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**BY-LAWS
OF
THE HARBOUR SUBDIVISION, P.O.A., INC.
A TENNESSEE NONPROFIT CORPORATION**

**ARTICLE I
Members
(Lot Owners)**

SECTION 1. Eligibility. Every person or entity acquiring legal title to any lot in the Harbour Subdivision (hereinafter referred to as the "Property") shall become a member of The Harbour Subdivision, P.O.A. (hereinafter referred to as "Association"), and so long as said person or entity is the owner of such lot, said person or entity must remain a member of the Association. Such membership is not intended to apply to those persons or entities who hold an interest in any lot merely as a security for the performance of an obligation to pay money, for example, a mortgage or Deed of Trust. However, if such person or entity should realize upon their security and become the real owner of a lot, they will then become a member of the Association, with all rights and privileges attendant thereto and subject to the obligations thereof. The words "member" or "members" as used in these Bylaws mean and shall refer to "Lot Owner" or "Lot Owners," as the case may be. If a Lot Owner is a land title holding trust under the terms of which all powers of management, operation and control of the Lot remains vested in the trust beneficiary, then the member shall be the beneficiary of such trust, and if a Lot owner or such a beneficiary is a corporation or a partnership, or other business entity, the member may be an officer, partner or employee or such Lot owner or beneficiary. As each lot is conveyed by the original subdivider, the grantee shall become a member of the Association and enjoy all of the privileges and be subject to all of the responsibilities of a Lot Owner of the Association. Responsibilities include being subject to assessments for the expenses and reserves of the Association for the new Lot Owner's proportionate share of the Association expenses. Such proportionate share for each Lot Owner shall be in accordance with such Owner's respective ownership interest in the Harbour Subdivision, one (1) share per lot.

SECTION 2. Succession. The membership of each Lot Owner shall terminate when such Owner ceases to be a Lot Owner, and upon the sale, transfer or other disposition of such Owner's ownership interest in the Property, such Owner's membership in the Association shall automatically be transferred to the new Lot

Owner succeeding to such ownership interest.

SECTION 3. Organizational Meeting. The Developers shall have an Organizational Meeting at which time these By-laws shall be approved. The Developers shall appoint an initial Board of Directors and initial officers. The Developers shall have sole voting rights until the first regular annual meeting of Lot Owners is held.

SECTION 4. Regular Meetings. The first regular annual meeting of Lot Owners (the "First Meeting") may be held, subject to the terms hereof, on any date, at the option of the board, provided, however, that the First Meeting shall be held not less than thirty (30) days and not more than three hundred sixty five (365) days after the developer has sold and delivered its deed for at least fifty (50) percent of the lots. For purposes of that provision, fifty (50) percent of the lots shall mean lots which correspond, in the aggregate, to fifty (50) percent of the lots in the subdivision. All such meetings of Lot Owners shall be held at such place in Johnson County, Tennessee, and at such time as specified in the written notice of such meeting which shall be delivered to all Lot Owners at least ten (10) days prior to the date of such meeting.

SECTION 5. Special Meetings. The Association shall hold a special meeting of its Lot Owners upon the call of the Board of Directors or the President, or upon the written demand(s) to the Secretary by Lot Owners holding at least fifty percent (50%) of all votes entitled to be cast on any issue to be considered at the proposed special meeting. Any call or demand for a special meeting shall be made not less than ten (10) days nor more than forty-five (45) days prior to the date of such meeting and shall state the date, time, and place of such meeting and shall describe the purpose(s) for which the special meeting is to be held. Only business within the purpose(s) described in the meeting notice for the special meeting may be conducted at such meeting.

SECTION 6. Waiver of Notice. A Lot Owner's attendance at a meeting: (a) Waives objection to lack of notice or defective notice of the meeting unless the Lot Owner at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting; and (b) Waives objection to consideration of a particular matter at the meeting that is not within the purpose(s) described in the meeting notice, unless the Lot Owner objects to considering the matter when it is presented.

SECTION 7. Voting. The aggregate number of votes of all Lot Owners shall

be equal to the total of all Lots within the Subdivision and shall be divided among the respective Lot Owners with one (1) vote allocated to each Lot. If any Lot Owner consists of more than one (1) person, the voting rights of such Lot Owner shall not be divided but shall be exercised as if the Lot Owner consisted of only one (1) person in accordance with the proxy or other designation made by the persons constituting such Lot Owner. A "majority of the Lot Owners" means the owners of more than fifty percent (50%) of the voting rights of the Lot Owners. The Developer may exercise the voting rights with respect to Lots owned by Developer. Notwithstanding the foregoing, no Lot Owner who is in default in the payment of assessments hereunder shall be entitled to exercise the right to vote until the Owner has cured such default. A Lot Owner shall be deemed to be in default if such Owner has not paid his or her assessments to the Board, or their agent, within fifteen (15) days after the date such assessments are due. A Lot Owner may protest the amount of the assessment, but it still must be paid during the pendency of the protest to the Board.

Any lot owner may vote by written proxy signed by the Lot Owner. The original proxy shall be given to the Secretary.

SECTION 8. Quorum. A quorum of Lot Owners for any meeting shall be constituted by Lot Owners represented in person or by proxy and holding a majority of the votes entitled to be cast at such meeting.

SECTION 9. Voting Requirements. Except as otherwise provided in these Bylaws, action on any matter voted upon at a meeting of the Lot Owners is approved if a majority of the Lot Owners vote in favor of the action. However, Directors shall be elected by a plurality of the votes cast by the Lot Owners entitled to vote in the election at a meeting of the Lot Owners at which a quorum is present.

SECTION 10. Action by Written Consent. Action that is required or permitted to be taken at a meeting of the Lot Owners may be taken without such a meeting if all Lot Owners entitled to vote on the action consent to taking such action without a meeting. If all of such Lot Owners so consent, the affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Lot Owners, except as otherwise provided in these Bylaws. Such consent (or counterpart(s) thereof) shall describe the action taken, be in writing, be signed by each Lot Owner entitled to vote on the action, indicate each signing Lot Owner's vote or abstention on the action, and be delivered to the Secretary of the Association and included in the minutes or Association records.

SECTION 11. Action by Written Ballot. Any action that may be taken at

any annual or special meeting of Lot Owners may be taken without a meeting if the Association delivers a written ballot to every Lot Owner entitled to vote on the matter. The written ballot shall set forth each proposed action and shall provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall:

(a) Indicate the number of responses needed to meet the quorum requirements;

(b) State the percentage of approvals necessary to approve each matter other than election of Directors; and

(c) Specify the time by which the ballot must be received by the Association in order to be counted.

ARTICLE II

Board of Directors

SECTION 1. Number, Election and Term of Office. The number of Directors shall be fixed from time to time by either the members or by the Board of Directors. The Board of Directors of the Association (sometimes referred to herein as the "Board") shall consist of persons (hereinafter referred to as "Directors"). Directors shall be elected at the annual meeting of Association's Lot Owners by the vote of Lot Owners as hereinafter provided, except that the Developer shall appoint the Interim Board of Directors ("Interim Board") until the first meeting. The Interim Board shall consist of three (3) persons. At the first meeting, the Lot Owners shall, among other business, elect three (3) members of the first Board of Directors ("First Board"). Those candidates for election as Director receiving the greatest number of votes cast either in person, or by proxy, at the meeting shall be elected. Directors, except for members of the First Board and the Interim Board shall hold office for the terms of three (3) years and until his or her successor shall be elected and qualified. One (1) member of the First Board shall hold office until the second annual meeting of the Association's Lot Owners, one (1) member of the First Board shall hold office until the third annual meeting of the Association's Lot Owners, and one (1) member of the First Board shall hold office until the fourth annual meeting of Association's Lot Owners.

SECTION 2. Qualification. Except for those persons making up the Interim Board, each Director shall be a Lot Owner or the spouse of a Lot Owner (or, if a Lot Owner is a trustee of a trust, a Director may be a beneficiary of such trust, and if a Lot Owner or such a beneficiary is a corporation or partnership, a Director may be an officer, partner or employee of such Lot Owner or beneficiary). If a Director shall cease to meet such qualifications during his or her term, such Director shall cease to be a Director and his or her place on the Board shall be deemed vacant.

SECTION 3. Regular Meetings. Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice at such time and place as the Board of Directors shall determine from time to time, but no less frequently than once a year.

SECTION 4. Special Meetings. Special meetings of the Board of Directors may be called by the President or by a majority of the Directors.

SECTION 5. Notice of Meetings. Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Except as otherwise provided herein, special meetings of the Board of Directors must be preceded by at least two (2) day's notice to each Director of the date, time and place, but not the purpose, of such special meeting. Notice of any adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken, and if the period of adjournment does not exceed one (1) month in any one (1) adjournment.

SECTION 6. Waiver of Notice. If a Director attends or participates in a meeting, he or she waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

SECTION 7. Quorum and Voting. A quorum of the Board of Directors consists of a majority of the Directors then in office before a meeting begins. If a quorum is present when a vote is taken the affirmative vote of a majority of the Directors present is the act of the Board of Directors, except as otherwise provided in these Bylaws.

SECTION 8. If a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of Directors or a vacancy resulting from a removal of a Director with or without cause, the Board of Directors may fill the vacancy. If the Directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all Directors remaining in office. Any Director elected to fill a vacancy shall hold office for a term equal to the unexpired term of the Director succeeded.

SECTION 9. Removal of Directors. Any Director may be removed from office for cause by the vote of two-thirds (2/3rds) of the total Lot Owners.

SECTION 10. Action Without Meeting. Action that is required or permitted to be taken at a meeting of the Board of Directors may be taken without such a meeting if all Directors consent to taking such action without a meeting. If all Directors so consent, the affirmative vote of the number of Directors that would be necessary to authorize or take such action at a meeting shall be the act of the Board, except as otherwise provided in these Bylaws. Such consent(s) shall describe the action taken, be in writing, be signed by each Director entitled to vote, indicate each signing Director's vote or abstention on the action, and be delivered to the Secretary of the Association and included in the minutes filed with the Association's records.

SECTION 11. Immunity. To the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended, each present and future Director (and his or her estate, heirs, and personal representatives) shall be immune from suit arising from the conduct of the affairs of the Association.

SECTION 12. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted by the Lot Owners.

SECTION 13. Powers and Duties. The Board shall have the following powers and duties:

- (a) to elect and remove the officers of the Association as hereinafter provided;
- (b) to administer the affairs of the Association;
- (c) to formulate policies for the administration, management and operation of the Property and the Common Elements (if any) thereof;
- (d) to adopt rules and regulations, with written notice thereof to all Lot

Owners, governing the administration, management, operation and use of the Property and the Common Elements (if any) and to amend such rules and regulations from time to time;

(e) to provide for the maintenance, repair, and upkeep of the Property and Common Elements (if any) and payments therefor.

(f) to provide for the designation, hiring and removal of personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management and operation of the Property and the Common Elements (if any).

(g) to appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;

(h) to determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable, but only as allowed by law;

(i) to estimate the amount of the annual budget, and to provide the manner of assessing and collecting from the Lot Owners their respective shares of such estimated expenses, as hereinafter provided;

(j) unless otherwise provided herein, to comply with the instructions of a majority of the Lot Owners, as expressed in a resolution duly adopted at any annual or special meeting of the Lot Owners; and

(k) to exercise such other powers and duties as referred to by these Bylaws or as provided by a Resolution duly adopted at any annual or special meeting of the Lot Owners.

SECTION 14. Non-Delegation. Nothing in this Article or elsewhere in these Bylaws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Lot Owners.

ARTICLE III Officers

SECTION 1. Designation. The Interim Board shall appoint the initial officers. Thereafter, at each regular annual meeting, the Directors present at such meeting shall elect the following officers of the Association by a majority vote:

(a) a President, who shall be a Director and who shall preside over the meetings of the Board and of the Lot Owners, and who shall be the chief executive officer of the Association;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Lot Owners, and who shall, in general, perform all the duties incident to the office of Secretary.

(c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; and

(d) such additional officers as the Board shall see fit to elect.

The Secretary and Treasurer may be the same person, holding both offices.

SECTION 2. Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

SECTION 3. Term of Office. Each officer shall hold office for the term of one (1) year and until a successor shall have been appointed or elected and qualified.

SECTION 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining Directors at a special meeting of such Board. Any Officer may be removed for cause at any time by vote of two-thirds (2/3rds) of the total membership of the Board at a Special Meeting thereof. Any Officer so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer succeeded.

SECTION 5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the Lot Owners.

ARTICLE IV

Assessments

SECTION 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated expenses and cash requirements for the year. To the extent that the assessments or other cash collected during the preceding year

shall be more or less than the expenditures for such preceding year, the surplus or deficit, as the case may be, shall also be taken into account. The annual budget shall provide for a reserve for contingencies for the year in reasonable amounts as determined by the Board.

Capital improvements shall not be part of the abovementioned Annual Budget which is approved by the Board. Any capital expenditures must be approved by a two-third (2/3) majority of all lot owners entitled to vote.

SECTION 2.

A. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Lot Owner, not later than thirty (30) days prior to the beginning of such year. Within thirty (30) days after the beginnings of such year each Lot Owner shall pay, as such Owner's respective annual assessment, such Owner's proportionate share of the expenses for such year as shown by the annual budget. Such proportionate share for each Lot Owner shall be in accordance with such Owner's respective ownership interest in the Subdivision. In the event that the Board shall not approve an estimated annual budget or shall fail to determine new annual assessments for any year, or shall be delayed in doing so, each Lot Owner shall continue to pay each year the amount of such Owner's respective annual assessment as last determined. Each Lot Owner shall pay such Owner's annual assessment on or before the first day of each year to the Treasurer or as may be otherwise directed by the Board. No Lot Owner shall be relieved of the obligation to pay such Owner's assessment by abandoning or not using such Owner's Lot, or the Common Elements (if any). Nothing contained herein shall preclude the Board, after proper vote, to have said assessments payable upon some other schedule, such as quarterly or semi-annually.

B. The Developers, Billy O. Proffitt, Alex Williams and William Hamilton shall each be exempt from the payment of any assessment on any lot or lots owned by them, until December 31, 2003, unless such lot(s) is to be improved by a residence. Any lots owned by said developers which are not improved shall be exempt from assessment. Notwithstanding the foregoing, the Developers shall continue to have the right to one vote per lot. This paragraph Article IV, Section 2, Paragraph B is not amendable.

SECTION 3. Partial Year or Month. For the first fiscal year the annual budget shall be approved by the First Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the annual assessments for

each Lot Owner shall be proportionate to the number of months and days in such period covered by such budget. Commencing with the date of closing of his or her Lot, each Lot Owner shall pay such Owner's assessment for the following year or fraction of a year, which assessment shall be in proportion to the Owner's respective ownership interest in the Subdivision (exclusive of lots owned by the Developers which are exempt from assessment) and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be computed by the Board. Such fee shall be due and payable by each Lot Owner annually within thirty (30) days after the beginning of the next fiscal year or until such Lot Owner receives notice from the Board that the annual assessment is a different amount.

SECTION 4. Annual Report. Within sixty (60) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Lot Owner a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable. If any excess or unexpended funds should remain in the budget for any one year, then such excess shall be contributed automatically to the reserve for capital expenditures, returned to the lot owners, or applied to the next year's budget as may be determined by the Board of Directors.

SECTION 5. Supplemental Budget. In the event that during the course of any year, it shall appear to the Board that the annual assessments, determined in accordance with the estimated expenses for the remainder of such year will be inadequate, then the Board shall prepare and approve a supplemental budget covering the estimated deficiency for the remainder of such year, copies of which supplemental budget shall be furnished to each Lot Owner, and thereupon a supplemental assessment shall be made to each Lot Owner for such Owner's proportionate share of such supplemental budget.

SECTION 6. Expenditures. The Board shall not approve any expenditure in excess of Two Thousand Dollars (\$2,000.00) unless required for emergency, nor enter into any contract for more than one (1) year without the prior approval of two thirds (2/3) of the members. Notwithstanding, the first Board shall pay the expenses incident to creation of an incorporation of the Property Owners Association, including legal fees, and any costs associated with conducting the first annual meeting.

SECTION 7. Lien. It shall be the duty of every Lot Owner to pay such Owner's proportionate share of the expenses, as assessed in the manner herein provided. If any Lot Owner shall fail or refuse to pay any assessment when due, the

amount thereof, together with interest thereon at the rate of fifteen percent (15%) per annum after such assessment becomes due and payable, shall constitute a lien, enforceable by the Board, on the interest of such Lot Owner in the Property (i.e. his or her lot), provided, however, that such lien shall be subordinate to the lien of a recorded deed of trust on the interest of such Lot Owner, except for any assessment which is due and payable from and after the date on which such deed of trust beneficiary either takes possession of the Lot, accepts a conveyance of any interest therein (other than as security), or files suit to foreclose on its deed of trust. The provisions of this paragraph shall not be amended, changed, modified or rescinded in any way without the prior written consent of all such lien holders of record. The Association or its successors and assigns, and the Board or its agents, shall have the right to enforce the lien as provided by law, and there shall be added to the amount due the costs of any suit maintained to enforce the lien and other fees and expenses, together with legal interest and reasonable attorneys' fees. The Board or the Association shall have the authority to exercise and enforce any and all rights and remedies as provided for in these Bylaws, the Restrictive Covenants, or as are otherwise available at law or in equity, for the collection of all unpaid assessments. In the alternative, a suit for collection, including costs and attorney fees, may be filed by the Board or Association in the appropriate Court.

SECTION 8. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in chronological order of the receipts and expenditures affecting the Property, specifying and itemizing the expenses incurred. Payment vouchers may be approved in such manner as the Board may determine.

The Board shall, upon receipt of ten (10) days' written notice to it or the Association and upon payment of a reasonable fee, furnish to any Lot Owner a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Lot Owner.

SECTION 9. Holding of Funds. All funds collected hereunder shall be held and expended for the purposes designated herein, and (except for such special assessments as may be levied hereunder against less than all the Lot Owners and for such adjustments as may be required to reflect delinquent or prepaid assessments) shall be deemed to be held for the benefit, use and account of all the Lot Owners in the percentages which relate to their ownership of the Property.

SECTION 10. Association Records. The Association shall keep as permanent records minutes of all meetings of its Lot Owners and Board of Directors, a record of all actions taken by the Lot Owners and the Board of Directors without a

meeting and all appropriate accounting records.

SECTION 11. Records at Principal Office. The Association shall keep at all times a copy of the following records at its principal office:

- (a) Its Charter or Restated Charter and all amendments thereto;
- (b) These Bylaws and all amendments thereto;
- (c) Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations and obligations of Lot Owners or any class or category of Lot Owners;
- (d) The minutes of all meetings of Lot Owners and the records of all actions taken by Lot Owners without a meeting for the past three (3) years;
- (e) All written communications to Lot Owners generally within the past three (3) years, including the past three (3) years' annual financial statements;
- (f) A list of the names and business or home addresses of its current Directors and officers; and
- (g) The most recent annual report delivered to the Tennessee Secretary of State.

SECTION 12. Annual Financial Statements. The Association shall prepare annual financial statements that include a balance sheet as of the end of the fiscal year, an income statement for that year, and such other information necessary to comply with the requirements of the applicable provisions of the Tennessee Nonprofit Corporation Act.

ARTICLE V

Contractual Powers

No contract or other transaction between the Association and one or more of its Directors or between the Association and any corporation, firm or association in which one or more of the Directors of the Association are directors, or are financially interested, is void or voidable because such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

- (a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or

(b) the contract or transaction is just and reasonable as to the corporation at the time it is authorized or approved.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VI

Amendments

These Bylaws may be amended or modified from time to time by action or approval of two-thirds (2/3) of the Lot Owners casting one (1) vote for each Lot owned, as provided in these Bylaws. These Bylaws may not be amended by the Board of Directors.

ARTICLE VII

Indemnification

SECTION 1. General. The Association shall indemnify and hold harmless each of its directors and officers, each member of any committee appointed pursuant to the By-Laws of the Association and the Board and Developer, against all contractual and other liabilities to others arising out of contracts made by or other acts of such directors, Board, officers, committee members, or Developer, on behalf of the Lot Owners, or arising out their status as directors, Board, officers, committee members or Developer unless any such contract or act shall have been made fraudulently or with gross negligence or criminal intent. It is intended that the foregoing indemnification shall include indemnification against all costs and expenses (including, but not limited to, counsel fees, amounts of judgments paid and amounts paid in settlement) reasonably incurred in connection with the defense of any claim, action, suit, or proceeding, whether civil, criminal, administrative or other, of any such director, officer, Board, committee member or Developer; provided, however, that such indemnity shall not be operative with respect to:

(a) Any matter as to which such person shall have been finally adjudged in such action, suit or proceeding to be liable for gross negligence or fraud in the

performance of his duties as such director, officer, Board, committee member, or Developer, or

(b) Any matter settled or compromised, unless, in the opinion of independent counsel selected by or in a manner determined by the Board, there is not reasonable ground for such person being adjudged, liable for gross negligence or fraud in the performance of his duties as director, officer, Board, committee member, or Developer.

SECTION 2. Success on Merits. To the extent that the Developer or a member of the Board of Directors or an officer of the Association or a member of any committee appointed pursuant to the By-Laws of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to Section 1, or in defense of any claim, issue or matter therein, he shall be indemnified against expenses, including attorneys' fees, actually and reasonably incurred by him in connection therewith.

SECTION 3. Advance Payment. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon receipt of an undertaking by or on behalf of the person or entities seeking such indemnification or payment in advance to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the Association as authorized in these By-laws.

SECTION 4. Miscellaneous. The Association and the Board shall have the power to raise and the responsibility for raising by special assessment or otherwise, any sums required to discharge its obligations under this Article, provided, however, that the liability of any Lot Owner arising out of any contract made by or other acts of the directors, Board, officers, members of such committees, or Developer, or out of the aforesaid indemnity in favor of the directors, Board, officers, members of such committees, or Developer, shall be limited to such proportion of the total liability hereunder as such Lot Owner's percentage of interest in the Property bears to the total percentage interest of all the Lot Owners in the Property. Every agreement made by the directors, Board, officers, members of such committees or Developer on behalf of the Lot Owners shall provide that the directors, Board, officers, members of such committees or Developer, as the case may be, are acting only as agents for the Lot Owners and shall have no personal liability hereunder (except as Lot Owners), and that each Lot Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his percentage of interest in the Property bears to the total percentage interest of all

Lot Owners in the Property. The indemnification provided by this Article VII shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any statute, agreement, vote of members of the Association or disinterested members of the Board of Directors or otherwise, both as to action in his initial capacity and as to action in another capacity while holding such office. Such right to indemnification shall continue as to a person or entity who has ceased to be Developer or a member of the Board of Directors, officer of the Association or a member of such committee, and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of such person or entity.

ARTICLE VIII Examination of Books

SECTION 1. Examination of Books. Each Lot Owner, shall be permitted to examine the books and records of the Association, current copies of the Bylaws, and rules and regulations of the Association during normal business hours and upon request, but not more often than once a month.

ARTICLE IX Miscellaneous Provisions

SECTION 1. No Seal. The Association shall have no seal.

SECTION 2. Notices. Whenever notice is required to be given to Lot Owners, Directors or officers, unless otherwise provided by law, or these Bylaws, such notice may be given in person or by telephone, facsimile, telegraph, mail or private carrier. If such notice is given by mail, it shall be sent postage prepaid by first class United States mail or by registered or certified United States mail, return receipt requested, and addressed to the respective address which appears for each such person on the books of the Corporation. Written notice sent by mail to Lot Owners shall be deemed to have been given when it is mailed. Any other written notice shall be deemed to have been given at the earliest of the following:

- (a) When received;**
- (b) Five (5) days after its deposit in the United States mail if sent first class, postage prepaid; or**
- (c) On the date on the return receipt, if sent by registered or certified United**

States mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

SECTION 3. Waiver of Notice. Whenever any notice is required to be given under the provisions of any statute, the Charter or these Bylaws, a waiver thereof in writing signed by the person entitled to such notice, whether before or after the date stated thereon, and delivered to the Secretary of the Association and included in the minutes or corporate records, shall be deemed equivalent thereto.

SECTION 4. Negotiable Instruments. All checks, drafts, notes or other obligations of the Association shall be signed by such of the officers of the Association or by such other person(s), as may be authorized by the Board of Directors.

SECTION 5. The monies of the Association may be deposited in the name of the Association in such bank(s) or financial Institution(s) as the Board of Directors shall designate from time to time and shall be drawn out by check signed by the officer(s) or person(s) designated by resolution adopted by the Board of Directors. .

DATED this _____ day of _____, 2002.

STATE OF TENNESSEE:
COUNTY OF JOHNSON:

Before me, the undersigned authority, personally appeared the within named bargainers, _____, Incorporators of _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that they executed the foregoing instrument for the purposes therein contained.

WITNESS my hand and Official Seal at office in said State and County _____ day of _____, 2002.

Notary Public

My Commission Expires:

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**AMENDED AND RESTATED CHARTER
OF
THE HARBOUR SUBDIVISION
PROPERTY OWNERS ASSOCIATION, INC.,
A TENNESSEE NONPROFIT CORPORATION**

The undersigned, being the duly elected President to the Board of Directors of the Harbour Subdivision Property Owners Association Inc., and acting on behalf of said Directors, hereby adopts the following Amended and Restated Charter for such corporation:

1. The name of the corporation is The Harbour Subdivision P.O.A., Inc., a Tennessee nonprofit corporation.
2. This corporation is a mutual benefit corporation.
3. The street address of the principal office of the corporation is 538 Harbour Point Road, Butler, Tennessee 37640-7529, said address being in Johnson County, Tennessee.
4. The corporation is not for profit.
5. The corporation shall have members. The members of the corporation shall be the owners of lots at The Harbour Subdivision, a subdivision located in Johnson County, Tennessee. Upon the conveyance or transfer of the ownership interest in a lot in said subdivision, the new owner or owners shall succeed to the former lot owner's or owners' membership, and the membership of the former lot owner or owners shall terminate.
6. To the extent allowed by the laws of the State of Tennessee, no present or future director of the corporation (or his or her estate, heirs and personal representatives) shall be liable to the corporation or its members for monetary damages for breach of fiduciary duty as a director of the corporation. Any liability of a director (or his or her estate, heirs and personal representatives) shall be further eliminated or limited to the fullest extent allowed by the laws of the State of Tennessee, as may hereafter be adopted or amended.
7. With respect to claims or liabilities arising out of service as a director or officer of the corporation, the corporation shall indemnify and advance expenses to each present and future director and officer (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.
8. The purposes for which the corporation is organized are: to operate a property owner's association solely to provide for the management, maintenance and care of The Harbour Subdivision; and generally to engage in any other lawful endeavor or activity in furtherance of the foregoing, so long as such endeavor or activity does not prevent the corporation from being, or maintaining its status as, a homeowners association as defined by Section 528(c)(1) of the Internal Revenue Code of 1986 or corresponding section of any future Federal Income Tax Code.
9. The By-Laws of The Harbour Subdivision P.O.A. cannot be amended, repealed or otherwise changed by the Board of Directors. Power to amend, repeal or otherwise change the By-Laws of The Harbour Subdivision P.O.A., in whole or in part, resides exclusively with the membership.

10. The Association shall hold a special meeting of the Lot Owners upon the call of the Board of Directors or the President, or upon the written demand(s) to the Secretary by the Lot Owners holding at least fifty percent (50%) of all votes entitled to be cast on any matter to be considered at the proposed special meeting.

11. Fifty percent (50%) of the votes entitled to be cast on a matter must be represented at a meeting of members to constitute a quorum on that matter.

12. The By-Laws of The Harbour Subdivision P.O.A. may, within specific sections, implement voting requirements of a higher percentage than what would otherwise be required by Tennessee Statute for a measure to be affirmed.

13. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, members or other private individuals or persons, except that the corporation shall be authorized and empowered to:

(a) Pay reasonable compensation for goods and services rendered,

(b) Rebate excess membership dues, fees or assessments, and,

(c) Make payments in furtherance of the purposes set forth in the paragraph just above.

14. Upon dissolution the assets shall be transferred to the members of the corporation.

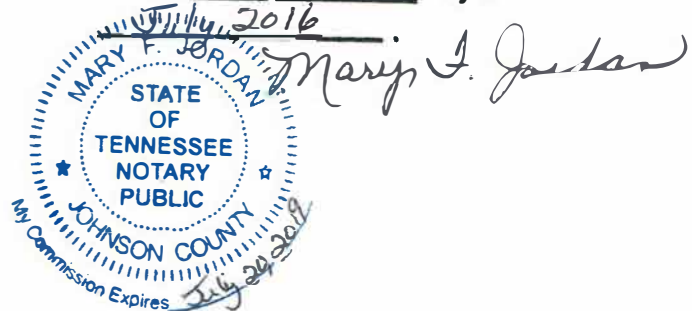
Effective this 7th day of July, 2016


William Pollard

- President, The Harbour Subdivision P.O.A., Inc.
Corporation Control Number 0430341

Sworn to and subscribed before
me this 7 day of

July, 2016



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RESTRICTIONS AND RESERVATIONS

THE HARBOUR

DECLARATION OF RESTRICTIONS on land embraced The Harbour, a subdivision in Johnson County, Tennessee, as shown by plat recorded in Plat Book 3, Page 271, in the Office of the Register of Deeds for Johnson County, Tennessee.

The undersigned, owner of all the land embraced in The Harbour do hereby declare that the reservations, easements and restrictions hereinafter set out shall be, and the same are, made applicable to said property, to-wit:

RESERVATIONS AND EASEMENTS

1. Easement for installation and maintenance of all necessary or proper public utilities and drainage facilities are reserved.
2. Easement for natural drainage is reserved as natural drainage courses now exist, and no subsequent purchaser or owner shall obstruct drainage course.
3. No tract of land laid out as a lot in The Harbour shall ever be used as a street.
4. The right to enter in accordance with Paragraph 13 below.

GENERAL RESTRICTIONS

1. Use.

The lots within The Harbour (hereinafter the "Lots") are for, and shall be limited to use as, single-family residential purposes only. There shall not exist on any lot at any time more than one residence. No manufactured housing, trailer, tent, shack, barn, temporary building, outbuildings, or guest house shall be erected on any of the lots in the subdivision without approval in writing from the undersigned or their designee. No garage shall be constructed except as an integral part of the residence it is intended to serve. Garages, which shall be for the use only of the occupants of the residence which they are appurtenant,

*See Amendments to Restrictions See Correction of Restrictions
Misc. Book #26 page #293 & Register's Office Misc. Book #24 page #324
Also Misc. Book #27
Page #19
Also Misc. Book #149 Supplemental Misc. Book #27 Page 803*

may be attached or detached from the residence, may only be used primarily for garaging automobiles, must be constructed in design and materials in a manner identical with the residence and must be approved in advance by the undersigned or their designee.

2. Structure Materials

Residence shall be constructed of high quality materials suited for and intended by their manufacture to be used for the purposes of which they are incorporated into the residence. Exteriors of any structure, including residences, garages, and boundary and concealment walls, shall not be constructed of concrete blocks, cinder blocks or materials of similar appearance.

3. Structure Size and Shape

One-story residences shall not have less than 1,500 square feet of floor area devoted to living purposes, exclusive of open porches and garages. Two story residences shall not have less than 2,000 square feet of floor area devoted to living purposes, exclusive of open porches and garages. No residence shall be constructed with a straight line roof. Bonus Rooms do not count as square footage for the above square footage requirements.

4. Structures-Construction

No building material of any kind shall be placed or stored upon the property until the owner is ready to commence construction of improvements, and then such material shall be placed within the property lines of the lot or parcel of land upon which the improvements are to be erected, and shall not be placed in the streets or between the curb and property line unless approved by the undersigned or their designee. The exterior of all improvements stated on said land must be completed immediately. When construction of any structure is once begun, work thereon must be prosecuted diligently and must be completed within eight (8) months. No building shall

be occupied during construction until substantially complete, nor shall any residence, when completed, be in any manner occupied until made to comply with the approved plans, the requirements herein, and all other covenants, conditions, reservations and restrictions herein set forth.

5. Approval of Plans

(a) For the purpose of further insuring the development of The Harbour as an area of high standards, the undersigned or their designee hereby reserves the right and power to approve the building, structures, and other improvements place on each lot, which approval shall not be unreasonably withheld, as well as to make such exceptions to these Reservations and Restrictions as the undersigned or their designee shall deem necessary and proper.

(b) Whether or not provisions therefore are specifically stated in any conveyance of a lot made by the undersigned or the successors or assigns, the owner or occupant of each and every lot, by acceptance of title thereto or by taking possession thereof, covenants and agrees that no building, wall, or other structure shall be place upon such lot unless and until the plans and specifications thereof and plot plan have been approved in writing by the undersigned or their designee. Each such building, wall, or structure shall be placed on the premises only in accordance with the plans and specifications and plot plan so approved. Refusal of approval of plans and specifications may be based on any reasonable ground, including purely aesthetic grounds, which, in the sole discretion of the undersigned or their designee shall seem sufficient. No alternation in the exterior appearance of the buildings or structures shall be made without like approval. If the undersigned or their designee shall fail to approve or disapprove the plans and specifications within thirty (30) days after written request therefor, then such approval shall not be required; provided

that no building or other structure shall be erected which violates any of the Covenants herein contained.

(c) All boat docks or any other structures designed to float and be maintained on Watauga Lake shall be approved by the homeowner's association, by the United States Army Corp of Engineers and the Tennessee Valley Authority. There shall not be unmotorized boat house or structures designed for temporary or permanent habitation. Any boat docks, boat slips or other structures designed to float or otherwise be maintained on Watauga Lake shall be constructed of new materials and must be kept in a neat appearance.

The undersigned may appoint one or more persons as their designee for purposes of passing on matters for which the undersigned are entitled to approve or disapprove as herein provided. After Two-Thirds (2/3) of the lots have been conveyed all privileges, powers, rights and authority to approve or disapprove as provided in this restriction shall be exercised by and vested in a committee to be selected by The Harbour Improvement and Homeowner's Association.

6. Subdivisions and Additions of Lots

Each lot, as shown on the recorded plat hereinbefore referred to, constitutes a building site and no lot shall be divided into two building sites. Further, no building site shall be less in area than the area of the smallest lot shown on the recorded plat hereinbefore referred to. A single lot, together with a contiguous portion or portions of one or more lots in the same block may be used for one building site. No lot shall be subdivided except with the approval of the undersigned or their designee.

7. Setback Lines

(a) 40 foot front set back line, 25 foot rear set back line, and 12 foot side yard set back line. No structure so tall as to obstruct view of lake from house directly behind. The 1980 elevation line is considered the property line.

8. Fences, Walls, Outbuildings, Tanks, Garbage Cans and other Structures

(a) No improvement or structure whatever, other than a single-family residence and appurtenant garage constructed in accordance with these restrictions, may be erected placed or maintained on any building site.

(b) Any and all tanks for use in connection with any residence constructed, including tanks for the storage of fuels, must be buried or walled-up in accordance with this paragraph or landscaped sufficiently to conceal them from the view of neighboring lots, roads, streets or lake. All garbage cans, equipment, coolers, and storage piles must be walled-up in accordance with this paragraph sufficiently to conceal them from the view of neighboring lots, roads or streets.

(c) Antennas for the transmission of reception of broadcast or satellite transmission signals, including satellite dish antennas, 24 inch maximum size, Citizen Band and Amateur Radio Antennas, and television broadcast antennas shall be walled-in in accordance with this paragraph or landscaped sufficiently to conceal them from the view of neighboring lots, roads or streets. All to be approved by architectural committee.

(d) Boundary walls and concealment walls shall be constructed of materials identical to or complimentary to the materials on the exterior of the residence. Materials for wall construction are restricted in accordance with paragraph 2 above. No boundary wall shall be constructed with a height of more than six feet and no boundary line hedge or shrubbery shall be permitted with a height of more than six feet.

(e) No wall of any height or for any purpose shall be constructed on any lot until after the height type, design, and approximate location therefor shall have been approved in

writing by the undersigned or their designee. The heights or elevations of any wall shall be measured from the existing elevations of the property at or along the applicable points or lines. Any question as to such heights may be completely determined by the undersigned or their designee.

(f) No fence shall be constructed on any lot unless and until the plans and materials have been approved by the undersigned or their designee in writing. Fences must be complimentary to the design and materials used in constructing the residence. In no event may fences be constructed of chain fabric or wire, in any configurations, nor may fence posts or rails be of non-decorative metal.

(g) All drives must be of paving or concrete

(h) All mailboxes must be uniform per developers choice.

9. Native Growth, Vegetation, Landscaping

The native growth present on the lots shall not be permitted to be destroyed or removed except as approval in writing by the undersigned or their designee. Grass and shrubbery on each lot shall be mowed and trimmed at regular intervals so as to maintain a neat and attractive appearance. Trees, shrubs, vines and all other vegetation which die shall be promptly removed. If any lot owner fail to perform his/her obligations hereunder, the undersigned or their designee may cause the obligation to be preformed and the owner of the lot shall be obligated to pay for the cost of such work. In the event native growth is removed or injured in violation hereof, the owner shall replace same. This applies to absentee owners also.

10. Signs

No billboards or advertising signs, or other advertising devises shall be erected, placed, permitted, or maintained on any lot or improvement thereon, except as herein expressly permitted. One sign of not more than five (5) square feet

advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sale period shall be permitted.

11. Nuisances

Except as provided by Paragraph 13, below, no cattle, swine, goats, poultry or fowl shall be kept on any lot. No clotheslines or drying yards shall be permitted unless concealed by hedges, lattice work, concealment walls, or screening approved by the undersigned or their designee. No weeds, underbrush, or other unsightly growths shall be permitted to grow or remain upon the premises, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. In the event that any owner of any property in the Subdivision shall fail or refuse to keep such premises free from weeds, underbrush, or refuse piles or other unsightly growths or objects, then the undersigned or their designee may enter upon such lands and remove the same at the expense of the owner and such entry shall not be deemed as trespass and in the event of such a removal a lien shall arise and be created in favor of the undersigned or their designee and against such lot for the full amount chargeable to such lot and such amount shall be due and payable with thirty (30) days after the owner is billed therefor. No trash, ashes or other refuse may be thrown or dumped on any lot (whether vacant or not), street or right-of-way in the subdivision. No thing, substance, material or activity that will emit fowl or obnoxious odors, shall be allowed or kept upon any lot. Nor shall any thing, substance, material or activity be allowed or kept upon any lot that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding property. Specifically prohibited, but without limitation thereto, is the keeping of any motor vehicle, including cars, trucks, and motorcycles, designed, intended

or actually used for the off-road purposes of track racing, dirt-bike riding, motor-cross racing, or the like. This prohibition is specifically intended to prohibit dirt-bikes, race cars and trucks and loud motorcycles. This prohibition is not intended to prohibit factory standard on and off road four-wheel drive recreational vehicles.

Dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for commercial purposes. In no event shall the number of household pets exceed two (2) of any species or three (3) all together. Pets shall not be allowed to roam from but shall be contained either inside the residence or in an outside enclosure approved by the undersigned or their designee. In no event shall pets be maintained in a garage unless approved by the undersigned or their designee, which approval may be revoked without notice.

12. Water Supply

No individual water supply systems, including wells, shall be permitted. Any existing well on the property is Grandfathered in.

13. Remedies for Violations-Invalidation

For a violation or breach of any of these Reservations and Restrictions by any person claiming by, through, or under the undersigned or their designee, or by virtue of any judicial proceedings, the undersigned or their designee, and the lot owners, or any of them individually or severally, shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent by injunction the violation or breach of any of them. In addition to the foregoing right, the undersigned or their designees shall have the right, whenever there shall have been built on any lot any structure which is in violation of these restrictions, to enter upon the property where such violation of these Reservations and Restrictions exists and summarily

abate or remove the same at the expense of the owner, and such entry and abatement or removal shall not be deemed a trespass. The failure promptly to enforce any of the Reservations and Restrictions shall not bar their enforcement. The invalidation of any one or more of the Reservations and Restrictions by any Court of competent jurisdiction in no way shall affect any of the other Reservations and Restrictions, but they shall remain in full force and effect. In the event that the undersigned or their designees incurs any expense in the prevention, abatement, or removal of any violation of these reservations and restrictions, and/or incurs any expense in connection with the enforcement, at law or in equity of compliance with these Reservations and Restrictions, such expense, including reasonable attorneys fees, shall be a lien in favor of the undersigned or their designee upon the subdivision lot containing the violation or breach.

14. Homeowner's Association

For the purpose of maintaining common areas, roads (other than roads maintained by the applicable governmental authority), community services, and recreational facilities, including a swimming pool and/or tennis courts, if any, every lot owner, in accepting a deed or contract for any lot in The Harbour, agrees to, and shall be a member of any, and be subject to, the obligations, including the obligations to pay dues, and the duly enacted bylaws and rules of the Homeowner's Association, a nonprofit corporation.

15. Effective Dates

These restrictions shall be effective until January 1, 2014, and shall automatically be extended thereafter provided, however, that the owners of the majority of the square foot area of the lots in The Harbour may, after January 1, 2014, and after a one year notice to all property owners therein, release any or all of the lots hereby

restricted from any one or more of said restrictions, by executing and acknowledged an appropriate agreement or agreements in writing for such purpose, and filing the same for record in the Office of the Register of Deeds for Johnson County, Tennessee, after January 1, 2014.

16. The undersigned, Developer, reserves the right to amend, or modify any or all the restrictions or terms of this instrument if in its sole discretion is in the interest of The Harbour subdivision.

IN WITNESS WHEREOF, the undersigned have executed this instrument on this the 13th day of Jan., 1999.

WPH, L.L.C.

George Alex Williams II
By: George Alex Williams, II
Chief Manager

STATE OF TENNESSEE
COUNTY OF WASHINGTON

Before me, the undersigned authority, a Notary Public, in and for said State and County, personally appeared, George Alex Williams, II, with whom I am personally acquainted, (or whose identity was proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chief Manager of WPH, L.L.C., and that he as such Chief Manager, being authorized to so do, executed the within instrument for the purposes therein contained, by signing the name of the L.L.C, by himself as such Chief Manager.

WITNESS my hand and official seal at office in the State and County aforesaid on this the 13th day of Jan., 1999.

Patricia W. Dwyer
NOTARY PUBLIC

MY COMMISSION EXPIRES:

7-30-01



STATE OF TENNESSEE, JOHNSON COUNTY

The foregoing instrument and certificate were noted in
Note Book 8 Page 228 at 8:30 O'Clock A.M. 14 1999
and recorded in Index Book 24 Section 278
State Tax Pd. \$ 2.00 Recording Fee 42.00 Total \$ 44.00
I Signed My hand
Receipt No. 62562 Patricia W. Dwyer
Dwyer

1.28.99
103 box 12

1999

CORRECTION OF
RESTRICTIONS AND RESERVATIONS
THE HARBOUR
MISCELLANEOUS BOOK 24 PAGE 278

DECLARATION OF RESTRICTIONS on land embraced The
Harbour, a subdivision in Johnson County, Tennessee, as shown
by plat recorded in Plat Cabinet 3, Slides 250, 251, 252,
253, 254, 255 and 272, in the Office of the Register of Deeds
for Johnson County, Tennessee.

The undersigned, owner of all the land embraced in The
Harbour do hereby declare that the reservations, easements
and restrictions hereinafter set out shall be, and the same
are, made applicable to said property, to-wit:

RESERVATIONS AND EASEMENTS

1. Easement for installation and maintenance of all
necessary or proper public utilities and drainage facilities
are reserved.
2. Easement for natural drainage is reserved as natural
drainage courses now exist, and no subsequent purchaser or
owner shall obstruct drainage course.
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shall ever be used as a street.
4. The right to enter in accordance with Paragraph 13
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GENERAL RESTRICTIONS

1. Use.

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for, and shall be limited to use as, single-family
residential purposes only. There shall not exist on any lot
at any time more than one residence. No manufactured
housing, trailer, tent, shack, barn, temporary building,
outbuildings, or guest house shall be erected on any of the
lots in the subdivision without approval in writing from the
undersigned or their designee. No garage shall be constructed
except as an integral part of the residence it is intended to

*See Amendments to Restriction.
Misc. Book # 24 page # 293
also Misc. Book # 27 pg 19
also Misc. Book # 27 pg # 149*

THIS INSTRUMENT
PREPARED BY
LAW OFFICES
Y & MILLIKEN
C BOX 3586 CRM
JOHNSON CITY,
TENNESSEE
37602-3586

serve. Garages, which shall be for the use only of the occupants of the residence which they are appurtenant, may be attached or detached from the residence, may only be used primarily for garaging automobiles, must be constructed in design and materials in a manner identical with the residence and must be approved in advance by the undersigned or their designee.

2. Structure Materials

Residence shall be constructed of high quality materials suited for and intended by their manufacture to be used for the purposes of which they are incorporated into the residence. Exteriors of any structure, including residences, garages, and boundary and concealment walls, shall not be constructed of concrete blocks, cinder blocks or materials of similar appearance.

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(b) Whether or not provisions therefore are specifically stated in any conveyance of a lot made by the undersigned or the successors or assigns, the owner or occupant of each and every lot, by acceptance of title thereto or by taking possession thereof, covenants and agrees that no building, wall, or other structure shall be place upon such lot unless and until the plans and specifications thereof and plot plan have been approved in writing by the undersigned or their designee. Each such building, wall, or structure shall be placed on the premises only in accordance with the plans and specifications and plot plan so approved. Refusal of approval of plans and specifications may be based on any reasonable ground, including purely aesthetic grounds, which, in the sole discretion of the undersigned or their designee shall seem sufficient. No alternation in the exterior appearance of the buildings or structures shall be made without like approval. If the undersigned or their designee shall fail to approve or disapprove the plans and

specifications within thirty (30) days after written request therefor, then such approval shall not be required; provided that no building or other structure shall be erected which violates any of the Covenants herein contained.

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(c) Antennas for the transmission or reception of broadcast or satellite transmission signals, including satellite dish antennas, 24 inch maximum size, Citizen Band and Amateur Radio Antennas, and television broadcast antennas shall be walled-in in accordance with this paragraph or landscaped sufficiently to conceal them from the view of neighboring lots, roads or streets. All to be approved by architectural committee.

(d) Boundary walls and concealment walls shall be constructed of materials identical to or complimentary to the materials on the exterior of the residence. Materials for wall construction are restricted in accordance with paragraph 2 above. No boundary wall shall be constructed with a height of more than six feet and no boundary line hedge or shrubbery shall be permitted with a height of more than six feet.

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and approximate location therefor shall have been approved in writing by the undersigned or their designee. The heights or elevations of any wall shall be measured from the existing elevations of the property at or along the applicable points or lines. Any question as to such heights may be completely determined by the undersigned or their designee.

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(g) All drives must be of paving or concrete

(h) All mailboxes must be uniform per developers choice.

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The native growth present on the lots shall not be permitted to be destroyed or removed except as approval in writing by the undersigned or their designee. Grass and shrubbery on each lot shall be mowed and trimmed at regular intervals so as to maintain a neat and attractive appearance. Trees, shrubs, vines and all other vegetation which die shall be promptly removed. If any lot owner fail to perform his/her obligations hereunder, the undersigned or their designee may cause the obligation to be preformed and the owner of the lot shall be obligated to pay for the cost of such work. In the event native growth is removed or injured in violation hereof, the owner shall replace same. This applies to absentee owners also.

10. Signs

No billboards or advertising signs, or other advertising devises shall be erected, placed, permitted, or maintained on any lot or improvement thereon, except as herein expressly

permitted. One sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sale period shall be permitted.

11. Nuisances

Except as provided by Paragraph 13, below, no cattle, swine, goats, poultry or fowl shall be kept on any lot. No clotheslines or drying yards shall be permitted unless concealed by hedges, lattice work, concealment walls, or screening approved by the undersigned or their designee. No weeds, underbrush, or other unsightly growths shall be permitted to grow or remain upon the premises, and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. In the event that any owner of any property in the Subdivision shall fail or refuse to keep such premises free from weeds, underbrush, or refuse piles or other unsightly growths or objects, then the undersigned or their designee may enter upon such lands and remove the same at the expense of the owner and such entry shall not be deemed as trespass and in the event of such a removal a lien shall arise and be created in favor of the undersigned or their designee and against such lot for the full amount chargeable to such lot and such amount shall be due and payable with thirty (30) days after the owner is billed therefor. No trash, ashes or other refuse may be thrown or dumped on any lot (whether vacant or not), street or right-of-way in the subdivision. No thing, substance, material or activity that will emit fowl or obnoxious odors, shall be allowed or kept upon any lot. Nor shall any thing, substance, material or activity be allowed or kept upon any lot that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding property. Specifically prohibited, but without limitation thereto, is the keeping of any motor vehicle,

including cars, trucks, and motorcycles, designed, intended or actually used for the off-road purposes of track racing, dirt-bike riding, motor-cross racing, or the like. This prohibition is specifically intended to prohibit dirt-bikes, race cars and trucks and loud motorcycles. This prohibition is not intended to prohibit factory standard on and off road four-wheel drive recreational vehicles.

Dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for commercial purposes. In no event shall the number of household pets exceed two (2) of any species or three (3) all together. Pets shall not be allowed to roam from but shall be contained either inside the residence or in an outside enclosure approved by the undersigned or their designee. In no event shall pets be maintained in a garage unless approved by the undersigned or their designee, which approval may be revoked without notice.

12. Water Supply

No individual water supply systems, including wells, shall be permitted. Any existing well on the property is Grandfathered in.

13. Remedies for Violations-Invalidation

For a violation or breach of any of these Reservations and Restrictions by any person claiming by, through, or under the undersigned or their designee, or by virtue of any judicial proceedings, the undersigned or their designee, and the lot owners, or any of them individually or severally, shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent by injunction the violation or breach of any of them. In addition to the foregoing right, the undersigned or their designees shall have the right, whenever there shall have been built on any lot any structure which is in violation of these restrictions, to enter upon the property where such violation

of these Reservations and Restrictions exists and summarily abate or remove the same at the expense of the owner, and such entry and abatement or removal shall not be deemed a trespass. The failure promptly to enforce any of the Reservations and Restrictions shall not bar their enforcement. The invalidation of any one or more of the Reservations and Restrictions by any Court of competent jurisdiction in no way shall affect any of the other Reservations and Restrictions, but they shall remain in full force and effect. In the event that the undersigned or their designees incurs any expense in the prevention, abatement, or removal of any violation of these reservations and restrictions, and/or incurs any expense in connection with the enforcement, at law or in equity of compliance with these Reservations and Restrictions, such expense, including reasonable attorneys fees, shall be a lien in favor of the undersigned or their designee upon the subdivision lot containing the violation or breach.

14. Homeowner's Association

For the purpose of maintaining common areas, roads (other than roads maintained by the applicable governmental authority), community services, and recreational facilities, including a swimming pool and/or tennis courts, if any, every lot owner, in accepting a deed or contract for any lot in The Harbour, agrees to, and shall be a member of any, and be subject to, the obligations, including the obligations to pay dues, and the duly enacted bylaws and rules of the Homeowner's Association, a nonprofit corporation.

15. Effective Dates

These restrictions shall be effective until January 1, 2014, and shall automatically be extended thereafter provided, however, that the owners of the majority of the square foot area of the lots in The Harbour may, after January 1, 2014, and after a one year notice to all property

owners therein, release any or all of the lots hereby restricted from any one or more of said restrictions, by executing and acknowledged an appropriate agreement or agreements in writing for such purpose, and filing the same for record in the Office of the Register of Deeds for Johnson County, Tennessee, after January 1, 2014.

16. The undersigned, Developer, reserves the right to amend, or modify any or all the restrictions or terms of this instrument if in its sole discretion is in the interest of The Harbour subdivision.

IN WITNESS WHEREOF, the undersigned have executed this instrument on this the 28 day of Jan, 1999.

WPH, L.L.C.

By: George Alex Williams, II
Chief Manager

STATE OF TENNESSEE
COUNTY OF WASHINGTON

Before me, the undersigned authority, a Notary Public, in and for said State and County, personally appeared, George Alex Williams, II, with whom I am personally acquainted, (or whose identity was proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Chief Manager of WPH, L.L.C., and that he as such Chief Manager, being authorized to so do, executed the within instrument for the purposes therein contained, by signing the name of the L.L.C. by himself as such Chief Manager.

WITNESS my hand and official seal at office in the State and County aforesaid on this the 28 day of January, 1999.

Rogers H. Carter
NOTARY PUBLIC

MY COMMISSION EXPIRES:

10-31-2000

STATE OF TENNESSEE, JOHNSON COUNTY

The foregoing instrument and certificate were noted in
 Book 8 Page 332 at 1:00 (Clock) P M 1-28, 99
 and recorded in Misc Book 24 Section 40 Page 324
 For fee of \$ 2.00 Recording Fee 40.00 Total \$ 42.00
 Witness My hand
 Notary Public James J. Ripley



PROFFITT PROPERTIES, ~~LLC~~By: 

BILLY O. PROFFITT, Managing General
Partner of Proffitt Properties, a Tennessee
General Partnership (Proffitt Properties is
one of the three partners in WPH, a
Tennessee General Partnership)

STATE OF TENNESSEE:

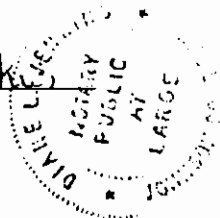
COUNTY OF Johnson:

Before me, Diane L. Jenkins, a Notary Public within and for the
above-named County and State, personally appeared GEORGE ALEX WILLIAMS II,
with whom I am personally acquainted and who upon oath, acknowledged himself
to be a Partner of WPH, a Tennessee General Partnership, the within named
bargainor, and that he as such Partner being authorized so to do, executed the
foregoing instrument for the purpose therein contained by signing the name of the
Partnership by himself as Partner.

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and
County, on this the 9th day of July, 2001.

Diane L. Jenkins
NOTARY PUBLIC

My Commission Expires:

6-23-2002

STATE OF TENNESSEE:

COUNTY OF Johnson:

Before me, Diane L. Jenkins, a Notary Public within and for the
above-named County and State, personally appeared WILLIAM E. HAMILTON, with
whom I am personally acquainted and who upon oath, acknowledged himself to be
a Partner of WPH, a Tennessee General Partnership, the within named bargainor,
and that he as such Partner being authorized so to do, executed the foregoing
instrument for the purpose therein contained by signing the name of the Partnership

SMITH and COCKETT
ATTORNEYS & COUNSELORS AT LAW
247 W. Main Street
P.O. Box 108
Mountain City, TN 37683-0108

by himself as Partner.

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and
County, on this the 9th day of July, 2001.

Diane L. Jenkins
NOTARY PUBLIC



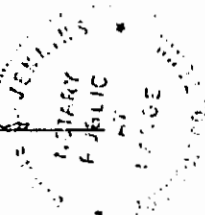
My Commission Expires:
6-23-2002

STATE OF TENNESSEE:
COUNTY OF Johnson:

Before me, Diane L. Jenkins a Notary Public within and for the above-named County and State, personally appeared BILLY O. PROFFITT, with whom I am personally acquainted and who upon oath, acknowledged himself to be Managing General Partner of Proffitt Properties, a Tennessee General Partnership, one of the partners of WPH, a Tennessee General Partnership, the within named bargainor, and that Billy O. Proffitt as Managing General Partner of Proffitt Properties, a Tennessee General Partnership, as such partner being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the Partnership (WPH, a Tennessee General Partnership) by himself as Managing General Partner of Proffitt Properties.

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and
County, on this the 9th day of July, 2001.

Diane L. Jenkins
NOTARY PUBLIC



My Commission Expires:
6-23-2002

SMITH and COCKETT
ATTORNEYS & COUNSELLORS AT LAW
247 W. Main Street
P.O. Box 108
City, TN 37683-0108

FILED IN OFFICE OF THE CLERK OF THE COUNTY OF JOHNSON, TENNESSEE
The foregoing instrument was recorded on
8 Page 393 of 345 P 7-10-01
Book 276 Section 293
Fee 2.00 Recording Fee 15.00 17.00
7103 James J. Lepler

295
Book MB26 Page 295

AMENDMENT TO RESTRICTIONS AND RESERVATIONS
THE HARBOUR SUBDIVISION

WHEREAS, the undersigned are the Developers of a certain subdivision known as "The Harbour" being that property which was conveyed to WPH, L.L.C. by deed from Mildred Gambill Gage recorded in the Register's Office for Johnson County, Tennessee in Deed Book 143, page 764 and by deed from Thomas A. Gaither recorded in the Register's Office for Johnson County, Tennessee in Deed Book 143, page 768; and

WHEREAS, said subdivision has been platted by plat of record in the Register's Office for Johnson County, Tennessee, Plat Cabinet 3, Slides 250 through 255^(as amended); and

WHEREAS, the developers had previously filed Restrictions and Reservations for said subdivision which are recorded in the Register's Office for Johnson County, Tennessee in Miscellaneous Book 24, page 278, as amended in Miscellaneous Book 24, page 333; and

WHEREAS, pursuant to Paragraph 16 of said Restrictions and Reservations the Developer reserves the right to amend or modify any or all of the restrictions if it is in the best interest of the Harbour Subdivision; and

WHEREAS, the Developers believe that it is in the best interest of the Harbour Subdivision to amend a portion of those Restrictions and Reservations, specifically Paragraph No. 7 therein.

WITNESSETH:

THEREFORE, the undersigned, being the Developers of The Harbour Subdivision do hereby amend Paragraph 7 regarding Setback Lines as contained in the Restrictions and Reservations recorded in the Register's Office for Johnson County, Tennessee in Miscellaneous Book 24, page 278 as amended on page 333 by deleting Paragraph 7 in its entirety and substituting therefore the following:

7. Setback Lines

SMITH and COCKETT
ATTORNEYS & COUNSELORS AT LAW
247 W. Main Street
P.O. Box 106
in City, TN 37683-0106

(a) 40 foot front set back line, 25 foot rear set back line and 12 foot side yard set back line. Notwithstanding the foregoing, the front set back line for Lots 93 through 101, inclusive, shall be 40 feet from the edge of the pavement, rather than the lot line and notwithstanding the foregoing the front set back for Lots 37, 38, 39, 85, 8, 9, 10, 11, 12 and 16 shall be 30 feet from the edge of the pavement, rather than the lot line. No structures shall be constructed so tall as to obstruct view of lake from house directly behind. The 1980 elevation line is considered the property line.

WITNESS OUR HANDS this the 20 day of June, 2002.

WPH, A Tennessee General Partnership,

By: George Alex Williams II
GEORGE ALEX WILLIAMS, II
Partner

By: William E. Hamilton
WILLIAM E. HAMILTON, Partner

PROFFITT PROPERTIES, L.P.,

By: Billy O. Proffitt
BILLY O. PROFFITT, Managing General
Partner of Proffitt Properties, L.P.
(Proffitt Properties, L.P. is one of the three
partners in WPH, a Tennessee
General Partnership)

STATE OF TENNESSEE:
COUNTY OF Johnson:

Before me, William J. Cockett, a Notary Public within and for the above-named County and State, personally appeared GEORGE ALEX WILLIAMS II, with whom I am personally acquainted and who upon oath, acknowledged himself to be a Partner of WPH, a Tennessee General Partnership, the within named bargainor, and that he as such Partner being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the

SMITH and COCKETT
ATTORNEYS & COUNSELORS AT LAW
247 W. Main Street
P.O. Box 108
Mountain City, TN 37683-0108

Partnership by himself as Partner.

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and
County, on this the 18 day of June, 2002.

My Commission Expires:

11/21/05

NOTARY PUBLIC

STATE OF TENNESSEE:
COUNTY OF WASHINGTON

Before me, Rebecca A. Hooks, a Notary Public within and for the
above-named County and State, personally appeared WILLIAM E. HAMILTON,
with whom I am personally acquainted and who upon oath, acknowledged himself
to be a Partner of WPH, a Tennessee General Partnership, the within named
bargainor, and that he as such Partner being authorized so to do, executed the
foregoing instrument for the purpose therein contained by signing the name of the
Partnership by himself as Partner.

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and
County, on this the 19th day of June, 2002.

My Commission Expires:

7-28-04

NOTARY PUBLIC

STATE OF TENNESSEE:
COUNTY OF Johnson:

Before me, William J. Cockett, a Notary Public within and for the above-
named County and State, personally appeared BILLY O. PROFFITT, with whom I
am personally acquainted and who upon oath, acknowledged himself to be
Managing General Partner of Proffitt Properties, L.P., one of the partners of WPH,
a Tennessee General Partnership, the within named bargainor, and that Billy O.
Proffitt as Managing General Partner of Proffitt Properties, LP, as such partner

being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the Partnership (WPH, a Tennessee General Partnership) by himself as Managing General Partner of Proffitt Properties, L.P..

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and County, on this the 18 day of June, 2002.

NOTARY PUBLIC

My Commission Expires:

11/21/05

8 458.1.00 P 6/20/02
 Misc Book 27 Section 19
 Page 200 Recorded To 20" 22.00
 74326 James J. Leplew

02

Deed: 101 111
8-26-02

THIS DEED, made and entered into this the 26th day of August, 2002, by and between WPH, a Tennessee General Partnership, GRANTOR; and THE HARBOUR SUBDIVISION P.O.A., INC., GRANTEE;

WITNESSETH:

That for and in consideration of the sum of ONE (\$1) DOLLAR, cash in hand paid, and other good and valuable consideration, the receipt of all of which is hereby acknowledged, the Grantor has this day bargained and sold, and by these presents does hereby grant, bargain, transfer and convey unto the Grantee, its successors and/or assigns, a certain tract or parcel of land situate and being in the Fifth Civil District of Johnson County, Tennessee and being more particularly bounded and described as follows, to-wit:

BEING all of Lot 66 containing 0.6649 acres above the 1980' flowage easement and 3.4971 acres below easement, "common area" of the Harbour Subdivision, as shown on map or plat of same, of record in Plat Cabinet 3, Slide 250-255, in the Register's Office for Johnson County, Tennessee, to which reference is here made.

This conveyance is made subject to all valid restrictive covenants and easements, if any, of record, or which may be apparent from an inspection of the premises, or which may appear on the above mentioned plat, including those restrictive covenants relative to the Harbour Subdivision recorded in the Register's Office for Johnson County, Tennessee in Miscellaneous Book 24, page 278 and 324, and any amendments thereto, and including all easement privileges in favor of the United States of America or Tennessee Valley Authority relative to the flooding and maintenance of Watauga Lake.

BEING part of the same property conveyed to WPH, L.L.C., by warranty deed from Mildred Gambill Gage of record in the Register's Office for Johnson County, Tennessee in Deed Book 143, page 764 and by deed from Thomas A. Gaither dated January 30, 1998 of record in the Register's Office for Johnson County, Tennessee in Deed Book 143, page 768. See also Articles of Merger of WPH, L.L.C. into WPH, a Tennessee General Partnership, recorded on March 28, 2000 in Miscellaneous Book 25, page 246, in the Register's Office for Johnson County, Tennessee.

MAP 90G GROUP A CTRL MAP 90F PARCEL 67

TO HAVE AND TO HOLD said parcel or tract of land unto the Grantee, its

SMITH and COCKETT
ATTORNEYS & COUNSELLORS AT LAW
247 W. Main Street
P.O. Box 106
Main City, TN 37683-0106

successors and/or assigns, forever.

The Grantor covenants that it is lawfully seized and possessed of said property, that it has a lawful right to convey the same, and that the same is unencumbered; and it further warrants and defends the title to said property against the lawful claims of all persons whomsoever.

IN TESTIMONY WHEREOF, the Grantor has hereunto set its signature, this the day and date first above written.

WPH, A Tennessee General Partnership,

By: George Alex Williams II
GEORGE ALEX WILLIAMS, II
Partner

By: William E. Hamilton
WILLIAM E. HAMILTON, Partner

PROFFITT PROPERTIES, a Tennessee
General Partnership,

By: Billy O. Proffitt
BILLY O. PROFFITT, Managing General
Partner of Proffitt Properties, a Tennessee
General Partnership (Proffitt Properties is
one of the three partners in WPH, a
Tennessee General Partnership)

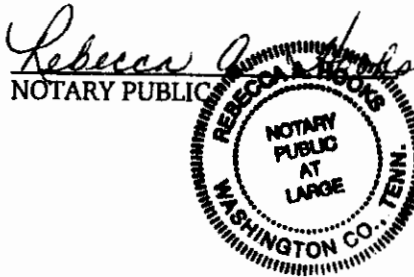
STATE OF TENNESSEE:
COUNTY OF WASHINGTON:

Before me, Rebecca A. Hooks, a Notary Public within and for the above-named County and State, personally appeared GEORGE ALEX WILLIAMS II, with whom I am personally acquainted and who upon oath, acknowledged himself to be a Partner of WPH, a Tennessee General Partnership, the within named bargainor, and that he as such Partner being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the Partnership by himself as Partner.

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and
County, on this the 26th day of August, 2002.

My Commission Expires:

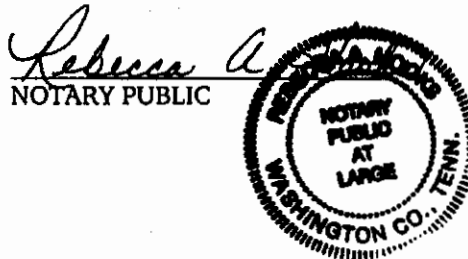
July 28, 2004



STATE OF TENNESSEE:
COUNTY OF WASHINGTON :

Before me, Rebecca A. Hooks, a Notary Public within and for the
above-named County and State, personally appeared WILLIAM E. HAMILTON,
with whom I am personally acquainted and who upon oath, acknowledged himself
to be a Partner of WPH, a Tennessee General Partnership, the within named
bargainor, and that he as such Partner being authorized so to do, executed the
foregoing instrument for the purpose therein contained by signing the name of the
Partnership by himself as Partner.

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and
County, on this the 26th day of August, 2002.



My Commission Expires:

July 28, 2004

STATE OF TENNESSEE:
COUNTY OF WASHINGTON :

Before me, Rebecca A. Hooks, a Notary Public within and for the above-
named County and State, personally appeared BILLY O. PROFFITT, with whom I
am personally acquainted and who upon oath, acknowledged himself to be
Managing General Partner of Proffitt Properties, a Tennessee General Partnership,
one of the partners of WPH, a Tennessee General Partnership, the within named
bargainor, and that Billy O. Proffitt as Managing General Partner of Proffitt

Properties, a Tennessee General Partnership, as such partner being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the Partnership (WPH, a Tennessee General Partnership) by himself as Managing General Partner of Proffitt Properties..

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and County, on this the 26th day of August, 2002.

Rebecca A. Hood
NOTARY PUBLIC



My Commission Expires:

July 28, 2004

The preparer of this deed makes no representations or warranties as to the title to the herein described property. The description is based solely upon the description provided in the prior deed in the chain of title.

PROPERTY OWNER:

NAME: Harbour Subdivision P.O.A., Inc.

ADDRESS: 2225 Boone Creek Rd.

Gray, Tenn. 37615

PERSON OR AGENCY RESPONSIBLE FOR TAXES:

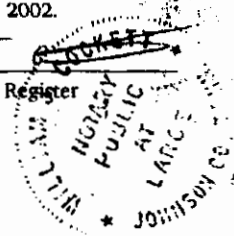
Same

I, or we, hereby swear or affirm that the actual consideration for this transfer, or value of the property or interest in property transferred, whichever is greater, is \$ 20000.00 which amount is equal to or greater than the amount which the property or interest of property transferred would command at a fair and voluntary sale.

Angela W. Wiltont

Subscribed and sworn to before me this the 26 day of Oct, 2002.

[Signature]
Notary Public or Register



STATE OF TENNESSEE, JOHNSON COUNTY

The foregoing instrument and receipt for same

Book 8 Page 470-2130 P 8-27-02
and recorded in Deed Book 159 Section 22
for 7400 Fee 3.00 Recording Fee 20.00 97.00

Witness My hand
Receipt No. 74968 Patricia W. Harty
Deputy

SMITH and COCKETT
ATTORNEYS & COUNSELORS AT LAW
247 W. Main Street
P.O. Box 108
Mountain City, TN 37683-0108

Deed 101 102
8-28-02

THIS DEED, made and entered into this the 26th day of August, 2002, by and between WPH, a Tennessee General Partnership, GRANTOR; and THE HARBOUR SUBDIVISION P.O.A., INC., GRANTEE;

WITNESSETH:

That for and in consideration of the sum of ONE (\$1) DOLLAR, cash in hand paid, and other good and valuable consideration, the receipt of all of which is hereby acknowledged, the Grantor has this day bargained and sold, and by these presents does hereby grant, bargain, transfer and convey unto the Grantee, its successors and/or assigns, a certain tract or parcel of land situate and being in the Fifth Civil District of Johnson County, Tennessee and being more particularly bounded and described as follows, to-wit:

BEING all of Lot 102 containing 0.5852 acres "common area" of the Harbour Subdivision, as shown on map or plat of same, of record in Plat Cabinet 3, Slide 250-255, in the Register's Office for Johnson County, Tennessee, to which reference is here made.

This conveyance is made subject to all valid restrictive covenants and easements, if any, of record, or which may be apparent from an inspection of the premises, or which may appear on the above mentioned plat, including those restrictive covenants relative to the Harbour Subdivision recorded in the Register's Office for Johnson County, Tennessee in Miscellaneous Book 24, page 278 and 324, and any amendments thereto, and including all easement privileges in favor of the United States of America or Tennessee Valley Authority relative to the flooding and maintenance of Watauga Lake.

BEING part of the same property conveyed to WPH, L.L.C., by warranty deed from Mildred Gambill Gage of record in the Register's Office for Johnson County, Tennessee in Deed Book 143, page 764 and by deed from Thomas A. Gaither dated January 30, 1998 of record in the Register's Office for Johnson County, Tennessee in Deed Book 143, page 768. See also Articles of Merger of WPH, L.L.C. into WPH, a Tennessee General Partnership, recorded on March 28, 2000 in Miscellaneous Book 25, page 246, in the Register's Office for Johnson County, Tennessee.

MAP 90G GROUP A CTRL MAP 90F PARCEL 105

TO HAVE AND TO HOLD said parcel or tract of land unto the Grantee, its successors and/or assigns, forever.

SMITH and COCKETT
ATTORNEYS & COUNSELORS AT LAW
247 W. Main Street
P.O. Box 108
Main City, TN 37683-0108

116

The Grantor covenants that it is lawfully seized and possessed of said property, that it has a lawful right to convey the same, and that the same is unencumbered; and it further warrants and defends the title to said property against the lawful claims of all persons whomsoever.

IN TESTIMONY WHEREOF, the Grantor has hereunto set its signature, this the day and date first above written.

WPH, A Tennessee General Partnership,

By: George Alex Williams II
GEORGE ALEX WILLIAMS, II
Partner

By: William E. Hamilton
WILLIAM E. HAMILTON, Partner

PROFFITT PROPERTIES, a Tennessee General Partnership,

By: Billy O. Proffitt
BILLY O. PROFFITT, Managing General Partner of Proffitt Properties, a Tennessee General Partnership (Proffitt Properties is one of the three partners in WPH, a Tennessee General Partnership)

STATE OF TENNESSEE:
COUNTY OF WASHINGTON:

Before me, Rebecca A. Hooks, a Notary Public within and for the above-named County and State, personally appeared GEORGE ALEX WILLIAMS II, with whom I am personally acquainted and who upon oath, acknowledged himself to be a Partner of WPH, a Tennessee General Partnership, the within named bargainor, and that he as such Partner being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the Partnership by himself as Partner.

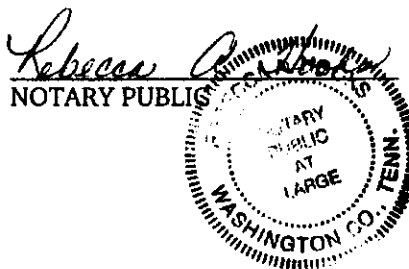
GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and

SMITH and COCKETT
ATTORNEYS & COUNSELORS AT LAW
247 W. Main Street
P.O. Box 108
Mountain City, TN 37683-0108

County, on this the 26th day of August, 2002.

My Commission Expires:

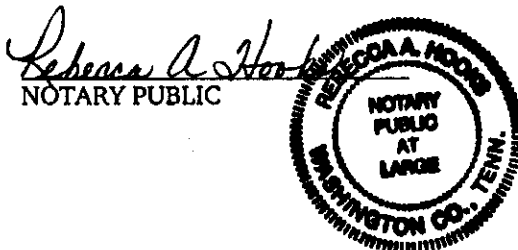
July 28, 2004



STATE OF TENNESSEE:
COUNTY OF WASHINGTON :

Before me, Rebecca A. Hooks, a Notary Public within and for the above-named County and State, personally appeared WILLIAM E. HAMILTON, with whom I am personally acquainted and who upon oath, acknowledged himself to be a Partner of WPH, a Tennessee General Partnership, the within named bargainor, and that he as such Partner being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the Partnership by himself as Partner.

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and County, on this the 26th day of August, 2002.



My Commission Expires:

July 28, 2004

STATE OF TENNESSEE:
COUNTY OF WASHINGTON :

Before me, Rebecca A. Hooks, a Notary Public within and for the above-named County and State, personally appeared BILLY O. PROFFITT, with whom I am personally acquainted and who upon oath, acknowledged himself to be Managing General Partner of Proffitt Properties, a Tennessee General Partnership, one of the partners of WPH, a Tennessee General Partnership, the within named bargainor, and that Billy O. Proffitt as Managing General Partner of Proffitt Properties, a Tennessee General Partnership, as such partner being authorized so

2.26.02

AMENDED DECLARATION OF RESTRICTIONS AND RESERVATIONS
THE HARBOUR SUBDIVISION

The undersigned are the Developers of the Harbour Subdivision as shown on map or plat of same of record in the Register's Office for Johnson County, Tennessee in Plat Cabinet 3, Slide 250-255 and 272, revised in Plat Cabinet 4, Slides 82 and 83, to which reference is here made; and

WHEREAS, said subdivision has restrictive covenants recorded in the Register's Office for Johnson County, Tennessee in Miscellaneous Book 24, page 278 and 324; and

WHEREAS, Paragraph 16 of same reserves to the Developer the right to amend, or modify any or all the covenants in their discretion; and

WHEREAS, the Developers wish to modify the covenants as follows:

Paragraph 7(a) is deleted in its entirety and the following shall be substituted as Paragraph 7(a):

7. SETBACK LINES

(a) 40 foot front setback line, 25 foot rear setback line and 12 foot side yard setback line, measured from overhang or closet point of house to line. No structure shall be built which is greater than three levels high, including basement, unless approved by the architectural review committee. The 1980 elevation line is considered the property line.

Paragraph 8(d) shall have the following added to it:

Nothing contained herein shall prohibit the use of landscaping block such as sculptured or split-face block on boundary walls and concealment walls.

WPH, A Tennessee General Partnership,

By: 
GEORGE ALEX WILLIAMS, II, Partner

SMITH and COCKETT
ATTORNEYS & COUNSELLORS AT LAW
247 W. Main Street
P.O. Box 108
Mountain City, TN 37683-0108

By: William E. Hamilton
WILLIAM E. HAMILTON, Partner

PROFFITT PROPERTIES, L.P.

By: [Signature]
BILLY G. PROFFITT, Managing General
Partner of Proffitt Properties, a Tennessee
General Partnership (Proffitt Properties is
one of the three partners in WPH, a
Tennessee General Partnership)

STATE OF TENNESSEE:
COUNTY OF WASHINGTON:

Before me, Rebecca A. Hooks, a Notary Public within and for the
above-named County and State, personally appeared GEORGE ALEX WILLIAMS
II, with whom I am personally acquainted and who upon oath, acknowledged
himself to be a Partner of WPH, a Tennessee General Partnership, the within
named bargainor, and that he as such Partner being authorized so to do, executed
the foregoing instrument for the purpose therein contained by signing the name
of the Partnership by himself as Partner.

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and
County, on this the 26th day of August, 2002.

Rebecca A. Hooks
NOTARY PUBLIC



My Commission Expires:
July 28, 2004

STATE OF TENNESSEE:
COUNTY OF WASHINGTON:

Before me, Rebecca A. Hooks, a Notary Public within and for the
above-named County and State, personally appeared WILLIAM E. HAMILTON,
with whom I am personally acquainted and who upon oath, acknowledged himself
to be a Partner of WPH, a Tennessee General Partnership, the within named
bargainor, and that he as such Partner being authorized so to do, executed the

SMITH and COCKETT
ATTORNEYS & COUNSELLORS AT LAW
247 W. Main Street
P.O. Box 106
Mountain City, TN 37683-0106

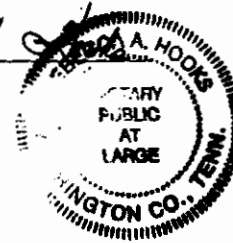
foregoing instrument for the purpose therein contained by signing the name of the Partnership by himself as Partner.

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and County, on this the 26th day of August, 2002.

Rebecca A. Hooks
NOTARY PUBLIC

My Commission Expires:

July 28, 2004



STATE OF TENNESSEE:
COUNTY OF WASHINGTON :

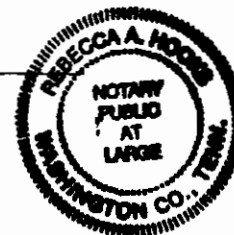
Before me, Rebecca A. Hooks, a Notary Public within and for the above-named County and State, personally appeared BILLY O. PROFFITT, with whom I am personally acquainted and who upon oath, acknowledged himself to be Managing General Partner of Proffitt Properties, a Tennessee General Partnership, one of the partners of WPH, a Tennessee General Partnership, the within named bargainor, and that Billy O. Proffitt as Managing General Partner of Proffitt Properties, a Tennessee General Partnership, as such partner being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the Partnership (WPH, a Tennessee General Partnership) by himself as Managing General Partner of Proffitt Properties.

GIVEN UNDER MY HAND AND OFFICIAL SEAL at office in said State and County, on this the 26th day of August, 2002.

Rebecca A. Hooks
NOTARY PUBLIC

My Commission Expires:

July 28, 2004



SMITH and COCKETT
ATTORNEYS & COUNSELLORS AT LAW
247 W. Main Street
P.O. Box 108
Mountain City, TN 37683-0108

STATE OF TENNESSEE, JOHNSON COUNTY

The foregoing instrument and certificate were presented to me on 8-26-02 at 4:30 O'Clock P.M. by Patricia W. Hartley,
Book 8, Page 469, and recorded in Three Book 27 Section 149 Page 149
Costs Due Me \$ 2.00 Filing Fee 5.00 Total \$ 7.00

Witness my hand and seal this 26th day of August, 2002.
Notary Public Patricia W. Hartley
Deputy

4.02.03
6/26/03

AMENDED DECLARATION OF RESTRICTIONS AND RESERVATIONS
THE HARBOUR SUBDIVISION, P.O.A., INC.

WHEREAS, there is a document setting forth the Restrictions and Reservations for the Harbour Subdivision recorded in the Register's Office for Johnson County, Tennessee in Miscellaneous Book 24 Page 278; and

WHEREAS, Paragraph 16 of same reserves to the Developer the right to amend or modify any of all of the covenants; and

WHEREAS, said document was corrected pursuant to a correction of restrictions and reservations recorded in the Register's Office for Johnson County, Tennessee in Miscellaneous Book 24, page 324; and

WHEREAS, said restrictions and reservations have been amended pursuant to three different documents recorded in the Register's Office for Johnson County, Tennessee in Miscellaneous Book 26, page 293, Miscellaneous Book 27, page 19 and Miscellaneous Book 27, page 149; and

WHEREAS, at the annual meeting of The Harbour Subdivision, P.O.A., Inc. the members thereof voted to accept governance of said subdivision contingent upon the Developer first amending the last amended Declaration of Restrictions, being that amendment recorded in the Register's Office for Johnson County, Tennessee in Miscellaneous Book 27, page 149.

THEREFORE, the Developers of the Harbour Subdivision declare as follows:

Paragraph Seven (7) regarding Setback Lines in the Restrictions and Reservations recorded in the Register's Office for Johnson County, Tennessee in Miscellaneous Book 24, page 278, as amended, shall state as follows:


7. Setback Lines.

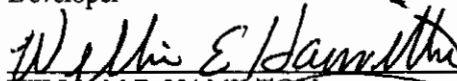
(a) 40 foot front set back line, 25 foot rear set back line and 12 foot side yard set back line, measured from overhang or closest point of house to line. Notwithstanding the foregoing, the front set back line for Lots 93 through 101, inclusive, shall be 40 feet from the edge of the pavement, rather than the lot line, and notwithstanding the foregoing the front set back for Lots 37, 38, 39, 85, 8, 9, 10, 11, 12 and 16 shall be 30 feet from the edge of the pavement, rather than the lot line. No structure shall be built which is greater than three levels high, including basement, unless approved by the Architectural Review Committee. The 1980 elevation line is considered the property line. All prior amendments to this paragraph 7 are hereby deleted.


FURTHER, the Developers of The Harbour Subdivision declare an additional paragraph shall be added under "General Restrictions - Paragraph Eleven (11) Nuisances" as follows:

No lot owner shall discharge a firearm or weapon of any type on any property embraced by The Harbour Subdivision nor shall they allow anyone else to discharge any type firearm on the property. No hunting or trapping of any type shall be allowed upon the property (including bow hunting).

DECLARED this the 26 day of June, 2003.


GEORGE ALEX WILLIAMS, II
Developer

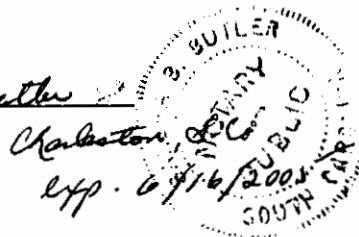

WILLIAM E. HAMILTON
Developer


BILLY O. PROFFITT
Developer

STATE OF South Carolina
COUNTY OF Charleston:

On this 26th day of June, 2003 before me personally appeared
GEORGE ALEX WILLIAMS II to me known to be the person described in and who
executed the foregoing instrument, and acknowledged that he executed the same as his
free act and deed.


NOTARY PUBLIC



My Commission Expires:

STATE OF TENNESSEE:
COUNTY OF WASHINGTON:

On this 2nd day of July, 2003 before me personally appeared
WILLIAM E. HAMILTON to me known to be the person described in and who
executed the foregoing instrument, and acknowledged that he executed the same as his
free act and deed.


NOTARY PUBLIC



My Commission Expires:
July 28, 2004

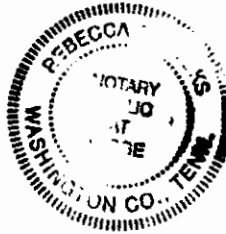
STATE OF TENNESSEE:
COUNTY OF WASHINGTON:

On this 2nd day of July, 2003 before me personally appeared
BILLY O. PROFFITT to me known to be the person described in and who executed the
foregoing instrument, and acknowledged that he executed the same as his free act and
deed.

Rebecca A. Hooks
NOTARY PUBLIC

My Commission Expires:

July 28, 2004



BK/PG: K27/803-803

03001054

2 FOR : AL - REV. RESTRICTIONS	
PERIOD: BATCH: 700	
07/03/2003 - 11:03 AM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	15.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	17.00
STATE OF TENNESSEE, JOHNSON COUNTY	
PATRICIA W. HARTLEY	
REGISTER OF DEEDS	

[Return to Table of Contents](#)

**AMENDED DECLARATION OF RESTRICTIONS AND RESERVATIONS
APPLICABLE TO THE HARBOUR SUBDIVISION**

At the annual meeting of the members of The Harbour Subdivision POA, Inc., that occurred on July 16, 2016, the Restrictions and Reservations applicable to The Harbour Subdivision recorded at Miscellaneous Book 24, page 324, in the Register's Office for Johnson County, Tennessee, were amended by the unanimous approval of the owners in attendance at the meeting, in person or by proxy, and pursuant to the designated rights and powers as set forth in Book T 249, page 513 in said Register's Office, as set forth below:

Paragraphs 15 and 16 relating to procedures for changes and/or amendments to the Reservations and Restrictions applicable to the Harbour Subdivision are hereby deleted, and there is substituted therefor the following procedures for future amendments to the said Reservations and Restrictions:


15. Duration of and Amendments to Restrictions and Reservations

The Restrictions and Reservations applicable to The Harbour Subdivision recorded at Miscellaneous Book 24, page 324 in the Register's Office for Johnson County, Tennessee, as previously amended, shall remain in full force and effect for the maximum period permitted by Tennessee law, and, henceforth may be amended only by obtaining the written and acknowledged approval of seventy-five percent (75%) of the owners of the lots within the Subdivision, provided that there shall be excluded from the lots entitled to vote any lot for which the owners are not in good standing and the two common area lots owned by the Property Owners Association and, provided further that the owner of a lot is defined as all joint owners of any lot or any lot owned by a trust or LLC or corporation, so that seventy-five percent (75%) of the lots for which the owners are eligible to vote must vote to approve the proposed amendment in order for the amendment or modification to take effect.

16. (deleted)

DATED this the 1st day of August, 2016.

The Harbour Subdivision POA, Inc.

By: 
William Pollard, its President

STATE OF TENNESSEE)
COUNTY OF JOHNSON)

Before me the undersigned, a Notary Public of the state and county aforementioned, personally appeared WILLIAM POLLARD, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be President of THE HARBOUR SUBDIVISION POA, INC., the within named bargainer, a corporation and that he as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as President.

Witness my hand and seal on this the 10 day of Aug, 2016.

Ramona Shive
Notary Public

My Commission Expires: 8-31-18

L:\Gen Litigation\Harbour Subdivision re Revision of Restrictions 13-3042\Revisions to Restrictions



BK/PG: M42/894-895

16001627



2 PGS:AL-AMENDMENT	
FREIDA BATCH: 35137	
08/10/2016 - 11:44:11 AM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	10.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	12.00

STATE OF TENNESSEE, JOHNSON COUNTY
FREIDA MAY GWINN
REGISTER OF DEEDS

[Return to Table of Contents](#)

Common Area Use
Regulations As Approved
December 6, 2023

In accordance with the By Laws of the Harbour Subdivision, Property Owners Association, Article 2, section 13 (d), these Common Area Rules and Regulations are adopted and promulgated by the Harbour Property Owners Association Board of Directors. These rules and regulations shall apply to and govern the use and enjoyment of the Common Area of The Harbour Subdivision, effective immediately:

1. Access onto and use of any and all facilities of the Common Area is hereby granted to Lot owners of the Harbour Subdivision and Lot owners household members occupying a residence within the Harbour subdivision. If accompanied by an owner, use of the facilities may also be made by guests of any owner. An Owner, for the purpose of these regulations, is defined in Article I, Section 1 of the By-Laws of the POA. A household member, for the purpose of these regulations, is defined as a spouse, partner, or persons related by blood or marriage, who are currently staying together in a residence inside the Harbour Subdivision. A guest, for the purpose of these regulations, is defined as a person hosted by a Lot owner that is not a member of the Lot owner's household. Due to the difficulty of verifying the members of a household of a Lot owner not residing in the Harbour, verification may be required by the Board of Directors. No person shall be allowed use of the Common Area unless confirmed as a Lot owner, guest, or household member.
2. Lot owners shall be responsible for knowing and informing their household members, their guests, and any person who leases a residence from an owner of the content of these Rules and Regulations. No owner, household member, guest, or lessee may conduct any activity, or permit any activity to be conducted, that is prohibited by the Restrictions and Reservations of the Harbour subdivision, the Common Area Rules and Regulations, TVA Rules or Regulations, or the laws of the State of Tennessee. Lot owners will be held accountable if any said household members, guest, or lessee's fail to comply. Any damage to any portion of the Common Area requiring expenditure of funds to effect repairs, pay fines, or to pay for the cost of cleanup, shall be the responsibility of the associated Lot owner, household member, guest, or lessee who is deemed to have caused the incident. In the event a Lot owner, household member, guest, or lessee shall file suit against the Property Owners Association or the Board of Directors for its alleged failure to implement rules and regulations, negligence, or for the failure to properly govern

the Common Areas, the Board shall be entitled to recover attorney's fees from the person filing the suit in the event of a successful defense of such claims. In the event the POA or Board files suit against an owner, household member, guest, or resident lessee for failure to abide by these Rules and Regulations, or for any act of negligence or damage to any of the Common Area improvements, the Board shall be entitled to recover damages and attorney's fees from the defendant.

3. Lot owners may assign and transfer rights for access to and use of the Common Area to a resident lessee, provided that the term of a lease agreement is for not less than six (6) months and provided that the owner files a copy of any current residential lease with the Board of Directors at the time of the execution of the lease. If a residence is leased, the lessor will not be entitled use of the common area associated with that residence until termination of the lease; however, if stipulated in the lease, the lessee may forego Common Area usage and the homeowner may utilize the Common Area in lieu of the lessee.
4. The Common Area may be used at any time on any day. Any person using the Common Area shall commit no act that would disturb the peace and the serene enjoyment of the Common Area by residents and Lot owners.
5. Swimming and boating are potentially life-threatening activities. No lifeguards and no lifesaving equipment will be provided by the Property Owners Association or the Harbour Board of Directors. As a condition of the use of the Common Area, any Lot owner, household member, guest, or lessee shall use the amenities of the Common Area and anywhere on the Common Area at their own risk. The POA and the members of its Board of Directors shall not be liable for any injuries to or loss of life of any user of the Common Area, regardless of whether it arises from swimming, use of the lake, use of the boat launch area, use of the dock, use of the swim platform, or use of any part of the Common Area.
6. The Common Area is not to be used as a storage area for vehicles, trailers, boats, tents, tables, chairs, grills, etc. A request to utilize the Common Area for storage of vehicles or trailers may be granted by any member of the Harbour Board of Directors. Such usage will have an established deadline. The owner of a vehicle or trailer that has become disabled in the Common Area parking lot shall notify a member of the BOD at a reasonable time but no later than 24 hours after discovery of the disability. Maintenance on any type of vehicle or equipment is strictly prohibited in the common area except the changing or inflating of tires. Lot owners may have their personal docks assembled or conduct maintenance on their personal docks with approval of any member of the BOD and an established deadline. Permission to utilize the Common Area for this purpose does not indemnify the Lot owner if damage occurs anywhere in the Common Area. The

Lot owner need not be present while this work is being conducted.

7. At no time shall any vehicle or trailer be parked and left unattended, which impedes the use of the boat ramp. The boat launch lane shall remain clear of all vehicles at all times unless actively launching or recovering a vessel. It shall not be used as a parking spot while swimming or fishing. All vehicles with trailers shall park at the far side of the parking lot away from the lake. Golf carts and UTV's may utilize the grass area of the common area.
8. The use of any stove or grill on the dock is prohibited. The swim platform is intended to be primarily used for swimming. Sunbathers shall not hinder access to or from the swim platform access walkway or the swim platform boarding ladder. The swim platform maximum capacity is a total of 20 persons.
9. Any person, who shall recklessly or negligently operate any water vessel or engage in any other act that causes property damage to the Common Area improvements, including the dock and swim platform, shall be responsible for and pay the costs of repair for any damage caused. In the event any person intentionally and wrongfully operates any vehicle, or water vessel, or engages in acts of intentional wrongdoing or gross negligence or recklessness, including the reckless or intentional endangerment of the health or safety of others in or near the Common Areas, such person shall be subject to criminal prosecution or referrals to law enforcement authorities for appropriate action.
10. The Board of Directors and POA accept no responsibility or liability at any time for any vessel docked or attempting to dock a vessel anywhere on the common area including any dock or the shoreline adjacent to the common area. For structural integrity of the launch dock, boaters should attempt to moor their vessel downwind of the floating dock. Due to the predominant southwest winds during boating season, the downwind side is usually the side of the dock opposite the launch ramp. The dock is not designed to moor a vessel except for a limited time. At no time shall a vessel be left unattended (meaning the operator must be present) while moored to the dock unless actively launching/recovering a vessel, or embarking/disembarking passengers.
11. The Common Area is primarily intended for recreational use. It is the responsibility of each owner to inform their contractor, construction workers, lawn service operators, and other persons associated with any work done to their residence or lot of these Rules and Regulations. It shall not be used as a parking lot for construction workers or construction equipment unless directly pertaining to dock construction, dock maintenance, or maintenance to the Common Area authorized by the BOD. Any damage done by any construction equipment or

workers will be the responsibility of the Lot owner securing the services of the aforementioned. Permission may be granted for lawn services to utilize the parking lot of the Common Area on weekdays by any member of the Board of Directors. Lawn service vehicles shall park the same as any vehicles with trailers, in the parking lot area farthest away from the lake. Permission to park does not indemnify the operator or the Lot owner utilizing the services of others if damage occurs anywhere on the Common Area. Metal tracked vehicles are expressly forbidden. No maintenance of any kind shall be attempted by operators of construction equipment or lawn service operators until contacting a member of the BOD.

12. During special events at the Common Area, such as our annual fireworks display, out of concern for safety, Lot owners, household members, guests, and lessees may leave their vehicles, tents, tables, and chairs overnight on the Common Area following the activity. Items utilized for special events shall be removed the following day. Any person attending the annual fireworks display or special events does so at their own risk. The POA and BOD accept no liability or responsibility for any damage to personal property while attending any event. Overflow parking may be utilized at the grass Common Area alongside Harbour View Road. The POA and BOD assume no liability for issues or damages related to parking during any events conducted at the Common Area.



6-23-98

Final Draft

127-7841

ENVIRONMENTAL ASSISTANCE CENTER
TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION
2305 SILVERDALE ROAD
JOHNSON CITY, TENNESSEE 37601-2162
(423) 854-5400 STATEWIDE 1-888-691-8332 FAX (423) 854-5401

June 23, 1998

RE: SUBDIVISION NAME: The Harbour
ADDRESS: 5th Civil District (off Atwood Road)
COUNTY: Johnson

The following restrictions apply to the installation of a conventional subsurface sewage disposal systems on this property:

- A. A permit for the installation of the subsurface sewage disposal system must be obtained from the Tennessee Department of Environment and Conservation's Division of Groundwater Protection before any construction begins.
- B. All lots were evaluated on basis of three (3) bedroom residences unless otherwise stated. If additional bedrooms are desired, each lot in question will require re-evaluation.

*Due to drainways, cutbanks, and sink holes located on this property; house site location is critical. Prior to any construction this office should be contacted in order to insure proper house site location. Improper positioning of house site location could result in a reduction in the number of bedrooms and/or the SSD system being required to be pumped.

*Lot #70: This lot appears to have an existing SSD system and well located on it. This lot was not evaluated by this office and plat approval does not constitute the approval of these lots nor the existing SSD system.

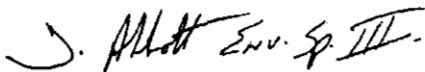
*There will be a minimum 50 feet setback between all wells and all SSD systems.

- C. The construction of dwellings with large floor plans or odd shaped configurations may reduce the number of bedrooms per dwelling allowed. Improper positioning of house site may result in a reduction of the number of bedrooms that each lot can sustain.

- D. The construction of dwellings with excavated basements may result in a reduction in the number of bedrooms. Prior to construction this office should be contacted, so that this situation can be discussed.
- E. Any portions of lots not soil mapped by a soil scientist, nor evaluated by this office, will require additional soils mapping and re-evaluation for approval.
- F. All gutter drains and natural drainage water needs to be diverted from subsurface sewage disposal area.
- G. Any cutting, filling or alterations of the soil conditions may void this approval.
- H. Water taps, water lines, underground utilities, and driveways should be located at side property lines unless otherwise noted.

If you have any questions concerning a specific lot(s), the soils map is available at the local Division of Groundwater Protection Office.

Sincerely,

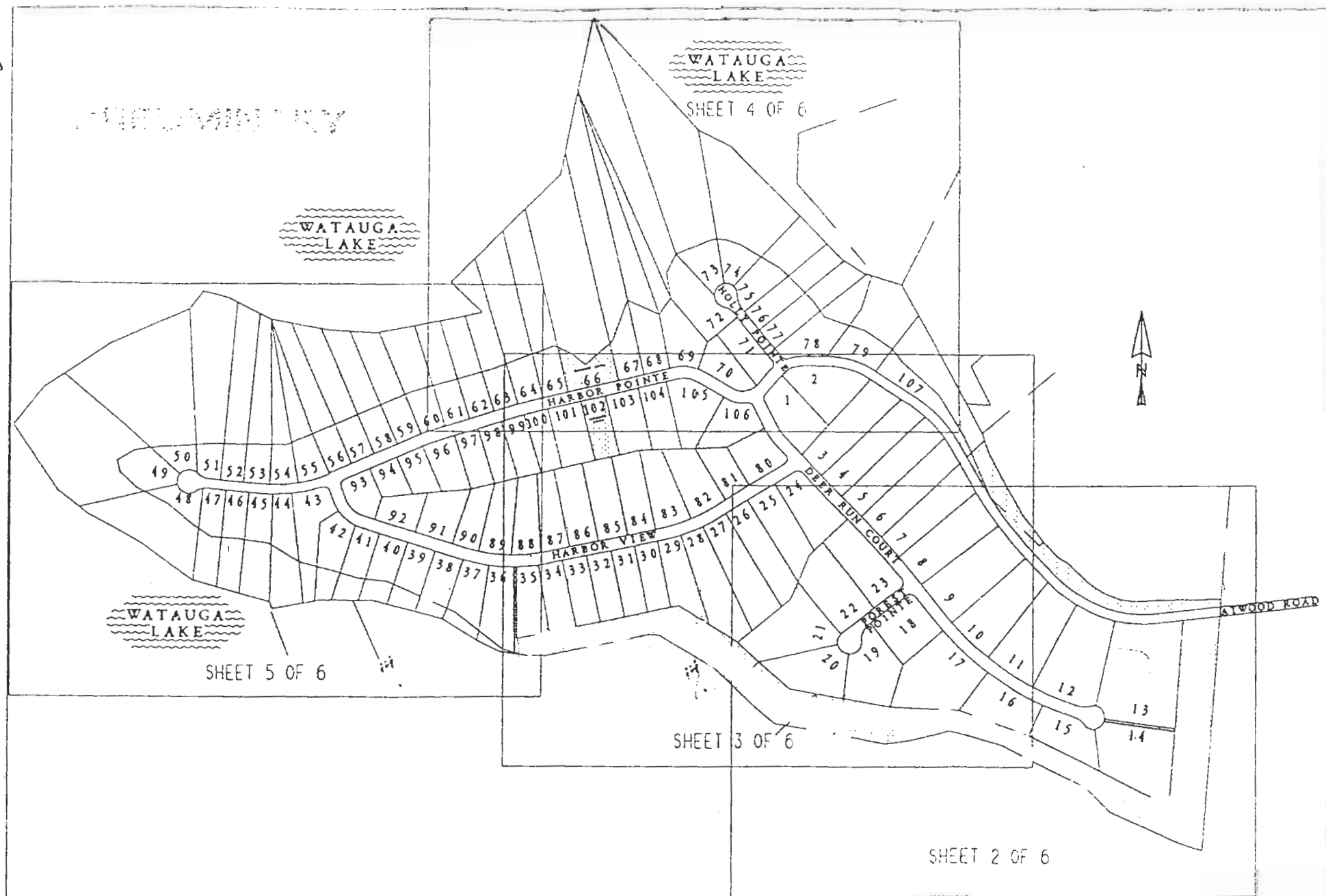


Tim Abbott
Environmental Specialist III

TA/13018175 RESTRICT

STATE OF TENNESSEE, JOHNSON COUNTY

The foregoing instrument and certificate were noted in
Note Book 6, Page 206 at 1:00 O'Clock P. M 8/8 1998
and recorded in 20156 Book 24 Section Page 43
State Tax Pct. 0 Fee 2.00 Recording Fee 8.00 Total 10.00
Witness My hand.
Receipt No. 6670 James J. Reple Register



THE HARBOUR
NOT TO SCALE (THIS SHEET ONLY)

[illegible]



DESIGN AND CONSTRUCTION GUIDELINES

ARCHITECTURAL REVIEW COMMITTEE

April 21, 2007

AMENDMENTS

Amendment 1 – April 21, 2007

Part One; Structure Size and Shape; Paragraph I: Deleted “Currently, limited storage of boats is allowed on the common property parking area, but this is expected to change in the near future.”

Part Three; Construction Site Management Rules; Paragraph C: Deleted: “or vegetation is prohibited.” Added: “The burning of vegetation, from the Lot, is permitted if the required governmental permits are obtained.”

THE HARBOUR
ARCHITECTURAL REVIEW COMMITTEE
DESIGN AND CONSTRUCTION GUIDELINES

July 7, 2006

Revised 4/21/07

INTRODUCTION

A. These guidelines have been prepared by the Architectural Review Committee (ARC) for The Harbour. They are based on the RESTRICTIONS AND RESERVATIONS (R&R), THE HARBOUR, MISCELLANEOUS BOOK 24 PAGE 278 and the various recorded Amendments to the R&R. The Guidelines consists of four major parts: Guidelines for Architectural Design; Guidelines for the Approval of Plans, the Guidelines for Construction and the Guidelines for Landscaping.

B. The Guidelines shall be employed in conjunction with the R&R. If there is express conflict between the Guidelines and the R&R, the R&R shall prevail; provided, however, that the mere fact that the Guidelines may be more restrictive than the R&R or vice versa, shall not be construed as an express conflict and in such case the more restrictive provision shall control and prevail. In the event that governmental or quasi-governmental rules, regulations or requirements are more restrictive or stringent than the Guidelines or the R&R, the applicable governmental or quasi-governmental rules, regulations or requirements shall control and prevail.

PURPOSE

A. The Guidelines have been developed to blend structures and owners' lifestyle into a

harmonious and aesthetically pleasing community. The Guidelines are intended to provide general direction to owners, home designers and builders in the planning, design and construction of residences and related lot improvements. It is not the purpose of the Guidelines to create look-alike residences. Rather, the primary emphasis is on quality of design and compatibility, without unduly restricting owners' individuality in their design of a residence or related improvements.

B. Each owner and owners' building team should become familiar with the Guidelines and the process for the submission, review and approval of building plans. Owners are encouraged to consult the ARC with questions regarding requirements prior to the initiation of any design work.

FUTURE AMENDMENTS

The ARC reserves the right to amend, in consultation with the Board of Directors and the Property Owners Association, any or all of the provisions of the Guidelines if it becomes necessary. The intent, of this right to amend the Guidelines, is to only make minor adjustments that might be required to support the stated purpose of this document. Also the ARC reserves the right to rule on all issues on a case by case basis, taking into account the fact that these Guidelines are to be used as a benchmark for policies and procedures, and may be interpreted from time to time by the ARC to reflect certain circumstantial issues in order to support the stated purpose of these Guidelines

PART ONE: GUIDELINES FOR ARCHITECTURAL DESIGN

USE.

A. The lots within the Harbour shall be limited to use for high quality, single family residences.

B. No manufactured housing, trailer, tent, shack, barn, temporary building shall be erected on any of the lots. No outbuilding or guest house shall be erected on any of the lots without approval in writing from the ARC.

C. No garage shall be constructed except as an integral part of the residence it is intended to serve. Garages, which shall be for the use only of the occupants of the residence which they are appurtenant, may be attached or unattached from the residence. The garages may only be used primarily for garaging vehicles, recreational vehicles and home and lawn care equipment and must be constructed in design and material in a manner identical with the residence.

D. No structure of any type may be constructed except in conjunction and concurrent with the construction of a residence approved by the ARC.

STRUCTURAL MATERIAL.

A. Residences shall be constructed of high quality materials suited for and intended by their manufacture to be incorporated into residences. The tone and finish of exterior elements should reflect a logical and appropriate combination of colors, textures and forms to express the structure of the building and to complement existing residences within THE HARBOUR. The exterior of a residence could be constructed of newly invented materials as they are developed by the construction industry.

B. Colors should be subdued and blend harmoniously with the predominate colors of existing

residences and the mountain lake environment. Accent colors should be used judiciously to add warmth and visual interest. Structure colors of dark brown or warm grays highlighted with red, green or cream trim should be considered. Roof colors of brown, warm grays and small areas of muted reds or green to mimic seasonal leaf coloration would be appropriate.

C. Shiny or reflective finishes, asbestos shingle siding, imitation brick or stone roll siding, exposed concrete, concrete block, cinder block or materials of a similar appearance and vinyl siding are not permitted unless covered with a decorative material such as stucco.

D. Vinyl-clad windows, vinyl trim, soffits and overhangs may be allowed with prior written approval of the ARC.

E. Boundary walls and concealment walls shall be constructed of materials identical to or complimentary to the materials on the exterior of the residence. The materials restricted from use in residence construction are also prohibited from use in the construction of walls. However, landscaping block such as sculptured or split- face block may be used on boundary walls, concealment walls and exposed basement walls.

F. Fences must be complimentary to the design and materials used in constructing the residence. They will not be constructed of chains, chain fabric or wire.

G. All drives and parking areas will be paved with asphalt or concrete.

H. Mail boxes will be standard size, black in color and mounted on 4X4 wood posts. The placement of the mail boxes shall adhere to Post Master regulations with respect to height and location.

I. Any boat dock, boat slips or other structure to be place on or in Watauga Lake shall be constructed of new material.

STRUCTURE SIZE AND SHAPE.

A. Buildings should be predominately square or rectilinear. Curved forms should be used sparingly and only to mesh a structure into a site.

B. One story residences shall not have less than 1,500 square feet of floor space devoted to living purposes, exclusive of porches, decks, garages and basements. Two story residences shall not have less than 2000 square feet of floor area devoted to living purposes, exclusive of porches, decks, garages and basements. No resident shall have more than 5000 square feet of floor space devoted to living purposes, exclusive of porches, decks, garages and basements. Bonus rooms do not count as square footage for minimum square footage requirements.

C. No residence shall exceed three stories including the basement.

D. The basement can be a walkout if the lot topography allows. (A basement is defined as that portion of a residence where one or more exterior walls are totally below ground level.)

E. The finished first floor shall not be more than two (2) feet above the original grade.

F. The highest point a roof shall not exceed thirty (30) feet above the finished first floor.

G. No residence shall be constructed with a straight line roof.

H. The lots in The Harbour have been perk-tested for the construction of three (3) bedroom homes. Owners and builders are cautioned that if a larger home is being considered, they should contact the State Of Tennessee Ground Water Protection Office located in Carter County (423 547 5885) and request a re-evaluation of the soil test data on file in that Office. There is no additional charge for this service. The owner/builder shall inform ARC of the result of this re-evaluation.

I. Since The Harbour is a lake community, owners should consider providing for the storage of their boats and related equipment on their property.

EXTERIOR LIGHTING

A. A consideration of neighbors is an important element when selecting and installing exterior lighting. While providing the light required for safety and security, exterior lighting shall preserve the night sky and the quality of darkness and avoid the creation of light pollution.

B. Although the installation of flood lights is appropriate for specific, extremely short duration use, general use exterior lighting shall be subdued. It shall be designed to providing low-level illumination for the use of porches, decks, patios and walks.

PLACEMENT OF RESIDENCES ON LOTS.

A. The careful placement of residences on lots is critical to protecting the views of other residences and to the overall appearance of the community. Consequently, a professionally surveyed site plan depicting the exact siting of the residence and any associated garage must be approved in writing by the ARC prior to the initiation of construction.

B. Each lot, as shown on the recorded plat constitutes a building site and no lot shall be divided into two building sites. Further, no building site shall be less in area than the area of the smallest lot shown on the recorded plat. A single lot, together with a contiguous portion of one or more lots in the same block may be used for one building site. No lot shall be subdivided except with the approval of the ARC.

C. Setback lines determine the building envelope within each lot. The set back lines within The Harbour, measured from the overhang or the nearest point to the appropriate property line, are as follows:

1. 40 feet front setback

2. 25 feet rear setback

3. 12 feet side setback.

D. Exceptions to the above set back requirements are:

1. The front set back requirement for lots 93 through 101 is 40 feet from the edge of the payment rather than the property line.

2. The front set back requirement for lots 37, 38, 39, 85, 8, 9, 10, 11, 12, and 16 is 30 feet from the edge of the payment rather than the property line.

E. Where the 1980 elevation occurs on water front lots, the 1980 elevation line is considered the property line.

F. Easement for natural drainage is reserved as natural drainage courses now exist, and no owner shall obstruct drainage courses.

G. Easement for the installation and maintenance of all necessary and proper utilities and drainage facilities are reserved.

TANKS, GARBAGE CANS, ANTENNAS, WALLS, WATER SUPPLY SYSTEMS

A. Any and all tanks for use in connection with any residence constructed, including tanks for the storage of fuels, must be buried, walled-up or landscaped sufficiently to conceal them from the view of neighboring lots, roads, streets and the lake.

B. All garbage cans, equipment, HVACs, and storage piles must be walled-up or landscaped sufficiently to conceal them from the view of neighboring lots, roads, streets and the lake.

C. Antenna for the transmission or reception of broadcast or satellite signals, including satellite dish antennas (24 inch maximum size), citizen band and amateur radio antennas, television broadcast antennas and other antennas shall be walled-up or landscaped sufficiently to conceal

them from the view of neighboring lots, roads, streets and the lake

D. No boundary wall, boundary line hedge or boundary shrubbery shall exceed a height of six feet. The height of all walls shall be measured from the existing elevations of the lot.

E. No individual water supply systems, including new wells, will be permitted.

PART TWO: GUIDELINES FOR THE APPROVAL OF PLANS

GENERAL.

A. The ARC, to insure the development of The Harbour as a community of high standards, reserves the right and power to approve buildings (including all exterior finishes) and structures_including but not limited to walls, fences, tanks, septic tanks and fields, driveways, parking areas and antennas) and other improvement on each lot. Such approval shall not be unreasonably withheld. The ARC also has the right and power to make exceptions to the R&R as deemed necessary and proper.

B. No building, wall, fence or other structure shall be placed upon any lot unless the site plan, the building plan and specifications have been approved in writing by the ARC.

C. Each building, wall, fence or other structure shall be placed on a lot only in accordance with the site plan, building plan and specifications as approved.

D. Refusal of approval of plans and specifications may be based on any reasonable ground, including purely aesthetic grounds, which in the sole discretion of the ARC shall seem sufficient.

E. No alteration in the exterior appearance of the building or structures shall be made without like approval. The ARC is primarily concerned with the exterior of structures; changes to the

interior of the structures do not need approval.

F. No significant native growth will be removed without the written permission of the ARC.

G. If the ARC fails to approve or disapprove of the plans and specifications within thirty (30) days after a written request is received, then such approval shall not be required; provided that no building or other structure shall be erected which violates the R&R and these guidelines.

H. Once approved, all copies of site plans, building plans, specifications, and native plant removal plans submitted for approval become the property of the ARC.

I. The ARC will not approve any document until all required documents have been received.

PROCEDURES.

The following flow chart represents the recommended and required procedures to obtain plans and specifications approval:

WE RECOMMEND A PRE-DESIGN CONFERENCE WITH THE ARC



**SUBMISSION OF A WRITTEN REQUEST TO THE ARC FOR THE APPROVAL OF
A SITE PLAN, BUILDING PLAN, SPECIFICATIONS AND PLAN TO REMOVE
NATIVE PLANTS**



RECEIPT OF WRITTEN APPROVAL FROM THE ARC



**SUBMISSION, AS APPROPRIATE, OF A WRITTEN REQUEST TO THE ARC FOR
APPROVAL OF CHANGES TO A SITE P LAN, BUILDING PLAN,
SPECIFICATIONS OR NATIVE PLANT REMOVAL PLAN.**



RECEIPT OF WRITTEN APPROVAL OF CHANGES FROM THE ARC

PLANS AND SPECIFICATIONS.

A. The site plan shall be produced by a professional surveyor. As a minimum, it should reflect the following:

1. Elevation and contour lines
2. Property lines
3. Building foot print, including decks and porches
4. Driveway and parking areas
5. Drainage arrangements
6. Basement, first floor elevation, second floor elevation and garage floor elevation
7. Orientation of house in relation to north and street
8. Set back lines
9. Cut and fill requirements
10. Retaining walls, fences, concealment walls
11. Silt fences

B. The building plan and specifications should be complete and include all normal and usual information. This includes all elevations and all exterior finish information.

C. The native plant removal plan shall identify the type of plant(s) to be removed and their location.

BOAT DOCKS.

A. All boat docks or any other structure designed to be maintained on Watauga Lake shall be approved by the ARC, by the United States Army Corp of Engineers and by the Tennessee

Valley Authority.

B. There shall not be unmotorized boat houses or structures designed for temporary or permanent habitation.

PART THREE: GUIDELINES FOR CONSTRUCTION

GENERAL:

A. During construction and landscaping, be considerate of your neighbors.

B. The owner shall insure that his builder is supplied a copy of the R&R and a copy of these guidelines.

C. All builders must have general liability insurance.

INITIATION AND WORK PROGRESS:

A. Construction shall not begin without written ARC approval of site plans, building plans, specifications and a plan for native plant removal if appropriate.

B. Before ground is broken, the owner/builder must contact the State Of Tennessee Ground Water Protection Office. (See the telephone number above.)

C. When construction of any structure is begun, work thereon must be prosecuted diligently and be completed within eight (8) months. The ARC will credit construction delays caused by weather.

CONSTRUCTION SITE MANAGEMENT RULES

A. Construction Hours and Noise

All construction activities must be conducted and all deliveries must be made from 7:00 AM until 8:00 PM Monday through Saturday; provided, however, no construction activities shall be conducted and no deliveries shall be made on July 4, Labor Day, Thanksgiving Day, Christmas Day or New Year's Day. Additionally, construction activities are permitted on Sundays, but such activities shall be performed in a manner as to be considered "low" impact by the ARC in its sole discretion; excessive noise and the use of heavy equipment shall be prohibited on Sundays. No loud radios or distracting noise (other than normal construction noise) will be allowed within the community during construction. Normal radio levels are acceptable within the interior of fully enclosed homes. Radio and stereo speakers shall not be mounted on vehicles or outside of homes under construction.

B. Rubbish and Debris

1. All parties are strongly encouraged to frequently clean up and remove rubbish and construction debris located within the walls of a residence under construction.
2. A dumpster is required on every lot which is under construction.
3. At the end of each day on which work occurs on the lot, all lightweight construction debris, such as roofing paper, insulation bags, foam sheathing, polyethylene, etc., must be placed in a silt fence pen or other containment device on the lot.
4. At the end of each Friday, all non-blowable construction debris, such as wood scraps, shingles, brick bands, drywall, bricks and masonry blocks, must be gathered into neat piles.
5. During the last three (3) days of every month, all debris must be taken off the lot and

out of The Harbour, leaving the pens and the lot free of all debris.

C. Burning, Burial or Dumping

1. Burning or burial of construction debris is prohibited.
2. The burning of vegetation, from the Lot, is permitted if the required governmental permits are obtained.
3. Dumping of any kind, including dirt, is prohibited without the written approval of the ARC.

D. Street Cleaning

The ARC shall have the right, without notice, to cleanup any significant amount of dirt, gravel, cement, etc., left on the street if the same is not immediately removed by the responsible owner and to charge the cost of such cleanup and receive reimbursement for the expense such cleanup from the responsible owner.

E. Silt Fences

1. Silt fences and/or other devices for sedimentation control shall be installed where necessary or as directed by the ARC, and as shown on the Site Plan.
2. Silt fences on lots contiguous to the water front must be reinforced with wire mesh type fabric.
3. All silt fences must have steel pole support.

F. Material Storage

1. No construction material of any kind may be stored on any street, adjacent lot or common community property without the written approval of the ARC.
2. No building material of any kind will be placed or stored on any lot until the owner is ready to commence construction of improvement.

3. Construction materials shall be stored within the property lines upon which lot the improvements are to be erected.

G. Parking

1. All vehicles must be parked so as not to impede traffic.
2. No builder vehicles (trucks, vans, card, trailers, construction equipment, etc,) may be left parked on any street within The Harbour overnight.
3. Construction vehicles may be left on a lot overnight only if use will be made of the vehicle within the following three (3) days.

H. Prohibited Miscellaneous Practices

1. Changing oil of any vehicle or equipment.
2. The washing or cleaning of any concrete trucks or equipment on any street or common area.
3. Careless disposition of cigarettes and other flammable material.
4. Carrying and/or discharging any type of firearm, except by law enforcement officials.
5. Builders and contractor personnel may not bring pets into The Harbour.
6. Except in emergencies, the use of jake brakes by heavy trucks is prohibited in The Harbour.

I. Common areas

1. Builders and contractor personnel are not allowed in the common areas without the written permission of the ARC.
2. No construction access will be allowed across common areas.

J. Accidents

The ARC shall be immediately notified of any accident or other emergency occurrences.

K. Portable Chemical Toilets

1. An enclosed and regularly serviced portable chemical toilet must be provided for each residence under construction.
2. If a builder is constructing two (2) residences on contiguous lots, he may provide one portable chemical toilet to service both construction sites.

L. Signs. The builder may erect a small sign, no larger than five square feet, to reflect that he is constructing the residence.

OCCUPANCY:

- A.** No building shall be occupied during construction until substantially complete.
- B.** No residence shall in any manner be occupied until made to comply with the ARC approved plans and all requirement in the R&R.

PART FOUR: GUIDELINES FOR LANDSCAPING

GENERAL:

- A.** The design and installation of improvements shall minimize impacts to the site and existing landscape to preserve water quality, existing natural plants and natural drainage systems.
- B.** All landscaping damaged or removed during construction (including grass) except that

vegetation within the foot print of the residence, shall be replaced so as to maintain a neat and attractive appearance.

GRADING

- A.** Grading and excavation shall minimize disturbances within the building envelope.
- B.** Grade transitions are to be smooth and not abrupt.
- C.** To the extent possible, grading designs shall echo and flow into natural contours with curvilinear shapes rather than straight and angular solutions.
- D.** Slopes should not exceed 2:1 unless it can be demonstrated that a steeper slope will not erode.
- E.** Cut and fill slopes are to be replanted to blend with the surrounding environment.
- F.** Retaining walls may be used when they are necessary. Efforts should be made to ease their visual impact by appropriate planting.

DRAINAGE

- A.** Natural drainage patterns are to be maintained.
- B.** Materials and sizes for all culvert and other visible drainage structures are to be approved by the ARC.
- C.** Gutter and down spouts are to direct drainage away from foundations. In no event shall gutters and/or down spouts direct drainage to adjacent properties.

PLANTING DESIGN

- A.** The main objective is to preserve the environment as it now exists in The Harbour.
- B.** It is recommended that plants native to this area be used.
- C.** The removal of trees is to be avoided whenever possible.
- D.** Selective tree thinning may be a better solution than the wholesale removal of trees.
- E.** Following the completion of construction, the ARC may allow the removal, thinning, pruning or trimming of trees and other native plants for the purpose of establishing view corridors. Written permission must be obtained from the ARC before such thinning, pruning and trimming occurs.

CERTIFIED
COPY

IN THE CHANCERY COURT FOR JOHNSON COUNTY,
AT MOUNTAIN CITY, TENNESSEE

THE HARBOUR SUBDIVISION,
P.O.A., INC., BETTY HERREN,
NEAL PERKINS and wife, JAN
PERKINS, and RICHARD DEBUYSERE
and wife, KAY DEBUYSERE

Plaintiffs,

VS.

Case No. 5900

JOHN C. LOWE, DIANE W. LOWE, and
JANE LEE RANKIN as Trustee of the
Jane Lee Rankin Revocable Trust,

Defendants.

JUDGMENT CONFIRMING REPORT OF SPECIAL MASTER

Plaintiffs have moved to confirm the report of William T. Wray, special master and enter final judgment in this action. The court finds as follows:

1. This action was originally filed seeking a declaration that the use of houses in The Harbour Subdivision, which is located on Watauga Lake near Butler, Tennessee, in Johnson County (the "Harbour") for short term rentals violated the Restrictions and Reservations for The Harbour dated January 13, 1999, and recorded at Miscellaneous Book 24, at page 278, which were corrected on January 28, 1999, and recorded in Miscellaneous Book 24, page 324 (the "Restrictions and Reservations").

Filed this 14th day of October 2013 at 9:31 o'clock A.M.
Sherrie Fenner
Clerk and Master
Chancery Court

2. An order entered by the court on May 6, 2013 incorporated the parties' stipulation that a super-majority requirement in Article IV, Section 6 of the Bylaws of the Harbour Subdivision, P.O.A., Inc. which requires the affirmative vote of two-thirds (2/3) of the membership for the approval of expenditures in excess of \$2,000 is unenforceable because it was not established in compliance with Tennessee law.

3. By the same order entered on May 6, 2013 Mr. Wray was appointed by the court to take evidence and report findings of facts and conclusions of law. His report was filed on August 7, 2013.

4. In his report the special master concluded, among other things, that the use of houses in The Harbour for short term vacation rentals violates the Restrictions.

5. No objections were filed to the report nor have any objections been made to the confirmation of the report.

IT IS hereby:

ORDERED, that the report of the special master William Wray is adopted, ratified and confirmed by the court.

FURTHER ORDERED AND DECLARED that the use of houses in The Harbour for short term rentals is not a residential use and violates the Restrictions and Reservations for The Harbour dated January 13, 1999, and recorded at Miscellaneous Book 24, at page 278, which were corrected on January 28, 1999, and recorded in Miscellaneous Book 24, page 324.

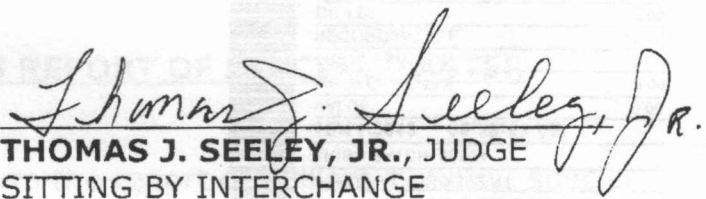
FURTHER ORDERED AND DECLARED that the defendants John C.

Lowe, Diane W. Lowe, and Jane Lee Rankin, as Trustee of the Jane Lee Rankin Revocable Trust, have been in violation of the single family residential use only of the Restrictions when they rented their respective properties to non-family members for short term vacation rentals.

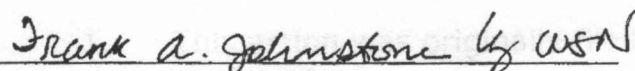
FURTHER ORDERED, that the defendants and each of them are prohibited and permanently enjoined from renting their respective properties to non-family members for short term vacation rentals.


Costs are taxed to the plaintiffs.

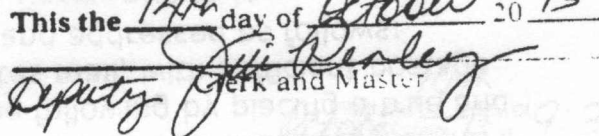
ENTER:


THOMAS J. SEELEY, JR., JUDGE
SITTING BY INTERCHANGE

Approved for Entry:


FRANK A. JOHNSTONE
BPR #006295
Attorney for Betty Herren, Neal and
Jan Perkins, and Richard and Kay
DeBuysere
WILSON WORLEY PC
2021 Meadowview Lane, 2nd Floor
Eastman Credit Union Building
P.O. Box 88
Kingsport, TN 37662
(423) 723-0400


I, Sherrie Fenner, Clerk and Master
do hereby certify this document to be a
true and perfect copy of the original.
As appears on record in my office in
Mountain City, Tennessee.

This the 14th day of October 20 13

Deputy Clerk and Master