

<i>Laurel Valley Property Owner's Association</i>	
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Bylaws and Restrictions

AMENDED BYLAWS

(as amended July, 1996 - an * indicates an addition or change from old by-laws)

This instrument is executed on July 6, 1996, by an authorized officer of Laurel Valley Property Owners Association, Inc. ("Association") on behalf of Association.

WHEREAS, Association is a Tennessee non-profit corporation doing business in Blount County, Tennessee; and

WHEREAS, Association is governed by bylaws recorded on July 3, 1973, in Misc. Book 42, Page 82, which were amended by instrument recorded on February 12, 1988, in Misc. Book 85, Page 530, both in the Office of the Register of Deeds for Blount County, Tennessee; and

WHEREAS, Association's members and board of directors, at a scheduled meeting, adopted an amendment to these bylaws; and

WHEREAS, for the purpose of clarity, Association's members and board of directors determined at that meeting to re-state the bylaws in full, incorporating all amendments into a single document,

NOW, THEREFORE, Association declares the following bylaws to be Association's bylaws:

***ARTICLE 1 - DEFINITIONS**

When capitalized, these words have the following meanings, unless the context requires using its ordinary meaning:

1. **"Assessment"** means the dues paid for membership in the Association under the terms of the Restrictions
2. **"Association"** means Laurel Valley Property Owners Association, Inc., a Tennessee non-profit corporation, or its successors
3. **"Board"** means the Association's board of directors/
4. **"Director"** means a member of the Board.
5. **"Developer"** means Regal Real Estate Company, a Tennessee corporation
6. **"Laurel Valley"** means the real property located in District 15 of Blount County, , Tennessee, and described on Exhibit A, which is attached and made a part of these bylaws
7. **"Member"** means any Owner whose Tract is subject to the Restrictions.
8. **"Notice"** means a written statement given to a party required to receive information under these bylaws. A Notice may be sent by postage-prepaid first-class mail (with or without a return receipt requested) or by express courier service or by hand delivery. Notice shall be considered given on the date it is sent.
9. **"Owner"** means any individual or business that owns fee simple title to a Tract. "Owner" does not include parties (such as tenants or lenders) who claim an interest in a Tract arising out of holding title under a lease, purchase contract, deed of trust, or similar instrument.
10. **"Restrictions"** mean the restrictive covenants governing any portion of Laurel Valley.
11. **"Subdivision"** means any portion of Laurel Valley that has been divided into two or more parcels shown on a plat that has been recorded in the Office of the Register of Deeds for Blount County, Tennessee. Any portion of Laurel valley that is subdivided by recorded plat after the adoption of these bylaws shall be considered a Subdivision under these bylaws if an adoption of the Restrictions is signed by the Association and by the Owner of the new Subdivision property and is recorded in the Office of the Register of Deeds for Blount County, Tennessee
12. **"Tract"** means any Subdivision lot or other parcel of land within Laurel Valley
13. **"Trademark"** means the name "Laurel Valley' which is a registered trademark owned by the Developer

ARTICLE II-VOTING BY MEMBERS

1. **Voting Rights.** All Members may vote in the following manner:
 - a. *Each member may cast one vote for each Tract that Member owns. Whenever the bylaws or the Restrictions refer to voting by Members", this phrase anticipates that Members owing more than one Tract may have more than one Vote (unless these bylaws state otherwise).
 - b. * If a Member owns a Tract on which more than one dwelling is permitted, requiring payment of multiple Assessments, the Member shall have one vote for each Assessment.

- c. *If a Member records a plat of record in the Office of the Register of Deeds for Blount County, Tennessee, which combines two or more contiguous Tracts into a single Tract, that member may cast one vote for the combined Tract
- d. If more than one individual or business owns a Tract, all co-Owners shall appoint a single individual to cast a vote on behalf of those co-Owners. The co-Owners shall notify the Association of the name of the person authorized to vote at least 24 hours prior to the time any vote of Members is taken. This notice must be in writing and must be signed by all co-Owners as identified on the Owner's deed
- e. If a corporation, partnership, joint venture, limited liability company, or similar entity owns a Tract, that entity shall appoint a single individual to cast a vote on behalf of that entity. The entity shall notify the Association of the name of the person authorized to vote at least 24 hours prior to the time any vote of Members is taken. This notice must be in writing.
- f. Developer may vote in the following manner:

- i. Votes may be cast by Developer's president, vice president, or secretary.

- ii. Developer may cast one vote for each Subdivision lot that Developer owns. However, if Developer records a plat of record in the Office of the Register of Deeds for Blount County, Tennessee, which combines two or more contiguous lots into a single lot, Developer may cast one vote for the combined lot.

- iii. Developer may cast one vote for the remaining un-subdivided Tract(s) owned by Developer.

- 2. ***Majority Vote.** The Association is authorized to act on normal routine business upon approval of an action by at least a majority of the votes cast (unless these bylaws state otherwise)
- 3. ***Quorum.** A quorum is achieved with twenty percent or 40 separate Members present at any meeting in person or by proxy, whichever is greater.
- 4. **Proxies.**
 - a. A Member may cast a vote by proxy only if the proxy is in writing and is given to the Association's secretary before the meeting for which the proxy is given.
 - b. A member may define the scope of the proxy if the limitations are in writing. Otherwise, the proxy shall be considered unlimited and

permit the party casting the vote to vote without further instructions from the Member.

- c. Unless an expiration date is given in the proxy, a proxy is valid until it is revoked by a written revocation given to the Association's secretary. Revocation shall be effective when the revocation is received by the secretary. Even if the proxy has expired, the proxy will remain valid through any adjournments of a meeting in which the proxy was initially valid

ARTICLE III - MEETINGS OF MEMBERS

1. **Meeting Location and Time.** Meetings of Members shall be held at the location designated in the Notice of the meeting. In any case, the meeting shall be held in Blount County, Tennessee. Meetings of Members shall be held on Saturdays at 10:00 a.m.
2. **Annual Member Meetings.** Members shall meet at least annually. The annual meeting shall be held on either the first or second Saturday in July of each year, as determined by the Board. The Association's secretary shall notify all Members of the date of the annual meeting by a Notice sent at least 15 days (but not more than 45 days) before the meeting. At the annual meeting, Members shall elect the Board and transact any other business that is properly before them.
3. **Special Member Meetings.**
 - a. A special meeting of Members may be held if the Board determines that a meeting is necessary or if at least ten percent of Members request a meeting by sending Notices of that request of the Association's secretary.
 - b. The Association shall send Notice to all Members of the time and place of the special meeting. The meeting shall be scheduled at least 10 days (but not more than 60 days) after Notice is sent.
 - c. Notice of the special meeting shall specify the business to be conducted at the meeting. No other business may be conducted at that meeting.
4. **Procedure.** Meetings shall be conducted under the procedures provided in Robert's Rules of Order, the Modern Edition, 1989 Darwin Patnode, the edition adopted by the Board.

ARTICLE IV-BOARD

1. **Number and Qualification.** The Board shall consist of seven individuals, all of whom must be Members.

2. **Powers and Duties.** The Board shall have all powers and duties necessary to administer the Association's affairs and may do all acts that are permitted by law or by these bylaws to be done by a board of directors of a non-profit corporation.
3. **Nominations.** Nominees may originate from the Nominating Committee, from Members sending their name and brief biographical sketch to the Board, or direct nominations from the floor at the annual meeting.
4. **Election and Term of Office**
 - a. In order to provide for continuity of experienced Directors, Members shall, at the July 1996 annual meeting, elect
 - i. Three Directors to serve a one-year term
 - ii. Two Directors to serve a two-year term, and
 - iii. Two Directors to serve a three-year term
 - b. At each subsequent annual meeting, Members shall elect Directors to fill the position of out-going Directors, and the elected Directors shall serve a three-year term.
 - c. No Director shall serve more than two consecutive terms.
 - d. The candidates receiving the most votes shall be elected to fill vacancies.
5. **Vacancies.** If a Director resigns or is no longer a Member or is otherwise ineligible or unable to serve, a majority of the remaining Directors shall elect a successor Director to serve the remainder of the vacating Director's term. This election shall be held at the next meeting of the Board to be scheduled by the Association's president as soon as reasonably practical after the vacancy occurs.
6. **Removal** At any special Members' meeting in which this issue is included in the Notice of the meeting, a majority of the Members may remove a Director (with or without cause) and elect a successor. The Director whose removal is at issue shall have an opportunity to speak at this meeting.
7. **Annual Board Meeting.** The Board shall meet immediately after the annual meeting of Members, at which time the Board shall
 - b. Elect officers for the new fiscal year and

- c. Schedule a time and place for regular Board meetings for the new fiscal year. No additional Notice to Directors of regular meetings shall be required
4. ***Regular Meetings.** The Board shall meet at least quarterly and more often if necessary to manage the affairs of the Association.
5. **Special Meetings.** Any Director may call a special Board meeting. The Association's secretary shall give each Director notice of the time and place of the meeting. The notice shall state the purpose of the meeting, and no other business may be conducted. For the purpose of a special Board meeting, notice may be given by telephone or by any other reasonable means at least three days before the meeting.
6. **Voting.** Each Director has one vote. The Board acts b)' majority vote of its Directors.
7. **Action by Consent.** If all Directors agree in \\\-Titing to act without a meeting, Directors may vote by mail or telephone without a meeting. However, the action shall not be effective until written confirmation of all votes is received by the Board of the Association
8. **Quorum.** A quorum is achieved with a majority of Directors present in person.
9. **Proxy Voting.** Directors may not vote by Proxy.
10. *** Procedure.** Meetings shall be conducted under the procedures provided in Robert's Rules of Order, according to the edition adopted by the Board.
11. ***Compensation.** Directors shall serve without compensation of any type. However, the Association shall reimburse any out-of-pocket expenses reasonably incurred by a Director in connection with service as a Director.

ARTICLE V-OFFICERS

1. **Designation.** The Association shall have the following officers, all of whom are Directors, who will perform the duties designated. Additional officers may be established by the Board in its discretion.
 - a. **President:** The president shall preside at Members' meetings and at Board meetings, appoint committees as needed, and perform those duties generally assigned to the chief executive officer of a non-profit corporation.
 - b. **Vice-President:** The vice-president shall perform the president's duties when the president is unavailable and shall perform other duties reasonably imposed by the Board.

- c. **Meeting Chairperson:** If both the president and vice-president are unable to preside at a meeting of Members or of the Board, the Board shall appoint a Director to serve as chairperson of that meeting.
 - d. **Secretary:** The secretary shall keep the minutes of all meetings of Members and of the Board, maintain the records required by the Board, and perform those duties generally assigned to the secretary of a non-profit corporation. In the secretary's absence, the Board may appoint an interim secretary.
 - e. **Treasurer:** The treasurer shall have responsibility for the Association's funds and shall maintain complete and accurate records of all receipts and disbursements, subject to the terms of the financial procedures established by these bylaws or by the Board.
2. **Election.** The Board shall elect officers at its annual meeting.
 3. **Removal** A majority of the Board may remove an officer (with or without cause) and elect a successor at any Board meeting, provided that the officer has an opportunity to be heard at the meeting and has at least three days' notice of the meeting (as notice is given to Directors of a special Board meeting).
 4. **Compensation.** Officers shall serve without compensation of any type. However, the Association shall reimburse any out-of-pocket expenses reasonably incurred by an officer in connection with service as an officer.

ARTICLE VI-AMENDMENT

*These bylaws may be amended at any regular or special meeting of the Association by a two thirds vote of the total number of Members (not lots), provided notice of the amendment was given to all members at least 15 days in advance, and only if an amendment of the bylaws is placed on the agenda of that meeting by a petition signed by 10% of the Members entitled to vote or by a majority of the Board.

*** ARTICLE VII-MANAGEMENT**

1. **Managing Agent.** The Board may appoint a managing agent to manage the day-to-day affairs of the Association. This agent's salary shall be set by the Board. The agent shall be an employee at will and shall not be employed for a specific term of employment.
2. **Fiscal Year.** The Association's fiscal year shall be July 1 through June 30
3. **Bank Accounts**

- a. The Association shall maintain a checking account at a bank or similarly regulated institution whose deposits are insured by the United States government.
- b. The Association shall maintain a checking account at a bank or similarly regulated institution whose deposits are insured by the United States government..
- c. All funds received by the Association shall be deposited in the appropriate account at the first available opportunity.
- d. All Association accounts shall require the signatures of two parties to make withdrawals. These signators shall be officers or Directors or the managing agent..
- e. Payment shall not be made to any party without approval by the Board if the payment is

i. Over \$300.00 and is not included
in the **annual** budget or

ii. Pursuant to a contract between the
Association and a third party and is more than \$300.00 over
the contract price.

4. **Contracts**

- a. Work to be performed for the Association by third parties shall be performed under a written contract.
- b. These contracts shall be signed by the Association's president or its managing agent, or an appropriate committee chairman.
- c. Whenever practical, contracts shall be awarded only after competitive bids are received. No third party shall have any rights against the Association or its officers, Directors, or employees, in the event that competitive bids are not taken

5. **Budget.** The Board shall prepare an operating budget for the Association for each fiscal year. If any proposed expense exceeds the budgeted amount by 10%, the expense may not be incurred without the Board's majority consent.

6. **Assessments.** Assessments paid by Members under the Restrictions shall be used only for the following purposes.

- a. Maintenance of Rights-of –Ways
- b. Collections of assessments
- c. Security and security facilities
- d. Enforcement of restrictions
- e. Professional fees for ordinary and necessary services as defined by a majority vote of the Board
- f. Office space
- g. Office management employees, and
- h. Budgeted expenditures approved at the annual meeting

Use of assessments for any other expenses requires the majority of the Board, unless specified to the contrary

7. **Borrowing Authority.** The Board's authority to borrow money on behalf of the Association is limited as follows
 - a. A majority of the Board shall determine that the debt will serve the Association's best interests in order to implement its operating budget.
 - b. Notice shall be sent to all Members within five days of the adoption of the borrowing resolution. This notice shall inform Members of the purpose of the loan and the manner of repayment and shall describe any security pledged to its repayment. This notice shall also set a time for a special meeting of Members to consider whether the debt should be incurred. This meeting shall be held not earlier than 15 days from the date of the notice.
 - c. This borrowing resolution shall not be implemented unless at least two-thirds of the total number of Members (not lots) approve the borrowing resolution at this special meeting

*** ARTICLE VIII - INDEMNIFICATION**

The Association shall indemnify its officers and Directors and their estates against all costs, expenses and attorney fees paid or incurred in connection with any action, suit, or legal

proceeding to which the officer or Director may be made a party by reason of being or having

been a Director or officer. This indemnification shall apply to the full extent allowed by present or hereafter-enacted Tennessee law. As Tennessee statutes relating to this type indemnification are incorporated into these bylaws by reference to the extent that

1. The statutes in effect at the time an action is commenced shall prevail over other statutes.
2. When options are given in the statutes, the option providing the broadest indemnification to the officer or Director shall prevail.

RESTRICTIONS

Adopted February 1988

Recorded in Misc. Deed Book 85, page 530-544

All of the Restrictions shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in and to the real property or any part or parts thereof subject to such Restrictions. Each lot owner shall have the right to enforce each Restriction.

1. APPLICABILITY - These Restrictions shall apply to all subdivided numbered lots which are for residential purposes only, but these Restrictions shall not be applicable to any unnumbered lands or lands designated on the plat as parcels or as lands of the Association, which lands are intended for recreational uses.
2. TERM - These Restrictions shall affect and run with the land and shall exist and be binding upon all parties and all persons. Restrictions may be amended by the vote of the then record owners of two-thirds (2/3) of such residential lots to make variations in the Restrictions as to details to suit varying circumstances or changed conditions, but not to make changes that would annul any material part hereof.
3. MUTUALITY OF BENEFIT AND OBLIGATION - The Restrictions and agreements set forth herein are made for the mutual and reciprocal benefit of each and every lot in the Subdivision and are intended to create mutual, equitable servitudes upon each of said lots in favor of each and all of the other lots therein; to create reciprocal rights between the respective owners and all of said lots; to create a privity of contract and estate between the grantees of said lots, their heirs, successors or assigns, operate as covenants running with the land for the benefit of each and all other lots in the Subdivision and their respective owners.

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4. EXCLUSIVE RESIDENTIAL USE AND IMPROVEMENTS - No lot shall be used except for single family residential purposes. No structure shall be erected, placed or permitted to remain on any lot other than one (1) detached, single family residence dwelling including a private garage.

 5. LAUREL V ALLEY ARCHITECTURAL CONTROL COMMITTEE
 - a. All plans and specifications for any structure or improvements whatsoever to be erected on or moved upon or to any lot, and the proposed location thereof on any lot or lots, the construction material, the roofs and exterior color schemes, any later changes or additions after initial approval thereof and any remodeling~ reconstruction, alterations, or additions thereto on any lot shall be subject to and shall require the approval in writing before any such work is commenced of the Laurel Valley Architectural Control Committee (herein called 'Committee'), as the same is from time to time composed.
 - b. The Committee shall be composed of three (3) members. The Board of Directors of the Laurel Valley Property Owners Association, Inc. (hereinafter called Association") shall have the right to appoint and remove members of the Committee.
 - c. There shall be submitted to the Committee two (2) complete sets of the final plans and specifications for any and all proposed improvements of any kind shall be erected, altered, placed or maintained upon any lot unless (and until the final plans, elevations, and specifications therefore have received written approval as herein provided. Such plans shall include plot plans showing the location on the lot of the building, wall, fence, or other structure proposed to be constructed, altered, placed or maintained, together with the proposed construction material, color schemes for roofs and exteriors thereof and proposed landscape planting and enough parking space to accommodate the family's current cars.
 - d. The Committee shall approve or disapprove plans, specifications details within thirty (30) days from the receipt thereof. One (1) set of said plans and specifications and details with the approval or disapproval endorsed thereon shall be returned to the person submitting them and the other copy thereof shall be retained by the Committee for its permanent files.
 - e. The Committee shall have the right to disapprove any plans, specification or details submitted to it in the event the same are not in accordance with any of the provisions of these Restrictions.

- f. All homes shall be constructed by contractors licensed by the State of Tennessee or contractors from other states with reciprocal agreements with the State of Tennessee.
- g. Neither the Committee nor any architect or agent thereof or the Association shall be responsible in any way for any defects in any plans or specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications.

6. SIZE AND PLACEMENT OF RESIDENCES AND STRUCTURES

- a. Every residence dwelling constructed on a lot subject to these Restrictions shall contain at least 800 square feet of fully enclosed floor area devoted to living purposes (exclusive of roofed or unroofed porches, terraces, garages, carports and other outbuildings); at least 600 square feet must be on the ground floor.
- b. Each dwelling shall be a maximum of 2 1/2 story construction.
- c. In order to preserve the natural quality and aesthetic appearance of the existing geographic areas within the Subdivision all fences and walls must have the written committee approval as to location, size, and materials. No fences shall be permitted on any lot or lot lines unless, in the sole opinion of the Committee, a fence or other enclosure will contribute to and be in keeping with the character of the area.
- d. No above-grade structure (except approved fences or walls) may be constructed or placed on any lot in the Subdivision except within the building lines shown on the recorded plat, and for any front, side, or rear building lines not so shown, the building lines, in addition to those shown on the recorded plat, shall be:

- i. Thirty (30) feet from the front line of each lot except on lots with slopes greater than 15 percent and then a ten (10) foot building line will apply.

- ii. Ten (10) feet from each lot side line;

- iii. Twenty-five (25) feet of the depth of the lot, from the rear line of each lot.

7. PARTICULAR RULES FOR APPLICATION OF SETBACK REOUIREMENTS

- a. If the line from which a setback is to be measured is a meandering line, the average length of the two lot lines intersecting the meandering line shall be determined, and using that average length, an imaginary straight line shall be drawn through the meandering line and the setback measurement shall be made along a line perpendicular to such imaginary line.
- b. The term "side line" defines a lot boundary line that extends from the street on which the lot abuts to the front or rear line of the lot.
- c. Except for water front lots, the term "rear lot line" defines the boundary line of the lot that is farthest from, and substantially parallel to, the line of the street on which the lot abuts, except that on corner lots it may be determined from either street line.
- d. For water front lots, the term "front line" defines the boundary line of the lot that is contiguous to and bounded by water as shown on the recorded plat.
- e. A corner lot shall be deemed to have a front line on each street on which the lot abuts, and such lot need have only one rear yard as defined by 6-D (iii).

8. GENERAL PROHIBITIONS AND REQUIREMENTS

- a. The following general prohibitions and requirements shall prevail as to the construction or activities conducted on any lot in the Subdivision:
 - i. All plumbing fixtures, dishwashers, toilets or sewage disposal systems shall be connected to a septic tank or other sewage system approved for use by the lot owner and approved by the appropriate governmental authority. No outside toilet shall be constructed or permitted on any lot.
 - ii. No temporary house, mobile home, trailer, camper, tent, garage or other outbuilding shall be placed on or erected on any lot, provided, however, that the Committee may grant permission for any such temporary structure for storage of materials during construction. Recreational vehicles, campers and tents will be allowed on the lots that were platted as campground lots. No such temporary structures as may be approved shall be used at any time as a dwelling place.
 - iii. Once construction of improvements is started on any lot, the improvements must be substantially completed in accordance with plans and

specifications, as approved, within six (6) months from commencement.

iv. No residence shall be occupied until the same has been substantially completed in accordance with its plans and specifications and a certificate of occupancy has been issued by the Committee.

v. All structures constructed or placed on any lot shall be built of substantially new material and no used structures shall be relocated or placed on any such lot.

vi. No animals or livestock of any description, except the usual household pets in reasonable number, shall be kept on any lot.

vii. No sign (including but not limited to Real Estate "For Sale" or similar signs), billboard, or other advertising structure of any kind may be erected or maintained upon any lot.

viii. No stripped, partially wrecked, or junk motor vehicle, or part thereof, shall be permitted to be parked or kept on any street or lot.

ix. Every fuel storage tank shall be buried below the surface of the ground or screened by fencing or shrubbery to the satisfaction of the Committee. Every outdoor receptacle for ashes, trash, rubbish or garbage shall be installed underground, screened or so placed and kept as not to be visible from any street, lake, or recreational area.

x. All outdoor poles, clothes lines and similar equipment shall be so placed or screened by shrubbery as not to be visible from any street, lake, or recreational area.

xi. All lots, whether occupied or unoccupied, shall be well-maintained and no unattractive growth or accumulation of rubbish or debris shall be permitted.

xii. No noxious, offensive, or illegal activities shall be carried on any lot nor shall anything be

done on any; lot that shall be or become an unreasonable annoyance or nuisance to the neighborhood.

xiii. No oil or natural gas drilling, refining quarrying or mining operations of any kind shall be permitted upon or in any lot and no derrick or other structure designed for use in boring for oil or natural gas shall be erected~ maintained or permitted on any lot.

xiv. No vehicle shall be parked on any street in the Subdivision. No dual wheel truck shall be parked for storage overnight or longer, on any lot, in such a manner as to be visible to the occupants of other lots or the users of any street, lake, or recreational area.

xv. Any dwelling or outbuilding on any lot which may be destroyed in whole or in part by fire, windstorm, or for any other cause or act of God, must be rebuilt or all debris removed and the lot restored to a sightly condition with reasonable promptness, provided, however, that in no event shall such debris remain longer than six (6) months.

xvi. No trash, ashes, garbage or other refuse shall be dumped or stored or accumulated on any lot or upon any recreational area in the Subdivision. No outside burning of wood, leaves, trash, garbage, or household refuse shall be permitted.

xvii. There shall be no access to any lot on the perimeter of the Subdivision except from designated roads within the Subdivision.

9. Not used

10. VARIANCES - The Committee may allow reasonable variances and adjustments of these Restrictions in order to overcome practical difficulties and prevent unnecessary hardships in the application of the provisions contained herein; provided, however, that such is done in conformity with the intent and purposes of the general development scheme and provided also that in every instance such variance or adjustment will not be materially detrimental or injurious to other property or improvements in the neighborhood or the Subdivision.

11. EASEMENTS

- a. The Association reserves for itself, its successors and assigns, for purposes it deems incident to its development of the real property subject to these Restrictions, the following easements and/or rights-of-way.
 - i. A 15 foot wide easement and right-of-way over each lot as Association may deem necessary for the use and maintenance of any storm and sanitary sewers and the installation of utility services.
 - ii. A 10 foot wide easement along each side of all road rights-of-way and a 7 1/2 foot wide easement along each side of all other property and lot boundary lines for the purpose of installing, operating, and maintaining utility lines and mains.
 - iii. It also reserves the right to trim, cut, and remove any; trees and brush and to locate guy wires and braces where ever necessary for the installation, operation, and main tenance of, together with the right to install, operate, and maintain any utility lines, gas, water, and sewer mains and other services for the convenience of the property owners and appurtenances thereto.
- b. On each lot, the rights-of-way and easement areas reserved by Association or dedicated to public utilities purposes shall be maintained continuously by the lot owner but no structures, plantings, or other material shall be placed or permitted to remain or other activities undertaken which may damage or interfere with the installation or maintenance of utilities, which may change the direction of flow of drainage channels in the easements, which may obstruct or retard the flow of water through drainage channels in the easements, or which damage or interfere with established slope ratios or create erosion or sliding problems, provided, however, that where the existing location of a drainage channel would hinder the orderly development of a lot, the drainage channel may be relocated, provided such relocation does not cause an encroachment on any other lot in the Subdivision. Improvements within such areas shall also be maintained by the respective lot owner except for those which a public authority or utility company is responsible.
- c. Every lot in the subdivision, if any, that lies contiguous to a creek, pond, or lake shall be subject to a flowage easement to an elevation

on the lot equal to the high water elevation of such creek, pond, or lake.

12. RECREATION AMENITIES

Every park, recreational facility, and other amenity within the Subdivision is a private park, facility or amenity and neither Association's execution nor recording of the plat nor any other act of the Association respect to the Property, is or is intended to be, or shall be constructed as a dedication to the public of any said parks, recreational facilities and amenities other than as reflected herein. An easement for the use and enjoyment of each of the areas designated as parks is reserved to the Association, its successors and assigns; to the persons who are, from time to time, members or associate members of the Laurel Valley Property Owners Association, Inc.; to the members and owners of any recreational facility; to the residents, tenants, and occupants of any multi-family residential buildings, guest house, inn or hotel facilities, and all other kinds of residential structures that may be erected within the boundaries of the Property and to the invitees of all the aforementioned persons; the use of which shall be subject to such rules and regulations as may be prescribed by the Association, if the Association is the owner of the facility or property involved.

13. LAUREL VALLEY PROPERTY OWNERS ASSOCIATION, INC.

a. Every person upon acquiring title, legal or equitable to any lot in the Subdivision shall become a member of the Laurel Valley Property Owners Association, Inc., a Tennessee non-profit corporation herein referred to as "Association", and as long as he is the owner of any such lot, he must remain a member of the Association. Provided, however, that there shall be only one (1) regular membership per lot regardless of the manner or number of names in which title to same may be held. Such membership is not intended to apply to those persons who hold an interest in any lot merely as security for the performance of an obligation to pay money, e.g., mortgages, deeds of trust, or real estate contract purchases. However, if such a person should realize upon his security and become the real owner of a lot, he will then be subject to all the requirements and limitations imposed in these Restrictions on owners within the Subdivision and on members of the Association, including these provisions with respect to payment of all charges.

- b. The general purpose of the Association is to further and promote the community welfare of property owners in the Subdivision.
- c. The Association shall be responsible for the maintenance, repair, and upkeep of the parks and other common areas or amenities owned by it within the Subdivision. The Association shall also promulgate and enforce all regulations necessary for the Use and enjoyment of such parks, common areas and such other properties as it may from time to time own.
- d. The Association shall have all the powers that from time to time are set out in its Articles of Incorporation and all other powers that belong to it by operation of law, including (but not being limited to) the power to levy against every member of the Association a uniform annual charge per single-family residential lot within the Subdivision or per associate member; the amount of said charge to be determined by the Board of Directors of the Association after consideration of current maintenance needs and future needs of the Association, for the purposes set forth in its annual charge shall in no event be less than \$. The Association may also charge any user or member fees for the use of any amenities owned or operated by it, including charges for individual services or goods provided members through such facilities.
- e. The annual dues payment is due on March 1st each year.

i. The Board of Directors' of the Association shall fix the amount of the annual charge per lot on or before the first day of February of each year, and written notice of the charge so fixed shall be sent to each member.

ii. If any annual charge shall not be paid when due, it shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum.

The annual charge, if unpaid within thirty (30) days of its due date, shall become a lien or encumbrance upon the land and acceptance of each deed. not including acceptance by mortgagee, Shall be construed to be a covenant to pay the charge. The Association may publish the names of the delinquent members, and every such lien may be foreclosed at any time. Any lot acquired is taken subject to the lien for any unpaid prior charges, and every person who shall become the owner of the title (legal or equitable) to any lot in the Subdivision by any means shall be held conclusively to have covenanted to pay the Association or its designee all such charge or charges.

In addition and as an alternative to the remedy of lien foreclosures for such annual charge, the Association shall have the right and option to sue for any and all unpaid charges, interests, costs and reasonable attorney's fees in any court of competent jurisdiction as for a debt owed by any delinquent member to the Association.

iii. The Association upon demand at any time shall furnish a certificate in writing signed by an officer of the Association certifying that the charges on a specified lot have been paid or that certain charges against said lot remain unpaid, as the case may be. A reasonable charge may be made by the Board of Directors of the Association for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any charges therein stated to have been paid.

f. The fund accumulated as the result of the charges levied by the Association shall be used exclusively to promote the safety and welfare of the members of the Association and for the improvement and maintenance of those areas designated as parks, roads, and other property and facilities within the Subdivision which shall have been conveyed to or acquired by the Association.

g. The lien of a mortgage or deed or trust representing a first lien placed upon any lot for the purpose of permanent financing and/or constructing a residence or other improvement thereon recorded in accordance with the laws of Tennessee from the date of recordation, shall be superior to any and all such liens provided for herein.

h. The Board of Directors of the Association; shall have the right to suspend the voting rights (if any) and the right to use of the recreational facilities of the Association of any other corporation owning or operating such facilities of any member:

i. For any period during which any Association charge of any kind whatsoever owned by the member remains unpaid;

ii. During the period of any continuing violation of the restrictive covenants of the Subdivision by the member, after the existence of the violation shall have been declared by the Board of Directors of the Association.

iii. During the period that any bill for water, sewer, garbage, cable TV or any other utility or service rendered to the member by Association, its successor or assignee shall remain unpaid.

14. ASSOCIATION'S RIGHT TO PERFORM CERTAIN MAINTENANCE

- In the event an owner of any lot shall fail to maintain the premises and/or the improvements situated thereon in a manner satisfactory to the Board of Directors of the Association the Association shall have the right, through its agents and employees, to enter upon said lot and clear, clean, repair, maintain and restore the lot and the exterior of any building and any other improvements erected thereon. Such right shall not be exercised unless two-thirds of such Board of Directors shall have voted in favor of its being exercised. The cost of such maintenance shall be added to and become part of the annual charge to which such lot is subject and shall constitute a lien on said lot.

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15. PROVISIONS IN RESPECT OF CREEKS, LAKES, PONDS, AND

LOTS CONTINUOUS THERETO - As between Association and Purchasers of lots, their heirs and assigns, the water in, and land under, creeks~ lakes, and ponds as shown on the plat, is and will be owned by the Association, its successors and assigns.

The title that will be acquired by any grantee of the Association to any lot fronting on a creek, lake, or pond (and by the successors and assign of such grantee) shall extend to such point as is designated on the plat and in no event shall it extend beyond the shoreline (i.e., high-water mark) or edge of the creek, lake, or pond to which such lot is fronting or contiguous. No such grantee, nor any of such grantee's successors or assigns, shall have any right with respect of any creek, lake, or pond, the land thereunder, the water therein, or its elevation use, or condition, and none of said lots shall have any riparian rights or incidents appurtenant; provided, further that title shall not pass by reliction or submergence or changing water elevations.

16. CHARGES FOR WATER AND SEWAGE SERVICE

- a. Every owner (legal or equitable) of a lot in the Subdivision shall be conclusively presumed to have covenanted and agreed, by acquiring title to his lot (regardless of the means of such title acquisition) to utilize the water and sewage system when available and to pay charges for water service as provided in this paragraph.
- b. Owners of all dwellings shall be required to connect to said water service as follows: Within 30 days after the time said services

should be made available in the case of dwellings constructed after said service should be made available.

- c. Charges for water service shall be at the rate prescribed by the Tuckaleechee Water District unless said water system is privately owned by the Association. In the event the Association owns water system, charge for usage shall be part of the annual maintenance fee.
- d. Charges for sewage service shall be at the rate prescribed by the Public Utility Company that installs the system or the Association at such time as the owner of a lot shall be required to have service connected as provided in Paragraph B of this Article, he shall pay a connection charge and availability/usage rate as set up by the operator of the system. These fees will be in line with local sewage charges.

17. REMEDIES

- a. The Association, any property-owner or any party to whose benefit these Restrictions inure may proceed at law and in equity to prevent the occurrence, continuation or violation of any of these Restrictions and the court in any such action may award the successful party reasonable expenses in prosecuting such action, including attorney fees.
- b. The remedies hereby specified are cumulative, and this specification of them shall not be taken to preclude an aggrieved party's resort to any other remedy at law, in equity, or under any statute. No delay or failure on the part of the Association or an aggrieved party to invoke an available remedy in respect of violation of any of these Restrictions shall be held to be a waiver by that party of (or an estoppel of that party to assert) any right available to him upon the recurrence or continuation of said violation or the occurrence of a different violation.

18. GRANTEE'S ACCEPTANCE

- a. The grantee of any lot subject to the coverage of the Declaration, by acceptance of a deed conveying title thereto, or the execution of a contract for the purchase thereof, whether from Association or a subsequent owner of such lot, shall accept such deed or contract

upon and subject to each and all of these Restrictions and the agreements herein contained, and also the jurisdiction, rights and powers of Association, and by such acceptance shall for himself, his heirs, personal representatives, successors and assigns, covenant, consent and agree to and with Association, and to and with the Grantees and subsequent owners of each of the lots within the Subdivision to keep, observe, comply with and perform said Restrictions and agreements.

- b. Each such grantee also agrees, by such acceptance, to assume, as against Association, its successors or assigns, all the risks and hazards of ownership or occupancy attendant to such lot, including but not limited to its proximity to any recreational facility.

19. SEVERABILITY - Every one of the Restrictions is hereby declared to be independent or, and severable from the rest of the Restrictions and of and from every other one of the Restrictions and of and from every combination of the Restrictions. Therefore, if any of the Restrictions shall be held to be invalid or to be unenforceable or to lack the quality of running with the land, that holding shall be without effect upon the validity, enforceability, or "running" quality of any other one of the Restrictions.

20. CAPTIONS - The captions preceding the various paragraphs and subparagraphs of these Restrictions are for convenience of reference only, and none of them shall be used as an aid to the construction of any provision of the Restrictions. Wherever and whenever applicable, the singular form of any work shall be taken to mean or apply to the plural, and the masculine form shall be taken to mean or apply to the feminine or to the neuter.

SPECIAL ASSESSMENT AMENDMENT

RESOLVED that the deed restrictions shall be amended in Paragraph 13(D) to provide that a special assessment can be levied uniformly against

each and every Association member per single family residential lot by majority vote of the Laurel Valley Property Owners Association, Inc. Board of Directors in the event of a catastrophic event or emergency repair or maintenance which threatens the immediate health or safety of the community, requires immediate action of the Association and involves costs of a magnitude that cannot be reasonably accommodated within LVPOA-S regular budget. Expenditures shall be limited to those required to remedy the immediate threat to the health and safety of the community and in no case shall exceed \$100,000.00.

RESOLVED that the deed restrictions shall be amended in Paragraph 13(D) to provide that a special assessment can be levied uniformly against each and every Association member per single family residential lot at an annual or special meeting by two-thirds (2/3) vote of all lots represented at the meeting either in person or by proxy to pay for capital improvements benefiting all members of the Association.

RESOLVED that the deed restrictions shall be amended in Paragraph 13(D) to provide that a special assessment can be levied uniformly against certain Association members per single family lot to pay for capital improvements that will benefit only these certain Association members by two-thirds (2/3) vote of only the lots benefiting from the proposed improvements who are represented at the meeting in person or by proxy.

RESOLVED that the Laurel Valley Property Owners Association, Inc. shall have lien rights to enforce the collection of special assessments in the same manner in which liens can be levied against Association members who are delinquent in paying their annual assessments.

