

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF
LAUREL MOUNTAIN LAKES ASSOCIATION, INC.**

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS, hereinafter sometimes referred to as the "Declaration", set forth and entered into this 31st day of August, 1996, by the undersigned, hereinafter referred to as "Declarant" (Laurel Mountain Lakes Association, Inc.) and by Southeastern Land, Inc. These are restated restrictive covenants as amended in 2010.

WITNESSETH

WHEREAS, the Laurel Mountain Lakes Development has been, and continues to be, developed by Southeastern Land, Inc., and a plat of said Development is recorded in the Register's Office of Monroe County, Tennessee, in Plat Book 2, page 117, and also may have been described in additional plats of record which have been (or will be) recorded;

WHEREAS, the original Charter of Incorporation of Laurel Mountain Lakes Association has been approved and registered with the Tennessee Secretary of State and recorded in the Register's Office of Monroe County, Tennessee, in Miscellaneous Book 40, page 224; and in addition certain protective covenants, dated January 26, 1968, have been recorded in the Register's Office of Monroe County, Tennessee, in Miscellaneous Book Z, page 117; and in addition certain Articles of Amendment of Charter, dated April 1, 1996, have been approved and registered with the Tennessee Secretary of State and recorded in the Register's Office of Monroe County, Tennessee, in Miscellaneous Book 98, pages 314, 315.

WHEREAS, the property covered and included as a part of the Laurel Mountain Lakes Development, and subject to the covenants, conditions and restrictions herein, is recorded in certain deeds to Southeastern Land, Inc., registered in the Office of the Monroe County Register of Deeds includes the following deeds: Warranty Deed Book 97, page 373, 376 and 379; Warranty Deed Book 98, page 247; Warranty Deed Book 99, page 146; Warranty Deed Book 101, pages 133 and 136; and Warranty Deed Book 117, pages 283, 354 and 357; and

WHEREAS, the original Protective Covenants as described above provides that the covenants affecting the Association and/or the subject Development may be changed in successive periods of five (5) years if a majority of the owners of the lots agree to change said covenants, and that at the end of the second five (5) year period a majority have voted to make certain changes to the covenants, conditions, and restrictions, copies of the 1994 declarations for change being recorded in the Register's Office of Monroe County, Tennessee, Miscellaneous Book 92, page 511 et seq; and

WHEREAS, the required majority of the owners now are adopting an amended Charter of Incorporation, by substituting a new Charter, which upon approval by the Secretary of State will be recorded in the Register's Office of Monroe County, Tennessee (Miscellaneous Book 98, page 314). Simultaneously, the owners are restating the covenants, conditions and restrictions from the original Charter of Incorporation and Protective Covenants into new documents, to wit, the Declaration of Covenants, Conditions and Restrictions of Laurel Mountain Lakes Association, Inc., the document herein, and in addition Bylaws to govern the Association; and

WHEREAS, the Laurel Mountain Lakes Association was originally formed by the original Developer, Southeastern Land, Inc., and the Developer sold a substantial number of lots but also has a significant number of lots remaining for further development, and the intent of the Developer is to transfer voting control over the future direction and preservation of the subject Development from Southeastern Land, Inc., its successors and assigns to the present and

future private lot owners in the Development, and the goal and intent is for the Association to be representative of the owners of the community, to own and administer the common facilities of the community, as well as to perform the necessary administrative duties and responsibilities, and to enforce the rights of all the owners in regard to the covenants and restrictions contained herein, including the collection and disbursement of all assessments and personal charges created within this document; and

WHEREAS, the Developer joins in the execution of this instrument for the purpose of approving the provisions herein, and indicating its agreement to perform the obligations on it in this declaration, and in the re-stated Charter and Bylaws of the Association, as well as any subsequent declaration pursuant thereto or hereafter.

WHEREAS, the residents of the Association designated the duly elected officers and Board of Directors (herein referred to as the "Board") to perform the necessary administrative duties and responsibilities and supervise the enforcement of the rights of all owners in regard to the protective covenants and restrictions herein, including the collection, the disbursement of all assessments and personal charges created within this document. See, BYLAWS, article VII, OFFICERS AND THEIR ELECTION and Article IX, BOARD OF DIRECTORS.

NOW, THEREFORE, the Developer and the Association hereby declare that the real property located in the Development will be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with the real property and be binding on all parties having any right, title or interest in, the described properties or any part thereof, their heirs, successors, and assigns, and shall endure to the benefit of each owner thereof.

ARTICLE I

BASIC ORGANIZATIONAL MATTERS

Section 1. Definitions. As used herein, unless the context otherwise requires:

(a) "Declaration" shall mean this instrument as extended amended or supplemented as provided herein.

(b) "Developer" shall mean Southeastern Land Company, Inc., a Tennessee corporation, including its successors or assigns.

(c) "Association" shall mean and refer to Laurel Mountain Lakes Association, Inc., a Tennessee not-for-profit corporation, its successors or assigns.

(d) "Community" or "Development" shall mean all of the property located within the Development known as Laurel Lake and/or Laurel Mountain Lakes, and such property as may in the future be subjected to this Declaration.

(e) "Common Area" or "Common Elements" or "Common Property" shall mean all joint use property or property rights, including access easements, drainage easements, and any area as reflected as common area in the plat of the community of record in Plat Book 2, page 117, Register's Office for Monroe County, Tennessee, and additional areas which may be so designated from time to time by the Developer and/or the Association, which are intended for the common use and enjoyment of the owners. The Common Area owned by the Association at the time of conveyance of the first lot was described in Plat Book 2, page 117, and made a part hereof.

Common Property: An all inclusive term meant to reference all assets jointly owned by members of the Laurel Mountain Lakes Association as property owners. The terms "common area" and "common elements" are subsets of "common property" used to delineate types or parts of common property.

Common Area: Any area of common property designated or designed for use by members/owners or their guests. (Example: The beach is common property but it is a specific type of common property designed for use by members and their guests. Therefore, it is further defined as a "common area".) **Please refer to the color-coded Laurel Mountain Lakes Community plat map provided in the front of the "Property Owners Directory" for types of Common Areas.

Common Elements: A subset of common property as a part of any asset that provides service(s) to the members of the Association. (Example: Water reservoirs, pumps, valves, conduits, etc., constitute a subset/parts (common elements) of the water system (common property).

(f) "Streets" shall mean every way or access for vehicles which is designated as common area on the plat.

(g) "Lot" shall mean any numbered parcel of property as shown on the plat.

(h) "Single Family Detached" shall mean and refer to any building intended for use as a single family residence and not attached to any other building. No more than one single family residence shall be located on a single lot as herein defined.

(i) "Board" means the Board of Directors of Laurel Mountain Lakes Association, Inc.

(j) "Member" shall mean and refer to every person or entity who holds membership in the Association.

(k) "Bylaws" means the Bylaws of Laurel Mountain Lakes Association, Inc., attached hereto as Exhibit A and made a part hereof, as amended from time to time.

(l) "Owner" or "Lot Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any lot, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

(m) "Property" (whether singular or plural) means all the land, property or space which is the subject of this Declaration (by amendment or otherwise), and all easements, rights and appurtenances belonging thereto intended for the mutual use, benefit or enjoyment of the owners.

(n) "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

(o) "Plat" means the plat of survey of the property of record in Plat Book 2, page 117, Register's Office for Monroe County, Tennessee, showing the number of each lot, and expressing its location and other data necessary for identification.

(p) "Common Expense" means all expenses incurred by the Association for the maintenance, repair, replacement, operation or management and restriction of the community and the common property.

(q) "Assessment" or "Dues" means such amounts as are required by the Association for the payment of the common expenses and levied against the members of the Association in accordance therewith.

(r) "Special Assessment" means such assessments expended by the Association to defray the expenses of one-time projects and/or emergency problems of the development.

(s) "Personal Charge" means any expense, charge or liquidated damages of the Association for which a specific owner is liable.

(t) "Majority" or "Majority of the Owners" means more than fifty percent (50%) of a quorum of the owners in the Association, present in person (or by proxy) and eligible to vote. Any specific percentage of owners means that percentage of a quorum of the owners who in aggregate own such specified percentage of the entire undivided membership in the Association, present and eligible to vote. A majority of the Board of Directors (more than 50% of a quorum present in person), unless otherwise specified.

(u) "Quorum" is more than fifty percent (50%) of the eligible lot votes.

(v) "Proxy" is a vote that is cast by one eligible lot owner appointed to represent the voting interest of a property owner. Proxy votes must be cast using the appropriate form found in the Attachments of the ByLaws. Proxy votes must be cast by the appointed person.

(w) "Unimproved lot" means any lot(s) on which there has been no construction or improvement of the property.

(x) "Lot Vote" shall mean one vote for each lot as described in Article I. Section 3.e.

Section 2. Lots. The legal description of each lot shall consist of the identifying number or symbol of such lot as shown on the plat. Every deed, lease, mortgage, deed of trust or other instrument shall legally describe the lot by its identifying number or symbol as shown on the plat and every such description shall be deemed good and sufficient for all purposes. No lot owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his (her) (their) lot to be separated into any tracts or parcels different from the whole lot as shown on the Plat.

Section 3. Association of Owners and Administration and Operation of the Property.
General Membership. There has been formed an Association having the name Laurel Mountain Lakes Association, Inc., a Tennessee not-for-profit corporation, which Association shall be the governing body for all of the lot owners (the membership), and shall be responsible for the maintenance, repair, replacement, administration, operation of the common property (including the water system), this Declaration and the Bylaws. The Bylaws for the Association shall be the Bylaws attached to the Declaration as Exhibit "A". The Association shall not be deemed to be conducting a business of any kind. All funds held by the Association shall be held and applied by it for the use and benefit of owners in accordance with the provisions of the Declaration and Bylaws. Each person who is the record owner of an undivided fee interest, in a lot in the Community subject to assessment by the Association, even if such assessment has not yet commenced, shall be a member of the Association and entitled to the privileges or membership. Each lot, other than a lot(s) owned by the Developer and its successors-in-interest and/or assigns, and those owned by individuals or entities owned by or related to the Developer, shall be entitled to one (1) vote. An owner of an undivided fee interest shall be a member of the Association so long as he (she) is an owner of an undivided fee interest. A person's membership shall automatically terminate when he (she) ceases to be a lot owner. Upon the conveyance or transfer of an ownership interest to a new lot owner, the new owner shall simultaneously succeed to the former lot owner's membership in the Association. The aggregate number of votes for all members of the Association shall be equal to the number of individually owned lots, plus one vote for all Developer-owned lots, plus the number of Developer-Related lots not to exceed ten combined, as shown on the Plat (as it may be amended from time to time).

(a) Developer's Membership: The Developer shall be a member of the Association for as long as it shall be the owner of a fee or undivided fee interest in any lot in the Development, regardless of whether the lot(s) is categorized as developed or undeveloped, and the Developer shall be entitled to only one vote regardless of the number of lots owned.

(b) Developer-Related Membership: The owner(s) of lots, who fall under the category of "Developer-Related" Voting Members of Article IV(a)(4) of the Association's Bylaws, shall be a member as long as they or it shall be the owner of a fee or undivided fee interest in the Development, regardless of whether their lot(s) is categorized as developed or undeveloped.

(c) Membership: Membership in the Laurel Mountain Lakes Association shall consist of four (4) classes, as defined in Article IV a. of the Association's Bylaws, to wit:

- (1) Regular Voting Members, who shall be the recorded owner(s) of a lot or lots in the Development specified in Exhibit A.
- (2) Regular Nonvoting Members, who shall be the dependent members of the immediate family and living in the same home as the lot-owner-regular voting-member;
- (3) Developer Voting Member, who shall be the original developer of the development specified in Article III, Southeastern Land, Inc. and its successors-in-interest and/or assigns, who shall have only one vote regardless of the number of lots owned and regardless whether any such developer-owned lot in the development be categorized as developed or undeveloped;
- (4) Developer-Related Voting Members, who shall be the individuals or entities who have any ownership interest in the developer Southeastern Land, Inc., including its successors-in-interest and/or assigns, of the development specified in Article III, whether they be stockholders, partners, joint venturers or otherwise, who shall own title to any lot or lots in the development in their individual or separate name(s), for individual purposes or otherwise, who shall have one vote for each lot owned up to a total of ten (10) votes for ten (10) lots owned, but in no event shall all such Developer-Related Voting Member(s) combined have more than ten (10) votes total, regardless of the number of lots owned, whether categorized as developed or undeveloped. The express purpose and intent of this class of Developer-Related Voting membership is to prevent and pre-empt the original developer, Southeastern Land, Inc., and any of its successors-in-interest and/or assigns, from attempting to circumvent the Developer's right to only one vote under Article IV, a.(2), by transferring lots to individuals and/or other business entities related to the developer by kinship, business relationship, or otherwise, and/or subject to the developer's control or influence, directly or indirectly.

(d) Duration: The legal lot owners as of the date of the original incorporation of the LMLA comprise the Charter Members of this Association. All persons who become lot owners in the Development subsequent to the date of incorporation of the LMLA shall automatically acquire membership in the LMLA with all the rights, privileges, and responsibilities thereunto pertaining. Membership in the LMLA shall terminate automatically with the sale or other disposition by the lot owner-voting member of his or her or their lot or lots as evidenced by the recording of the successor lot owner-voting member at the Register's Office of Monroe County, Tennessee.

(e) Voting: The recorded owner(s) of each lot in the Development shall have the exclusive privilege of exercising their vote in the association which is established for and in representation of each lot, as defined and provided in Section 3(c) of this Declaration and Article IV.a (1) through (4), and Article V. a. of the Association's Bylaws, upon any issue or matter submitted to the membership, and for the election of each officer of the association. The total number of eligible votes shall be equal and limited to the total number of surveyed lots existing in the Development as of the date of said vote, less all such lots owned by the Developer plus one, less all such lots owned by any Developer-Related Voting Member(s) over ten (10) as defined in Article IV a. (4) of the Association's Bylaws. The lot owner-voting member may cast his (her) (their) vote in person at general and special membership meetings called to conduct the business of the LMLA, and/or by proxy, and/or by mail ballot, as determined by the Board, and as arranged by the Executive Secretary of the LMLA.

(f) Non-Liability of the Directors, Board, Officers and Declarant: Neither the Directors, Board, Officers of the Association, nor the Declarant shall be personally liable to the lot owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such Directors, Board, Officers or Declarant, except for any acts or omissions found by a Court to constitute gross negligence or actual fraud. The owners shall indemnify and hold harmless each of the Directors, Board, Officers, or Declarant, and their respective heirs, executors, administrators, successors and assigns, in accordance with the Bylaws.

(g) Board's Determination Binding: Each Member shall have the right to use the common area in common with all other Members, as may be required for the purpose of access, ingress to, egress from, use occupancy and enjoyment of the respective lot by such owner. Such right to use the common area shall extend to each Member, invitees, licensees, and tenants. Such rights to use the common area shall be subject to and governed by the provisions of the Declaration and the Bylaws of the Association.

Section 4. Mortgages and Deeds of Trust: Each lot owner shall have the right, subject to the provisions herein and the Bylaws, to make separate mortgages and deeds of trust for his (her) (their) respective lot. No lot owner shall have the right or authority to make or create, or cause to be made or created any mortgage, deed or trust or other lien on or affecting the Property or any part thereof, or any common property.

Section 5. Reservations of Easements:

(a) Utility and Drainage: The Developer reserves for itself and is hereby granted a perpetual, unalienable and unreleaseable blanket easement, privilege and right on, over and under the designated parts of the community to be used to install, maintain and use all manner of equipment and construction related to the provisions utilities and drainage for the community. Such designated easement shall include all of the common property and a seven and one-half foot strip along the interior of all lot lines of each lot, and all other designated easements shown or reserved on the plat.

(b) The rights and privileges of membership in the Association specifically include, but are not limited to, a non-exclusive easement of access in favor of and held by each and every owner of lots in the Development by virtue of lot ownership, without respect to whether such easement is specifically referred to in said owner's deed of conveyance. Said easement runs over and upon the developed roadways in the Development and is subject to the easements for installation and maintenance of utilities of all types, as is provided in the deed from Southeastern Land, Inc. to Laurel Mountain Lakes Association, set forth and recorded in the Register's Office

for Monroe County, Tennessee, in Warranty Deed Book 125, at page 764. Said easement is for the purpose of ingress and egress from the owner's lot, but is non-exclusive in the sense that all lot owners have the right to use all roadways, as do other persons who have a right to enter and travel within the Development, all as set forth in Articles of Amendment of Charter of the Association recorded and of record with the Register's Office of Monroe County, Tennessee in Miscellaneous Book 98, page 314 and 315, and the Declaration of Easement, which upon approval by the Association, will be recorded in said Register's Office (Miscellaneous Book _____, page _____)

(c) Others: All other easements and reservations as reflected on or in the notes of the recorded subdivision plats of this community or hereafter granted of record by the Association as to the common property, shall be binding upon each owner of the same extent as if set forth herein.

ARTICLE II PROPERTY RIGHTS

Section 1. Owners' Easements of Enjoyment: Every owner shall have a right and easement of enjoyment in and to the common areas and streets which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) The right of the Association (acting by the Board) to dedicate or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument, approved by at least fifty-one percent (51%) of the total number of eligible lot votes, agreeing to such dedication or transfer has been recorded; providing, however, that such consent shall not be required for the dedication of utility or service easements.

Section 2. Delegation of Use: Any owner may delegate, in accordance with the Bylaws, his (her) (their) rights of enjoyment of the common area and streets to the members of his family, his tenants, or contract purchasers. Membership in the Association may not be conveyed separate from ownership in the lot.

Section 3. Association's Right of Entry: An authorized representative of the Association or the Board shall be entitled to reasonable access to the lots as may be required to investigate and/or correct any existing violation of the provisions of this Declaration or the Bylaws.

Section 4. Access to Streets: Each member shall have a right of ingress and egress and passage over all the shared roadways. All streets shall further be subject to the right of way for the agents, employees and officials of county, state, government, and emergency agencies having jurisdiction in or on the property to permit the performance of their duties.

ARTICLE III SPECIAL PROTECTIVE COVENANTS

1. All lots in Laurel Mountain Lakes shall be known and designated as residential lots and said lots shall not be used for any commercial or manufacturing purpose of any kind.

2. One (1) single-family dwelling shall be constructed on a lot and no lot shall be further subdivided.

3. No tents, trailers or any other type of temporary living quarters shall be permitted on any lot more than two (2) weeks at a time unless used for storage during construction of a dwelling as permitted by the Building Committee.

4. Swimming and fishing and any other activity shall be done at the risk of each individual, and in no case shall Southeastern Land, Inc., or Laurel Mountain Lakes Association, Inc., its directors, officers and members be liable for personal injury or property damage.

5. Southeastern Land, Inc., assumes no responsibility for maintenance of roads and utilities and only guarantees title in fee simple.

6. All owners shall have the right to a reasonable use of the lake frontage at designated access areas.

7. No combustible engines shall be used on Laurel Mountain Lake for boats or any type of watercraft.

8. No construction will be allowed on Laurel Mountain Lake except a single boat dock, which shall not extend into the lake more than twenty-five (25) feet, and which shall not exceed 500 square feet in size, the plans for which shall be submitted to the Building Committee for approval and be approved before construction begins. No boat houses will be permitted on the lake.

9. No noxious or offensive activity which is deemed an annoyance or nuisance to a reasonable person or prevents the Owner from being able to freely use their property without fear of disturbance, shall be permitted on any lot or common area. These activities shall include, but are not limited to, barking dogs, excessively loud music, or operating any motor vehicle back and forth in front of any homeowner's residence to the point that the noise it makes becomes an annoyance or nuisance.

10. Southeastern Land, Inc., will not be held responsible for violation of these restrictions and covenants by any person. These covenants shall run with the land and shall be binding on all parties and all persons until January 1, 2000, at which time these covenants shall be automatically extended for a successive period of five (5) years, unless by an affirmative vote of fifty-one percent (51%) of a quorum of the total number of eligible "lot votes", it is agreed to change said covenants in whole or in part.

11. Game hunting and the use of firearms, and/or other dangerous apparatus (as crossbows) of any kind (other than to protect person or property) is forbidden to all persons at all times within the confines of the Development. All persons are expected to obey the laws and regulations of the State of Tennessee.

Swimming and fishing are allowed at Laurel Mountain Lake at the risk of each individual participating. Visitors and guests must have the consent of their responsible member-host. Fishing from the beach, or within the areas designated for swimming is forbidden to all persons at all times. No fishing is allowed around the private dock area of any lot owner who has designated a roped-off or buoyed private swimming area. All persons fishing should comply with the State of Tennessee regulations.

12. All building plans must be submitted to the Building Committee for approval prior to the beginning of any improvement to, or construction of, a dwelling unit. No construction shall be permitted until such time as a design has been approved by the Building Committee, under the following non-exclusive guidelines, and such future guidelines as may be recommended by the Building Committee and approved by the Board of Directors.

All building plans for construction of a residential dwelling, remodeling/addition to a residential dwelling or separate structure on property must be submitted to the Building Committee for approval prior to the beginning of said construction. The plan must include a copy of the lot survey (as submitted for septic permit) noting all boundaries and corner stakes; a sketch of the location of the home to be built, along with setbacks and home dimensions; and the following six (6) steps:

1. Get septic permit at groundwater office in Madisonville (see section c)
2. Install drainage tile in driveway (see section d)
3. Obtain a LMLA building permit and pay impact fee (see section f)
4. Place portable toilet on job site (see section h)
5. Post the building permit on site where it is visible
6. Add \$750 water tap assessment (subject to change)

No construction shall be permitted until the above six (6) requirements are met and the Building Permit has been issued.

- (a) All dwelling units shall be single family detached only, one per lot. All dwelling units shall be of a permanent nature. All outside areas, when concrete or cinder blocks are used, shall be stuccoed, painted or covered with a siding material approved by the Building Committee. No dwelling shall be permitted with asphalt siding on any outside wall.
- (b) No dwelling unit shall be constructed of less than 1,400 square feet of permanently heated living space. A garage is not considered to be living space. The developer expressly reserves the right to designate certain areas within the Development as requiring dwelling units with a higher square footage of living space, with those designations and higher requirements to be submitted by the Developer to the Board of Directors for approval and dissemination to the members. This and any future square footage designations shall not affect any present standing dwelling unit or unit under construction at the time of the adoption of the Declaration. The Board can grant a variance on this square footage, but it shall still remain at not less than 1,200 square feet.
- (c) Sewage disposal fields shall be located in such a manner that no drainage can run or seep into the lake. No outside toilets will be permitted on any lot. After drain fields have been laid out, the Building Committee shall be notified to verify and put a copy of the layout on file, and the layout must be approved by the Health Department before building.
- (d) Drainage pipes for the driveways are to be installed in the ditch before improvements to a lot or the construction of a dwelling building or house, begins. The pipe size usually is 15 to 18 inches, but approval of the Building Committee shall be required before installation. Rare exceptions might be made where a culvert is not needed.
- (e) A cutoff/on valve of the waterline which goes from the water main to the house shall be installed as near as practical to the lot line next to the street and marked by a hub or piece of pipe in the ground for future identification.

- (f) Prior to construction on a lot, owner must obtain a building permit and pay an impact fee. Building Permits are issued by Laurel Mountain Lakes Association Building Committee. After submitting the architectural plans and proposed cost estimate of said structure and approval of the proposed cost estimate of said structure and approval of the building committee, the following impact fee will be assessed. Five Hundred Dollars (\$500.00) for estimated cost of \$5,000.00 to \$25,000.00 and One Thousand Dollars (\$1,000.00) for estimated cost in excess of \$25,000.00.
 - (g) Members may appeal the decision of the Building Committee concerning his (her) (their) lot(s) by requesting a review by the Board of Directors, and a majority vote of the Board shall be required to reverse all, or any part of the Building Committee's decision. If dissatisfied with the Board of Directors' decision on appeal, members may appeal for a determination by the whole membership through the Office of the Executive Secretary, in which event, a two-thirds (2/3) negative vote of the total eligible lot votes shall be required to set aside the decision of the Board of Directors.
13. No commercial sign of any kind shall be posted to the public view in any area of the development except one (1) sign of not more than three (3) square feet (a) used by a builder to advertise the property during construction and sale of a piece of property or (b) used by an owner or realtor to advertise the property "for sale". If signs are not maintained, removal is to be expected.
14. (a) No animals, livestock or poultry shall be raised, bred or kept in the Laurel Mountain Lake Subdivision except dogs, cats and other household pets, provided that they are not kept or maintained for commercial purposes and are not deemed a nuisance by other lot owners. Animals which are kept and maintained indoors shall be allowed in any homeowner's home.
- (b) Dogs shall be kept on a leash or chain, kenneled or under reasonable means of control on the owner's property. Any dog kept on a residential lot shall be controlled at all times as per *Tenn. Code Ann. 44-8-408* subsection (a) and (b), and 44-8-413 subsection (a)(1) and (2), so that they do not infringe on the ability of fellow residents to enjoy the recreational activities available to association members and guests. No more than four (4) dogs shall be kept on any residential lot. The dog owner, or person responsible for the dog, shall be responsible for providing for the removal and sanitary disposal of any elimination from the pet on any common area, including but not limited to any road, shoulder or lot owned by another resident. Not removing and properly disposing of any elimination shall constitute a nuisance as provided herein. If any dog or dogs are caught or identified as "running at large" within the meaning of *Tenn Code Ann 44-8-401 et seq.*, the Board and its designee shall have the authority to notify the owner of the offense in a manner adopted by the Board to give such owner notice and an opportunity to be heard regarding the alleged violation. If any dog or dogs are identified as running at large on a second or third occasion, the Board shall have the authority to enter on the books of the Association a personal charge for

liquidated damages against such owner in a sum to be adopted by the Board and to enforce such personal charge against the owner's property as a special assessment. If any such animal or animals are caught or identified running at large on any other subsequent occasions, such animal or animals may be permanently removed from the property at the expense of the owner thereof. No owner of any animal running at large impounded for chasing or harassing wildlife or people shall have any right of action against the Board or any Association member for the impoundment of any such animal or animals. (See ByLaws Attachment 1, Non-Compliance Complaint Process, i.e. Assessment Schedule)

15. No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. All trash and garbage shall be kept in sanitary containers.
16. There shall be no open burning of trash, garbage or construction debris. Prior to any outside burning, such as brush or leaves, contact with the Tennessee Division of Forestry is required. A permit is required at certain times of the year which can be secured over the phone. An adult must be present at the burn site and remain until the fire has been properly extinguished.
17. No go-carts, three wheelers, ATVs or dirt bikes shall be permitted on any trail, common area or shared access road or on the back side of the dam at any time except as the association deems necessary for maintenance.
All motorcycles on Association roads must be licensed and be operated by licensed and insured drivers and the muffling system must comply with state regulations.
"Low speed vehicles" as described in Tenn.Code Ann. 55-1-123 are permitted to travel on Laurel Mountain Lakes Subdivision roads.
Any motorized vehicles on Laurel Mountain Lake roads may only be operated by persons with a valid driver's license.
18. The building requirements and covenant restrictions are for the protection of all lot and homeowners in Laurel Mountain Lakes. Any violation or failure to comply shall be reported to the Board of Directors, which shall be authorized to take the appropriate legal action concerning the problem.
19. (a) The building requirements, protective covenants, limitations and restrictions are for the protection of all lots and home owners in Laurel Mountain Lakes. The Covenants, conditions, limitations and restrictions for land use, development and residence set forth in the Declaration and ByLaws shall be enforceable by the Board. In addition, the governments of Monroe County, Tennessee, and the State of Tennessee, acting through their duly elected and appointed officials, shall have the authority to enforce any pertinent provisions of their statutes, regulations and codes, which govern Laurel Mountain Lakes. Every Owner hereby consents to the entry of any injunction against owner's tenants or guests, to terminate and restrain any violations of these Protective Covenants, Conditions, Limitations and Restrictions.

- (b) Any Owner who uses or allows their residence or lot to be used or developed in violation of these Protective Covenants, Conditions, Limitations and/or Restrictions further agrees to pay liquidated damages in lieu of the costs incurred by the Association, the Board and/or Owners(s) to enforce the same, and if court action is required for enforcement, such Owner shall also be liable, in addition to such liquidated damages, for all costs of litigation including expert fees and reasonable attorney fees, as assessments for personal charges.
- (c) The Board shall adopt procedures for enforcement of the Protective Covenants beginning with a Covenant Enforcement Committee, initially confidential complaints, opportunity for the complainant and offending Owner to be heard, notice of such hearing, and an opportunity to appeal to the entire Board, and the Board shall adopt a schedule of escalating liquidated damages for a first and subsequent violations, modifiable no more frequently than annually, which shall constitute personal charges to the offending Owner and a special assessment against the property.

All covenants, conditions and restrictions, terms and provisions of Laurel Mountain Lakes Association, Inc., as amended, recorded in the Office of the Register of Deeds of Monroe County, Tennessee, in Miscellaneous Book 92, Page 511; Miscellaneous Book 105, Page 119; Miscellaneous Book 136, Page 435, and Miscellaneous Book 174, Page 638, not amended further hereby, shall remain in full force and effect.

ARTICLE IV. MEMBERSHIP AND VOTING RIGHTS

Section A. General Provisions: Every owner of a lot, subject to the qualifications and restrictions for Developer-owned and Developer-Related lots designated in Article IV of the Bylaws, shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot.

Section B. Voting Rights: The Association shall have four (4) classes of voting membership. The voting rights shall be as set forth in Articles IV and V of the Bylaws.

ARTICLE V. COVENANTS FOR MAINTENANCE AND ASSESSMENTS

Section A. Creation of the Lien and Personal Obligation of Assessments: The owner of each lot owned within the property, with the exception of Developer-owned, and undeveloped lots, hereby covenants, and each future owner of any lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay the Association:

- (1) Annual assessments, dues or charges; and
- (2) Special assessments for capital improvements and emergencies, such assessments to be established as hereinafter provided.

- (3) **Delinquent Assessments.** The annual dues and special assessments, together with interest, costs and attorney's fees, shall be a charge on the lots, and shall be a continuing lien upon the property against which each such assessment is made. If the Owner does not pay such assessment, or any installment thereof by March 31, as specified in Section H., the Owner shall be deemed in default and the amount of the assessment not paid shall become a lien, if not received by December 31, upon the lot or lots of such Owner, effective upon and as of the recordation by the Association of notice of default. Each such assessment, together with interest, costs and attorney's fees, shall also be the personal obligation of the person who is the owner of such property at the time when the assessment is due and payable. Such lien may also include a provision for future assessments as they become due. Upon payment of any delinquent assessment, and any charges in connection with such notice of default, the Association shall cause to be filed a further notice stating the satisfaction and the release of the lien thereof. Also, in addition to the lien, any assessment due and owing after one year, will be forwarded to a collection agency for further action. The personal obligation from the delinquent assessment shall not pass to his successors in the title unless expressly assumed by them.

The annual dues and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the lots, and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fee, shall also be the personal obligation of the person who is the owner of such property at the time when the assessment is due and payable. The personal obligation from the delinquent assessment shall not pass to his successors in the title unless expressly assumed by them.

Section B. Purpose of Assessments: The assessments levied by the Association shall be used exclusively to promote the health, safety and welfare of the owners of the properties, and in particular for the acquisition, improvement and maintenance of the properties, services and facilities devoted to this purpose, or for the use and enjoyment of the common area, including but not limited to, the cost of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the common area, the procurement and maintenance of insurance in accordance with the Bylaws, employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section C. Annual Assessment or Dues: The Board of Directors shall recommend, and the membership at its Annual meeting, shall fix the payable annual dues for each lot subject to the provisions of this Declaration and the Bylaws. The annual dues, or prorated share thereof, is due and payable upon the sale of any lot. The annual dues may not be increased by the Board without fifty-one percent (51%) affirmative vote of a quorum of the total number of eligible lot votes who are voting in person, by proxy or by absentee ballot at the annual meeting or at any property called special meeting of the Association. This provision does not preclude Special Assessments provided for in Section D below nor for Special Assessments included above.

Section D. Special Assessments for Emergency Repairs and/or Emergency Capital Improvements:

In addition to the annual dues authorized above, the Association (acting by and through the Board) may recommend to the membership in any calendar year, special assessments applicable to the year only for the purpose of defraying, in whole or in part, during emergency situations as deemed by the Board of Directors, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the common property, including fixtures and personal property related thereto, provided that any such emergency assessment shall have a fifty-one percent (51%) affirmative vote of a quorum of the total number of eligible lot votes who are voting in person, by proxy or by absentee ballot at a meeting duly noted and called for this purpose. All special assessments shall be paid immediately upon passage and demand.

Section E. Notice and Quorum for Any Action Authorized Under this Article: All notices of any meeting called for the purpose of taking any action authorized under this Article shall be sent to all members not less than ten (10) days nor more than thirty (30) days in advance of the meeting and shall state the purpose of such meeting. Notice shall be effective on the date of mailing by the Executive Secretary. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all votes of the membership is required so as to constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirements, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than thirty (30) days following the preceding meeting.

Section F. Commencement Date of Annual Dues - Due Dates: The annual dues provided for herein shall commence as to all lots on January 1st of each year and shall be payable within ninety (90) days, and shall be considered late after March 31st of each year and shall incur late fees determined according to the Association Bylaws and shall be delinquent after December 31st of each year.

Section G. Water Tap Assessment: There shall be a one-time water tap assessment to be paid by the owner of a lot to the Association, at such time as the owner wishes to tie into the water system. The amount of the fee shall be determined by the Board of Directors with recommendations from the Water System Operator and the Water Board Treasurer. This fee shall be due prior to the date that water service is expected to be required. Such installations are and shall be the sole responsibility of the lot owner, but shall remain a part of the system, and are the property of the Association, which shall only be responsible for the maintenance of the system.

Section H. Effect of Non-Payment of Assessment: Remedies of the Association: Dues not paid by March 31st shall incur late fees assessed quarterly. The Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and late dues cost and reasonable attorney fees of such action or foreclosure shall be added to the amount of such dues, no owner may waive or otherwise escape liability for the annual dues provided for herein by non-use of the common area or abandonment of his/her lot.

LATE FEE SCHEDULE (Also found as Attachment V in the Bylaw Amendments)

Category	April 1	July 1	Oct 1	Dec. 1	Year Total
I	\$5.00	\$5.00	\$5.00	\$5.00	\$20.00
II	\$6.75	\$6.75	\$6.75	\$6.75	\$27.00
III	\$8.50	\$8.50	\$8.50	\$8.50	\$34.00
IV	\$13.75	\$13.75	\$13.75	\$13.75	\$55.00

Section I. Exempt Property: Property dedicated to, and accepted by, a local public authority, all property designated as reserved, all common properties, utilities, and utility easements, and all Developer-owned, unimproved lots shall be exempt from the assessments created herein. No other properties or lots shall be exempt from assessments in any case.

ARTICLE VI
MAINTENANCE, REPAIRS AND REPLACEMENTS

Section A. General Provisions: Unless otherwise specifically set forth herein, the maintenance of, repairs to and replacements to the common property shall be the responsibility of and shall be furnished by the Association. Unless otherwise specifically set forth herein, the cost of the maintenance of, repairs to and replacements of the common property shall be part of the common expenses, subject to the Bylaws, Rules and Regulations, and Covenants of the Association.

If, due to the act or neglect of a lot owner, or of his agent, servant, tenant, family member, invitee or licensee, damage shall be caused to the common property or to a lot, improved thereon, or personal property owned by others, and maintenance, repair or replacement are required which would otherwise be a common expense, then such lot owner shall pay for such damage or such maintenance, repair or replacements, as may be determined by the Board of Directors.

Owners of all lots shall properly provide for exterior and/or ground maintenance thereof, including exterior maintenance such as cutting, trimming and caring for grass, trees, and shrubs, and the repair or replacement of walks, roofs, gutters, windows, doors, decks and other exterior improvements, including any re-painting or staining, as needed.

ARTICLE VII
REMEDIES

Section 1. The foregoing conditions, restrictions, and reservations are a part of a general plan for the improvement of Laurel Mountain Lakes, which plan contemplates that all lots therein shall be used for residence purposes only and these conditions, restrictions, and reservations shall insure to and pass with the said tract and each and every lot therein and are hereby imposed upon the entire Development as a servitude in favor of said premises, and the owner or owners thereof, and each and every such condition, restriction, and reservation shall be construed as a covenant running with the land and not a condition.

Section 2. In the event the owner or owners of said premises, or any lot therein, shall violate

or breach, or attempt to violate or breach any of the foregoing conditions, restrictions and reservations, it shall be lawful not only for the Association, but for any owner or owners of any lot or lots in the Development to institute or prosecute any proceeding at law or in equity against the person or persons violating or threatening to violate the same, and either to prevent him (her) (them) from so doing and/or to recover damages or other relief as provided by law or in equity for such violation, provided this provision shall not be enforced personally against any of the owners of Laurel Lake, their heirs or assigns, for damages or otherwise, unless they be the owners of the lot or that portion of said premises upon which a violation of these covenants, restrictions, and reservations is threatened or done.

IN WITNESS WHEREOF, we have hereunto set our hands and seals on the 28 day of February, 2011.

LAUREL MOUNTAIN LAKES ASSOCIATION, INC.

BY: Maurice G. White
Maurice G. White
Title: President

ATTEST: Elizabeth Tyler
Elizabeth Tyler
Title: Secretary

STATE OF TENNESSEE)

This space reserved for recording data

COUNTY OF MONROE)

Personally came before me this 1st day of March, 2011, the above named Maurice G. White, President of Laurel Mountain Lakes Association, Inc., to me known to be the person who executed the foregoing instrument and acknowledged the same.

Kelly D. Arnwine
Print Name: Kelly D. Arnwine
Notary Public, Monroe County, TN.
My Commission expires: August 21, 2013



STATE OF TENNESSEE)

COUNTY OF Monroe)

Personally came before me this 28 day of February, 2011, the above named Elizabeth Tyler, Secretary of Laurel Mountain Lakes Association, Inc., to me known to be the person who executed the foregoing instrument and acknowledged the same.

~~Elizabeth Tyler~~ Christina Thrasher
Print Name: ~~Elizabeth Tyler~~ Christina Thrasher
Notary Public, Loudon County, TN.
My Commission expires: June 20, 2011



LMLA DEC OF COVENANTS - 1-2011

This document prepared for recording by:
Peggy A. Callaway CO Laurel Mountain Lakes Association
304 Laurel Lake Circle
Madisonville, TN 37354
(423) 442-3196

THIS ADDITIONAL PAGE RESERVED FOR RECORDING DATA

This document prepared by:
Peggy A. Callaway
C/O Laurel Mountain Lakes Association
304 Laurel Lake Circle
Madisonville, TN 37354
(423) 442-3196
LMLA Dec of Covenants Revisions 10-2010 and 12-2010
LMLA DEC OF COVENANTS - 1-2011
(pc)
1-25-11

EXHIBIT "A"

LAUREL MOUNTAIN LAKES ASSOCIATION, INC., BYLAWS

ARTICLE I NAME AND MAILING ADDRESS

- a. Name: The name of this association shall be the Laurel Mountain Lakes Association, hereinafter abbreviated as LMLA or Association.
- b. Mailing Address: The mailing address of this Association shall be 304 Laurel Lake Circle, Madisonville, Tennessee 37354.

ARTICLE II ORGANIZATION

The LMLA shall exist as a nonprofit incorporated association of its members, and these ByLaws, as may be amended from time to time by the LMLA, shall provide the government of the organization.

ARTICLE III OBJECT AND LOCATION

- a. Object: The object of the Laurel Mountain Lakes Association shall be to retain and extend the natural beauty and assets of the recreational-residential development known as Laurel Lake and/or Laurel Mountain Lakes; to maintain the tranquility, serenity, and a peaceful environment for all, and enlarge the recreational opportunities available to the membership, and to act on behalf of its membership with respect to environmental and land use problems as may be necessary to protect and enhance the financial investment of the Association's membership and their enjoyment of the properties and facilities of this development.
- b. Location: Laurel Lake and/or Laurel Mountain Lakes is located between Madisonville and Tellico Plains about two (2) miles East of Highway 68 near Mount Vernon in the Third Civil District of Monroe County, Tennessee, subject to the Deeds of Southeastern Land, Inc., registered in the Monroe County Register's Office as follows: Warranty Deed Book 97, Pages 373, 376 and 379; Warranty Deed Book 98, page 247; Warranty Deed Book 99, Page 146; Warranty Deed Book 101, pages 133 and 136; and Warranty Deed Book 117, Pages 283, 354, and 357.

ARTICLE IV MEMBERSHIP

- a. Classes: Membership in the LMLA shall consist of four (4) classes:
- (1) Regular Voting Members, who shall be the recorded owner(s) of a lot or lots in the development specified in Article III, who shall have one (1) vote for each lot owned.
 - (2) Regular Nonvoting Members, who shall be the dependent members of the immediate family and living in the same home as the lot-owner-regular-voting-member;
 - (3) Developer Voting Member, who shall be the original developer of the development specified in Article III, Southeastern Land, Inc., and its successors-in-interest and/or assigns, who shall have only one (1) vote regardless of the number of lots owned and regardless whether any such developer-owned lot in the development be categorized as developed or undeveloped;
 - (4) Developer-Related Voting Member, who shall be the individuals or entities who have any ownership interest in, or kinship with, the developer Southeastern Land, Inc., including its successors-in-interest and/or assigns, of the development specified in Article III, whether they be stockholders, partners, joint venturers or otherwise, who shall own title to any lot or lots in the development in their individual or separate name(s), for individual purposes or otherwise, who shall have one vote for each lot owned up to a total of ten (10) votes for ten (10) lots owned; but in no event shall all Developer-Related Voting Member(s) combined have more than ten (10) votes total, regardless of the number of lots

owned, whether categorized as developed or undeveloped. The express purpose and intent of this class of Developer-Related Voting membership is to prevent and pre-empt the original developer, Southeastern Land, Inc., and any of its successors-in-interest and/or assigns, from attempting to circumvent the Developer's right to only one vote under Article IV, a.(2), by transferring lots to individuals and/or other business entities related to the developer by kinship, business relationship, or otherwise, and/or subject to the Developer's control or influence, directly or indirectly.

b. Duration: The legal lot owners as of the date of the original incorporation of the LMLA shall comprise the original Charter Members of this Association. All persons who become lot owners in the development subsequent to the date of incorporation of the LMLA shall automatically acquire membership in the LMLA with all the rights, privileges, and responsibilities thereunto pertaining. Membership in the LMLA shall terminate automatically with the sale or other disposition by the lot owner-voting member of his or her or their lot or lots as evidenced by the recording of the deed of the successor lot owner-voting member at the Register's Office for Monroe County, Tennessee.

c. Membership Privileges: Membership Privileges are listed as follows: Use of the security gate, lake, water system, roads, picnic area, boat ramp and storage area, compactor, walking areas, a voice in the community by voting and other amenities offered by LMLA.

ARTICLE V. VOTING

a. The recorded private owner(s) of each lot in the development identified in Article III shall have the exclusive privilege of exercising a single vote, the Developer or its designated representative defined in Article III shall have the exclusive privilege of exercising its single vote, and the Developer-Related owner(s) of each lot in the development identified in Article III shall have the exclusive privilege of exercising a single vote for each lot owned up to a maximum of ten (10) lots/votes combined for all such Developer-Related owners, in the Association's general membership meetings, upon any issue or matter submitted to the membership, and for the election of each officer of the Association.

b. The total number of eligible votes shall be equal and limited to the total number of surveyed lots existing in the development as of the date of said vote, less all such lots owned by the Developer plus one, less all such lots owned by any Developer-Related Voting Member(s) over ten (10) as defined in Article III.

c. Except as otherwise may be specifically provided in the Bylaws and Declaration of Covenants, a fifty-one percent (51%) affirmative vote of a quorum of the total number of eligible "lot-votes" shall be required to approve the adoption of any measure submitted to the membership and/or to elect any officer of the Association, except as otherwise specifically provided in the Bylaws and Declaration of Covenants (see *Covenants, Article 5E*).

d. The Lot owner-voting member may cast his (her) (their) one (1) vote in person at general membership meetings called to conduct the business of the LMLA, or by mail ballot to and as arranged by the Executive Secretary of the LMLA.

e. Loss of Vote: Any voting member, recorded owner(s) of a lot or lots (Covenants, Article I, Section 3 "c"(1)), who has not paid all Association dues and/or assessments and interest for the prior year by January 1 will forfeit their voting privilege. This will remain in force until such time as all prior year dues and interest are paid in full.

ARTICLE VI MEETINGS

a. LMLA Association

(1) The Annual Meeting of the members of the LMLA shall be held on the third Saturday in August of each year, at a time established by the Board of Directors, or on such alternate date in August as a quorum of the Board shall select.

The Executive Secretary of the LMLA shall cause notice to be sent to the LMLA Members at least thirty (30) days prior to the meeting.

(2) Special Meetings of the LMLA can be called by a quorum of the Board, or by 40 of the LMLA voting members (defined in Covenants Art I, Section 3 "c" (1), Irrespective of the number of lots owned by individual members and as amended by ByLaw Article V c.

The Executive Secretary of the LMLA shall cause notice to be given to the LMLA Members at least thirty (30) days prior to the meeting, setting forth the substance of the matters to be considered at the Special Meeting.

b. Board Of Directors

(1) Regular meetings of the Board of Directors shall be held on the second Tuesday of January, April, July, and October, and additional dates as the President or a quorum of the Board shall deem necessary.

The Executive Secretary of the LMLA shall cause notice to be sent to the members of the Board and all LMLA voting members at least ten (10) days prior to the meeting.

(2) Special Meetings of the Board of Directors can be called by the President or by a quorum of the Board or by at least forty (40) of the LMLA voting members (defined in Covenants Article I Section 3 c (1), irrespective of the number of lots owned by individuals, and as amended by ByLaw Article V c.

The Executive Secretary shall cause notice to be sent to the Board of Directors and all LMLA voting Members at least ten (10) days prior to the date and time of the meeting and such notice will set forth the substance of the matters to be considered at the Special Meeting.

c. Robert's Rules Of Order

Meetings of LMLA shall be guided by "Robert's Rules of Order" (See Attachment IV).

ARTICLE VII.

OFFICERS AND THEIR ELECTION

a. Officers: The officers of the LMLA shall consist of a President, Vice-President, Secretary, LMLA Treasurer, Utility Treasurer, and such other officers as may be determined upon from time to time by the Association.

b. Eligibility: Voting members only, as defined in Article IV, may be elected and serve as officers of the LMLA Board with the exception of eligible voting members as defined in Article V, e.

Any employee who is a property owner with voting rights can run for and hold office on The Board of Directors. A Board member is expected to abstain from voting when a conflict of interest is determined. The abstention must be noted in the minutes of the meeting.

c. Longevity of Board Membership: No member of the Board shall be able to hold any position for more than a three (3) year consecutive term. If sufficient nominations are not secured for board positions, then the three (3) year restriction will be waived.

d. Election: Officers of the LMLA shall be elected at the Annual Meeting of the Association called for that purpose in the month of August, and shall assume their official duties immediately upon such election, serving until the election of their successors. A vacancy occurring in any office shall be filled for the unexpired term by a Voting Member elected by the Board of Directors.

e. Duties:

(1) The President shall preside at all meetings of the Association, shall serve as Chairman of the Board of Directors, shall be responsible for the day-to-day operations of the Association, shall appoint all committees as provided in Article X unless otherwise provided, shall sign and otherwise execute on behalf of the Association such business and legal documents as are necessary in the duly authorized activities of the LMLA, provide an agenda to the Board of Directors of the topics to be discussed at the next Board Meeting at least five (5) days prior to the meeting and cause the agenda to be posted on the Community Bulletin Board, and shall perform such other duties as may be prescribed in The Charter or Bylaws or as otherwise determined by The Association.

(2) The Vice President shall perform the duties of the President in the absence or disability of that officer to act, and shall perform such other duties as may be prescribed in the Charter or ByLaws or as otherwise determined by the Association.

(3) The Executive Secretary shall cause to be recorded the minutes of all meetings of the Association and the dissemination of such minutes and other pertinent information to the membership; shall act as custodian of all official documents and records of LMLA, which documents and records shall be kept in a safe and secure location and be readable upon being retrieved. It is suggested that permanent records be recorded on a thumb drive or other electronic device and kept in a lock box at the bank while a copy be kept locally with the secretary for more immediate use; shall direct the execution of the decisions of the Association except for financial records kept by the Treasurers who shall be custodian of their respective accounts, otherwise may be determined upon from time to time by the LMLA; shall receive,

record, and report to the meetings of the Association the tabulation of all mail voting; shall cause to be maintained a complete and accurate list of the names and mailing addresses of voting members of the Association; shall sign and otherwise execute on behalf of the Association such business and legal documents as are necessary in the duly authorized activities of the LMLA; and shall perform such other duties as may be prescribed in the Charter or Bylaws or as otherwise determined by the Association.

(4) The LMLA Treasurer shall have the custody of all of the funds of the Association; and the utility Treasurer shall have custody of the utility system funds; they shall cause to be maintained a full and accurate accounting of money receipts and expenditures; shall make disbursements as authorized by the Association; and shall perform such other duties as may be prescribed in the Charter or Bylaws or as otherwise determined by the Association. The accounts of the Treasurers shall be examined not less frequently than the month of August of each year by an Auditing Committee appointed by the President, and to consist of not less than three (3) Voting Members of the Association other than officers who, satisfied that the accounts are correct and otherwise in good order, shall sign a statement of that fact at the end of their report to the Association given at the August Annual Meeting of the membership.

(5) The Utility Treasurer shall have custody of all funds of the LMLA Water System; shall cause to be maintained a full and accurate accounting of money receipts and expenditures, shall make disbursements as authorized by the LMLA Water Committee or Water Board, and shall perform other duties as may be prescribed in the LMLA Charter, Covenants and Bylaws or as otherwise determined by the LMLA. The accounts of the Utility Treasurer shall be examined not less frequently than the month of August of each year by an Audit Committee as defined in Article X, e. The Utility Treasurer shall meet quarterly with the Budget Committee to check on possible changes or additions to the budget of the Water Committee.

ARTICLE VIII. DUES AND ASSESSMENTS

a. **Dues:** Each Voting Member of the Association shall cause to be paid to the LMLA the annual dues per lot as may be recommended by the Board of Directors, and approved at the Annual Meeting of the LMLA. Such dues shall be expended by the Association to defray the common administrative expenses of the LMLA and in fulfillment of the continuing needs and programs adopted by the membership.

b. **Special Assessments:** Each Voting Member of the Association shall cause to be paid to the LMLA such specific assessments per lot as may be recommended by the Board of Directors, and approved by the membership at the Annual Meeting of the LMLA, or by mail ballot or by Special Meeting of the LMLA conducted as necessary in the intervals between annual meetings of the Association. Such assessments shall be expended by the Association to defray the expenses of one-time projects and/or emergency problems of the development as proposed to and approved by the membership.

c. **Determination:** The adoption of such annual dues and/or special assessments shall be set by the Board of Directors, and shall require a fifty-one percent (51%) affirmative vote of a quorum of the total number of eligible "lot-votes" of the Association before becoming effective.

d. **Property Categories for Annual Dues and Assessments:**

	August, 1996	(Rev. August 2003)
<u>Category I</u>		
Unimproved Lots	\$100.00	\$200.00
<u>Category II</u>		
Improved Lots (have connected to LMLA water system)		
(Have started work)	\$170.00	\$270.00
<u>Category III</u>		
Have house but live there		
Less than four (4) months		
Per year	\$240.00	\$340.00
<u>Category IV</u>		
Full-Time Residents	\$450.00	\$550.00

c. Property Appraisal Committee: A standing committee to be comprised of three (3) Voting Members of the Association shall be appointed by the President at the Annual Meeting of the LMLA, or within thirty (30) days thereafter, to serve until the appointment of their successors.

(1) This committee shall examine and otherwise inquire into the use of each lot in the development and shall assign each such lot to its appropriate category as of the fifteenth day of November of each year, and shall complete a categorization list to be filed with the Executive Secretary on or before the fifteenth day of January of each succeeding year; and the Executive Secretary shall retain this list for inspection by the membership at the Annual Meeting and at such other reasonable times during normal business hours as necessary.

(2) Members may appeal the category assignment/dues assessment of their lot or lots established by the Property Appraisal Committee by requesting a review by the Board of Directors, and a majority of the Board shall be required to reverse the Property Appraisal Committee's categorization.

(3) If dissatisfied with the confirming or altered categorization by the Board of Directors, members may appeal for a determination by the whole membership through the Office of the Executive Secretary, in which event, a two-thirds (2/3) negative vote of the total eligible lot-votes shall be required to set aside the decision of the Board of Directors, and thereby confirm a category assignment(s) sought and claimed by the appealing member.

f. Dues and Assessment Proposals: The Board of Directors of the Association shall propose the annual dues per lot for ratification at the annual Meeting of the Association as provided in this Article; and shall propose such special assessments per lot as may be required from time to time for ratification by the membership.

ARTICLE IX. BOARD OF DIRECTORS

a. The Board of Directors shall be composed of thirteen (13) individuals, all of whom shall be eligible voting members of LMLA. The Board shall consist of (a) the five (5) Officers of the Association (Article VII) (b) the voting Representative of the development company (Article IX), (c) five (5) at large members of the Association elected to serve by the membership at the Annual Meeting (see Article I,e) by a majority of a quorum of the total number of eligible "lot votes", (d) two (2) at large members of the Association appointed to serve by the newly-elected President at the Annual Meeting or within thirty (30) days thereafter.

(1) The President and Executive Secretary of the Association shall serve as Chairman and Secretary, respectively, of the Board.

(2) The Board is empowered to transact necessary business of the Association in the intervals between meetings of the membership, and shall enforce the Declaration of Covenants, Bylaws, and the policies of the Association.

ARTICLE X. STANDING AND SPECIAL COMMITTEES

The President of the LMLA, upon the advice and consent of the Board of Directors, shall create and appoint thereto the members of such Standing Committees and/or Special Committees as may be necessary from time to time; and such committees shall report their findings, conclusions, and recommendations to the Board of Directors for consideration as provided herein, or direct referral to the LMLA Members through the Office of the Executive Secretary.

a. Building Committee: This Committee shall consist of a Chairman and two (2) , or more committee members, and shall have such duties as provided by the Declaration of Covenants and the Bylaws, or by specific action of the Board of Directors.

b. Budget Committee: The Budget Committee shall be composed of the LMLA Treasurer, the Utility Treasurer and at least three (3) LMLA Members appointed by the President with the advice and consent of the Board of Directors. The Budget Committee shall meet at least one (1) week prior to each regular Board of Directors meeting in the months of January, April, July and October to review the status of LMLA General and Utility accounts. Based on said review, the Committee shall prepare a report to the Board as to the fiscal soundness of the accounts and make recommendations, as necessary, for the allocation of existing funds, avoiding shortfalls, and collection of past due moneys. The Budget Committee

shall also meet at least one (1) week prior to the Annual LMLA Meeting in August to review budgets and audits for the LMLA General and Utility accounts to be presented at the annual LMLA Meeting.

c. Property Appraisal Committee: Appointed for the purposes and with the authority as defined in Article VIII, Section e., page 5.

d. Water Committee: The Water Committee shall consist of five (5) members including the Water System Operator, the Utility Treasurer, and at least three (3) members appointed by the Committee Chair. The Chair shall be appointed by the LMLA President with the advice and consent of the LMLA Board. The Chair shall call Meetings of the Committee, as needed, to review operation and maintenance of the LMLA water system and LMLA dam, and the allocation of budgetary money. The Chair and the Utility Treasurer shall make reports to the LMLA Board at the regularly scheduled meetings of the Board.

e. Audit Committee: An Audit Committee Chair shall be appointed by the LMLA President. The Committee shall be named by the Chair and/or President with the advice and consent of the LMLA Board of Directors. It shall be composed of not less than three (3) voting members of LMLA other than officers, one of whom should have some experience with business audits. The Committee shall examine the books and all records of the LMLA Treasurer and Utility Treasurer at least annually prior to the LMLA Annual Meeting in August. Their report shall be given to the Board of Directors and the LMLA at the Annual Meeting of the LMLA in August. The signature of the Chair and the President shall attest to the veracity of the audit.

f. Roads Committee: The LMLA Roads Committee is a Standing Committee dedicated to the improvement and maintenance of the seven miles or so of roads of the LMLA Community. The Committee is comprised of a Chair and at least two (2) members. The chair and members will be selected with representation from all areas of our Community. This is to insure that all roads are given equal concern. Additional help will be provided by the community on special projects. LMLA Board of Directors will approve the membership and chair of the Committee. The Committee's responsibilities will include getting bids for all road improvements annually, selecting the best choice of all bids, and presenting the chosen bid to the Board of Directors of LMLA for approval. The Committee will provide supervision for the paving done by both hired professionals and volunteers. Repairs and maintenance of the road paving will be handled by the Committee itself or by hiring outside help as determined by the Committee. Maintenance of the road drainage is also the responsibility of the Committee. All road signs will be maintained by the Committee.

g. Lake/Dam Oversight Committee: The Lake/Dam Oversight Committee is a Standing Committee dedicated to the improvement and maintenance of Laurel Mountain Lake and dam. The Committee will be made up of a chairperson and two other members appointed by the chairperson. This committee will propose and have oversight of any capital improvement for the lake and dam, review of plans and placements of docks around the lake, monitor the health of the lake, and dam maintenance.

h. Other Committees: Other Committees may be added by appointment by the LMLA President with the advice and consent of the LMLA Board of Directors as needed from time to time.

ARTICLE XI BASIC POLICIES

a. Purposes: The Association is intended to provide a representative organization through which matters relating to security and safety, pollution and sanitation, common recreational facilities, and other development problems of shared interest and responsibility, shall be agreed and acted upon, and managed.

b. Restrictions: Owners of lots in Laurel Mountain Lakes Association are members of the Association and will subscribe to and will comply with the Protective Covenants governing this development, as duly enacted and promulgated.

c. Transfer: The developing company has in the past, and upon such considerations as may be mutually agreed upon by the developing company and the Association in the future, the developing company may transfer control and responsibility and/or title and ownership for certain properties and facilities in common use to the Association, thenceforth to be regulated and maintained by the Association. These common use properties and facilities may include, but are not limited to, the lake or lakes properly

located within the development, the beaches and designated access areas to the lake or lakes, water service facilities, dam(s) and roads.

d. **Limitations:** The Association shall be non-commercial, non-sectarian, and non-partisan. The name of the Association or the names of any members in their official capacities shall not be used in any connection with a commercial concern or with any partisan interest or for any purposes not appropriately related to the promotion of the object of the Association and the provisions of these ByLaws. The Association shall not, directly or indirectly, participate in any way in any political campaign whatsoever. Membership in this Association shall be available to any eligible lot owner without regard to race, color, creed, or national origin.

ARTICLE XII. POWERS, DUTIES, INDEMNIFICATION

a. **Powers.** The Association shall have all the powers of a nonprofit corporation organized under the laws of the State of Tennessee, subject only to such limitations upon the exercise of such powers as are expressly set forth in its Charter, the Covenants, Conditions and Restrictions of Laurel Mountain Lakes Association, Inc., and its adopted Bylaws. The Association shall have the power to do any act and all lawful things which may be required or permitted to be done by the Charter, and to do and perform any acts which may be incidental to the exercise of any of its express powers, including the following:

(1) To levy assessments, fees and personal charges on the Owners to enforce the payment of the same, all in accordance with the provisions of the Covenants, Conditions and Restrictions of Laurel Mountain Lakes Association, Inc., and these Bylaws, and to determine no more frequently than annually, a sum as liquidated damages that reasonably reflects the actual costs to the Association for enforcement of the Covenants, Conditions and Restrictions of Laurel Mountain Lakes Association, Inc.

(2) To employ the services of any person or business with employees to conduct and perform the business, obligations and duties of the Association as may be directed by the Board and to enter into contracts for such purpose.

(3) On its own behalf or on the behalf of any Owner or Owners who consent thereto, to commence and maintain actions and suits in law or equity to restrain any breach or threatened breach of the Covenants, Conditions and Restrictions of Laurel Mountain Lakes Association, Inc., and to enforce, by mandatory injunction or otherwise, all provisions contained herein.

(4) To obtain, maintain and pay for such insurance or bonds, whether or not required by any provision of the Covenants, Conditions and Restrictions of Laurel Mountain Lakes Association, Inc., as the Association deems to be appropriate for the protection or benefit of the Association, its Owners, their tenants or guests.

(5) To contract and pay for, without specific membership approval, any project that does not exceed \$5,000 for the individual project, and does not cause the total expenditure of all budgeted monies for the current year to exceed the total income for the year; or if it requires a loan, such loan may be repaid on a yearly basis within the current budgeted income without a special assessment or raising dues. This provision includes projects new to the Association as well as projects necessary to maintain the proper functioning and repair of assets of the Association referred to as Common Property.

- a. In non-emergency situations, if the cost of the "total" project exceeds \$5,000, a vote of the membership is necessary to approve the expenditure.
- b. Additionally, in non-emergency situations, when the cost of the project exceeds \$5,000, the Board will assure that procedure is followed, when practical, to secure at least three (3) or more reasonable, comparable, competitive bids.
- c. If an emergency situation arises, the immediate need (emergency) must be justified and validated by the appropriate Standing Committee. With proper justification, the Board can waive the bid process requirement.
- d. The committee of members identified to provide oversight to the project shall be responsible for contacting service agencies to secure competitive bids and making the recommendation for selection, with rationale, to the Board for their support.

(6) To incur and service debt(s) necessary to accomplish the objectives specifically set forth in the Covenants and Bylaws so long as such action is approved by the Association as defined herein.

b. **Duties.** The Association, acting through its Board of Directors, Officers and committees shall perform such acts as may be reasonably necessary to enforce the provisions of the Covenants, Conditions and Restrictions of Laurel Mountain Lakes Association, Inc. and provide other approved services for the benefit of Owners and their guests.

(1) **Non-Compliance Procedures.** The Association, acting by and through its Officers, Directors and committees, shall ensure that any Owner, who is alleged to have violated or not complied with the Covenants, Conditions and Restrictions of Laurel Mountain Lakes Association, Inc., is afforded notice of their violation and an opportunity to be heard before any personal charges are enforced against such Owner.

a). An Owner alleged to have violated or not complied with the Covenants, Conditions and Restrictions of Laurel Mountain Lakes Association, Inc., shall be notified of such allegations by a designee of the Board, accompanied by a witness, or by certified, return receipt mail, postpaid, to the last known address of the Owner or the person who appears as Member/Owner on the records of the Association at the time of the alleged violation.

b). Resolution of alleged violations of or noncompliance with the Covenants, Conditions and Restrictions of Laurel Mountain Lakes Association, Inc., shall be accomplished by the NON-COMPLIANCE COMPLAINT PROCESS of the Covenant Enforcement Committee set forth in Attachment I to these bylaws.

c). Appeal to Monroe County Law Enforcement is reserved for violations of certain Special Protective Covenants that are best resolved through notification of appropriate Officers of the Law.

(2) The Association shall be obligated to provide for quality care, operation, management, maintenance, repair, and/or replacement of any and all Association Shared Roadways and Association-Owned ditches and shoulders adjoining those roadways.

(3) The Association shall be obligated to provide for quality care, operation, management, maintenance, repair of Laurel Lake Earthen Dam and related drainage valves and conduits.

(4) The Association shall be obligated to provide for quality care, operation, management, maintenance, repair and/or replacement of any and all water pumps, reservoirs and distribution valves and conduits. Further, the Operator shall be licensed to be a Water System Operator and a Water System Distributor, and shall be fully certified under current applicable Tennessee laws/statutes, which as of 2010 require certificates as Water System Operator and Water System Distributor.

(5) The Association shall be obligated to provide for quality care, operation, management, maintenance, repair, and/or replacement of the Security Gates which control ingress and egress onto Association Shared Roadways. Said Gate System shall at all times comply with current Tennessee State Statutes. (Source: State of Tennessee, Public Chapter No. 1008, Public Acts, 2008, Approved the 22nd day of May, 2008).

(6) The Association shall be obligated to and shall obtain and keep in full effect the provision of a contracted Refuse Disposal Service for the use of all Owners subject to the Association's approved limitations.

(7) The Association shall be obligated to and shall obtain and keep in full effect at all times broad form comprehensive liability insurance. Coverage should be equal to, or greater than, the policy put into effect July 8, 2009, which specified property covered and established liability limits. (Source: Liability of Homeowners Assn., Specified Property and Commercial Liability Limits, the Johnson Agency, Madisonville, TN, 37354).

c. **Indemnification.** The Association shall indemnify its Officers, Board members, Directors, agents and/or employees, and hold each of them harmless, from all liability, loss, cost, damage and expense, including attorneys' fees and cost of litigation arising with respect to any operations of the Association, including but not limited to enforcement of the Covenants, Conditions and Restrictions of Laurel Mountain Lakes Association, Inc., provided that the Association shall not be required to indemnify or hold such parties harmless for their acts of gross negligence or willful wanton misconduct. (See Covenants Article I, Section 3, f.).

ARTICLE XIII
PETITION FOR CHANGE (Individual)

- a. **Petition for Change:** The Covenants of LMLA contained herein may be changed, amended, corrected, deleted, added to (NOTE: Hereinafter, "changes" denotes all of these.) in successive periods of five (5) years if the owners/members of LMLA agree to the changes by more than 50% of a quorum of eligible lot votes. The following procedures may be used to affect change:
- (1) Submit change(s) to the Covenant-Bylaw Committee, which has been appointed and approved by LMLA Board of Directors, at any meeting of such body in writing and dated prior to deadline set by the Committee. The person requesting the change may appear before the Committee to discuss the change(s).
 - (2) An individual may initiate a change:
 - a. Write their proposed change.
 - b. Sign and print their name, put in their lot number(s) and date the proposal
 - c. Secure at least fifteen (15) signatures and lot numbers of eligible lot voters.
 - d. Attach list in "c" to document proposed change.
 - e. Submit proposed change to the LMLA Board of Directors for review. It shall then be mailed to the LMLA members as an addendum with other changes to be voted on.
 - (3) All ballots of proposed change(s) shall be returned to the Executive Secretary with other voter returns.
 - (4) Unless otherwise provided prior to adoption or in the motion to adopt, changes shall become effective upon adjournment of the LMLA Annual Meeting or special association meetings for the year the changes are proposed.

ARTICLE XIV
AMENDMENTS TO BYLAWS

Section 1: These Bylaws may be amended at any special meeting of the Association called for that purpose, or at the regular meetings of the Association, and require a fifty-one (51%) affirmative vote of a quorum of the total number of eligible "lot-votes". Notice of change and of the subject matter of the proposed amendment shall be conveyed to the members by the Executive Secretary, postmarked at least thirty (30) days in advance of the meeting.

Section 2: Unless otherwise provided prior to its adoption or in the motion to adopt, an amendment shall become effective upon adjournment of the meeting at which it is adopted.

This document prepared for recording by:
Peggy A. Callaway
272 Laurel Mountain Rd.
Madisonville, TN 37354
(423)442-3196

APPROVED ATTACHMENTS TO LMLA COVENANTS AND BYLAWS AS FOLLOWS:

ATTACHMENT I: Non Compliance Complaint Process and Form
ATTACHMENT II: Appeal Process for Non Compliance Violations and Form
ATTACHMENT III: Approved Proxy Form
ATTACHMENT IV: Robert's Rules of Order Guidelines
ATTACHMENT V: Late Fee Schedule

LMLA BYLAWS 1-2011
(pc)

ATTACHMENT I

NON-COMPLIANCE COMPLAINT PROCESS

The process of receiving, verifying and advancing complaints for non-compliance of Covenants and By-Laws shall be the responsibility of the Covenant Enforcement Committee (CEC). The CEC shall be composed of four (4) Association members.

A. Selection and Composition of the CEC:

1. The CEC will have a Chairperson (CCEC) who will lead the CEC in all matters of alleged non-compliance violations. The CCEC will be appointed by the President for a term of one (1) year.
2. Two members of the CEC will assist the CCEC in the verification and notification stages of the complaint process. One member will serve on CEC for a period of three months, the other member will serve for four months.
3. The name of a fourth, alternate member CEC, shall also be drawn from a pool of LMLA members. The alternate member will be on call for a period of three months. He/she will serve in the absence of a regular member.

B. Notification and Verification of Non Compliance Violation:

1. The process of filing a Covenant or By-Law complaint begins with the completion and submission of the Complaint Form (Attachment Ia). The completed Complaint Form is filed with the CCEC.
2. The CCEC, with the assistance of the CEC shall verify the complaint. The principal parties involved in the complaint, as well as any possible witnesses, will be interviewed.
3. If the complaint is found to be valid, the violator/property owner will be notified. A copy of the complaint and an Appeal Form (Attachment Ib) will be provided to the violator/property owner. Formal notification of the violations will occur by a person delivery from the CCEC accompanied by another member of the CEC, or by mail with delivery confirmation.
4. The violator/property owner shall have ten (10) business days to respond. If the complaint is rectified by that time, it shall be documented by the CCEC and the complainant notified.
5. If the violator/property owner refuses to acknowledge, rectify or ignores and fails to respond to the complaint, a registered letter from the Board of Directors shall be sent. The registered letter will spell out the complain and cite the Covenant or By-Law in violation. The violator/property owner shall be given ten (10) business days to correct the problem or respond to the Board. The first day will begin upon the date of signature on the registered letter. The violator/property owner shall have the right of appeal at any time during the procedures.
6. If an assessment is levied, the violator/property owner will be given ten (10) business days to pay or provide a suitable arrangement for payment. The violation must be corrected.
7. If the violator/property owner ignores the assessment, an escalating fee schedule shall be applied by the Board.
8. If the violator/property owner continues to ignore the complaint and/or assessment, the Board is authorized to take such legal proceedings as it deems necessary to bring resolution.

SUMMARY OF NON-COMPLIANCE ASSESSMENT SCHEDULE

Violation one: Notification and compliance expected
Violation two: \$25.00 assessment. Payment expected upon notification
Violation three: \$150.00 assessment. Payment expected upon notification
Subsequent Violations: Board is authorized to take legal proceedings.

NOTE: The Appeal Process is available at any time (See Attachment II)

ATTACHMENT Ia (Complaint Form)

LAUREL MOUNTAIN LAKES ASSOCIATION

Complaint Form

Requested by:

Name _____ Address _____

Phone No. _____

Complaint being made against:

Name _____ Address _____

Complaint: Include description of complaint, date and time and any additional information

(Use back of form for additional space)

By Law or Covenant being violated _____

Have you confronted the person responsible about their violation? _____

Were there any witnesses to violation? _____

Complainant's signature: _____

Date: _____

NOTICE TO HOMEOWNERS: Your complaints will be confidential unless it becomes necessary for a hearing and/or small claims court.

FOR BOARD USE ONLY

Date received by Board: _____ Date of decision: _____

Violator notified: _____

Method of notification: _____

Signature of Contact Person: _____

Signature of Violator: _____

Problem resolved without further action: YES _____ NO _____

Appeal Hearing Requested: YES: _____ NO _____

APPEAL HEARING:

Date of Hearing: _____ Time: _____

Address: _____

Fine: _____

Action: _____

**ATTACHMENT II
APPEAL PROCESS FOR NON-COMPLIANCE VIOLATIONS**

If a violation/property owner chooses, this Attachment provides them with an Appeal Process to be followed once a violator/property owner has been formally notified that a Non-Compliance Complaint has been filed against him/her.

- a. **Right of Appeal:** Any formal notice of Non-Compliance of a Special Protective Covenant delivered to a violator/property owner by a representative of the Covenant Enforcement Committee (CEC) may be appealed to the Board of Directors (Board) of Laurel Mountain Lakes Association (LMLA) by filing an appeal following the process below.
- b. **Appeal to the Board of Directors:** An appeal must be in writing on the Appeals Form (See Attachment II a) approved for such use by a majority vote of the Association membership. Appeal forms may be obtained by contacting the Board Designee (Chair of the CEC) or downloading the property form from the LMLA web site (www.laurelmtlake.com).
- c. **Time for Filing a Board Appeal:** An appeal shall be filed at the residence of the Board Designee within eleven (11) business days following the date on which the receipt of notification was documented.
- d. **Processing a Board Appeal:** Upon receipt of a completed appeal, the CCEC shall determine if the appeal was properly filed and notify the appellant of any deficiency. Any deficiency in the appeal request shall be rectified by the appellant within seventy-two (72) hours of notification of the deficiency.

If the appeal is properly filed, the CCEC shall furnish a copy of the completed appeal to the Board President and any LMLA member significantly affected by the appeal as determined by the CCEC. Provided, however, in the event that more than three (3) property owners are affected, the CCEC may choose not to furnish a copy of the appeal. Instead, the CCEC may issue a general notice regarding the disposition of the appeal which will inform those interested in the appeal. Those affected may obtain a copy of the appeal by requesting it in person at the residence of the Board Designee.

The CCEC shall promptly collect and review all pertinent information and prepare a report to the Board regarding the appeal. The Board will then make a decision on the merit of the appeal and inform the appellant of the decision.

- c. **Hearing for Board Appeals:** As appropriate, once the Board determines the request for appeal has merit, the CCEC shall schedule an appeal hearing with the Board within five (5) business days of the Board's decision. The appellant, the CEC, and any other Association member required to be furnished a copy of the appeal shall be notified of the time and place of the hearing and each member shall be given an opportunity to be heard. The appellant and any member required to be furnished a copy of the appeal shall be furnished written statements in support of their position to the Board President three (3) days prior to the hearing. Other property owners who may be affected by the decision but who are not required to be provided copies of the appeal are also entitled to provide written statements to the Board as provided above. The Board is charged with the responsibility for establishing a complete and accurate record of an appeal hearing.

(Attachment II - page 1 of 2 - Appeal Process Non Compliance Violations)

At the hearing, the appellant shall present his/her information and position first, a member of the CEC shall present information relative to the complaint and the alleged violation of the Protective Covenant in question, any other Association member required to be furnished a copy of the appeal may present his/her information, and any other CEC or Board member may present information if deemed necessary.

If new or additional information is presented to the Board by the appellant that has not been previously submitted as required above, additional time may be scheduled by the Board for review and further consideration.

- f. **Board's Decision on Appeal Extensions:** The decision of the Board regarding an appeal under this provision shall generally be made no later than thirty (30) days after the receipt of the request for an appeal hearing. If, in the opinion of the Board, special circumstances indicate a time extension is warranted, a decision shall be rendered as soon as practically possible. If special circumstances require that the decision will be made beyond the thirty (30) days for furnishing the decision, written notice of the time extension shall be furnished to the appellant prior to the commencement of the extension. An appeal may be extended twice at the request of the appellant. The second extension, however, shall be considered the final decision on an appeal and its determination shall be furnished in writing to the appellant and the CEC.
- g. **Final Decision:** Decisions made by the CEC on matters where no appeal to the Board is requested, and decision by the Board on matters where appeal is requested, shall be final, binding and conclusive on all affected/interested parties.
- h. **Amendments; Waiver:** The process prescribed in this Non-Compliance and Appeals section may be revised, amended, supplemented or otherwise changed from time to time by action of the Board, should the Board determine that such action is in the best interest of the members of the Association. The Board specifically reserves the right to waive the formalities of this appeals process when a less formal and more lenient time frame seems more reasonable and the Board determines that such a waiver does not, or will not, result in unfair or biased treatment of any matter under review by the Board.

ATTACHMENT II a (Appeal Form)

LAUREL MOUNTAIN LAKES HOME OWNERS ASSOCIATION

APPEAL FORM

DATE: _____

NAME: _____

STREET ADDRESS: _____ Lot #: _____

CITY: _____ STATE: _____ ZIP CODE: _____

PHONE (day): _____ (evening): _____

E-mail: _____

Preferred Method of Contact: _____

APPEAL

1. Please describe the original complaint of non-compliance:

2. Date of the original complaint: _____

3. Date of notification of complaint: _____

4. Please provide, where possible, the names of any individuals involved in the complaint:

5. Please describe the alleged violation:

6. Please describe the remedy sought:

To include more information, please attach additional sheets as necessary. If available please include any documentation from the original complaint.

Thank you for completing this form. The Covenant Enforcement Committee (CEC) will conduct the investigation necessary to determine the validity of the alleged violation and reconsider the decision/response of the Board. If appropriate, the Chairperson of the Covenant Enforcement Committee (CCEC) will arrange to meet with you the appellant to discuss the matter and attempt to reach an informal resolution of the appeal. The Board will make a final determination within thirty (30) days from the date of the filing of the request for reconsideration. Any informal resolution of the appeal will be documented in the Board/CEC's Complaint File.

Accordingly, the resolution by The Board of any one complaint does not constitute a precedent upon which The Board is bound or upon which other complaining parties may rely.

ATTACHMENT III
LAUREL MOUNTAIN LAKES ASSOCIATION
PROXY ASSIGNMENT

I hereby appoint _____, who is an eligible lot voter of LMLA, to serve as a proxy holder, voting on my behalf for the following:

Laurel Mountain Lakes Association Annual Meeting, to be held on the following date:

Laurel Mountain Lakes Association Annual Meeting (excluding actions covered in advance by an absentee ballot), to be held on the following date:

Lot number(s) that the proxy will be valid for: _____

Name of property owner: _____

Mailing address: _____

Phone number where the property owner may be reached: (____) _____

I certify that all fees applicable to the above mentioned lot(s) have been paid for prior years and understand this is a condition for allowing a proxy vote to be cast.

Signature of property owner: _____ Date: _____

NOTICE: This form may be received by the Laurel Mountain Lakes Association secretary by mail or in person. If mailing, please mail ten (10) days in advance of the meeting in which the proxy is to be used.

Mail To:

Attn: Secretary
Laurel Mountain Lakes Association
304 Laurel Lake Circle
Madisonville, TN 37354

(This form may be duplicated as needed)

ATTACHMENT IV
GUIDELINES FOR ROBERT'S RULES OF ORDER
(Condensed Version)

1. The Chair, or in our organization, the President must be willing to interrupt any person who speaks out of turn and tell that person when he/she will have the opportunity to speak. A rap of the gavel, if necessary, and reminder should be sufficient.
2. All conversations must address the Chair or President. Discussion between members, especially visitors to meetings, should be conducted outside the meeting.
3. A time of communication concerning agenda items would be allowed at the beginning of each meeting. This is the time when additions to the agenda would be added. When the meeting is called to order, visitor conversation should be curtailed so the Board may conduct all business before it in an orderly manner. A question or comment that arises after a report is given or motion is made, needs to be addressed to the chair and the speaker must be recognized before speaking.
4. A time limit of three (3) minutes should be allowed for each speaker. They must yield the floor to others at the end of that time. Two (2) speeches for and two (2) against a measure should be sufficient before a vote is taken. If there is still controversy, the issue before the Board may be postponed for further research and brought to a later meeting.
5. The Chair or President needs to read "Robert's Rules". There are brief versions that do not take too long. It could be helpful to have a parliamentarian who is familiar with "Robert's Rules" to attend meetings, but it not absolutely necessary. In our Board meetings, there are usually two (2) persons present who are familiar with Robert's Rules at every meeting and who can be our parliamentarians.
6. Having a brief copy of "Robert's Rules" on hand could prove helpful, but time should not be wasted looking up specifics that are not vital to the order of the meeting. Issues in question can be postponed until another time or brought up again if there is sufficient question about them.

ATTACHMENT V

APPROVED LATE FEE SCHEDULE

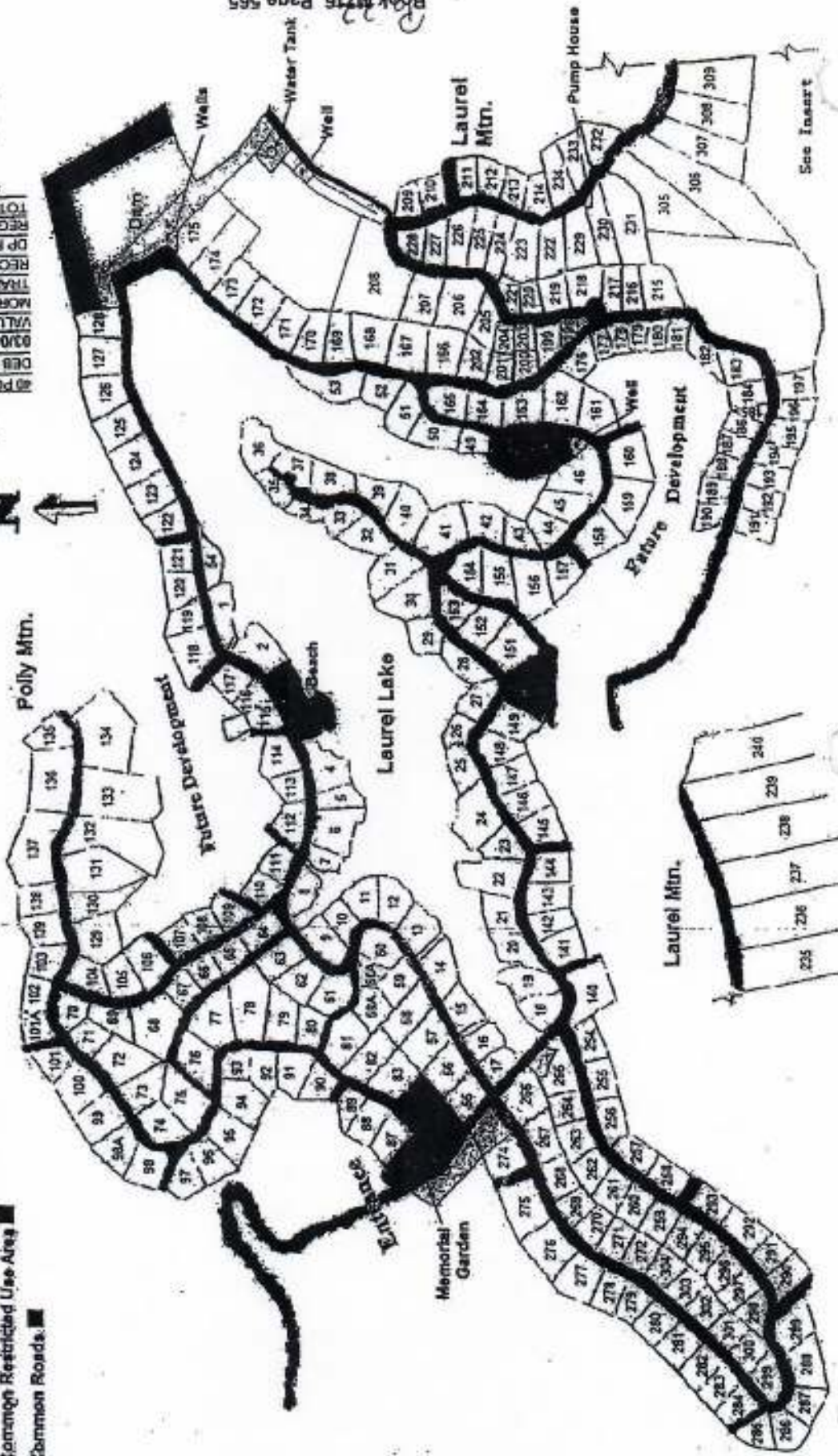
CATEGORY	APRIL 1	JULY 1	OCT. 1	DEC. 1	YEAR TOTAL
I	\$5.00	\$5.00	\$5.00	\$5.00	\$20.00
II	\$6.75	\$6.75	\$6.75	\$6.75	\$27.00
III	\$8.50	\$8.50	\$8.50	\$8.50	\$34.00
IV	\$13.75	\$13.75	\$13.75	\$13.75	\$55.00

This amount will be added each date if there are any unpaid dues at that time.

Laurel Mountain Lakes Community

*Reference Covenants Article I, Sec. (e)

- Undeveloped Roads/Trails or Easements
- Common Restricted Access for Utility Maintenance Only
- Common Recreational Area Non Restricted
- Common Restricted Use Area
- Common Roads



See Inset

BK/Pg: M216/526-565
11018401
60 PGS - AL - RESTRICTIONS

DATE	03/01/2011 - 01:32:33 PM
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	200.00
DP FEE	2.00
REGISTRAR'S FEE	0.00
TOTAL AMOUNT	202.00

STATE OF TENNESSEE, MONROE COUNTY
MILDRED ESTES
REGISTER OF DEEDS



CHANGES FOR COVENANTS/BYLAWS AS OF 2015 for LAUREL MOUNTAIN LAKES ASSOCIATION

Change all Covenants/By-Laws to agree with the definition of "Quorum" as stated in the Covenants, Article I, Section 1, (u). The definition states "Quorum is more than fifty percent (50%) of the eligible lot votes."

The Articles that need to be changed are :

By-Laws, Article V, c, 2nd line of paragraph

By-Laws, Article VIII, c

Covenants, Article II, Section 1, (a), 4th line of paragraph

Covenants, Article III, #10, 5th line of paragraph

Covenants, Article V, Section C and D

Reason: to make all covenants/by-laws to agree with the definition of Quorum.

Covenants, Article I, Section 2. LOTS

Add to the end of current paragraph describing subdividing.

If any platted lot does not perc according to the current county/state standards (which have changed since the lots were originally platted), two or more platted lots may be combined. Property owners or developers must present to the Board a report by a certified soil scientist stating what does not perc and what needs to be combined in order to do so. They must also present to the Board a statement from the County stating that the additional lots combined would create a percable lot.

These lots would then be eligible for combining on the County tax rolls. These lots also would be counted as ONE LOT VOTE for the whole new parcel. A new deed should be registered with the county saying that they are now one parcel with one lot vote and may never be allowed to be separated. Only one Lot Dues would then be charged from that time forward. There would be no refund of any dues paid prior to this registration.

Reason: To enable Developers to combine lots to create buildable lots, since standards have changed since original plats were made. This would also enable private property owners to correct situations where they have had to buy two lots in order to have percable property. This would count as only one lot with one dues and one vote. There would be no refund of any dues paid prior to this change.

Covenants, Article I Section 3,c, (4) Next to the last line in the paragraph, add after the word kinship:

"(immediate family members, as children, grandchildren)"

Reason: To clarify the meaning of this term "kinship".

Covenants, Article III, 12, (c) Add at the end of paragraph:

"Also any other required permit(s) must be presented to the LMLA Building Committee."

Reason: This is to affirm the LMLA Building Committee's request and help contractors abide by the state/county laws.

BK/PG: M261/181-185

16006836

5 PGS:AL-AMENDED RESTRICTIONS

DEB BATCH: 62656

12/14/2016 - 11:18:55 AM

VALUE 0.00

MORTGAGE TAX 0.00

TRANSFER TAX 0.00

RECORDING FEE 25.00

DP FEE 2.00

REGISTER'S FEE 0.00

TOTAL AMOUNT 27.00

STATE OF TENNESSEE, MONROE COUNTY

MILDRED ESTES

REGISTER OF DEEDS



Covenants, Article III, 12, (f) Add phrase in first sentence to read:

Prior to construction on a lot, owner must obtain " all required building permit(s), county septic permit, and a LMLA Building Permit," and pay an impact fee.

Reason: Same as change above

Covenants, Article III, 12, (f) Add after the word "structure" in the 4th and 5th sentence the following:

....proposed cost estimate of said structure "(includes renovation inside and outside, landscaping, and logging)," and approval of the proposed cost estimate of said structure "(includes renovation inside and outside, landscaping, and logging)," and approval of the Building Committee....

Reason: Impact to roads and common property can be damaged by renovation, landscaping, and logging as much as by new construction.

Covenants, Article III, 12, (f) Change impact fee assessment to read:

Five Hundred Dollars (\$500.00) for actual cost of \$5,000.00 to \$25,000.00, One Thousand Dollars (\$1,000.00) for actual cost from \$25,000.00 "to \$150,000.00, Two Thousand Dollars (\$2,000.00) for actual cost from \$150,000.00 to \$250,000.00, and Three Thousand Dollars \$3,000.00 for actual cost in excess of \$250,000.00." This actual cost includes total construction and labor costs.

Reason: Damage to roads and common property is increased by larger, more expensive structures.

Covenants, Article III, 12, (g) Add at the end of the paragraph:

"Members asking for this total member determination will pay all expenses involved, including printing, preparation for mail, mailing, stamps, envelopes, paper, etc."

Reason: Requesting a special appeal determination by the Board is the person's responsibility.

Covenants, Article III, 14 (b) 1. Add new paragraph.

It is recommended that cats be indoor house cats. No more than a total of four (4) cats and/or dogs shall be kept on any residential lot. All required immunizations shall be up to date.

Covenants, Article III, 14 (b) 2. Change existing paragraph to "2". Change third sentence to read:

No more than a total of four (4) dogs and/or cats shall be kept on any residential lot and all required immunizations shall be up to date.

Covenants, Article III, #19, (d)

Add the following Covenant to the Article above:

Any construction/renovation that is designed to add more bedrooms to a house than the original design allowed must upgrade the septic system to county/state standards. In addition the septic tank must be at least 40' from the original platted lakefront water line and not be installed deeper than the mean water table.

Reason: To prevent the possibility of septic systems leaking into the lake.

Covenants, Article V, Section A. 3. Change "will be forwarded to a collection agency" to "may be forwarded to a collection agency."

Reason: Budget Committee has found that this is not very effective and wants to have more leeway in enforcing this covenant.

Covenants, Article V, Section E, Move to Article VII, Section 3 and change title and first line to read:

New Article VII, Section 3

Title: NOTICE AND QUORUM FOR ANY ACTION AUTHORIZED BY MEMBER VOTE

First line addition:any action authorized "by member vote" under this Article....

Reason: This covers more than just this Article V and it takes a member vote to approve any action involving this Article V.

By-Laws, Article V, c. Change last item in parenthesis to read:

"(See Covenants, Article VII, Section 3)"

Reason: Article V, c, if moved to Article VII and made #3 needs to be corrected.

By-Laws, Article V, e Change word "interest" in 2nd line to read: "late fees"

Reason: This is to make the word "interest" read correctly. We now charge late fees, not interest.

By-Laws, Article VI, b, (1) Change paragraph to read:

"Regular meetings of the Board of Directors shall be held at least quarterly at a minimum and regularly more often as deemed necessary by the President and/or a quorum of the Board of Directors."

Reason: This makes setting meetings more flexible but retains meetings often enough to keep the work load reasonable.

By-Laws, Article X, b In second sentence change to read:

"The Budget Committee shall meet prior to each regular Board of Director's meeting to review the status of LMLA General and Utility accounts."

Reason: Allows for more flexibility for meetings to accommodate members needs.

By-Laws, Article XI, Add:

"e. No one may reside or own improved property within the boundaries of Laurel Mountain Lakes Community without connection to and use of Laurel Mountain Lakes Water System and Fort Loudoun Electric Cooperative and having all dues and assessments paid in full prior to ownership or residence of said property is allowed."

Reason: There are residences in Monroe County where people do live without water or power. This invites all manner of problems such as sickness, disease, generally filthy conditions, which breed habitats for vermin of all kinds, and reduced property values. It is important that our community be one in which these conditions do not exist and where high standards of cleanliness and conduct are encouraged and expected.

This document prepared by:

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LMLA DEC OF COVENANTS and BY-LAWS 12-16
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