenants, Conditions, and Restrictions recorded in Book 1016, pages 670-746, in the Office of the Register of Deeds, Roane County, Tennessee (as amended, the "Master Declaration") encumbering certain real property more particularly described therein (the "Property");

WHEREAS, the Master Declaration named ORLC as the "Declarant" thereunder;

WHEREAS, RL REGI-TN OAK, LLC acquired the Property by Substitute Trustee's Deed dated June 2, 2011 and recorded in Book 1396, page 381, in the Roane County Register of Deeds Office (the "Trustee's Deed");

WHEREAS, pursuant to an Agreed Judgment and Permanent Injunction recorded in Book 1436, pages 57-60, in the Office of the Register of Deed, Roane County, Tennessee, the Declarant's rights under the Master Declaration belong to RL REGI-TN OAK, LLC; and

WHEREAS, RL REGI-TN OAK, LLC desires to transfer and assign all of its Declarant rights acquired in the aforementioned Trustee's Deed to Primos Land Company, LLC.


NOW, THEREFORE, in consideration of the foregoing premises and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

1. RL REGI-TN OAK, LLC does hereby transfer and assign to Primos Land Company, LLC all of the rights, powers, duties, titles, easements and estates reserved to the Declarant under the Master Declaration.
2. Primos Land Company, LLC joins in this instrument to accept the same and agrees to assume the rights, powers, duties and obligations of the Declarant under the Master Declaration beginning as of the date hereof, but no further or otherwise.

IN WITNESS WHEREOF, the parties herein have hereby executed or caused this instrument to be executed as of the day and year first above written.

RL REGI-TN OAK, LLC, a Tennessee limited liability company

By: RL REGI Financial, LLC, a Delaware limited liability company, its Sole Member

By: 
 Name: BEN SCOTT
 Its: Authorized Signatory

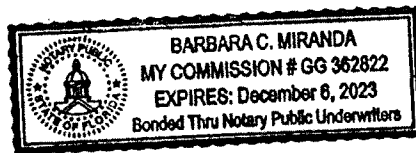
STATE OF Florida)
) SS
 COUNTY OF Miami-Dade)

PERSONALLY appeared before me, the undersigned, a Notary Public in and for said County and State, the within named Ben Scott, the bargainer, as Authorized Signatory of RL REGI Financial, LLC, a Delaware limited liability company, as Sole Member of **RL REGI-TN OAK, LLC, a Tennessee limited liability company**, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who acknowledged that he/she executed the within instrument for the purposes therein contained, as such Authorized Signatory on behalf of such limited liability company.

WITNESS my hand and official seal at office this 17th day of January, 2020.


 Notary Public

My Commission Expires: December 6, 2023



PRIMOS LAND COMPANY, LLC

By: [Signature]
Name: Josh Sanders
Title: President

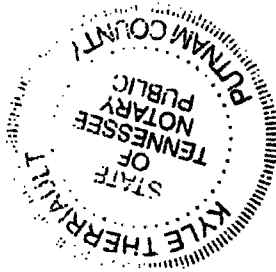
STATE OF TENNESSEE)
)
COUNTY OF Knott)

PERSONALLY appeared before me, the undersigned authority, a Notary Public in and for said County and State, Josh Sanders, with whom I am personally acquainted, or proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged him/herself to be the President of **PRIMOS LAND COMPANY, LLC**, the within named bargainor, a Tennessee limited liability company, and that s(he) as such Officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by him/herself as such Officer..

WITNESS my hand and official seal at office this 28th day of January, 2020 ~~December, 2015~~.

[Signature]
Notary Public

My Commission Expires:
May 19, 2020



BK/PG: 1723/738-767

20000672



30 PGS:AL-RESTRICTIVE COVENANTS	
KRISTI BATCH: 154595 01/31/2020 - 10:00 AM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	150.00
ARCHIVE FEE	0.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	152.00

STATE OF TENNESSEE, ROANE COUNTY
SHARON BRACKETT
REGISTER OF DEEDS

This Instrument Prepared By and
After Recording Return To:
John G. Brock, Esq.
Brock PLC
265 Brookview Centre Way, Suite 604
Knoxville, Tennessee 37919

**AMENDMENT TO DECLARATION
OF COVENANTS AND RESTRICTIONS**

THIS AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS (this "Amendment") is made and entered into as of the 30th day of January, 2020, by Primos Land Company, LLC, a Tennessee limited liability company (hereinafter referred to as the "Declarant").

RECITALS:

A. Declarant is the owner and has all rights as the declarant of a residential development located in Roane and Anderson Counties, Tennessee, commonly known as The Preserve at Clinch River (the "Subdivision") as described in the Declaration of Covenants and Restrictions for Rarity Ridge (n/k/a The Preserve at Clinch River) dated August 21, 2003 and recorded in Book 1016, pages 670-746, in the Register's Office of Roane County, Tennessee (as amended, the "Declaration").

B. Pursuant to the terms of Section 3.3 of the Declaration, the Declarant may unilaterally amend the Declaration to assign property to a specific District, and pursuant to the terms of Section 8.1 of the Declaration, District Assessments may be created for District Expenses.

NOW, THEREFORE, in consideration of the premises and the mutual benefit of all parties concerned, Declarant hereby declares that those Parcels identified on Exhibit A attached hereto and incorporated herein by this reference shall be, and hereby are, assigned to a specific District to be known as The Preserve at Clinch River Commons and shall be held, transferred, sold, conveyed and occupied subject to the Declaration and the following additional covenants, restrictions, easements, charges and liens:

ARTICLE I

Declaration of Additional Covenants, Conditions, and Restrictions for The Preserve at Clinch River Commons

1.01 Included Parcels. The Preserve at Clinch River Commons shall include those Parcels described on Exhibit A and which are shown on the plat attached hereto as Exhibit B which is incorporated herein by this reference.

1.02 Additional HOA. In addition to the Association, Declarant has incorporated under the laws of the State of Tennessee a nonprofit corporation named The Preserve at Clinch River Commons Homeowners' Association, Inc. (the "Commons Association"). The Commons Association Bylaws and Charter are attached to this Amendment as Exhibits C and D.

1.03 Commons Members. Every person or entity who is the owner of a fee or undivided fee interest in Parcels included in The Preserve at Clinch River Commons (see Section 1.01 above) shall, in addition to being a Member of the Association, also be a member of the Commons Association ("Commons Member"), provided that any such person or entity who holds such interest merely as security for the performance of an obligation shall not be a Commons Member. Membership in the Commons Association shall commence on the date such person or entity becomes the owner of a fee or undivided fee interest in a Parcel included in The Preserve at Clinch River Commons and expires on the transfer or release of said ownership interest.

1.04 Classes of Commons Members. Subject to the Commons Association Bylaws, the Commons Association shall have two classes of Commons Members.

(a) THE CLASS A MEMBERS shall be all Commons Members other than the Declarant. Class A Members shall be entitled to one vote for each Parcel in The Preserve at Clinch River Commons in which such Class A Member holds the interest required for membership in the Commons Association. When more than one person or entity holds such interest or interests in any Parcel in The Preserve at Clinch River Commons, all such persons or entities shall be deemed Commons Members, and the vote for such Parcel shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to such Parcel.

(b) THE CLASS B MEMBER shall be the Declarant. The Class B Member may appoint the members of the board of directors of the Commons Association until termination of the Development Period. Upon termination of the Development Period, the Class B membership shall expire, and the Declarant shall be a Class A Member entitled to Class A votes for each parcel it owns in The Preserve at Clinch River Commons.

1.05 Landscaping Restrictions; Commons Association Responsibilities and Rights.

(a) The Commons Association shall be responsible for all mowing and groundskeeping in The Preserve at Clinch River Commons, including mowing and groundskeeping of the Parcels in The Preserve at Clinch River Commons. Such mowing and groundskeeping in The Preserve at Clinch River Commons shall be performed by the Commons Association at times and intervals reasonably determined by the Commons Association, to the extent reasonably deemed necessary by the Commons Association. The Commons Association shall have the right to engage and employ such individuals, entities or professional managers for the purposes of performing mowing and groundskeeping in The Preserve at Clinch River Commons. All costs and expenses associated with mowing and groundskeeping in The Preserve at Clinch River Commons shall be the responsibility of the Commons Association, subject to reimbursement from Commons Assessments paid by Owners in The Preserve at Clinch River Commons (as provided in this Declaration and the Commons Association Bylaws). In no event

shall the Commons Association perform any mowing, groundskeeping, or other work in any unit, phase or area of the Subdivision other than The Preserve at Clinch River Commons; and in no event shall the Commons Association have any obligation or responsibility to the Parcels and Owners in The Preserve at Clinch River Commons other than the performance of mowing and groundskeeping in The Preserve at Clinch River Commons, the enforcement of the restrictions provided in this Article I, and the collection and enforcement of Commons Assessments (and the lien therefore) as provided in this Article I. Nothing herein shall eliminate or reduce any obligation of the Association provided for in the Declaration to the extent such obligation relates to The Preserve at Clinch River Commons. Specifically, nothing herein shall eliminate or reduce any obligation of the Association to maintain or repair the Common Areas, including any Common Areas that may be part of The Preserve at Clinch River Commons, to the extent such maintenance or repair is the Association's responsibility pursuant to the Declaration.

(b) All plantings and landscaping of a Parcel in The Preserve at Clinch River Commons shall be harmonious with plantings and landscaping in other Parcels in The Preserve at Clinch River Commons. No new hedges, trees, bushes or plants may be installed or planted on or in a Parcel in The Preserve at Clinch River Commons without prior written approval of the Board of Directors of the Commons Association; provided, however, that new flowers may be planted by an Owner of a Parcel in The Preserve at Clinch River Commons in existing flower beds on such Parcel, provided that such new flowers are aesthetically harmonious with the remainder of the Parcel and all other Parcels in The Preserve at Clinch River Commons, and provided that such new flowers do not materially increase the time or cost required for the Commons Association to perform mowing and groundskeeping on such Parcel. No lawn ornaments, fountains, permanent or semi-permanent lawn furniture, or other similar decorative items shall be placed or kept on or in the outdoor areas of a Parcel in The Preserve at Clinch River Commons without the prior written approval of the Board of Directors of the Commons Association.

(c) The Commons Association shall have the right to enforce, by any proceeding at law or in equity, the restrictions, conditions, covenants, liens and charges provided in this Article I, and failure by the Commons Association to enforce any such restrictions, conditions, covenants, liens or charges shall in no event be deemed a waiver of the right to later do so. Further, the Commons Association shall have the right of abatement in all cases where an Owner of a Parcel in The Preserve at Clinch River Commons shall fail to take reasonable steps to remedy a violation or breach of any restriction contained in this Article I within twenty (20) days after the certified mailing of written notice of such violation or breach. The right of abatement means the right of the Commons Association, through its agents and employees, to enter at all reasonable times upon any Parcel in The Preserve at Clinch River Commons as to which a violation or breach exists, and to take such action or actions specified in the notice to the Owner to abate, extinguish, remove or repair such violation or breach, all without being deemed to have committed a trespass or wrongful act by reason of such entry and such actions. The remedies contained in this Article I shall be construed as cumulative of all other remedies now or hereafter provided by law. If the Commons Association shall successfully prosecute in law or equity an action pursuant to this Article I, then the Commons Association shall be entitled to receive from the non-prevailing party the Commons Association's reasonable attorneys' fees and reimbursement of costs incurred

by the Commons Association that were reasonably necessary to prosecute the proceeding against such non-prevailing party.

1.06 Commons Assessments.

(a) Each Owner of any Parcel in The Preserve at Clinch River Commons, other than Declarant, shall by acceptance of a deed for such Parcel (whether or not it shall be expressed in such deed) be deemed to covenant and agree to pay to the Commons Association District Assessment established by the Board of Directors of the Commons Association for reimbursement of the costs and expenses of mowing, groundskeeping, and other District Expenses in The Preserve at Clinch River Commons (collectively, the "Commons Assessments"). Such Commons Assessments shall be in addition to, not in lieu of, General Assessments, Special Assessments, or Specific Assessments by the Association otherwise due and payable pursuant to the Declaration. Each Commons Assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall be a charge on the land and shall be a continuing lien on the property against which such Commons Assessment is made. Each Commons Assessment, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be the personal obligation of the person who was the Owner of such property at the time when the Commons Assessment became due.

(b) The Commons Assessment for the first year after the establishment of the Commons Association shall be the sum reasonably deemed by the Declarant to be necessary to defray the expenses of the Commons Association for mowing, groundskeeping and other District Expenses in The Preserve at Clinch River Commons. From and after expiration of the first year, the Commons Assessment shall be adjusted by the Board of Directors of the Commons Association based on cost estimates for the upcoming year (which cost estimates may be based on actual expenses for the prior year, with any estimated appropriate adjustments to such prior year actual expenses). In view of the fact that Declarant shall incur all of the initial costs of mowing and groundskeeping in The Preserve at Clinch River Commons, Declarant shall not be obligated to pay any Commons Assessment on Parcels in The Preserve at Clinch River Commons owned by Declarant.

(c) Upon any Commons Member acquiring ownership to a Parcel in The Preserve at Clinch River Commons, such Commons Member shall be obligated for the prorated portion of the Commons Assessment for the calendar year during which closing of such Parcel acquisition occurred. Such first Commons Assessment shall be due and payable no later than the first day of the calendar month following the date of closing of such Parcel acquisition. Commons Assessments for subsequent calendar years shall be payable on or before a due date set by the Commons Association Board of Directors. Upon a person or entity transferring ownership of his/her/its Parcel and ceasing to be a Commons Member, such person or entity shall not be entitled to a refund from the Commons Association of any Commons Assessment already paid for the calendar year of such transfer (though such shall not prohibit any proration of such Commons Assessment between the transferor and transferee of such Parcel).

(d) The following property in The Preserve at Clinch River Commons is exempted from Commons Assessments, and the charge and lien therefore: (i) all properties to the extent any easement or other interest therein dedicated and accepted by the local authority and devoted to public use, (ii) all Common Areas as defined in the Declaration, (iii) all properties exempted from taxation by the laws of the State of Tennessee or United States Government, upon the terms and to the extent of such legal exemption, and (iv) all properties owned by the Declarant.

1.07 Nonpayment of Commons Assessments.

(a) If the Commons Assessments are not paid on the date when due, then such Commons Assessments shall become delinquent and shall, together with such interest thereof and cost of collection thereof as hereinafter provided, thereupon become a continuing lien on other property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such Commons Assessment, however, shall remain his personal obligation for the statutory period and shall not pass to his successors in title unless expressly assumed by them. Penalties for late payment may be assessed by the Commons Association Board of Directors in its sole discretion.

(b) If any Commons Assessment is not paid within thirty (30) days after the delinquency date, the Commons Assessment shall bear interest from the date of delinquency at the rate of ten (10) percent per annum, and the Commons Association may record in the Roane County Register's Office a notice or memorandum of lien for the delinquent amount and/or bring action at law against the Owner personally obligated to pay the same or to foreclose the lien against the property, and there shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney fee to be filed by the court together with the costs of the action.

(c) The lien of the Commons Assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the properties subject to Commons Assessments; provided, however, that such subordination shall apply only to the Commons Assessments which have become due and payable prior to a sale or transfer of such property pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve such property from liability for any Commons Assessments thereafter becoming due nor from the lien of any such subsequent Commons Assessment. A Commons Assessment shall not be subordinate to a mortgage held by a prior owner who was the Owner at the time such assessment accrued.

1.08 Additional Restrictions. Parcels in The Preserve at Clinch River Commons shall be subject to the following restrictions made in addition to, not in lieu of, the restrictions already applicable under the Declaration:

(a) No changes may be made to the color, style or appearance of the exterior of any home, building or structure located on a Parcel in The Preserve at Clinch River Commons.

(b) No outdoor improvements (i.e., additions, decks, patios, fire pits) may be erected without the prior written approval of the Declarant or the Architectural Review Committee. Declarant or the Architectural Review Committee may approve or reject an Owner's request for outdoor improvements for any reason in their sole and absolute discretion.

(c) No fencing may be erected on a Parcel in The Preserve at Clinch River Commons except as may be permitted by the DRB as described in Section 9.2 of the Declaration. The Commons Association shall not be responsible for mowing or groundskeeping any Parcel areas enclosed by a fence.

ARTICLE II
Miscellaneous

2.01 The definitions set forth in Article 1 of the Declaration are incorporated herein by reference.

2.02 This Amendment shall be binding on the Declarant, the Association, and their respective successors and Assigns.

2.03 This Amendment shall become effective upon such time as it shall be recorded in the public records of the Register of Deeds of Roane County, Tennessee.

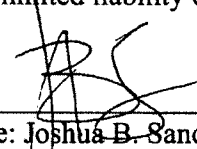
2.04 Except as expressly amended by this Amendment, all terms and conditions of the Declaration shall continue in full force and effect.

[Signature on following page]

IN WITNESS WHEREOF, Declarant has executed this Amendment as of the date above written.

DECLARANT:

PRIMOS LAND COMPANY, LLC
a Tennessee limited liability company

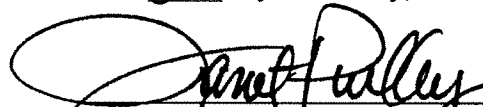
By: 
Name: Joshua B. Sanderson
Title: President

STATE OF TENNESSEE)
)
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a Notary Public in and for said State and County, Joshua B. Sanderson, with whom I am personally acquainted or who proved to me on the basis of satisfactory evidence, and who, upon oath, acknowledged himself to be the President of PRIMOS LAND COMPANY, LLC, the within named bargainor, a Tennessee limited liability company, and as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the company as such President.

WITNESS my hand and official seal at office this 30th day of January, 2020.

My Commission expires:
7/6/2020


Notary Public

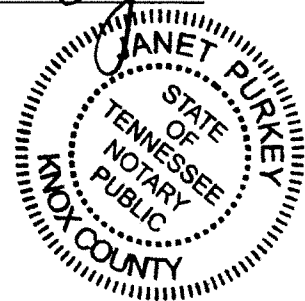


EXHIBIT A
PARCELS

99A
99B
99C
99D
100A
100B
100C
100D
101A
101B
101C
101D
102A
102B
102C
102D

EXHIBIT B
PLAT

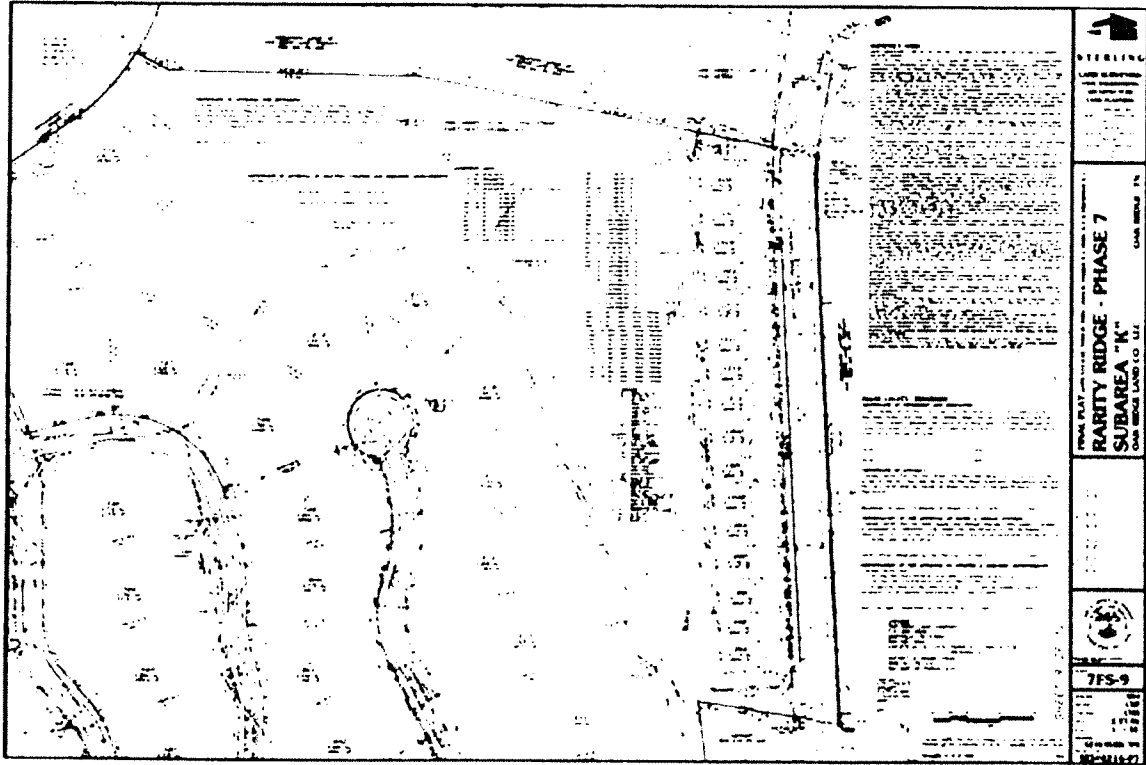


EXHIBIT C
DISTRICT ASSOCIATION BYLAWS

BYLAWS OF
THE PRESERVE
AT
CLINCH RIVER COMMONS HOMEOWNERS' ASSOCIATION, INC.,
A TENNESSEE NONPROFIT CORPORATION

I. GENERAL PURPOSE

The Preserve at Clinch River Commons Homeowners' Association, Inc. (hereinafter the "Association") has been organized for the purpose of administering the operation and management of The Preserve at Clinch River Commons (the "Preserve Commons"), a District within The Preserve at Clinch River Subdivision, a residential subdivision development located in Roane and Anderson Counties, Tennessee (the "Subdivision"). The Subdivision is more particularly described in the Declaration of Covenants, Restrictions and Easements establishing, governing and restricting the Subdivision (as subsequently amended or modified, the "Declaration"). The terms and provisions of these Bylaws are expressly subject to the effect of the terms, provisions, conditions and authorizations contained in the Charter of The Preserve at Clinch River Commons Homeowners' Association, Inc. (the "Charter") and in the Declaration. The terms and provisions of such Charter and Declaration are incorporated herein by reference and shall be controlling wherever the same may be in conflict herewith. For purposes of these Bylaws, initial capitalized terms shall have the meanings set forth in the Declaration unless otherwise stated or the context so requires. As used herein, "Declarant" refers to Primos Land Company, LLC, a Tennessee limited liability company, and its successors and assigns.

II. MEMBERSHIP AND VOTING RIGHTS

A. Membership. Every Owner of a Parcel in the Preserve Commons shall be a mandatory member of the Association (hereinafter referred to as a "Member"). The foregoing is not intended to include persons or entities that hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Parcel in the Preserve Commons which is subject to the Declaration and shall pass automatically to an Owner's successor-in-title or interest to the Parcel.

B. Voting Rights. The Association shall have two classes of voting membership:

(i) THE CLASS A MEMBERS shall be all Members other than Declarant, for as long as Class B Membership exists. Class A Members shall be entitled to one vote for each Parcel in the Preserve Commons in which such Class A Member holds the interest required for membership in the Association. When more than one person or entity holds such interest or interests in any Parcel in the Preserve Commons, all such persons or entities shall be deemed Members, and the vote for such Parcel shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to such Parcel.

(ii) THE CLASS B MEMBER shall be the Declarant. The Class B Member may appoint the members of the board of directors of the Commons Association until termination of the Development Period. Upon termination of the Development Period, the Class B membership shall expire, and the Declarant shall be a Class A Member entitled to Class A votes for each parcel it owns in the Preserve Commons.

C. **Change of Membership.** Change of membership shall be accomplished by recording in the Register's Office for Roane County, Tennessee a deed or other instrument establishing record title to a Parcel in the Preserve Commons, and delivery to the Secretary/Treasurer of the Association of a certified copy of such instrument. The membership of the prior Parcel Owner shall be thereby terminated.

D. **Proxies.** Proxy ballots shall be permitted with respect to all elections of directors, and all amendments to the Charter, the Declaration or these Bylaws, or any other matter which is to come before a meeting of the membership of the Association. All proxies shall be in writing, signed by the individual Parcel Owner or Owners or by his or her duly authorized representative(s) and delivered to the Secretary/Treasurer of the Association, or such other person as the President may designate, at least twenty-four (24) hours prior to the commencement of the meeting at which ballots are to be cast.

III. MEETINGS OF MEMBERS

A. **Annual Meeting.** The first annual meeting of the Members shall be held on such date as is fixed by the Board, which date shall be sixty (60) days from the date when 100% of all the Parcels in the Preserve Commons have been conveyed by the Declarant, or such earlier time as selected by the Declarant. Thereafter, an annual meeting of the Members shall be held on such date as selected by the Board which is within thirty (30) days before or after each annual anniversary of the first annual meeting of the Members. If such day be a legal holiday, the meeting shall be held on the next succeeding business day. At the annual meeting of the Members, the Members shall elect directors to the Board and transact such other business as may come before the meeting. If the election of directors shall not be held on the day designated herein for any annual meeting, or at any adjournment thereof, the Board of the Association shall cause the election to be held at a special meeting of the Members called as soon thereafter as may be convenient.

B. **Special Meetings.** Special meetings of the Members may be called by the Board, the President or by not less than one-fifth (1/5) of the Members. The notice for any special meeting shall specify the matters to be considered at such special meeting.

C. **Place and Time of Meeting.** All regular meetings of the Members shall take place at such time and location as the Board shall designate. The time and place of all special meetings shall be designated by the person or persons calling the special meeting.

D. **Notice of Meetings.** Written or printed notice stating the place, day and hour of any regular or special meeting of the Members shall be delivered personally or by the mail to each Member entitled to vote at such meeting in care of his or her residence not less than ten (10) nor more than thirty (30) days before the date of such meeting. In case of a special meeting or when required by statute or by these Bylaws, the purpose for which the meeting is called shall be stated in the notice. The notice of a meeting shall be deemed delivered when personally delivered, or if mailed, when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association.

E. Quorum. To establish a quorum at any annual or special meeting there must be present or represented by proxy Owners of Parcels holding ten percent (10%) of all votes (determined with reference to total Class A and Class B memberships) entitled to be cast at any meeting of the Members.

F. Manner of Acting. Except as set forth below and except as otherwise required by these Bylaws any action to be taken at any meeting of the Members at which a quorum is present shall be upon the affirmative vote of a majority of the votes which may be cast at such meeting.

G. Organization. At each meeting of the Association, the President, or, in his or her absence, the Vice-President, or in their absence, Members present in person or represented by proxy and entitled to vote thereat, shall act as a chairperson, and the Secretary/Treasurer, or in his or her absence, a person whom the chairperson shall appoint, shall act as secretary of the meeting.

H. Order of Business. The order of business at the annual meeting of the Members or at any special meetings insofar as practicable shall be:

1. Roll call (or check-in procedure)
2. Proof of notice of meeting or waiver of notice
3. Reading of minutes of preceding meeting
4. Establish number and term of memberships of the Board of Directors (if required and noticed)
5. Reports of committees
6. Election of directors (if required and noticed)
7. Unfinished business
8. New business
9. Ratification of budget (if required and noticed)
10. Adjournment

IV. BOARD OF DIRECTORS

A. Composition. The affairs of the Association shall be governed by the Board. The initial Board shall be composed of one (1) person designated by the Declarant, as provided in the Charter, who shall serve as the sole member of the Board until the first meeting of the Members of the Association at which directors are elected pursuant to Section A of Article III. The conditions, limitations and restrictions set forth in Sections A through K, inclusive of this Article IV shall not apply to the initial Board or the member thereof, and said conditions, limitations and restrictions applicable to the initial Board shall be determined by the Declarant;

provided, however, (i) Section L of this Article IV shall apply to the initial Board; and (ii) this Article IV shall apply fully to directors elected at and after the first meeting of the members of the Association.

After the initial Board, the following shall apply to directors:

1. The directors shall be Owners or spouses of such Owners; provided, however, that no Owner and his or her spouse may serve on the Board at the same time.
2. In the event that an Owner is a corporation, partnership, trust or other legal entity other than a natural person or persons, then any shareholder, officer or beneficiary or individual trustee of such trust, or manager of such other legal entity, may be eligible to serve as a director.
3. A director may succeed himself in office.
4. At and after the first election of directors, there shall be a total of five (5) directors.

B. Term of Office. The directors shall be elected as provided in Section F of this Article IV. Each director, except in case of death, resignation, retirement, disqualification or removal, shall serve until his or her successor shall have been elected and qualified.

C. Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the directors may be removed with or without cause by a majority vote of the members of the Association and a successor may then and there be elected to fill the vacancy thus created. Any director whose removal has been proposed by the members shall be given at least ten (10) days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting.

D. Vacancies. Vacancies in the Board caused by any reason, but excluding the removal of a director by vote of the Association, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board for the remainder of the term of the director being replaced. Said director shall serve until a successor shall be elected at the annual meeting of the Association to fill the unexpired portion of the term.

E. Nomination. Nomination for election to the Board may be made by a nominating committee which shall consist of three (3) members of the Association appointed by the President of the Association (who may but need not be members of the Board) to serve from the close of one annual meeting to the close of the succeeding annual meeting. Such appointment shall be announced at the annual meeting. The nominating committee may nominate any number of qualified individuals. The nominations shall be made at least twenty-one (21) days prior to the annual meeting and a brief statement about the qualifications of each individual nominated shall be included with the notice of the annual meeting. Nominations shall also be allowed from the floor at the meeting. Failure to comply with the provision hereof shall in no way invalidate the election of directors so nominated.

F. Elections. The first election of directors shall occur at the first annual meeting of the members of the Association pursuant to Section A of Article III. Until such time, the members of the Board shall be the initial Board appointed by the Declarant. At the first annual meeting of the members of the Association and thereafter, the Owners shall be entitled to vote for directors and the candidates receiving the highest number of votes with respect to the number of offices to be filled shall be deemed to be elected.

G. Regular Meetings. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the Board, but such meetings shall be held at least once every six months. The Board shall meet within ten (10) days after each annual meeting of members.

H. Special Meetings. Special meetings of the Board may be called by the President of the Association on three (3) days' notice to each director given by mail, in person or by telephone, which notice shall state the time, place and purpose of the meeting. Special meetings of the Board shall be called by the President or Secretary/Treasurer of the Association in like manner and on like notice on the written request of at least two (2) directors or as specified in this Article IV, Section L.11.

I. Quorum. A quorum of directors shall be deemed present throughout any Board meeting at which a majority of the directors are present at the beginning of such meeting.

J. Conduct of Meetings. The President of the Association shall also preside over all meetings of the Board and the Secretary shall keep a minute book recording therein all resolutions adopted by the Board and a record of all transactions and proceedings occurring at such meetings. Robert's Rules of Order (latest edition) shall govern the conduct of the meetings of the Board when not in conflict with these Bylaws or the Declaration.

K. Action Without a Meeting. Any action by the Board required or permitted to be taken at any meeting may be taken without a meeting if all of the directors consent in writing to such action. Such written consent or consents shall be filed with the minutes of the Board.

L. Powers and Duties. The Board shall exercise for the Association all powers, duties and authority vested therein by these Bylaws or the Declaration, except for such powers, duties and authority specifically reserved herein to the Members of the Association or the Declarant. The Board shall have the following powers and duties:

1. to elect the officers of the Association as hereinafter provided;
2. to administer the affairs of the Association;
3. to engage the services of an agent (hereinafter sometimes referred to as the "Managing Agent") to perform the Association's obligations as to the Preserve Commons, including a Managing Agent which is affiliated with one or more directors, or the Declarant, or both;
4. to have access to each Parcel (excluding buildings) from time to time as may be necessary for the Association's obligations as to the Preserve Commons;

5. to obtain adequate and appropriate kinds of insurance;
6. to engage or contract for the services of others, and to make purchases, and to delegate any such powers to a Managing Agent (and any employee or agents of a Managing Agent);
7. to appoint committees and to delegate to such committees the Board's authority to carry out certain duties of the Board;
8. to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable;
9. to estimate the amount of, prepare, adopt and distribute the budget for the Association not less frequently than annually, to provide the manner of assessing, levying on and collecting from the Members the annual and special assessments;
10. to cause to be kept a complete record of all its acts and corporate affairs, to present a statement thereof to the Members at the annual meeting of the Members, or any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote and to file Federal and State tax returns as required by law;
11. to bid and purchase, for and on behalf of the Association, any Parcel, or interest therein, at a sale pursuant to a deed of trust foreclosure, a foreclosure of the lien for annual assessments, special assessments or both, or any order or direction of a court, or at any other involuntary sale, upon the affirmative vote of not less than 75% of the votes of Members at a meeting duly called for that purpose, provided that the Members shall set forth a maximum price that the Board or its duly authorized agent may bid and pay for such Parcel or interest therein;
12. to make such mortgage loan arrangements and special assessments proportionately among the respective Members, and other such financing arrangements, as the Board may deem desirable, in order to close and consummate the purchase of a Parcel, or interest therein, by the Association; provided, however, that no such financing arrangement shall be secured by an encumbrance on any interest in the Preserve Commons other than the Parcel, or interest therein, to be purchased or leased;
13. to enforce by legal means the provisions of these Bylaws and the Declaration with respect to the Preserve Commons;
14. to renew, extend or compromise indebtedness owed to or by the Association;
15. unless otherwise provided herein, to comply with the instructions or a majority of the Members as expressed in a resolution duly adopted at any annual or special meeting of the Association;
16. the Association shall (i) have all powers permitted to be exercised by a nonprofit corporation and (ii) have and exercise all powers necessary or convenient to

effect any or all of the purposes for which the Association is organized, and to do every other act not inconsistent with law which may be appropriate to promote and attain the purposes set forth in the Declaration and these Bylaws;

17. to issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

18. to supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

19. to employ attorneys to represent the Association when deemed necessary;

20. to suspend the voting rights of a Member during any period in which such Member shall be in default under the provisions of the Declaration or these Bylaws in the payment of any assessment, dues or charges levied by the Association. Such rights may also be suspended after sixty (60) days for infraction of published rules and regulations; and

21. to declare the office of a director of the Board to be vacant in the event such director shall be absent from (3) consecutive regular meetings of the Board.

M. Nondelegation. Nothing in this Article or elsewhere in the Declaration or in these Bylaws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, pursuant to the Declaration or by law, have been specifically delegated to or reserved for the Owners.

V. OFFICERS

A. Designation. The executive officers of the Association shall be a President and a Secretary/Treasurer, all of whom shall be elected annually by the Board of Directors. The Board of Directors may also appoint such other officers as in its judgment may be necessary to manage the affairs of the Association. Any person may hold two or more offices, except that the President shall not also be the Secretary/Treasurer.

B. Election of Officers. Until the first election of directors, the officers of the Association shall be as designated by the initial board. Thereafter, the officers of the Association shall be elected annually by the Board of Directors at the Board of Directors meeting following the first and each annual meeting of the Members. Such officers shall hold office at the pleasure of the Board of Directors.

C. Removal of Officers. Upon any affirmative vote of a majority of the full number of directors, any officer may be removed, either with or without cause, and his or her successor elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purposes.

D. Duties and Responsibilities of Officers.

1. The President shall be the chief executive officer of the Association and shall in general supervise and control all of the business and affairs of the Association. He or she shall preside at all meetings of the Association and the Board of Directors. He or she shall have all the powers and duties which are usually vested in the office of the President of an association including but not limited to the power to appoint committees from among the Members from time to time, as he or she may in his or her discretion determine appropriate, to assist in the conduct of the affairs of the Association. He or she may sign, with the Secretary/Treasurer or any other officer of the Association authorized by the Board, any deeds, mortgages, contracts or other instruments which the Board has authorized to be executed.

2. The Secretary/Treasurer shall keep the minutes of all proceedings of the Board of Directors and the Members. He or she shall attend to the giving and serving of all notices to the Members and directors, and such other notices required by law. He or she shall keep the books and records of the Association and shall have custody of all of the property of the Association, including funds, securities and evidences of indebtedness. He or she shall keep the Assessment rolls and accounts of the Members; he or she shall keep the books of the Association in accordance with good accounting practices; and he or she shall perform all other duties incident to the office of Secretary/Treasurer and as may be required by the Board or the President of the Association.

VI. COMMITTEES

The Board may form committees as it deems necessary, in its sole discretion, except as provided below.

VII. COMPENSATION, INDEMNIFICATION AND EXCULPABILITY OF OFFICERS, DIRECTORS AND COMMITTEE MEMBERS

A. Compensation. No compensation shall be paid to the President or the Vice-President or any director or committee member for acting as such officer or director. The Secretary/Treasurer may be compensated for his or her services if the Board of Directors determines that such compensation is appropriate. Nothing herein stated shall prevent any officer, director, or committee member from being reimbursed for out-of-pocket expenses or compensated for services rendered in any other capacity to or for the Association; provided, however, that any such expenses incurred or services rendered shall have been authorized in advance by the Board of Directors.

B. Indemnification. Each director, officer or committee member of the Association shall be indemnified by the Association against all expenses and liabilities, including counsel fees, reasonably incurred by or imposed upon him or her in connection with any proceeding to which he or she may be a party, or in which he or she may become involved, by reason of his or her being or having been a director, committee member or agent of the Association, and in connection with any settlement thereof, whether or not he or she is a director or officer at the time such expenses are incurred, except in such cases wherein he or she is adjudged guilty of willful misfeasance or gross negligence in the performance of his or her duties; provided that in the event of a settlement

the indemnification herein shall apply only when the Board of Directors approves such settlement and reimbursement as being in the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director, officer or committee member may be entitled.

C. **Exculpability.** Unless acting in bad faith, neither the Board of Directors as a body nor any director, officer, committee member or agent of the Association, shall be personally liable to any Member in any respect for any action or lack of action arising out of the execution of his or her office. Each Member shall be bound by the good faith actions of Board of Directors, officers, committee members or agents of the Association, in the execution of the duties of said directors, officers, committee members or agents.

VIII. CONTRACTS, CHECKS, DEPOSITS AND FUNDS

A. **Contracts.** The Board may authorize any officer or officers, agent or agents of the Association, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.

B. **Checks, Drafts.** All checks, drafts or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association, shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board. In the absence of such determination by the Board, such instruments shall be signed by the Secretary/Treasurer and countersigned by the President of the Association.

C. **Deposits.** All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

IX. BOOKS AND RECORDS

The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the meetings of the Owners, Board and committees having any of the authority of the Board, and the Secretary/Treasurer of the Association shall keep a record giving the names and addresses of the Owners entitled to vote. All books and records of the Association may be inspected by any Owner, or his agent or attorney for any proper purposes at any reasonable time.

X. FISCAL YEAR

The fiscal year of the Association shall begin on the first day of January and end on the last day of December each year.

XI. SEAL

The Association shall not have a seal.

XII. FISCAL MANAGEMENT

A. **Depository.** The depository of the Association shall be such bank or banks and/or federal savings and loan associations as shall be designated from time to time by the Board of Directors and in which the monies of the Association shall be deposited. Withdrawal of monies from such accounts shall be by such persons as are authorized by the Board of Directors.

B. **Tax Returns, etc.** The annual federal income tax return of the Association (plus such other federal, state or local tax returns or filing which the Association is required to file or submit) shall be prepared by a certified public accountant selected and designated by the Board of Directors. In addition, the Board of Directors by resolution may require for each or any year a compilation, review or audit of the books, records, and accounts of the Association to be performed by a certified public accountant. The cost of the compilation, review or audit, as the case may be, shall be deemed a common expense. If such compilation, review or audit shall be conducted, a copy of any report(s) generated as a result thereof shall be provided to each Member not later than ninety (90) days following the end of the year for which the report(s) is made.

C. **Examination of Books and Records.** The Board of Directors shall keep a book with a detailed account, in chronological order, of the receipts and expenditures affecting the Preserve Commons and its administration. Such book, the vouchers accrediting the entries made thereon, copies of the Declaration, these Bylaws and other books, records and financial statements of the Association shall be maintained at the principal office of the Association and shall be available for inspection by Members during normal business hours or under any other reasonable circumstances.

D. **Management Contracts.** The Association may enter into professional management contracts or other agreements; provided, however, that each such contract or other agreement shall contain a right of termination with or without cause that the Association can exercise at any time; such right to be exercised without penalty on advance notice of more than ninety (90) days.

E. **Fidelity Bonds.** The Association shall maintain blanket fidelity bonds for all persons who either handle or are responsible for funds held or administered by the Association, whether or not they receive compensation for such services. Any Managing Agent that handles funds for the Association shall also be covered by a fidelity bond.

F. **Interest and Attorneys' Fees.** The Board of Directors shall have the option, in connection with the collection of any charge or assessment from a Parcel Owner, to impose a late fee, or an interest charge at a rate of eighteen percent (18%) per annum or the highest legal rate then chargeable, whichever is less, from the date the charge or Assessment was due until paid. In the event attorneys' fees are incurred by the Board of Directors in the collection of such charges, the Parcel Owner shall be responsible for payment of all reasonable attorneys' fees, in addition to such costs allowable by law.

XIII. OBLIGATIONS AND RESTRICTIONS OF PARCEL OWNERS

A. **Restrictions.** All Parcels and Owners in the Preserve Commons shall be subject to the covenants and restrictions contained in the Declaration.

B. **Rules of Conduct.** In order to assure the peaceful and orderly use and enjoyment of the Parcels in the Preserve Commons, the Association may, from time to time, adopt, modify and revoke in whole or in part, by a majority vote of the Members present in person or represented by proxy at any annual meeting or special meeting duly called for the purpose, such reasonable rules and regulations, to be called Rules of Conduct and to be consistent with the Declaration and these Bylaws, governing the conduct of persons in the Preserve Commons as deemed necessary by the Association. Such Rules of Conduct, upon adoption, and every amendment, modification and revocation thereof, shall be delivered promptly to each Owner, and shall be binding upon all Parcel Owners and occupants of Parcels in the subdivision development.

XIV. **INSURANCE**

The Board, or its duly authorized agent, shall obtain such insurance policies upon the Preserve Commons as the Board deems necessary or desirable in its sole discretion. The named insured on all policies of insurance shall be the Association.

XV. **ENFORCEMENT**

A. **Enforcement.** The Board shall have the power, at its sole option, to enforce the terms of this instrument or any rule or regulation promulgated pursuant thereto, by any or all of the following: lawful self-help; sending notice to the offending party to cause certain things to be done or undone, restoring the Association to its original position and charging the breaching party with the entire cost or any part thereof; complaint to the duly constituted authorities; or by taking any other action before any court, summary or otherwise, as may be provided by law.

B. **Waiver.** No restriction, condition, obligation or covenant contained in these Bylaws shall be deemed to have been abrogated or waived by reason of the failure to enforce the same irrespective of the number of violations or breaches thereof which may occur.

XVI. **AMENDMENTS**

Until the date of the first annual meeting of the Members as provided in Article III, Section A, these Bylaws may be altered and/or amended only by the Declarant. From and after the date of the first annual meeting of the Members, these Bylaws may be altered, amended or repealed and new bylaws may be adopted by the affirmative vote of 75% of all votes entitled to be cast at a regular meeting or at any special meeting called for such purpose, and only upon the consent and written approval of the Declarant, for so long as the Declarant shall be the Owner of any Parcel. An amendment or addition to these Bylaws when adopted shall become effective only after being recorded in the Register's Office for Roane County, Tennessee, as an amendment to the Declaration. These Bylaws shall be amended, if necessary, so as to make the same consistent with the provisions of the Declaration.

XVII. **INVALIDITY**

The invalidity of any part of these Bylaws shall not impair or affect in any manner the enforceability or affect the remaining provisions of the Bylaws.

The foregoing were adopted as Bylaws of The Preserve at Clinch River Commons Homeowners' Association, Inc., a nonprofit corporation organized under the laws of the State of Tennessee, by the Initial Director as of the 30th day of January, 2020.



Josh Sanderson, Initial Director

STATE OF TENNESSEE)
) ss.
COUNTY OF KNOX)

Before me, Janet Purkey, a Notary Public of the state and county aforesaid, personally appeared Josh Sanderson, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Initial Director of The Preserve at Clinch River Commons Homeowners' Association, Inc., a Tennessee nonprofit corporation, and that he as such Initial Director executed the foregoing instrument for the purpose therein contained, by signing the name of the nonprofit corporation by himself as sole Initial Director.

WITNESS my hand and official seal this 30th day of January, 2020

My Commission Expires: 7/6/2020
Notary Public

Janet Purkey
Notary Public

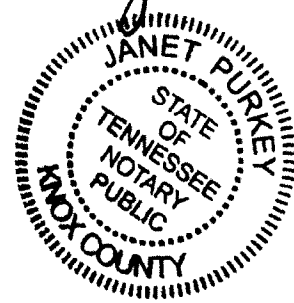


EXHIBIT D
DISTRICT ASSOCIATION CHARTER

**CHARTER
OF
THE PRESERVE AT CLINCH RIVER COMMONS
HOMEOWNERS' ASSOCIATION, INC.**

Pursuant to Section 48-52-102 of the Tennessee Nonprofit Corporation Act (the "Act"), the undersigned incorporator of The Preserve at Clinch River Commons Homeowners' Association, Inc. (the "Corporation"), hereby adopts the following charter for the Corporation:

1. The name of the Corporation is:

The Preserve at Clinch River Commons Homeowners' Association, Inc.

2. The Corporation is a mutual benefit corporation.

3. The Corporation is not a religious corporation.

4. The name and address of the initial registered agent of the Corporation in the state of Tennessee is:

John G. Brock, Esq.
Brock PLC
265 Brookview Centre Way, Suite 604
Knoxville, Tennessee 37919
Knox County, Tennessee

5. The name and address of the incorporator is:

John G. Brock, Esq.
Brock PLC
265 Brookview Centre Way, Suite 604
Knoxville, Tennessee 37919
Knox County, Tennessee

6. The address of the initial principal office of the Corporation is:

4909 Ball Road
Knoxville, Tennessee 37931
Knox County, Tennessee

7. The Corporation is not for profit.

8. The Corporation shall have members. Members shall be owners of parcels in The Preserve at Clinch River Commons (the "Preserve Commons"), a district within The Preserve at Clinch River Subdivision, a residential subdivision development located in Roane and Anderson Counties, Tennessee (the "Subdivision"), and shall be admitted to membership in accordance with

the criteria and procedures established in the bylaws of the Corporation, and no other persons or legal entities shall be entitled to membership.

9. Upon the dissolution of the Corporation:

(a) all liabilities and obligations of the Corporation shall be paid and discharged, or adequate provision shall be made therefor;

(b) assets held by the Corporation upon condition requiring return, transfer, or conveyance, which condition occurs by reason of dissolution, shall be returned, transferred, or conveyed in accordance with such requirements; and

(c) all remaining assets of the Corporation shall be disposed of exclusively for, or transferred to, the members of the Corporation in accordance with each member's allocated interest as set forth in the Declaration of Covenants and Restrictions for Rarity Ridge (n/k/a The Preserve at Clinch River) dated August 21, 2003 and recorded in Book 1016, pages 670-746, in the Register's Office of Roane County, Tennessee (as amended, the "Declaration").

10. The affairs of the Corporation shall be managed by a Board of Directors (the "Board") pursuant to the Declaration and the Bylaws of the Corporation.

11. The purpose for which the Corporation is organized is to operate and manage The Preserve at Clinch River Commons established by the Declaration for the use and benefit of the owners of parcels included in the Preserve Commons, as the agent of such owners, and to promote the health, safety, and welfare of such owners.

12. The Corporation shall have and shall exercise all powers necessary or convenient to effect any or all of the purposes for which the Corporation is organized and shall likewise have the powers provided for nonprofit corporations by the Act, as the same may hereafter be amended.

13. In order to carry out the purposes for which the Corporation has been formed, the Corporation shall, except as otherwise provided under this Charter, its Bylaws, or the Declaration, have all of the powers granted nonprofit corporations under the laws of the State of Tennessee and all powers necessary to carry out the purposes and objectives for which the Corporation has been formed, including, but not limited to, the following:

(a) To acquire (by gift, purchase, or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation;

(b) To dedicate, sell, or otherwise transfer all or any part of the common elements or facilities of the Corporation to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed upon by the members of the Corporation. No such dedication or transfer shall be effective unless an instrument has been signed by the members of the Corporation; and

(c) To exercise any and all of the powers set forth in the Bylaws of the Corporation.

14. No person who is or was a director of the Corporation, nor such person's heirs, executors, administrators, or legal representatives (collectively referred to as "Director"), shall be personally liable to the Corporation or its members for monetary damages for breach of fiduciary duty as a Director. However, this provision shall not eliminate or limit the liability of a Director: (a) for any breach of a Director's duty of loyalty to the Corporation, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, and (c) under Section 48-58-302 of the Act. No repeal or modification of the provisions of this Article, either directly or by the adoption of provisions inconsistent with the provisions of this Article, shall adversely affect any right or protection, as set forth herein, existing in favor of a particular individual at the time of such repeal or modification.

15. No person who is or was a Director of the Corporation shall be personally liable to the Corporation or its members for monetary damages for any action taken, or any failure to take any action, as a Director, except liability for (a) the amount of a financial benefit received by the Director to which the Director is not entitled; (b) an intentional infliction of harm; (c) a violation of Section 48-58-302 of the Act; or (d) an intentional violation of criminal law.

16. The Corporation shall indemnify and hold harmless each of its Directors for liability to any person for any action taken, or any failure to take any action, as a Director, except liability for (i) receipt of a financial benefit to which the Director was not entitled; (ii) an intentional infliction of harm; (iii) a violation of Section 48-58-302 of the Act, as the same may hereafter be amended; and (iv) an intentional violation of criminal law.

17. The Corporation shall continue to exist as long as the Preserve Commons shall be in existence unless sooner dissolved or terminated in accordance with Section 14.1 of the Declaration or otherwise.

18. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, its Directors, officers, or members, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth hereinabove.

19. All funds and the titles of all interests in properties acquired by this Corporation, whether fee simple or leasehold in nature, and the proceeds thereof shall be held in trust for the owners of the parcels in the Preserve Commons in accordance with the provisions of the Declaration and its supporting documents.

20. All of the powers of the Corporation shall be subject to and shall be exercised in accordance with the provisions of the Declaration together with its supporting documents, which govern the use of the Preserve Commons to be operated and administered by the Corporation.

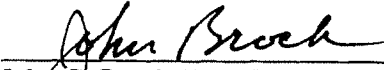
21. The incorporator, members, and Directors of the Corporation shall have the right to take any action required or permitted by vote without a meeting by written consent pursuant to the provisions of Sections 48-57-104 and 48-58-202 of the Act.

22. The provisions of this Charter may be amended, altered, or repealed from time to time in accordance with the provisions of the Declaration and the Bylaws of the Corporation and in the manner prescribed by the Act, as the same may hereafter be amended, and any additional provisions so authorized may be added hereto; provided that the provisions of this Charter shall not be changed, modified, repealed, or expanded in such a manner as to be inconsistent with the purposes for which the Corporation is formed.

23. This Charter is the instrument which forms the "Commons Association" as contemplated under the Declaration. Certain aspects of the Corporation are described in and to be governed in accordance with the terms and provisions of the Declaration. The terms and provisions of this Charter are subject to the terms, provisions, conditions and authorizations contained in the Declaration. The terms and provisions of such Declaration are incorporated herein by reference and shall be controlling wherever the same may be in conflict herewith.

[Signature on following page]

IN WITNESS WHEREOF, this Charter is executed as of the 30th day of January, 2020.



John G. Brock, Esq., Incorporator of The
Preserve at Clinch River Commons
Homeowners' Association, Inc.

20007136

2 PGS:AL-RESTRICTIVE COVENANTS	
ANG BATCH: 161378	09/23/2020 - 11:00 AM
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	10.00
ARCHIVE FEE	0.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	12.00

This Instrument Prepared By:
 Brock Shipe Klenk
 265 Brookview Centre Way, Suite 604
 Knoxville, Tennessee 37919

**AMENDMENT TO DECLARATION
 OF COVENANTS AND RESTRICTIONS**

STATE OF TENNESSEE, ROANE COUNTY
SHARON BRACKETT
 REGISTER OF DEEDS

(Assigning Additional Lots to The Preserve at Clinch River Commons District)

This Amendment to the Declaration of Covenants and Restrictions (this "Amendment") is made and entered into as of the 22 day of September, 2020, by Primos Land Company, LLC, a Tennessee limited liability company (hereinafter referred to as the "Declarant").

RECITALS:

A. Declarant is the owner and has all rights as the declarant of a residential development located in Roane and Anderson Counties, Tennessee, commonly known as The Preserve at Clinch River (the "Subdivision") as described in the Declaration of Covenants and Restrictions for Rarity Ridge (n/k/a The Preserve at Clinch River) dated August 21, 2003 and recorded in Book 1016, pages 670-746, in the Register's Office of Roane County, Tennessee (as amended, the "Declaration").

B. Pursuant to the terms of Section 3.3 of the Declaration, the Declarant may unilaterally amend the Declaration to assign property to a specific District.

NOW, THEREFORE, in consideration of the premises and the mutual benefit of all parties concerned, Declarant hereby declares that the following Lots as shown on that Phase 7 Master Map for the Rarity Ridge S/D Subareas "G, I, & K" recorded on June 20, 2006 in Plat Book D, Pages 143 and 145 in the Register's Office of Roane County, Tennessee, shall be, and hereby are, assigned to The Preserve at Clinch River Commons District and shall be held, transferred, sold, conveyed and occupied subject to the Declaration and those additional covenants, restrictions, easements, charges and liens made applicable to said District in that Amendment to Declaration of Covenants and Restrictions dated January 30, 2020 and recorded January 31, 2020 in the Register's Office of Roane County, Tennessee in Book 1723, Pages 738-767:

LOT 566
 LOT 567
 LOT 568
 LOT 569
 LOT 570
 LOT 571
 LOT 572
 LOT 573

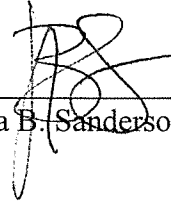
Except as specifically amended and/or supplemented hereby, the Declaration shall remain in full force and effect, subject to the rights of the Declarant to further amend or modify the same

to the extent permitted and provided in the Declaration.

IN WITNESS WHEREOF, Primos Land Company, LLC has caused this instrument to be executed.

PRIMOS LAND COMPANY, LLC
a Tennessee limited liability company

By: _____
Joshua B. Sanderson, its President



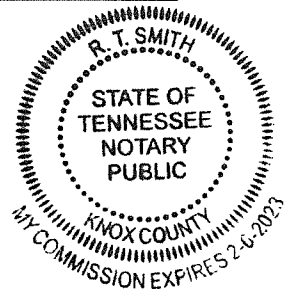
STATE OF TENNESSEE)
) ss.
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a Notary Public in and for said State and County, **Joshua B. Sanderson**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the President of Primos Land Company, LLC, the within named bargainor, a Tennessee limited liability company, and as such President, being authorized to do so, executed the foregoing instrument for the purpose therein contained, by signing the name of the limited liability company as such President.

Witness, my hand and seal, at office in Knoxville, this 22 day of September, 2020.

My Commission Expires: 2-16-2023

NOTARY PUBLIC



This Instrument Prepared By:
 Brock Shipe Klenk
 265 Brookview Centre Way, Suite 604
 Knoxville, Tennessee 37919

2 PGS:AL-RESTRICTIVE COVENANTS	
KRISTI BATCH: 171149 07/12/2021 - 08:30 AM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	10.00
ARCHIVE FEE	0.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	12.00

**AMENDMENT TO DECLARATION
 OF COVENANTS AND RESTRICTIONS**

STATE OF TENNESSEE, ROANE COUNTY
SHARON BRACKETT
 REGISTER OF DEEDS

(Assigning Sub-Area L Lots to The Preserve at Clinch River Commons District)

This Amendment to the Declaration of Covenants and Restrictions (this "Amendment") is made and entered into as of the 21 day of June, 2021, by Primos Land Company, LLC, a Tennessee limited liability company (hereinafter referred to as the "Declarant").

RECITALS:

A. Declarant is the owner and has all rights as the declarant of a residential development located in Roane and Anderson Counties, Tennessee, commonly known as The Preserve at Clinch River (the "Subdivision") as described in the Declaration of Covenants and Restrictions for Rarity Ridge (n/k/a The Preserve at Clinch River) dated August 21, 2003 and recorded in Book 1016, pages 670-746, in the Register's Office of Roane County, Tennessee (as amended, the "Declaration").

B. Pursuant to the terms of Section 3.3 of the Declaration, the Declarant may unilaterally amend the Declaration to assign property to a specific District.


NOW, THEREFORE, in consideration of the premises and the mutual benefit of all parties concerned, Declarant hereby declares that Lots 1-18 as shown on that Final Plat of Sub-Area "L" recorded on May 11, 2021 in Plat Book G, Page 318, in the Register's Office of Roane County, Tennessee, shall be, and hereby are, assigned to The Preserve at Clinch River Commons District and shall be held, transferred, sold, conveyed and occupied subject to the Declaration and those additional covenants, restrictions, easements, charges and liens made applicable to said District in that Amendment to Declaration of Covenants and Restrictions dated January 30, 2020 and recorded January 31, 2020 in the Register's Office of Roane County, Tennessee in Book 1723, Pages 738-767.

Except as specifically amended and/or supplemented hereby, the Declaration shall remain in full force and effect, subject to the rights of the Declarant to further amend or modify the same to the extent permitted and provided in the Declaration.

[Signature on Following Page]

IN WITNESS WHEREOF, Primos Land Company, LLC has caused this instrument to be executed.

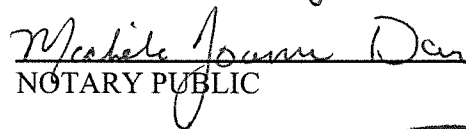
PRIMOS LAND COMPANY, LLC
a Tennessee limited liability company

By: 
Joshua B. Sanderson, its President

STATE OF TENNESSEE)
) ss.
COUNTY OF KNOX)

Personally appeared before me, the undersigned authority, a Notary Public in and for said State and County, **Joshua B. Sanderson**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the President of Primos Land Company, LLC, the within named bargainer, a Tennessee limited liability company, and as such President, being authorized to do so, executed the foregoing instrument for the purpose therein contained, by signing the name of the limited liability company as such President.

Witness, my hand and seal, at office in Knoxville, this 29 day of June, 2021.


NOTARY PUBLIC

My Commission Expires: 11/24/2023

