

DECLARATION OF COVENANTS AND RESTRICTIONS
THUNDER HOLLOW DEVELOPMENT

RECITALS

1. Lake Properties, Inc., a Tennessee corporation, hereinafter referred to as "Developer" is the Developer of the resort community formerly known as "Boardwalk", and may hereafter be known and referred to as "Thunder Hollow".
2. Developer is developing said community as part of a common master plan of development and intends to establish a residential and commercial community with streets, water systems, sewer systems, recreational facilities of various types, and other common facilities for the use and benefit of the present and future owners of Thunder Hollow.
3. For the benefit and protection of Developer and owners of property in the community, and in order to provide for the preservation of property values in the community, and the establishment and maintenance of the streets, water systems, sewer systems, lakes, golf courses, playgrounds, parks, and other recreational and common facilities, Developer intends to execute and to record this instrument of record in the Register's Office of Cumberland County, Tennessee so as to provide a framework from which specific areas may hereafter be subjected to this Declaration and to further subject said areas, depending on the particular use, to other restrictions, easements, and the like, as may be pertinent to such use.
4. Thunder Hollow Community Club, (hereafter Community Club or Club), a non-profit corporation (originally incorporated as Boardwalk Property Owners Association, Inc.) organized and existing under and by virtue of the laws of the State of Tennessee, with its principal office located in Crossville, Cumberland County, Tennessee, joins in this Declaration, intending to bind itself to perform certain functions as hereinafter set forth, and to exercise the powers and duties as provided herein.

This instrument prepared by:
LOONEY & LOONEY, ATTORNEYS
Crossville, Tennessee 38555

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" see back of pg. for notations "

For supplemental declaration of protective covenants (Riverbend Subdivision)

For sup. dec. 7 cov. + rest. (Jarvis Cond.) see D.B. 358, pg. 244, 6-14-88, M.M.

For sup. dec. 8. 344 (this book), page 566, 10-6-87, M.M.

For consent to additional rest. see D.B. 8. 369, pg. 29, 11-15-88, M.M.
For sup. cov. + rest. (River Run Cond.) see D.B. 8. 373, pg. 461, 2-10-89, M.M.
* For approval of variance, see D.B. 440, pg. 259, 10-30-92, M.M.

BOOK 344 PAGE 540

W I T N E S S E T H :

NOW, THEREFORE, Developer declares that, except as may otherwise be provided herein, the various areas of development within the community will be transferred, sold, conveyed, and occupied, subject at all times to the covenants, restrictions, easements, liens and charges (collectively referred to as "covenants and restrictions") hereinafter set forth, if and when an identifiable description of such area is subjected to this Declaration by an instrument in writing, signed by Developer, and placed of record in the Register's Office of Cumberland County, Tennessee.

ARTICLE I

DEFINITIONS

Section 1: The following words and phrases, when used in this Declaration or any supplement hereto, or upon the plat of any properties hereafter made subject to the provisions of this Declaration, shall have the following meanings:

(A) "This Declaration or any Supplemental Declaration" shall mean this document or any document hereafter recorded in the Register's Office of Cumberland County, Tennessee supplementing this document, respectively, as provided in Article II.

(B) "Developer" shall mean Lake Properties, Inc., its designated agents, and its successors and assigns, its subsidiaries, affiliates, related entities, owned partly or wholly by Lake Properties, Inc., any limited or general partnerships in which Lake Properties, Inc. may be a partner, and the respective designated agents, and the respective heirs, successors, and assigns of any such entity.

(C) "Property" or "Properties" shall mean and include all property that is hereafter made expressly subject to this Declaration, in the manner provided in Article II.

(D) "Common Properties" shall mean and refer to those areas so designated upon any recorded plat of the Properties, which

**See supplemental cov. & rest, see S.B. 489, pg. 43, 5-12-95-UM.UM.*

are intended to be devoted to the common use and enjoyment of Owners of the Properties and shall also mean and refer to any improvements or area designated by the Developer as Common Property in writing on the plat or by recorded instrument delivered to the Community Club, and may specifically include, but not to the exclusion of other improvements which may hereinafter be designated as Common Properties by the Developer, the following: roads and streets, sewer and water systems, recreational facilities, and permanent parks.

(E) "Limited Common Properties" shall mean and refer to those areas of land so designated upon any recorded plat of the Properties intended to be devoted to the common use and enjoyment of the Owners of a specifically designated area or property; and, also those areas so designated from time to time by the Developer for the purposes aforesaid.

(F) "Reserved Properties" shall mean and refer to those areas of land designated on any recorded plat of the Properties as "Reserved Properties" and to any other area included within the perimeter of any recorded plat and not identified thereon as Common Property or as platted lots or dedicated Roads and Streets.

(G) "Lot" shall be the numbered lots in the numbered blocks, if any, as shown on any recorded plat of the Properties. Lot shall also mean a Living Unit as defined in Sub-Paragraph 2(H), below.

(H) "Living Unit" shall mean and refer to any portion of a building situated upon the property designated and intended for use and occupancy as a residence by a single family, or by Interval Owners where Developer has dedicated the Living Unit to Interval Ownership. All Owners of a Lot or Living Unit dedicated to Interval Ownership shall be considered Co-owners of same.

(I) "Residential Lot" shall mean and refer to any Lot so designated upon any recorded plat, or as may be so designated by this Declaration, or any Supplemental Declaration.

(J) "Commercial Lot" shall mean and refer to any lot so designated upon any recorded plat, or as may be so designated by this Declaration, or any Supplemental Declaration.

(K) "Utility Easement" shall mean and refer to those areas of land designated on any recorded plat, as "Utility Easements", or as may be provided in or by this Declaration, or any Supplemental Declaration.

(L) "Roads and Streets" shall mean and refer to every way for passage by vehicle, whether or not dedicated to the Owners exclusively or to the general public, and whether or not known by the name of road, street, avenue, place, lane or other name. The designation shall not mean private driveways.

(M) "A Parcel of Land" shall be less than a lot, a single lot, more than a lot, or several lots, or a plot of land described by a metes and bounds description.

(N) "Owner" shall mean and refer to the record owner of a Parcel of Land, including the Developer, or other record owner, whether one or more persons or entities, of the fee simple title to any Lot or Living Unit situated upon the Properties. Owner shall also mean and include any person or entity owning a written leasehold estate in any Lot or Living Unit. All Owners of Intervals located within a Lot or Living Unit shall be considered as Co-owners of said Lot or Living Unit.

(O) "Single Family Detached" shall mean and refer to any building intended for use as a Living Unit and not attached to any other building.

(P) "Single Family Attached" shall mean and refer to any building containing one or more Living Units attached but each Living Unit located on a separate Parcel of Land.

(Q) "Multifamily Structure" shall mean and refer to any building containing two or more Living Units located on a single Parcel of Land.

(R) "Interval Ownership" shall mean ownership of a Lot or Living Unit which is conveyed for a stated period of time, the Owner receiving a stated time period for a period of years, together with a remainder over a fee simple as tenants in common with all other Owners of Unit Weeks in each particular Lot or Living Unit from such

date under such conditions as may be provided in the Declarations filed creating such Interval Ownership.

(S) "Property Interest" shall mean property interest which Developer has sold or may hereafter promote and sell in the Thunder Hollow community and shall specifically include any Parcel of Land, Lot, Living Unit, Interval Ownership, undivided interest, or leasehold interest.

(T) "Community Club" or "Umbrella Association" shall mean and refer to the Thunder Hollow Community Club, Inc., its successors and assigns.

(U) "Umbrella Association" shall mean and refer to the Community Club.

(V) "First Tier Association or Associations", shall mean and refer to the various associations of property owners contemplated and described in Article III, Section 2.

(W) "Club/Associations" shall mean and include the Community Club and all First Tier Associations.

(X) "Member" shall mean and refer to all those persons or entities who are members of the Community Club as provided in Article III hereof.

(Y) "Assessments", "Dues", "Dues Assessments". These words and each of them where used herein shall mean and include dues charged by the Community Club and/or First Tier Association as an annual or monthly membership charge, as well as any regular, special or capital improvement assessment or charge which either entity may impose on its membership in accordance with the respective Charter and By-Laws of the Club or Associations.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION:

ADDITIONS THERETO

Section 1 - Additions to Property:

(a) Developer shall have the right, but not the obligation, to bring within the plan of this Declaration any

properties developed in Thunder Hollow, regardless of whether or not said properties are presently owned by the Developer, or hereafter acquired. Developer shall retain, reserve and have the sole option of declaring what property or properties are hereafter subjected to this Declaration, the use of such properties, any additional covenants or restrictions to which such property should be subject, and at what stage of development, if any, said property may be in when subject to this Declaration.

(b) Property shall be made subject to this Declaration by filing of record in the Register's Office of Cumberland County, Tennessee, a Supplemental Declaration describing said property. This filing shall extend the plan of this Declaration to such property, and the Owners, including the Developer, of Lots and Living Units in such property shall be entitled to all privileges herein provided. Such filing shall be binding and effective at such time and in such manner as may be provided in the Supplemental Declaration.

(c) Such Supplemental Declaration may contain such additions and modifications of the covenants and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties.

Section 2 - Additions Limited to Developer: No one other than the Developer shall have the right to subject any property to this Declaration or to cause any property to be entitled to the benefits arising hereunder.

Section 3 - Severability as to each Property: Notwithstanding any provision contained herein, if any Lot or Lots or Parcel of Land hereafter made subject to this Declaration, shall for any reason fail to be validly bound by the terms of this Declaration, such failure as to such Lot, Lots or Parcel of Land shall in no way prevent or limit the effectiveness of this Declaration with respect to all other properties that are properly included hereunder.

ARTICLE III

ASSOCIATION AND MEMBERSHIPS

Section 1: Community Club, as defined in Article I(T), means Thunder Hollow Community Club, Inc., as same has been, or shall

be, formed. It is conceived and intended to be the "Umbrella Association" to which all persons having a valid membership in a "First Tier Association" (as set out in Section 2, below) of Thunder Hollow shall belong.

Section 2: Developer envisions and contemplates a development plan that may include various types of property ownership, including but not by way of limitation, residential lots, condominiums, apartments, recreational vehicle parks, interval ownership condominiums, and perhaps other forms of single and multi-family housing groups. In establishing a particular area, type or group of housing, condominium, or horizontal property regime, Developer conceives and intends to establish a separate association of the particular Property Owners for such type or group of owners to manage and look after same. In doing so, such association shall be defined as a "First Tier Association" and all the members thereof shall also be members of the "Umbrella Association", hereinabove described as being the Thunder Hollow Community Club, Inc.

Section 3: Developer may, at its sole option, contract with other persons or entities owning or developing areas within or adjacent to the Thunder Hollow Development, whereby the purchasers of a Property Interest in such areas would form a Property Owners Association which qualifies as a "First Tier Association", and the members thereof shall thereupon become members of the Club. In such event, the owner or developer with whom Developer contracts, would be entitled to developer memberships in the same number and character to which Developer would be entitled as if such area were owned or developed by Developer.

Section 4: Membership in the Community Club shall consist of the following classes:

(A) Regular Membership shall consist of all persons or entities having memberships in any First Tier Association.

(B) Developer Membership shall consist of all memberships held or owned by Developer as set out and described in any collateral documents or collateral declaration establishing the various First Tier Associations, and

(C) Special Memberships may be hereafter established if deemed necessary and appropriate for the operation of the Club. It shall be the responsibility of the Community Club to decide the necessity and desirability of such memberships and the eligibility and rights attendant thereto. However, in no instance would such memberships allow any voting rights.

Section 4 - Developer Memberships: The Developer memberships shall entitle the Developer to obtain temporary guest membership cards to be used by Developer in the sale, promotion and development of areas within and adjacent to the Thunder Hollow Development without limitations as to the number of such guest cards, giving such guests full use and enjoyment of the Club/Association's amenities; provided, however, that such guest cards shall be for a period not to exceed five (5) days.

Section 5: Subject only to applicable Community Club rules and regulations, all regular members and all persons given rights of use pursuant to Developer Memberships shall have equal rights to the use of any Common Properties and other facilities common to the Thunder Hollow Development.

Section 6: Regular Memberships shall have voting rights based on the formula of one (1) vote for each Lot or Living Unit. Where a Lot or Living Unit is owned by more than one person, the owners thereof shall decide who may cast the vote for such Lot or Living Unit at any annual or special meeting of the Community Club. The Developer may have one (1) vote for each Lot or Living Unit which it has, from time to time, in its inventory. Special Memberships, if any, shall have no voting rights in the Association.

Section 6 - Developer to Act as Board of Directors: All of the affairs of the Community Club and First Tier Associations shall be conducted by Developer, or its agents, appointees, or assignees, for a period of five (5) years from the effective date of this Declaration. Developer, at its sole discretion, shall have the right and option to extend this period of two (2) additional five (5) year periods. Until the expiration of any such period, all of the rights, duties, discretions, functions and powers otherwise vested in the

Board of Directors of the Community Club and First Tier Association shall be exercised solely by Developer, its agents, assignees, or appointees. All references to the Board of Directors in this Declaration shall mean and refer to Developer, its agents, appointees or assignees, from the effective date of this Declaration, or until such time during any aforesaid five (5) year periods, Developer could, at its sole option, turn over to the Community Club or First Tier Associations the responsibility of establishing and electing all of the members of the Board of Directors. This provision may not be changed, altered, or amended by the Community Club or the First Tier Associations.

Section 7 - Maintenance Fees, Special Assessments and Membership Fees:

(a) MAINTENANCE FEES: The Community Club through its Board of Directors, shall have the power to affix and determine from time to time the sum or sums necessary and adequate as maintenance fees to provide for the expenses of the Community Club. Each First Tier Association, through its Board of Directors, shall have the same power for the respective operations of each such First Tier Association. Due dates shall be determined by the Board of Directors of the Community Club or of each respective First Tier Association, or by the person or persons duly authorized by any such Board to decide due dates. Maintenance fees that are unpaid for over ten (10) days after due shall bear interest at the rate of Ten (10%) percent per annum from the due date until paid, and at the sole discretion of each respective Association's Board of Directors, a late charge of Five (5%) percent of the amount due or \$25.00, whichever is greater, shall be due and payable. Maintenance fees shall be determined and levied against each member as provided in the By-Laws or Resolution of the Community Club or each First Tier Association, and as may be further provided in any Supplemental Declaration.

(b) SPECIAL ASSESSMENTS: The Community Club or any First Tier Association shall have the right and power, through its Board of Directors, to determine and affix special assessments, provided that the exercise of such power is done in accordance with the By-Laws or

Resolutions of the Community Club or in accordance with any Supplemental Declaration. Provisions for late payment, interest, and penalty may also be provided in such documents.

(c) MEMBERSHIP FEES: Membership fees shall be determined by the Community Club on an annual basis in consideration for the use or availability for use of amenities owned, operated or controlled by Developer or the Community Club. Likewise, each First Tier Association shall determine on an annual basis its respective membership fees, taking into consideration the use or availability for use of amenities owned, operated or controlled by Developer or the Community Club or the First Tier Association, specifically for a particular First Tier Association. Membership fees in any of the Associations shall be payable annually in advance. Membership fees that are not paid within ten (10) days from the date due, may accrue interest at the rate of Ten (10%) percent per annum, and a late charge of \$25.00 may also be charged for late payment by proper resolution of the Board of Directors.

(d) DEVELOPER OBLIGATIONS:

A. Developer shall be exempt from payment of all membership fees or dues, maintenance fees, and any special or regular assessments.

B. Should Developer, for any reason, decide to subject itself to the payment of such membership fees or dues, maintenance fees or special or regular assessments, it may offset any such amounts owed against the amount of money theretofore spent by Developer for the establishment and maintenance of any and all amenities, and for services rendered to the Community Club since the inception of the development activities by Developer.

Section 8 - Enforcement of Payment of Maintenance Fees, Special Assessments and Membership Fees: The Community Club, or its designated assignee, shall have a lien on each Property Interest for unpaid assessments, maintenance fees and membership fees, together with interest thereon, against the Owner of such Property Interest. Reasonable attorney fees incurred by the Community Club incident to the collection of such special assessments, maintenance fees and

membership fees or the enforcement of such lien together with all sum advances and paid by the Community Club for taxes and payments on account of superior mortgages, liens or encumbrances which may be required to be advanced by the Community Club in order to preserve and protect its lien, shall be payable by the Owner and secured by such lien. The Board of Directors may take such action as it deems necessary to collect special assessments, maintenance fees and membership fees by personal action or by enforcing and foreclosing said lien, and may settle and compromise the same if deemed in its best interest. The Community Club shall be entitled to bid at any sale held pursuant to a suit to foreclose such a lien, and to apply as a cash credit against its bid, all sums due, as provided herein, covered by the lien enforced. In case of such a foreclosure, the owner shall be required to pay a reasonable rental for the Property Interest used for the period of time same is occupied by the Owner or anyone by, through, or over said owner, and the Community Club, in such foreclosure, shall be entitled to the appointment of a receiver to collect same from the Owner and/or occupant. Further, in the event of foreclosure, the sale by foreclosure shall be in bar of all of the equities and right of redemption, including the statutory right of redemption provided for in Tennessee Code Annotated §66-8-101, et seq., homestead, marital interest, and all other rights or exemptions of every kind, all of which are expressly waived by the Owner.

In case of a lien against an Owner of Unit Weeks in a unit committed to interval ownership, said lien shall be limited to the Unit Week(s) owned by said Owner and shall not encumber the property, real or personal, of any other Owner of Unit Week(s) in said unit.

Where the mortgagee of an institutional first mortgage of record, or other purchaser of a Property Interest obtains title to such property interest as a result of foreclosure of the institutional first mortgage, or when an institutional first mortgagee accepts a deed to said property interest in lieu of foreclosure, such

acquirer of title, its successors and assigns, shall not be liable for the shares of maintenance fees, special assessments or membership fees chargeable to the former Owner of such Property Interest, which became due prior to acquisition of title as a result of the foreclosure or the acceptance of such deed in lieu of foreclosure. Such unpaid share of maintenance fees, special assessments or membership fees shall be deemed to be common expenses collectible from all of the Owners, including such acquirer, its successors and assigns.

Failure of an Owner to pay any fee, special assessment or membership fee may preclude such Owner from the use of any recreational facilities and other amenities.

Any person who acquires any ownership in a Property Interest, except through foreclosure of an institutional first mortgage of record, or by virtue of an institutional first mortgagee accepting a deed to property in lieu of foreclosure, as specifically provided hereinabove, including without limitation, persons acquiring title by operation of law, including purchasers at judicial sales, shall not be entitled to the use or occupancy of the Property Interest or enjoyment of the Common Elements or any applicable Limited Common Elements, until such time as all unpaid special assessments, maintenance fees and membership fees due and owing by the former Owner(s) have been paid. The Community Club, acting through its Board of Directors, shall have the right to assign its claim and lien rights for the recovery of any unpaid special assessments, maintenance fees and membership fees to Developer, or to any other Association, or to any third party.

Each First Tier Association shall have the same rights to enforce payment of unpaid special assessments, maintenance fees and membership fees as is granted to the Community Club, set out in this Section 8 of Article III above, and the rights and obligations of Owners, mortgagees, and other purchasers are also the same as set out above.

ARTICLE IV
UTILITY EASEMENTS

With respect to all existing utilities and utilities installation in the Thunder Hollow Community, Developer hereby reserves and is given a perpetual, alienable, and releasable easement, privilege and right on, over and under the grounds where such utilities are presently located. Such easement shall permit Developer to erect, maintain and use electric and telephone poles, wires, cables, conduits, water mains, drainage lines and drainage ditches, or drainage structures, sewers, whether gravity, low pressure or otherwise, and other suitable equipment and structures for drainage and sewerage collection and disposal purpose or for the installation, maintenance, transmission and use of electricity, telephone, gas, lighting, heating, water, drainage, sewerage, cable TV, and other conveniences or utilities on, in, over, and under all the areas presently served, and on, in, over, and under all of the easements, including but not limited to, Roads and Streets shown on any plat or plan of the Community (whether such easements are shown on said plans or plats to be for drainage, utilities or other purposes). Developer also reserves and is given the same perpetual, alienable, and releasable easement with respect to all future utilities established in the Thunder Hollow Community. Developer shall have the unrestricted and sole right and power of alienating and releasing the privileges, easements and rights reserved and referred to in this Section or any such privileges, easements and rights reserved on any plat or plan of the Community. The owners, other than the Developer, of the Lot or Lots, or Parcels of Land, or Interval Ownership, subject to the privileges, rights, and easements referred to herein shall acquire no right, title, or interest in or to any poles, wires, cables, conduits, pipes, mains, lines or other equipment or facilities placed on, over, or under the property which is subject to said privileges, rights, and easements. All such easements, including those designated on any plan or plat of the Properties, are and shall remain private easements and the sole and exclusive property of the Developer.

ARTICLE V
RESERVED PROPERTIES

Section 1 - Real Properties designated as "Reserved Properties" are reserved from Declaration and Plats. Any area upon a plat covered by this Declaration or any Supplemental Declaration designated as "Reserved Properties" shall remain the privately owned and the sole and exclusive property of the Developer, and neither this Declaration nor any Supplemental Declarations, nor the plats in connection with same, shall in anyway apply to such "Reserved Properties" unless at a later time same shall be included under the provisions of the Declaration or a Supplemental Declaration as provided in Article II hereof.

Section 2 - Utilities reserved from Declaration:
Utilities, unless conveyed by written instrument to the Association, or to a First Tier Association, are specifically reserved unto the Developer. It is contemplated utilities for the developed areas shall be furnished either by Developer, its subsidiaries or related companies or by companies furnishing such services in the vicinity of such areas, and the Developer retains and has the exclusive right to negotiate contracts and agreements with such companies, under such conditions and for such consideration, as it shall deem proper under the circumstances. The utilities referred to shall include, but not be limited to:

Water System;
Sewer System;
Natural, Liquified or Manufactured Gas System;
Electrical System;
Telephone System; and,
Antenna Television Transmission and Distribution
Facilities and System.

In the event the Developer elects to furnish any of the utility services aforesaid, it may organize a company, or companies, or a Utility District or Districts, to furnish such utility services, and shall have the right to enter into agreements with such company, or companies, to furnish the utility services reserved, or any of them, even though such company, or companies, so

organized may be wholly or partially owned or controlled by the Developer. Nothing herein contained shall be construed or interpreted as an obligation on the part of the Developer to provide the utilities reserved, although the Developer will use its best efforts consistent with economic feasibility to so provide same.

ARTICLE VI

PLAN FOR CONSTRUCTION AND MAINTENANCE
OF COMMON PROPERTIES

Section 1 - Water and Sewer System: It is contemplated the water and sewer system shall be constructed by Developer. Developer shall be the sole judge as to the time when the water and sewer system shall be constructed and extended. In the event the Developer shall decide it is not economically feasible to extend the water and sewer system to a particular area, it shall not be obligated to do so until such time as it shall become economically feasible. Developer shall determine the most feasible manner of providing for a permanent central water and sewer system and may sell or transfer ownership to the Community Club, in which event, the water and sewer system shall become a Common Property and shall be operated, maintained, and improved by the Community Club, and all revenues shall belong to the Community Club. It is contemplated that the systems may best be handled by the formation of a utility district and Developer may choose that option, subject to compliance with lawful requirements.

Section 2 - Road and Streets: It is contemplated the roads and streets shall be constructed by Developer and that those Roads and Streets which are not dedicated to the general public will be a part of the Common Properties. However, Developer shall be the sole judge as to when such Roads and Streets, whether dedicated to the general public or as Common Properties, shall be constructed and extended from time to time. Developer shall also be the sole judge as to the extent the Roads and Streets will be improved. In the event Developer shall decide it is not economically feasible to extend improved roads or streets to a particular area, it shall not

be obligated to do so. To the extent not provided by public authorities, the cost of maintenance, capital improvements, operation, taxes, and other expenses incident to the Roads and Streets, regardless of whether dedicated to the public or as Common Properties, shall be borne by the Association. Developer may also establish a Highway or Road Improvement District to administer the Roads and Streets, subject to compliance with all lawful requirements.

Section 3 - Recreational Facilities: It is contemplated Developer shall construct recreational facilities, including Permanent Parks and Permanent Recreational Plots. The cost of maintenance, capital improvements, operation, taxes, and other expenses incident to such Common Properties shall be the obligation of the Community Club, and shall be paid from fees or assessments, and also from fees for the use of the Common Properties. The Developer shall be the sole judge as to the time when the Recreational Facilities shall be constructed, and if Developer shall decide that it is not economically feasible to construct any or a portion of such due to the failure to sell sufficient Lots or Living Units, it shall not be obligated to construct same.

ARTICLE VII

PLAN FOR CONSTRUCTION AND MAINTENANCE OF LIMITED COMMON PROPERTIES

Section 1 - Construction and Maintenance: Developer may designate certain facilities as Limited Common Properties for the benefit of a particular area or for the benefit of particular First Tier Associations. Maintenance, capital improvements, operation, taxes, and other expenses incident to these Limited Common Properties shall be the obligation of the First Tier Association Members entitled to the use and enjoyment of the particular Limited Common Properties.

Section 2: Upon the failure of the First Tier Association, whose members are entitled to the use and enjoyment of the particular

Limited Common Properties to provide for the construction and maintenance of the particular Limited Common Properties, the Community Club may perform same and apportion the charge against the First Tier Association Members entitled to the benefit of the particular Limited Common Properties.

ARTICLE VIII

PROPERTY RIGHTS OF THE COMMON PROPERTIES

Section 1 - Members' Easement of Enjoyment: Subject to the provisions of Section 3 of this Article VIII, every Community Club member, so long as such membership shall continue, shall have a right and easement of enjoyment in and to the Common Properties and such easement shall be appurtenant to and shall pass with the title to every Lot or Living Unit, or portion thereof.

Section 2 - Title to Common Properties: The Developer, at its sole option, may sell or convey the Common Properties to the Community Club after the construction of same is completed, or at an earlier time.

Section 3 - Extent of Members' Easements: The rights and easements of enjoyment created hereby shall be subject to the following:

(a) The right of the Developer and/or the Community Club to borrow money for the purpose of constructing, improving and maintaining the Common Properties and in aid thereof to mortgage said properties or execute a deed of trust or other trust instrument covering such properties. In the event of default upon any such mortgage, the lender shall have a right, after taking possession of such properties, to charge service or use charges, admission and other fees as a condition to continued enjoyment by Members and, if necessary, to open the enjoyment of such properties to a wider public until the mortgage debt is satisfied, whereupon the possession of such properties shall be returned to the Community Club and all rights of the Members shall be fully restored; and,

(b) The right of the Community Club to take such steps as are reasonably necessary to protect the above described properties against foreclosure; and,

(c) The right of the Community Club to suspend the enjoyment rights of any Member for any period during which any dues or assessments, service or use charges, remain unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations; and,

(d) The right of the Community Club to charge reasonable service or use charges, admission, and other fees for the use, service, and enjoyment of the Common Properties; and,

(e) The right of the Developer until all Lots and Living Units located within the Properties shall have been sold to make use of the Common Properties to encourage sales; and,

(f) The right of the Community Club to dedicate, transfer, sell, convey, lease, or mortgage all or any part of the Common Properties owned by it, and to pledge revenues of the Community Club, including the right to sell and lease back or sell and reacquire all or some parts of said properties to or from any public agency, authority, political subdivision, utility or lending institution for the purpose of improving, maintaining, constructing or acquiring Common Properties and additions thereto, subject to such conditions and for such consideration as may be determined by the Board of Directors to be in the best interest of the Community Club in furtherance of its purposes. Such action shall be taken at a regular or special meeting of the Board and notice of the proposed action shall be given in writing to each Board member at least seven (7) days prior to such meeting. Such action must be authorized by a majority of the entire membership of the Board.

ARTICLE IX

PROPERTY RIGHTS OF THE LIMITED COMMON PROPERTIES

Section 1 - Owners' Easement of Enjoyment: Lands designated upon plats as "Limited Common Properties", and also as may

be so designated from time to time by the Developer, shall be devoted to the common use and enjoyment of the members of a specifically designated First Tier Association, or to a part thereof, to the exclusion of the common use and enjoyment of any other Association members. The members of the specifically designated Association, subject to Article IV hereof, shall have a right and easement of enjoyment in and to the particular Limited Common Properties and such easement shall be appurtenant to and shall pass with every such specifically designated First Tier Association membership.

Section 2 - Title to Limited Common Properties: The Developer may retain the legal title to the Limited Common Properties until construction of any improvements is completed and may then sell or convey, at its sole option, the title of the particular Limited Common Properties to the First Tier Association created to serve such Limited Common Properties as provided in Article VII; or, if Developer deems it more desirable and the Community Club agrees, then Developer may sell or convey, at its sole option, to the Community Club, and it shall perform as provided in Section 2, Article VII hereof.

ARTICLE X

ARCHITECTURAL CONTROL COMMITTEE

Section 1. For the purpose of maintaining or enhancing property values, and to promote continuity and uniformity in the construction of permanent residential dwellings, or construction of any buildings or facilities by the Community Club or any First Tier Association, an Architectural Control Committee shall be established and maintained. The Architectural Control Committee (A.C.C.) shall be composed of not less than three (3) nor more than seven (7) representatives appointed by and serving at the pleasure of the Board of Directors of the Community Club. The affirmative vote of a majority of the membership of the A.C.C. shall be required in order to adopt or promulgate any rules or regulations, or to make any findings, determinations, rulings or orders, or to issue any permit,

authorization or approval pursuant to directive or authorizations by the A.C.C. The A.C.C. may promulgate rules governing the form and content of plans to be submitted for approval or requiring specific improvements on all Lots or Living Units within the Properties and may adopt general statements of policy, all of which may be amended or revoked by the A.C.C. from time to time. The A.C.C. shall also have the authority to appoint committees who shall have such powers and perform such functions as may be designated by the A.C.C. from time to time.

Section 2 - Review by Committee. No building, fence, wall, improvement, or other structure associated with the construction of permanent residential dwellings or of any building or facility by the Community Club or any First Tier Association, shall be commenced, erected or maintained upon the Properties, nor shall any exterior addition to or change or alterations therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the A.C.C. In the event the A.C.C., or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

Section 3 - Waiver of Liability. Neither the A.C.C., nor its designated committees, nor Developer, nor any agent or employee of the foregoing, shall be responsible in any way for any failure of the structures to comply with the requirements of this Declaration or any applicable state or local building codes, although a certificate of compliance has been issued, any defects in any plans and specifications submitted, revised or approved in accordance with the foregoing provisions, nor for any structural or other defects in any work done according to such plans and specifications and all persons submitting any such plans and specifications, and all persons relying

thereon, agree not to sue or claim against the entities and persons referred to in this Article XII for any cause arising out of the matters referred to in this Article XII and further agree to and do hereby release said entities and persons for any and every such cause.

ARTICLE XI

EXTERIOR MAINTENANCE

Section 1. In the event the Owner of any Lot or Living Unit shall fail to properly provide for exterior maintenance as to buildings or grounds the Developer or the Community Club may, but shall not be obligated to, provide exterior maintenance as follows: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, walks and other exterior improvements.

Section 2 - Assessment of Cost. The cost of such exterior maintenance shall be assessed against the Lot or Living Unit upon which such maintenance is done and shall be added to and become a part of the annual assessment or charge to which such Lot or Living Unit is subject under Article III, Section 7, hereto and, as part of such assessment or charge, it shall be a lien subject, however, to lien by reason of a first mortgage or first deed of trust, and shall become due and payable in all respects as provided in Article III, Section 8, hereof. Upon collection by the Community Club, the cost shall be paid to Developer, if the Developer has performed the work.

Section 3. Access at Reasonable Hours. For the purpose solely of performing the exterior maintenance authorized by this Article XI, the Developer or the Association, through its respective duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, or after reasonable attempts to notify the Owner, to enter upon any Lot or exterior of any Living Unit at reasonable hours on any day, except Sunday. In such case, Developer or the Association shall not be subject to prosecution for unlawful entry or trespass.

ARTICLE XII

GENERAL PROVISIONS

Section 1 - Amendment or Modification. For a period of fifteen (15) years from the date this Declaration is recorded in the Register's Office of Cumberland County, Tennessee, or until Developer executes and records a Supplemental Declaration divesting itself of the right to do so, Developer may amend or modify any part or all of this Declaration so long as it does not in anyway affect the voting rights of any Member/Owner in the Community Club or any First Tier Association. Thereafter, the provisions of this Declaration may be amended if such amendment is adopted by affirmative vote of a majority vote of the votes cast by the voting members of the respective Club/Associations, and such amendment is also adopted by Developer. Any such amendment must be in writing and properly executed and recorded.

Section 2 - Duration. Subject to the provisions of Section 1 above, all provisions, covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Community Club, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each, unless an instrument signed by the then Owners of two-thirds (2/3rds) of the Lots or Living Units has been recorded, agreeing to change said covenants and restrictions in whole or in part. For purposes of meeting the two-thirds (2/3rds) requirements, when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted. Provided, however, that no such agreement to change shall be effective unless written notice of the proposed agreement is sent to every Owner at least ninety (90) days in advance of any action taken.

Section 3 - Notices. Any notice given or required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when deposited in the United States mail with postage paid, addressed to the last known address of the person who appears as Member, Associate Member or Owner on the records of the Community Club at the time of such mailing.

Section 4 - Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate any covenant or restriction, either to restrain violation or to recover damages, and against the land to enforce any lien created by these covenants; and failure by the Community Club or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 5 - Assignability. All provisions of this Declaration shall be binding upon and shall inure to the benefit of the parties, their successors and assigns. Developer or the Community Club may assign or convey all or any part of their respective rights, privileges, or obligations hereunder at any time, but such assignment shall not relieve the assignor from fulfilling its obligations hereunder or causing them to be fulfilled by such assignee.

Section 6 - Severability: Invalidation of any provision, covenants or restrictions contained herein shall not invalidate any other provisions and they shall remain in full force and effect.

Section 7 - No Implied Covenants or Easements or Negative Reciprocal Easements or Covenants: With respect to any property owned by Developer that is not made subject to this Declaration, no negative reciprocal covenants or implied or equitable covenants or easements shall be created by virtue of any written material which is not of record in the Register's Office of Cumberland County, Tennessee. Brochures, advertisements, unrecorded plats, course of trade, existing development, etc. shall not be construed as legal

documents, writings or implications that purport to create any legal right. Developer has reserved all rights to develop its remaining property, without restrictions from existing and future property owners in the Thunder Hollow Community.

Section 8 - Conflicts with any Prior Recorded Documents:

Should any provision of this Declaration conflict with any documents or instruments recorded in the Register's Office of Cumberland County, Tennessee, which are applicable to any property in the Thunder Hollow Community, then the provision(s) of the prior recorded document shall prevail.

Section 9 - Oil and Gas and Mineral Rights:

Developer reserves all oil and gas and mineral rights on all Properties subject to this Declaration. The reservation is made for the express purpose of strictly controlling any exploration or appropriation of oil or gas or mineral rights. Such activities of the Properties, if allowed at all, will be done in such manner as to avoid any damage, whether actual or aesthetic, to the community and the Owners.

Section 10 - No exemption from Contribution:

No Owner of any Property Interest in the Thunder Hollow Community may exempt himself from liability for his contribution toward the assessments or the membership and maintenance fees by waiver of the use and enjoyment of any of the Common Elements or the recreational facilities, or by the abandonment of his Property Interest.

Section 11 - Covenants Running with the Land:

With respect to Properties made subject to this Declaration, all provisions, and Amendments thereof, shall be construed as covenants running with the land, and every Owner and Occupant of the Property, or any part thereof, or of any interest therein, and his heirs, executors, administrators, successors and assigns, shall be bound by all of the provisions of this Declaration and any Amendments or Supplemental Declarations.

Section 12 - Developer Right to Use Common Elements and

Limited Common Elements: Developer shall have the right to use the Common Elements and Limited Common Elements for the purpose of aiding

in the sale of Property Interests in its development. The foregoing right shall mean and include the right to display and erect signs, billboards and placards and store, keep and exhibit same and distribute audio and visual promotional materials upon the Common Elements and Limited Common Elements.

Section 13 - Use of Gender: Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and plural shall include the singular.

Section 14 - Captions: The captions used in this Declaration are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text of this Declaration.

Section 15 - Warranties and Representations: Developer specifically disclaims any intent to have made any warranty or representation in connection with the Thunder Hollow development, except as specifically set forth therein, and no person shall rely upon any warranty or representation not so specifically made. Maintenance and membership fees, common expenses, taxes or other charges are estimates only, and no warranty, guaranty or representation is made or intended, nor may one be relied upon.

Section 16 - Acceptance by the Community Club and First Tier Association and Owners: The Community Club and First Tier Association, by and upon their respective incorporations, approve the foregoing and all of the covenants, terms and conditions, duties and obligations of this Declaration, and as same may be amended from time to time. Owners, by virtue of their acceptance of any transfer to them of a Property Interest in Thunder Hollow Community, and other parties by virtue of their occupancy of property, hereby approve the foregoing and all of the terms and conditions, duties and obligations of this Declaration.

IN WITNESS WHEREOF, Lake Properties, Inc., for itself, its successors and assigns, has executed this instrument by its duly authorized officer on this 15TH day of September, 1987.

LAKE PROPERTIES, INC.

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BY Jim J. Papan Pres

State of Tennessee)
County of Cumberland)

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared William V. Papaik, 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 Lake Properties, Inc., a corporation, and that he as such officer, being authorized so to do executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and seal of office on this 16th day of September, 1987.

Paula J. Houston
NOTARY PUBLIC

My commission expires: 6-26-91



STATE OF TENNESSEE, CUMBERLAND COUNTY

The foregoing instrument and certificate were noted in Note Book 1, Page 221 At 4:05 O'clock PM Oct 6 1987
Recorded in Deed Book 344, Series 540 Page 540 State Tax Paid \$ - Fee - Recording Fee 104.00 Total \$ 104.00
Witness My Hand.

Receipt No 9473

Judy Graham
By: Mary Lou Jackson E-12

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