

**FOURTH AMENDMENT TO  
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
TELLICO HARBOR**

**This** Fourth Amendment to Declaration of Covenants, Conditions and Restrictions is made and entered into this 17<sup>th</sup> day of July, 2012, by the Membership and **BOARD of DIRECTORS, Tellico Harbor Property Association, Inc.**, a Tennessee not-profit mutual benefit corporation (hereinafter referred to as the "Association")

**WITNESSETH:**

**THAT, WHEREAS**, the original developer, Seven C's, Inc. was the sole owner of all the property described in the original Declaration of Covenants, Conditions and Restrictions for Tellico Harbor enacted on the 6<sup>th</sup> day of April, 1989, as well as drafted and enacted the original Charter, By-Laws and Governing Documents for said Development known as Tellico Harbor, and

**WHEREAS**, said Declaration was amended by the First Amendment to the Declaration of Covenants, Conditions and Restrictions, Tellico Harbor, dated June 5, 1989 and recorded in Miscellaneous Book 72, page 68, in the records of the Monroe County Register's Office and by the Second Amendment to the Declaration of Covenants, Conditions and Restrictions, Tellico Harbor, dated May 12, 2000 and recorded in Miscellaneous Book 123, page 179, in the records of the Monroe County Register's Office and by the Third Amendment to the Declaration of Covenants, Conditions and Restrictions, Tellico Harbor, dated November 17, 2004 and recorded in Miscellaneous Book 158, page 797, in the records of the Monroe County Register's Office, and

**WHEREAS**, said original Developer has sold and/or no longer owns any lots and/or property located in Tellico Harbor, and

**WHEREAS**, the individual property and lot owners who have purchased all the property in Tellico Harbor wish to amend the Governing Documents for Tellico Harbor Property Owners Association, Inc. to reflect changes and updates since these Governing Documents' original inception on April 6, 1989, and the three recorded Amendments thereto, referenced above, and

**WHEREAS**, the Association is now the administrator of certain property adjacent to Tellico Reservoir and lying in the Sixth (6<sup>th</sup>) Civil District of Monroe County, Tennessee, more particularly described as all of that certain property as shown on the Final Plat for Tellico Harbor, Section A, Monroe County, Tennessee prepared by Tucker Hinson Associates, Incorporated, Project No. 86291A, dated July 15, 1988 (Sheet 1-4) recorded on March 28, 1989 noted in Note Book 28/93 recorded in Plat Cabinet C, Slide 6 in the Register's Office for Monroe County, Tennessee (the "Plat"); and

**WHEREAS**, the Property shall be administered and managed by the Association through a Board of Directors in accordance with the Charter, By-Laws and Declarations of Covenants, Conditions, Restrictions and Rules & Regulations (hereinafter collectively the "Governing Documents") which are for the purpose of protecting the value and desirability of and which shall run with the Property and be binding upon all parties having any right, title or interest in or to said Property of any portion thereof, their heirs or executors.

**WHEREAS**, the Property was acquired from the Tellico Reservoir Development Agency, an agency created under the laws of the State of Tennessee and organized and existing pursuant to Act of April 1, 1982, Pub. Ch. No. 679, codified at Section 64-1-701 et. seq. of the Tennessee Code Annotated (hereinafter referred to as "TRDA"); and

**WHEREAS**, the Association has entered into certain agreements with TRDA which subject the Property to various restrictions, conditions, limitations, easements and covenants; and

**WHEREAS**, the Property is subject to the restrictions, conditions, limitations and easements applicable to Tract XTELLER-13 contained in that certain Special Warranty Deed between the Tennessee Valley Authority, a corporate agency and instrumentality of the United States organized and existing pursuant to the Tennessee Valley Authority Act of 1933, 48 Stat. 58, as amended, 16 U.S.C. Section 831-831dd (1976; Supp. V, 1981) (hereinafter referred to as "TVA"), recorded in the Register's Office for Monroe County, Tennessee, in Book of Warranty Deeds, Vol. 163, page 461; and

**WHEREAS**, the Property is subject to the restrictions, conditions, limitations, easements and covenants as contained in Contract No. TV-60000A, as supplemented, between TVA and TRDA, and these covenants, conditions and restrictions; and

**WHEREAS**, the original Developer, with the encouragement and assistance of TRDA has created upon the Property a residential community with streets, water and sewer utility systems, recreational facilities, greenbelt areas and other common facilities for the use and benefit of said community (hereinafter referred to as the "Project"); and

**WHEREAS**, the Association desires to provide for the administration of the facilities aforesaid and also desires to provide for the preservation of the values and amenities in said community and for the maintenance of said facilities and, to this end, desires to subject the Project, to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner thereof; and

**WHEREAS**, the Association hereby declares that all of the Property has been 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 Property and be binding upon all parties having any right, title or interest in or to said Property of any portion thereof, their heirs, executors, administrators, legal representatives, successors and assigns, and which shall inure to the benefit of each owner thereof; and

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, Tellico Harbor Property Owners Association, Inc., do hereby amend, rescind, and/or add to the Governing Documents replacing and superseding all prior recorded Governing Documents for the By-Laws and Declaration of Covenants, Conditions & Restrictions as approved by the Property Owners of the Tellico Harbor Property Owners Association by vote during a special meeting held on the 26<sup>th</sup> day of June, 2012 at Tellico Harbor Clubhouse, 2000 Cherokee Drive, Maryville, TN 37801.

**ARTICLE I**  
**DEFINITIONS**

In addition to other definitions herein provided and except where it is clearly evident from the context that a different meaning is intended, the following terms shall have the following meaning when used in this Declaration:

1. "Charter" means that certain Charter of Tellico Harbor Property Owners Association, Inc. as filed in the Department of State in the State of Tennessee, as may be amended from time to time.
2. "By-Laws" means the current By-Laws of Tellico Harbor Property Owners Association, Inc. as recorded in the Register's Office for Monroe County, Tennessee, as may be amended from time to time.
3. "Declaration" means the current Covenants, Conditions, Restrictions as recorded in the Register's Office for Monroe County, Tennessee and Rules & Regulations extended or supplemented from time to time in the manner herein provided.
4. "Governing Documents" means the collective documents of the current Charter, By-Laws and the Declaration as defined herein, as may be amended from time to time.
5. "Rules and Regulations" means those documents created to provide clarification and guidance to the Governing Documents.
6. "Association" means Tellico Harbor Property Owners Association, Inc., a Tennessee non-profit mutual benefit corporation, its successors and assigns.
7. "Board of Directors" means the Board of Directors of Tellico Harbor Property Owners Association, Inc.
8. "Property" means all real property described in the Charter which is hereby subject to the Governing Documents and shall also include any additional land made subject to the terms of the Governing Documents in the future.
9. "Common Property" means all the land, property and space shown on the Plat, and all improvements and structures erected, constructed or contained therein or thereon, and all easements, rights and appurtenances belonging thereto and all future furniture, fixtures, furnishings and equipment intended for the mutual use, benefit or enjoyment for the Owners.
10. "Public Streets" shall mean and refer to all ways of access for vehicles which are dedicated to the general public.
11. "Utility Easements" shall mean and refer to those areas of land designated for such purposes on the Plat or as may be provided for in this Declaration or any amendments hereto.

12. "Lot" shall mean the numbered lots as currently registered in the Register's Office for Monroe County, Tennessee.
13. "Living Unit" shall mean and refer to any portion of a building situated upon the Property designed and intended for use and occupancy as a residence by a single family.
14. "Member" means all those persons or entities who are members of the Tellico Harbor Property Owners Association, Inc. as hereinafter provided.
15. "Owner" shall mean and refer to the owner of record whether one (1) or more persons or entities, of a fee simple title to any Lot which is a part of the Property, but excluding those persons or entities having such interest merely as collateral security for the payment of a debt or for the performance of an obligation.
16. "Occupant" means any person or persons in possession of a Living Unit.
17. "Common Expense" means all expenses incurred by the Association for the maintenance, repair, replacement, operation, management and administration of the Common Property, together with any expenses which are the specific responsibility of an individual Owner which are paid by the Association and charged to the responsible Owner as a Personal charge for reimbursement.
18. "Assessment" means such amounts as are required by the Association for payment of the Common Expenses and levied against the Owners by the Association in accordance herewith.
19. "Personal Charge" means any expense or charge of the Association for which a specific Owner is liable.
20. "Shoreline Strip" means those certain lands of the Tellico Reservoir owned by TVA and lying between 805 M.S.L. and 820 M.S.L. and adjacent to the Property.

**ARTICLE II**  
**ASSOCIATION MEMBERSHIP AND VOTING RIGHTS**

Section 1. Members. Every Owner shall be a Member of the Association, which membership shall be appurtenant to and may not be separated from the ownership of any Lot.

Section 2. Voting. If more than one (1) person or entity owns any interest in any Lot, all such persons or entities shall be Members; provided, however, that the Owner or Owners of each Lot shall collectively have only one (1) vote per Lot owned in the affairs of the Association.

Section 3. Meetings. There shall be an annual meeting of the Members at such time and place in Monroe County and on such date as shall be established by the Board of Directors. Meetings shall be in accordance with the By-Laws of the Association.

**ARTICLE III**  
**RESERVATION OF EASEMENTS**

Section 1. Utility and Drainage Easements. The Association and its successors and assigns, hereby reserves and is granted a perpetual, alienable and releasable blanket easement, privilege and right on, in, over and under the Property to install, maintain and use electric, cable television and telephone transmission and distribution systems, poles, wires, cables and conduits, water mains, water lines, drainage lines and drainage ditches, or drainage structures, sewers and other suitable equipment and structures for drainage and sewage collection and disposal purposes or for the installation, maintenance, transmission and use of electricity, cable television systems, telephone, gas, lighting, heating, water, drainage, sewerage and other conveniences or utilities on, in, over and under all of the Common Property and on, in, over and under all of the easements in place or as shown on the Plat, whether such easements are for drainage, utilities or other purposes, and on, in, over and under a five (5) foot strip along the side yard lot line of each Lot in the Property and along a ten (10) foot strip along the front and rear lot lines of the respective Lots. The Board of Directors shall have the unrestricted and sole right and power of alienating and releasing the privileges, easements and rights reserved and granted herein with the understanding, however, that the Board of Directors will make such utility easements available to the Association for any other utilities which the Association shall agree upon, and for which the Association shall have assumed the responsibility for obtaining additional easements in order that utilities other than sewer and water may be installed. Such utility easements shall be made available to the Association without cost to it. The Association and Owners shall acquire no right, title or interest in or to any poles, wires, cables, conduits, pipes, mains, lines or other equipment or facilities placed on, in, over or under the Property which is subject to said privileges, rights and easements. Within these aforesaid easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels within the easements, or which may obstruct or retard the flow of water through drainage channels within the easements.

Section 2. Other Easements. All other easements and reservations as reflected on or in the notes of the Plat or hereafter granted of record by the Association, in its sole discretion, as to the Common Property, shall be binding upon each Owner and his Lot to the same extent as if set forth herein.

**ARTICLE IV**  
**RESERVED UTILITIES**

Utilities for the Property shall be furnished by companies so engaged in the vicinity of the Property. The Association, by and through its Board of Directors, has and retains the exclusive right to negotiate contracts and agreements with such companies, under such conditions and for such considerations as it shall deem proper under the circumstances. The utilities referred to shall include, but not be limited to, water service, sewer service, natural, liquefied or manufactured gas systems, electrical systems, sanitation service, telephone systems, cable systems, and the distribution facilities.

The Association, by and through its Board of Directors, shall have the right to enter into contracts with utility companies to furnish certain or all of the utility services aforesaid. The Board of Directors shall have the right, but not the obligation, to so contract and to expend funds of the

Association therefore, as a Common Expense, in order to secure necessary or desirable utility services whether named herein above or not.

**ARTICLE V**  
**CONSTRUCTION AND MAINTENANCE OF COMMON PROPERTIES**

Section 1. Water and Sewer System. The water system distribution infrastructure and sewer system collection infrastructure serving the Property and the water distribution system and sewer collection system within the Property has been constructed by the original Developer. The Association, through its designated agents or employees, shall have the right to enter upon any Lot to perform the required operation and maintenance to the pumped effluent sewer system and shall further have the right, but not the obligation, to perform any or all service, repair, replacement or routine inspections in connection with the on-site residential pressure sewer systems and appurtenances thereto and to make a Personal Charge to the Owner for the costs thereof.

Section 2. Recreational Facilities. The original Developer has constructed, as Common Properties, certain initial recreational facilities which consist of a clubhouse and dock. The Association, by and through its Board of Directors, shall have the right, but not the obligation, to construct such other recreational facilities as Common Properties, as approved by a majority vote of the Association. The cost of maintenance, capital improvements, operation, taxes and other expenses incident to these Common Properties shall be the obligation of the Association and shall be paid from Assessments, as herein provided, and also from any fees for the use of the Common Properties, which may be assessed, from time to time.

**ARTICLE VI**  
**PROPERTY RIGHTS IN COMMON PROPERTIES**

Section 1. Association Powers and Duties. The operating entity for the Common Properties shall be the Association. The Association shall have all powers and duties set forth therefore in the Governing Documents, applicable laws, statutes, ordinances and governmental rules and regulations, and all other lawful powers and duties deemed by its Board of Directors as advisable or necessary to carry out its functions. Every Owner shall be bound by the Governing Documents, as they shall be amended from time to time.

Section 2. Interest of the Association. All property acquired by the Association, whether real or personal or otherwise, whether owned or leased, shall be held, utilized and disposed of by the Association as Common Property for the use and benefit of the Owners. Except as otherwise specifically provided in the Governing Documents, any expense of the Association for acquisition, ownership, leasing, administration, maintenance, operation, repair or replacement of the Common Properties shall be treated as, and paid for as, part of the common Expense of the Association.

Section 3. Member's Easement of Enjoyment. Every Member shall, as Owner of one (1) or more Lots, have a right and non-exclusive easement appurtenant to said Lot, which shall pass with the title to every Lot, of use and enjoyment in and to the Common Properties. Such easements of use and enjoyment shall, however, be subject to the following limitations:

- A. The right of the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure; and
- B. The right of the Association to suspend the use and enjoyment rights of any Member as provided in the Declaration; and
- C. The right of the Association to charge reasonable admission and other fees for the use, service and enjoyment of any recreational facilities or other improvements situated upon the Common Properties; and
- D. The right of the Association to delegate to any occupant of such Lot the right to the use and enjoyment of the Common Property subject, however, to the Governing Documents.
- E. The right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless voted for by seventy-five percent (75%) of all Members entitled to cast a vote and unless written notice of the proposed action is sent to every Member not less than thirty (30) days nor more than sixty (60) days in advance thereof.

Section 4. Parking Rights. The use of parking areas located on the Common Property shall be subjected to, and at all times governed by, the Association's rules as the same are in effect from time to time. Such rights to use parking areas are expressly subject to a non-exclusive right of ingress and egress attributable to other Members. This right to use shall also be subject to all drainage, utility and other necessary easements whether now or hereafter located on the Property.

**ARTICLE VII**  
**COVENANT FOR COMMON EXPENSE,**  
**SPECIAL ASSESSMENTS AND CREATION OF LIENS**

Section 1. Purpose of Common Expense Assessments. The Common Expense Assessments levied hereunder by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners and in particular for the construction, leasing, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and the improvements situated thereupon, including, but not limited to, taxes, charges and insurance on the Common Properties, maintenance, repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof.

Section 2. Purpose of Special Common Expense Assessments. In addition to the Common Expense Assessments, the Association may levy, in any assessment year, a Special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the Common Property and also any desired repair, replacement or improvement of facilities of the Association and/or the construction of any capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall be voted on and approved by a

majority of the votes of Members voting in person or by proxy at a meeting duly called for this purpose.

### Section 3.

A. Common Expense Assessment Basis. The maximum Common Expense Assessment shall be One Hundred Eighty Dollars (\$180.00) per Lot payable in equal monthly installments of Fifteen Dollars (\$15.00). However, the Common Expense Assessment aforesaid may be increased each year, above the Common Expense Assessment for the previous year, by majority vote of the Board of Directors of the Association and without a vote of the Membership, provided, however, that such increase shall not in any one (1) year exceed the greater of five percent (5%) or increases in the Consumer Price Index for the twelve (12) month period ending June 30 of the preceding year using the "All Urban Consumer, U.S. City Average" for "General Summary, All Items" as promulgated by the Bureau of Labor Statistics of the U.S. Department of Labor or, if such is not available, any other reliable governmental or other non-partisan publication evaluating similar information. In the event the Association builds additional amenities, a new Common Expense Assessment amount shall be set which will not exceed the five percent (5%) cap level as aforesaid without requiring a vote of the members. Unless the Common Expense Assessment shall be increased as aforesaid, they shall remain at the rate prevailing for the previous year.

B. Changes in Common Expense Assessments. From and after January 1 of the year immediately following the date of this Amended Declaration, the Common Expense Assessment may be changed prospectively, from the amounts herein above set forth in any year, without limitation on the amount of such change, by a majority vote of the Members at a meeting called for this purpose. The Board of Directors of the Association may, at any time after consideration of current income and expense and the future income requirements of the Association, within its discretion, fix the Common Expense Assessment at an amount less than the amounts aforesaid.

Section 4. Notice and Quorum for Any Action of Members Authorized Under Sections 2. and 3. Written notice of any meeting of the Membership called for the purpose of taking any action authorized under Section 2 or 3 hereof shall be sent to all Members not more than thirty (30) days and not less than ten (10) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast a majority of all votes shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than ninety (90) days following the preceding meeting.

Section 5. Non-Payment of Assessments. If any Assessments are not paid on the date when due, then such Assessments shall become delinquent and the Association shall have the right to declare the Assessments for the entire year due and payable, together with such interest thereon and cost of collection (including reasonable attorney's fees, court costs and litigation expenses), as hereinafter provided. The Association may bring an action at law against the Owner(s) personally obligated to pay the same and/or foreclose the lien against the property, and both actions shall be cumulative and neither shall preclude the other. No Owner may waive or otherwise escape liability for the Assessments by non-use of the Common Properties or abandonment. The Association, by and through its Board of Directors, may suspend the voting rights of any Owner who has not paid any Assessment as provided for in Article XII of the Declaration.



If Assessments have become delinquent, such Assessments shall bind every Lot in the hands of the then Owner, his/her heirs, devisees, personal representatives and assigns. The personal obligation of the Owner to pay such Assessments shall remain his/her personal obligation and shall not pass to successors in title unless expressly assumed by them. Such delinquent Assessments shall bear interest from the date of delinquency at any lawful rate, as determined from time to time, by the Board of Directors of the Association or, if not so determined, the highest interest rate allowed by law. Further, the Board of Directors may set a late fee charge. In the event a judgment is obtained, such judgment shall include pre-judgment interest and late fees on the assessments, as above provided, and a reasonable attorney's fee, court costs and litigation expenses, together with the costs of the action to be fixed by the court.

Section 6. Creation of Lien. The Owner(s) of a Lot by acceptance of a deed, whether or not it shall be so expressed in any such deed, shall be deemed to covenant and agree to pay the Association: (1) Common Expense Assessments, (2) Personal Charge Assessments, and (3) Special Assessments (herein collectively "Assessments"), such Assessments to be fixed, established and collected from time to time as herein provided. The Common Expense and Special Assessments, together with interest, late charges and costs of collection thereof, including a reasonable attorney's fee, court costs and litigation expenses, as herein provided, shall be a continuing charge and lien upon each Lot. Each such Assessment, together with such interest, late charges, costs and reasonable attorney's fees, court costs and litigation expenses shall also be the joint personal obligation of the Owners of such Lot, up through at the date these past due Assessments, interest and all costs as provided herein are paid-in-full. The personal obligation for delinquent Assessments shall not pass to successors in title, unless expressly assumed by them. Personal Charges are included herein as authorized by the Governing Documents.

Section 7. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall only be subordinate to any prior recorded lien, of any first mortgage or deed of trust placed upon the properties, subject to Association's lien and/or Assessment.

## **ARTICLE VIII** **ARCHITECTURAL CONTROL COMMITTEE**

No building, fence, wall, structure, landscaping or planting shall be commenced, erected or maintained upon the Property or the Shoreline Strip, nor shall any exterior addition, change of alteration be made thereto, until and unless the plans and specification showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design, effect on sight line from other Lots, location in relation to surrounding structures and topography and compliance with this declaration and the Protective Covenants contained herein by the Architectural Control Committee of the Association. The Committee shall make such determinations by majority vote and the determination of the individual committee members shall be upon the exercise of the sole and absolute discretion of such member. Such Committee shall be composed of three (3) or more representatives appointed by the Board of Directors of the Association. The Board of Directors may appoint industry professionals to serve as the three (3) Committee representatives. Such industry professionals may, in the sole discretion of the Board, be reasonably compensated. In the event the Committee has less than three (3) members or a Committee member is unavailable, the Director-at-Large shall serve as a Committee Member. In the event said Committee fails to approve or disapprove such design and location within forty-five (45) days after

said plans and specifications have been properly submitted to it in accordance with reasonable rules and regulations which may be adopted thereby, approval will not be required and this provision will be deemed to have been fully complied with, except to the extent such construction is in violation of the Protective Covenants, Shoreline Strip Rules or Water Use Facilities Permit. The Architectural Control Committee shall have the right to set reasonable charges and fees within their discretion necessary to offset expenses incurred by them in connection with the performance of their duties hereunder and the failure to pay same shall be grounds for withholding approval hereunder, said Personal Charge shall be promptly paid. It is understood and agreed that the individual seeking architectural review shall be responsible for all fees and charges of such review. The Architectural Control Committee, through its members or duly authorized agent or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot, Living Unit or the Shoreline strip area at reasonable hours for the purposes of the performance of its functions hereunder.

The ACC members shall convene a meeting to review and approve any and all applications submitted for approval. A minimum of three (3) members shall be at such meeting except in an urgent situation when the ACC can act with two (2) members present. Approval of a minimum of two (2) members is required for the application. The Board of Directors shall be notified by e-mail twenty-four (24) hours in advance of such meetings.

The original documents shall be filed with the ACC records by Lot Number and a copy of the signed building application shall be returned to the Owner unless such originals are required by the TRDA.

## **ARTICLE IX** **EXTERIOR MAINTENANCE**

Section 1. Exterior Maintenance Requirements. Each Owner of any Lot or Living Unit shall properly provide for exterior maintenance thereof to include: cutting, trimming, caring for and maintenance of trees, shrubs and grass; and repairing, replacing and care for walks, roofs, gutters, downspouts, exterior building surfaces, windows, fascia, doors, decks, other exterior structures and other exterior improvements, including cleaning, repainting or staining as needed. Exterior maintenance shall be consistent with the general condition of the majority of properties within the development with the intent to maintain continuity to Tellico Harbor, preserve the architectural integrity and protect Tellico Harbor's property values.

Section 2. Failure to Maintain by Owner. The Architectural Control Committee (ACC) shall be responsible for the enforcement of these requirements in accordance with the Protective Covenants, Article XIII to the Declaration. The ACC will initiate action through the ACC's own observations; or at the request of the Board of Directors; or written input from any Owner. In the event the Owner of any Lot or Living Unit shall fail to properly provide for exterior maintenance thereof, and after giving the lot owner(s) thirty (30) days written notice of the alleged violation and the opportunity to correct the notice violation within thirty (30) days after the date of said notice, the Association may, but shall not be obligated to, provide such exterior maintenance and/or initiate Personal Charges.

Section 3. Assessment of Cost. The cost of such exterior maintenance shall be assessed by the Association against the Owner of the Lot or Living Unit upon which such maintenance is done and/or initiate Personal Charges, as applicable, and shall be added to and become a part of the Annual Assessment for such Lot or Living Unit until paid, subject, however, to any prior recorded lien by

reason of a first mortgage or first deed of trust, and shall become due and payable in all respects as provided herein for Assessments and Personal Charges.

Section 4. Access at Reasonable Hours. For the purpose solely of performing the exterior maintenance authorized by this Article IX, the Association, through its duly authorized agents or employees, shall have the right, after seven (7) days written notice to the Owner, to enter upon any Lot or exterior of any Living Unit at reasonable hours on any day except Sunday or a legal holiday.

## **ARTICLE X** **OWNER LIABILITY**

Any violation(s) of the Governing Documents, or any laws, statutes, ordinances or governmental authority rules and regulations by a family member, guest, lessee, licensee or invitee of any Owner shall be the responsibility of that Owner and all enforcement rights or penalties therefore shall be applicable to said Owner, except as specifically provided to the contrary in such documents or law, statutes, ordinances or governmental authority rules and regulations.

In the event an Owner violates or threatens to violate any of the provisions hereof, the Association, by and through its Board of Directors, shall have the right to proceed in any appropriate Court for an injunction to seek compliance. In lieu thereof, or in addition thereto, the Association shall have the right to levy a Personal Charge, enforceable in the same manner as Assessments, against the Owner and his/her Lot, for such sums as are necessary to enjoin any violation or to remove any unauthorized addition or alteration and to restore the affected property to good condition and repair.

If any person, firm or corporation or other entity shall violate or attempt to violate this Declaration, it shall be lawful for the Association, by and through its Board of Directors (a) to prosecute proceedings, at law and/or in equity, for the recovery of money, damages and/or injunctive relief against those so violating or attempting to violate any governing document, or (b) to enjoin, abate, or remedy by appropriate legal proceedings, either at law or in equity the threat or continuance of any breach, or (c) to enter (either peaceably or forcibly without liability to such Owner or Occupant for such entry) upon any Lot, or any portion of the Property, upon which, or as to which such violation or breach exists and to summarily abate and remove, at the expense of the defaulting person, firm or corporation or other entity any structure, thing or condition that may exist thereon contrary to the intent and meaning of the provisions hereof. The remedies contained in this Section shall be cumulative to each other, shall be exercised in the order determined by the Board of Directors in its sole discretion, and shall be construed as cumulative of all other remedies now or hereafter provided by law or equity. Damages provided herein shall include, but not be limited to, attorney's fees, court costs, litigation expenses and all other costs and expenses of enforcement. The failure of the Association to enforce any covenant, condition, restriction, or any obligation, right, power, privilege, authority, or reservation herein contained, however long continued, shall in no event be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation or as to any other breach or violation thereof occurring prior to or subsequent thereto

**ARTICLE XI**  
**THE USE AND ENJOYMENT OF COMMON PROPERTY,**  
**EASEMENT OF ENJOYMENT AND SUSPENSION THEREOF**

Section 1. All members shall have the use and enjoyment of common property and easement of enjoyment as provided for in Article VI of this Declaration.

Section 2. Regular Suspension. Should an Owner(s) become delinquent in the payment of any Assessment or Personal Charge or violate any other provision of the Governing Documents, the Association, by and through its Board of Directors, may deny such Owner enjoyment of the Common Properties until such time as any such delinquent Assessments or Personal Charges and any interest due thereon are paid and any such violations are ceased and any penalties therefore are satisfied.

Section 3. Penalty Suspension. The Association, by and through its Board of Directors, shall further have the right, in its sole discretion, to impose as a Penalty Suspension, for any such violations, the suspension of such Owners easement of enjoyment for a period not to exceed thirty (30) days for any one (1) violation or occurrence. An Owner must be given such notice and opportunity as is reasonable, under the circumstances, to refute or explain in writing, the charges against him by the Association before any decision of the Association's Board of Directors to impose any such Penalty Suspension is enforced.

Section 4. General. Any suspension of rights, under these provisions, shall not constitute a basis for any reduction of Assessments or other charges payable by such Owner.

**ARTICLE XII**  
**VOTING RIGHTS AND SUSPENSION OF VOTING RIGHTS**

Section 1. Regular Voting Rights. An Owner shall have one (1) vote for each lot owned. If more than one (1) person or entity owns any interest in any Lot, all such persons or entities shall be Members; provided, however, that the Owner or Owners of each Lot shall collectively have only one (1) vote per Lot owned in the affairs of the Association.

Section 2. Voting Rights, Opportunities and Notifications. Voting rights, opportunities and notifications are incorporated in the Governing Documents in such sections as the opportunity is applicable. In the event an owner fails to exercise his/her right to vote, Section III. C of the By-Laws shall be enacted.

Section 3. Regular Suspension. Should an Owner become delinquent in the payment of any Assessment or Personal Charge, his/her voting rights shall be immediately suspended and will remain suspended until thirty (30) days after the monetary delinquency has been satisfied, in full, as confirmed by the Treasurer.

Section 4. Penalty Suspension. Violation of any other provision of the Governing Documents may result in the Association denying such Owner his/her voting rights until any such violations are ceased and any penalties therefore are satisfied.

An Owner must be given thirty (30) days prior written notice by USPS Priority Mail, Delivery Confirmation, by the Board of Directors and an opportunity to refute or explain in person or in writing the charges against him/her by the Association, within that thirty (30) day period, before any decision of the Board of Directors to impose any such Penalty Suspension is enforced.

The Board of Directors shall notify the Owner by USPS Priority Mail when the Penalty Suspension has been lifted.

Section 5. General. Any suspension of voting rights under these provisions shall not be used as a basis for any reduction of Assessments or other charges payable by such Owner.

### **ARTICLE XIII** **PROTECTIVE COVENANTS**

1. Application. These Protective Covenants shall apply to all of the Property.

2. Architectural Control Committee. When the Architectural Control Committee, hereinafter referred to as the A.C.C., is mentioned in these Protective Covenants, it shall mean the Architectural Control Committee of the Association as more particularly described in Article VIII of the Declaration. A.C.C. permits shall be required for any construction activity within the Property as set forth in Article VIII of the Declaration and within the Shoreline Strip. The A.C.C. shall further have the authority, in connection with the issuance of such permits, to adopt such rules, regulations and standards and to adopt such standard building or other codes (or any portion thereof) as it shall deem appropriate or necessary for the proper performance of its function and duties. The Owner, contractor and builder will subject all permitted activities to such inspections as required by the A.C.C. to determine compliance with such A.C.C. permits, the Declaration, these Protective Covenants, the Shoreline Strip Rules and the Water Use Facilities Permit. In the event of any conflict between the provisions of the Declaration, these Protective Covenants and those of the A.C.C. rules, regulations and standards, same shall prevail in that order. In the event of any conflict between the provisions of the Shoreline Strip Rules and the Water Use Facilities Permit with the A.C.C. rules, regulations and standards, the Shoreline Strip Rules and Water Use Facilities Permit shall prevail. All actions of the A.C.C. shall be subject to review by the Board of Directors of the Association and appeals may be taken thereto under such terms and conditions as such Board of Directors may set from time to time.

3. Amendment, Rescission or Additions. The Association, its successors and assigns, may amend, rescind or add to the Protective Covenants from time to time, provided, however, unless the Lots are specifically exempted from the Protective Covenants by the Declaration or a Supplemental Declaration at the time the Lots are subjected to the plan of the Declaration, such amendment, rescission or additions shall not make the Protective Covenants as to those Lots less restrictive for construction of residential buildings than as provided in the standards herein with majority vote approval of the Owners. Provided, however, that the Board of Directors may amend the Protective Covenants at any time for the purpose of compliance with any applicable rule, regulation, ordinance, permit, law or statute.

4. Zoning. The Lots shall be used for residential purposes only. The minimum square footage of any Living Unit constructed on any Lot in the Property shall be one thousand six hundred (1,600)

square feet (unless otherwise approved in writing by the A.C.C.) and maximum shall be as set forth from time to time by the A.C.C.

5. Resubdivision. No Lot shall be resubdivided except upon written approval of the A.C.C. The A.C.C. may permit the construction of a single residence upon two (2) or more Lots by waiver of the five (5) foot utility easement and side yard setback on the appropriate interior lot lines. Such action by the A.C.C. shall result in the combined lots to be treated as a single lot in all matters as an original single lot, to include only one vote for the combined lot and one Assessment for the combined lot. No more than three (3) lots shall be combined and, once any lots are combined, shall not be reversible to single lots. Said combined lots shall be properly surveyed by a licensed surveyor and shown on a plat recorded in the Register's Office for Monroe County, TN. A copy of the revised plat shall be sent to the ACC when recorded.

6. Temporary Structures. No structure of a temporary character, trailer, tent, shack, garage or other outbuilding shall be used on any lot at any time as a living unit, either temporarily or permanently.

7. Setbacks. No building shall be placed closer to the front or back lot lines than the setback lines shown therefore on a recorded subdivision plat, provided, however, where such requirements create an undue hardship upon the Owner, such setbacks may be modified by the A.C.C. to the extent necessary to prevent the hardship.

8. Side Yards. No building or other structure shall be closer to a side lot line than ten (10) feet, which restrictions may be extended in excess of ten (10) feet when necessary for drainage, utility or screening purposes and the extent thereof is reflected on the recorded subdivision plat, provided, however, where such restrictions create an undue hardship upon the Owner, such restrictions may be modified by the A.C.C. to the extent necessary to prevent the hardship.

9. Land Near Recreation Areas. No structure or building shall be placed nor shall any material or refuse be placed or stored upon any Lot within ten (10) feet of the property line of any Common Property.

10. Portable Toilets. During the construction of a house on any Lot, a portable toilet shall be provided by the builder or property owner.

11. Sewage Disposal. No privately owned septic tank or other sewage disposal system shall be permitted upon any Lot.

12. Water Supply. No privately owned well or other water system shall be permitted upon any Lot.

13. Sight Distance at Intersections. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street property lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitations shall apply on any Lot within ten (10) feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to

remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

14. Signs. All signs are prohibited in areas zoned upon the Property except:

- a) Signs erected by the Association for identification of streets, neighborhoods, recreational amenities, traffic control directional purposes and/or as deemed necessary by the Board of directors;
- b) Except as otherwise provided herein, signs of a temporary nature advertising property for sale and construction signs, which shall not exceed four (4) square feet in area, shall be limited to one such sign per Lot and shall be placed only on the specific Lot involved. Any such sign shall be professional in design and appearance and shall not be placed for the purpose of advertising that such property is sold. Signs must be removed three (3) days after sale or completion of a job. It is the property owner's responsibility to have such signs removed.

Except for signs as provided in subparagraphs a) and b) above, the erection of signs shall require a permit of the A.C.C. and no such sign shall be erected without the prior approval of the A.C.C.

15. Business Prohibited in Residential Areas. The practice of any profession or the carrying on of any business is prohibited within any area zoned as residential except for any home occupation which does not create any extraordinary traffic within the subdivision. Written applications for said home occupations detailing the nature of the intended home occupation, must, however, first be submitted by the owner to the A.C.C. and approved by the A.C.C. before a permit is issued and before such occupation is commenced.

16. Nuisances. No obnoxious, offensive and/or illegal activity shall be carried on upon any Lot or Parcel of Land of the Property, including, but not limited to, the common property.

17. Animals. No animals (including exotic), livestock or poultry of any kind shall be kept or maintained on any Lot or in any dwelling thereof, except that dogs, cats and other household pets may be kept or maintained; provided, however, that they are not kept or maintained for commercial purposes, that they do not constitute or create any annoyance, nuisance and/or danger to the neighborhood, and that the Association may reasonably regulate the keeping and maintenance of such household pets. Each Owner is expressly responsible and liable for the control and behavior of his/her pets.

Dogs shall either be kept on a leash or under direct personal control and supervision when not on an Owner's Lot.

Each owner shall be liable and responsible for any personal injury and/or property damage committed by his/her pet(s), and said owner(s) shall indemnify and hold harmless the Association, its Board of Directors and Officers from any and all claims and/or law suits against same resulting from damage and injury caused by their pet(s).

18. Garbage and Refuse Disposal. No Lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste material shall be kept in a clean and sanitary container hidden from view except on pickup days.

19. Salvage Yards, Vehicles, Etc. No wrecked, unregistered, junk or salvage vehicles are permitted to be stored or parked outside on any Lot or Common Property.

20. A.C.C. Responsibility. The function of the A.C.C. is designed for the enforcement of the Declaration and these Protective Covenants. The performance of its duties with respect thereto shall be on a best efforts basis in an effort to reasonably protect the aesthetics and property values of the Property and the health, safety and welfare of all of the Owners therein as a community of interests. No warranty or representation is made to or should be implied by any individual Owner that the actions of the A.C.C. in the issuance of permits, inspection and approval of construction, or otherwise, is intended as a tacit approval of the quality, safety, desirability or suitability of such design or construction.

21. Enforcement. These Protective covenants may be enforced in the same manner as any violation or threatened violation of the Declaration of which these Protective Covenants are a part, including, but not limited to, the lien rights of the Association for any costs or charges incurred in connection therewith.

22. Landscaping. Landscaping for new construction or landscaping that redirects drainage/water flow or landscaping projects in excess of \$1500 require ACC approval. Planting of trees or shrubs that will grow to in excess of 15 feet in height requires ACC approval. Other landscaping does not require ACC approval except as noted. However, there are considerations the Owner should be aware of and adhere to as further defined in the Rules & Regulations. Lack of adherence may result in landscaping being removed at the owner's expense. Landscaping does not apply to larger structures such as a gazebo or a trellis. These larger items require ACC approval.

23. Clearing of any lot or removal of any hardwood tree in excess of six (6) inches in diameter shall require ACC approval.

#### **ARTICLE XIV** **OWNERSHIP AND USE OF SHORELINE STRIP**

Ownership of the Shoreline Strip remains in TVA, the operating entity of Tellico Reservoir, which attempts to administer the area in such manner as to affect a reasonable balance between the right of the general public to use the Tellico Reservoir and its shore lands and the right to use and peaceful enjoyment by the Owners of abutting lands.



**ARTICLE XV**  
**RESTRICTIONS**

Section 1. Lighting. No mercury vapor, high or low pressure sodium or quartz, high intensity, beam type or wide area lighting shall be erected on any Lot without Architectural Control Committee approval.

Section 2. Mailboxes. All mailboxes shall be uniformly numbered and be of masonry style consistent with the home as approved by the Architectural Control Committee. All replacement mailboxes shall require ACC approval unless being replaced with the **exact** same style previously installed.

Section 3. Antennas, etc. *Unless governmental regulations otherwise prohibit this provision, no antenna, satellite dish exceeding 24 inches in diameter, clothes lines or similar apparatus shall be installed on any lot in front or side yards facing the street without the prior written consent of the Architectural Control Committee.*

Section 4. Driveways and Parking. All driveways shall be constructed of a minimum of 4000 psi concrete and comply as further defined in the Rules & Regulations. Driveways shall be a minimum of ten (10) feet in width. Each Lot shall provide a minimum of two (2) off-street parking spaces (excluding garage spaces) or one space per motor vehicle regularly used by Owners of the Lot, their family or any occupant thereof, whichever is more.

*Unless governmental regulations otherwise prohibit this provision, no overnight on-the-street parking will be permitted. Boats, boat trailers, golf carts, motorcycles, motorbikes, recreation vehicles, tractors, trailers and campers shall not be parked or stored outside.*

**No regular overnight parking off the driveway shall be permitted.**

Section 5. Docks. Any docks or other such structures shall be subject to all applicable government permits, licenses, ordinances, rules, laws, statutes and regulations as well as Architectural Control Committee approval. All docks and surrounding area shall be maintained in good repair with a clean and orderly appearance at all times.

Section 6. Building Size. The minimum square footage of any Living Unit shall be no less than one thousand six hundred ( 1,600) square feet unless otherwise approved by the Architectural Control Committee and the maximum shall be set from time to time by the Architectural Control Committee. Provided, however, all applicable zoning regulations and requirements as to maximum and minimum size shall control. Approval by the Architectural Control Committee shall in no event be deemed to certify or indicate in any way compliance with any applicable zoning regulations, codes or other regulations or statutes.

Section 7. Types of Residential Construction. Unless governmental laws and regulations otherwise prohibit this provision, no modular home construction or manufactured house construction of permanent residences will be permitted in the development. Only plans for residential on-site construction, commonly referred to as östick-builtö homes, will be submitted for approval by the Architectural Control Committee.

Section 8. Builder Grade Materials. No builder grade material shall be used unless approved by the Architectural Control Committee. Builder grade is the lowest grade of materials used in construction. The grades are as follows: builder-grade, quality-grade, custom-grade and ultra custom-grade. Spec homes shall have as a minimum quality-grade materials unless otherwise specified herein or in the Rules and Regulations.

Section 9. Retaining Walls. Retaining walls that exceed three (3) feet in height from the top of the footing at any point must be designed and inspected by a registered professional engineer or architect with evidence thereof submitted to the ACC for approval prior to start of construction.

Retaining walls such as those used in landscaping, which are subject to low levels of horizontal pressure and which are up to three (3) feet in height require ACC approval. The safety and structural integrity of the retaining wall are the responsibility of the owner and contractor.

Section 10. Building Plans. All building plans must be approved by a registered professional engineer or architect and show storm and drainage flow.

Section 11. New Construction and Re-construction. All construction, be it either new or re-construction shall comply with the requirements in the Rules & Regulations as updated from time to time. It is the owner's responsibility to assure the latest Rules & Regulations are complied with.

## **ARTICLE XVI** **RULES AND REGULATIONS**

Pursuant to the Governing Documents of Tellico Harbor Property Owners Association, the Association has adopted a policy of implementing Rules and Regulations providing for the property owners to have a formal appeal process as well as guidance to interpret the governing documents providing consistency in and promoting the health, safety and welfare of Tellico Harbor residents and owners. These Rules and Regulations are also to support the Association's desire to preserve and enhance the property values within the development.

The Rules and Regulations are not intended to supplant or amend the Governing Documents, and in the event of an inconsistency or conflict with the Governing Documents, the Governing Documents shall have precedence.

If any portion of these rules is determined to be legally unenforceable, it shall not negate the enforceability of the remaining rules.

The Rules and Regulations as established by the Board of Directors will be on the monthly meeting agenda for three (3) consecutive meetings prior to Board approval. Upon Board approval a new or revised Rules and Regulations will take effect immediately. Property owners will be further notified through the next THPOA Newsletter following the Board approval.

The original documents, supporting data and revisions shall be filed in the Association's Office in the Clubhouse and will have a current index of the Rules and Regulation.

The Rules and Regulations shall be posted on the Tellico Harbor Property Association's website and copies available from the Secretary.

**ARTICLE XVII**  
**MISCELLANEOUS PROVISIONS**

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of the Owners and be enforceable by the Association subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of six (6) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of six (6) years unless a written Amendment signed by the President of the Board of Directors, after an affirmative vote by the then Owners having two-thirds (2/3) of the total number of qualified votes in the Association has been taken and recorded in the Association's records, either in person and/or by proxy, and the President has recorded such written amendment(s) at the Office of the Register of Deeds of Monroe County, Tennessee, agreeing to change said covenants and restrictions in whole or in part. Said written Amendment shall become effective immediately upon its recording with the Monroe County Register of Deeds.

Section 2. Invalidity. If any of the provisions of this Declaration, any amendment to the Declarations, the Charter or By-Laws of the Association, or any section, clause, phrase, word or the application thereof, in any circumstance, is held invalid, the validity of the remainder of such instruments and the application of any such provision, action, sentence, clause, phrase or word, in other circumstances, shall not be affected thereby.

Section 3. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing, or when any Member or Owner signs a written acknowledgment of hand-delivered notice in a form adopted by the Board of Directors.

Section 4. Gender and Plurals. Whenever the context so requires, use of any gender shall be deemed to include all genders, use of the singular shall include the plural, and use of the plural shall include the singular. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the operation of the Property.

Section 5. Captions. The captions used in this Declaration are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text.

Section 6. Enforcement. Enforcement of this Declaration shall be by any proceeding at law or in equity against any person or entity violating or attempting to violate any covenant, condition or restriction herein, either to restrain violation or to recover damages against the party in violation, and/or against the land to enforce any lien created by these covenants. Failure by the Association to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 7. Applicability. All provisions set forth herein shall extend to and be binding on the respective legal representatives, heirs, successors and assigns of all parties mentioned herein where consistent with the context hereof.

IN WITNESS WHEREOF, the Association has caused this instrument to be executed by its duly authorized Board of Directors as of this 17<sup>th</sup> day of July, 2012.

Association:  
Tellico Harbor Property  
Ownerø Association, Inc

By [Mark Elam]\_\_\_\_\_

STATE OF TENNESSEE  
COUNTY OF MONROE

Before me, Vera E. Torbett, of the state and county aforesaid, personally appeared Mark Elam, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, swore to and acknowledged himself to be President of Tellico Harbor Property Owners Association, INC., the within named bargainor, a corporation, and that he as such President, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as President.

WITNESS my hand seal at office in Madisonville, this 17<sup>th</sup> day of July, 2012.

[Vera E. Torbett]\_\_\_\_\_  
Notary Public

My Commission Expires:

May 18, 2015