Recording Requested By:)
)
COOPER COMMUNITIES, INC.)
)
When Recorded Mail To:)
)
COOPER COMMUNITIES, INC.)
1801 Forest Hills Blvd.)
Bella Vista, AR 72714)
Attn: Adele E. Lucas)

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(Above Space For Recorder's Use Only)

SUPPLEMENTAL DECLARATION OF COVENANTS AND RESTRICTIONS FOR TANASI LAGOON TOWNHOUSE SUBDIVISION

WHEREAS, Cooper Communities, Inc. executed on the 16th day of December, 1985, a Declaration of Covenants and Restrictions, with Protective Covenants attached thereto as Exhibit 1 and forming a part of said Declaration, which Declaration was received at 1:45 p.m. on the 16th day of December, 1985, in the Register's office, Loudon County, Tennessee, and there duly certified and registered in Trust Book No. 209, Page 96 et seq; hereinafter referred to as "Original Declaration"; and

WHEREAS, said Cooper Communities, Inc., and Tellico Village Townhouse Association, Inc., executed on the 31st day of October, 1988, a Supplemental Declaration of Covenants and Restrictions, which Supplemental Declaration was filed for record at 10:20 a.m. on the 2nd day of November, 1988, in the Register's Office in and for Loudon County, Tennessee, and is there duly certified and registered in Trust Book 243, Page 350, et seq; hereinafter referred to as "Townhouse Supplemental Declaration"; and

WHEREAS, Cooper Homes, Inc., an Arkansas corporation and wholly owned subsidiary of Cooper Communities, Inc., hereinafter called "Developer", and the other parties herein mentioned agree that it is desirable to include other townhouse or garden type living units within the Project and to provide for certain Limited Common Properties in connection therewith intended to be devoted to the common use and enjoyment of owners of such townhouse or garden type living units who shall be responsible for the cost of maintenance, capital improvements, operation, taxes and other expenses incident thereto and, to this end, desires to subject the initial phase of such lands, together with such additional phases as may hereafter be added thereto in accordance herewith, to the additional covenants, restrictions, easements, charges and liens hereinafter set forth in this Supplemental Declaration, hereinafter called the "Tanasi Lagoon Townhouse Supplemental Declaration", each and all of which are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it necessary and desirable for the efficient construction, operation and maintenance of the Limited Common Properties in the Tanasi Lagoon area and the preservation of the values and amenities within said townhouse or garden type living areas that an agency be created to which should be delegated and assigned certain construction, maintenance and administration rights, duties and obligations with respect to such Tanasi Lagoon Limited Common Properties, as well as administering and enforcing the additional covenants and restrictions placed thereon herein and collecting and delivering the additional assessments and charges hereinafter created therefor; and

WHEREAS, Cooper Communities, Inc. and the Tellico Village Townhouse Association have therefore encouraged and participated in the formation of the Tanasi Lagoon Townhouse Owners Association, Inc., a non-profit corporation organized and existing by virtue of the laws of the State of Tennessee, hereinafter called the "Tanasi Lagoon Townhouse Owners Association", with its principal office to be located within Tellico Village, Tennessee, for the purpose of

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BONNIE WEAR
REGISTER OF DEEDS LOUDON CO. TN

exercising the functions aforesaid, which said Tanasi Lagoon Townhouse Owners Association joins in the execution of this instrument for the purpose of indicating its agreement to perform the obligations placed upon it by this Tanasi Lagoon Townhouse Supplemental Declaration, as well as any Supplemental Declaration hereafter placed of record and made subject hereto and whether or not executed by it;

WHEREAS, the Developer for the purposes aforesaid and in compliance with ARTICLE II, Sections 2 and 3, of the Declaration aforesaid declares that the following lands (the "Tanasi Lagoon Townhouse Subdivision") are hereby subject to the Original Declaration aforesaid, the Townhouse Supplemental Declaration and to the Tanasi Lagoon Townhouse Supplemental Declaration to the extent that same shall constitute additional lands under the Declaration aforesaid and shall be a part of the existing properties, and said lands referred to shall be Tanasi Lagoon Subdivision, Block 1, Lots 25 - 40 and Block 2, Lots 9 - 20, under and in said Original Declaration and the Townhouse Supplemental Declaration and covered by said Original Declaration and the Townhouse Supplemental Declaration as fully as though same had been included in said Original Declaration and the Townhouse Supplemental Declaration at the time they were executed; and that the following lands are also subject to the covenants, conditions and restrictions of this Tanasi Lagoon Townhouse Supplemental Declaration and shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the described lands or any part thereof, and the lands referred to lying and being situate in the County of Loudon, State of Tennessee, to-wit:

LEGAL DESCRIPTION INSERTED

ARTICLE I

DEFINITIONS

In addition to definitions contained in the Original Declaration and in the Townhouse Supplemental Declaration, which are adopted hereby in their entirety, and other definitions herein provided, the following terms shall have the following meanings when used in this Tanasi Lagoon Townhouse Supplemental Declaration, hereafter placed of record and made subject hereto, any record plat of the properties covered hereby, and any other documents related thereto, except where it is clearly evident from the context that a different meaning is intended:

(1) "Developer" shall mean Cooper Homes, Inc., an Arkansas corporation, its successors and assigns.

(2) "Tellico Village Townhouse Association" or "Townhouse Association" shall mean the Tellico Village Townhouse Association, Inc., an Tennessee non-profit corporation, its successors and assigns.

(3) "Original Declaration" shall mean the Declaration of Covenants and Restrictions for Tellico Village, Tennessee, placed of record on the 16th day of December, 1985, in the Register's office, Loudon County, Tennessee, and there duly certified and registered in Trust Book No. 209, Page 96 et seq.

(4) "Townhouse Supplemental Declaration" shall mean the Supplemental Declaration of Covenants and Restrictions for the Tellico Village Townhouses placed of record on the 2nd day of November, 1988, in the Register's Office in and for Loudon County, Tennessee, and is there duly certified and registered in Trust Book 243, Page 350, et seq.

(5) 1. "Tanasi Lagoon Townhouse Supplemental Declaration" shall mean this Supplemental Declaration of Covenants and Restrictions for Tanasi Lagoon Townhouse Subdivision as extended or supplemented from time to time in the manner provided herein.

(6) "Tanasi Lagoon Townhouse Subdivision" shall mean all real property currently subjected to the Tanasi Lagoon Townhouse Supplemental Declaration or which may in the future be subjected to this Supplemental Declaration.

(7) "Tanasi Lagoon Limited Common Property" shall mean and refer to those areas of land so designated upon any recorded subdivision plat of the Tanasi Lagoon Townhouse Subdivision intended to be devoted to the common use and enjoyment of the Tanasi Lagoon Townhouse Owners Association Members and also those areas so designated from time to time by the Developer for the purposes aforesaid. The Tanasi Lagoon Limited Common Property shall be a part of the Limited Common Properties defined and referred to in the Original Declaration and all of the Original Declaration's references to Limited Common Properties shall include and apply to Tanasi Lagoon Limited Common Property.

(8) "Tanasi Lagoon Properties" shall mean any property, real, personal or mixed, owned or leased by the Tanasi Lagoon Townhouse Owners Association and intended to be devoted as Tanasi Lagoon Limited Common Property to the common use and enjoyment of Tanasi Lagoon Townhouse Owners Association Members.

(9) "Tanasi Lagoon Townhouse Owners Association Members" shall mean all those persons or entities who are members of the Tanasi Lagoon Townhouse Owners Association as hereinafter provided.

(10) "Tanasi Lagoon Townhouse Owners" shall mean any person, firm, corporation, partnership, association or other legal entity, including the Developer, or any combination thereof, owning of record a fee or undivided fee interest in a Lot or Living Unit in the Tanasi Lagoon Townhouse Subdivision.

(11) "Tanasi Lagoon Expenses" shall mean all expenses incurred by the Tanasi Lagoon Townhouse Owners Association for the construction, maintenance, repair, replacement, management and administration of the Tanasi Lagoon Townhouse Subdivision and the Tanasi Lagoon Limited Common Property, together with any expenses which are the specific responsibility of an individual Tanasi Lagoon Townhouse Owner which are paid by the Tanasi Lagoon Townhouse Owners Association and charged to the responsible Tanasi Lagoon Townhouse Owner as a Tanasi Lagoon Personal Charge for reimbursement.

(12) "Tanasi Lagoon Assessments" shall mean such amounts as are required by the Tanasi Lagoon Townhouse Owners Association for payment of the Tanasi Lagoon Expenses and levied against the Tanasi Lagoon Townhouse Owners by the Tanasi Lagoon Townhouse Owners Association in accordance herewith.

(13) "Tanasi Lagoon Personal Charge" shall mean any expense or charge of the Tanasi Lagoon Townhouse Owners Association for which a specific Tanasi Lagoon Townhouse Owner is liable.

(14) "Tanasi Lagoon Townhouse Boat Docks" shall mean boat slips which are installed adjacent to the Tanasi Lagoon area which are intended to be leased and used by the Tanasi Lagoon Townhouse Owners.

ARTICLE II

PROPERTY SUBJECT TO THIS TANASI LAGOON TOWNHOUSE SUPPLEMENTAL DECLARATION

Section 1. Existing Properties. The existing real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Tanasi Lagoon Townhouse Supplemental Declaration and fully described in the premises above.

Section 2. Additions to Existing Properties. Additional lands of the Developer situated in Loudon County, Tennessee, as well as any other lands hereafter acquired by the Developer, whether or not so situated, may become subject to this Tanasi Lagoon Townhouse Supplemental Declaration in the following manner:

(A) The Developer, its successors and assigns, shall have the right, but not the obligation, to bring additional properties within the plan of this Tanasi Lagoon Townhouse Supplemental Declaration in future stages of development regardless of whether said properties are presently owned by the Developer. Any additions to the Tanasi Lagoon Townhouse Subdivision may contain townhouse or garden type living units or other units compatible therewith and shall be compatible with the Master Plan which has been prepared and heretofore made public by the Developer. Such proposed additions, if made, shall become subject to Tanasi Lagoon Assessments as hereinafter provided. Under no circumstances shall this Tanasi Lagoon Townhouse Supplemental Declaration or any Supplemental Declaration or such Master Plan bind the Developer, its successors and assigns, to make the proposed additions or in anywise preclude the Developer, its successors and assigns, from conveying the lands included in the Master Plan, but not having been made subject to this Tanasi Lagoon Townhouse Supplemental Declaration, free and clear of such Master Plan as well as free and clear of this Tanasi Lagoon Townhouse Supplemental Declaration or any Supplemental Declaration.

(B) The additions authorized hereunder shall be made by filing of record a Tanasi Lagoon Townhouse Supplemental Declaration with respect to the additional property which shall specify the amount of the Annual Tanasi Lagoon Assessment and extend the plan of this Tanasi Lagoon Townhouse Supplemental Declaration as well as the plan of the Declaration to such property, and the Tanasi Lagoon Townhouse Owners, including the Developer, in such additions shall immediately be entitled to all privileges therein and herein provided.

(C) Such Supplemental Declarations, if any, may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Tanasi Lagoon Townhouse Supplemental Declaration as may be necessary to reflect the different character, if any, of the added properties as are not inconsistent with the plan of this Tanasi Lagoon Townhouse Supplemental Declaration. In no event, however, shall such Tanasi Lagoon Townhouse Supplemental Declarations revoke, modify or add to the covenants, conditions and restrictions established by this Tanasi Lagoon Townhouse Supplemental Declaration or any Tanasi Lagoon Townhouse Supplemental Declaration with respect to the then existing properties in the Tanasi Lagoon Subdivision.

Section 3. Limitation on Additions. No one other than the Developer, its successors and assigns, shall have the right to subject additional lands to this Tanasi Lagoon Townhouse Supplemental Declaration unless the Developer, its successors and assigns, shall indicate in writing to the Tanasi Lagoon Townhouse Owners Association that such additional lands may be included hereunder.

ARTICLE III

TANASI LAGOON TOWNHOUSE OWNERS ASSOCIATION

MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership in the Tanasi Lagoon Townhouse Owners Association. Each Tanasi Lagoon Townhouse Owner, including Developer (so long as Developer is deemed the owner of a Lot or Living Unit in the Tanasi Lagoon area, pursuant to the provisions hereof), shall automatically be a member of the Tanasi Lagoon Townhouse Owners Association until he ceases to be an owner.

The membership in the Tanasi Lagoon Townhouse Owners Association is appurtenant to and inseparable from ownership of a Tanasi Lagoon Lot or Living Unit and shall automatically terminate upon any valid transfer or conveyance of said interest to any transferee or grantee, whether voluntary or by operation of law, except to the extent that such transferor retains an interest in any other Tanasi Lagoon Lot or Living Unit. The transferee of said interest shall immediately and automatically, upon a valid transfer of interest, become a member of the Tanasi Lagoon Townhouse Owners Association. If title to a Tanasi Lagoon Lot or Living Unit is vested in more than one (1) person or entity, then only one of the persons and/or entities having title to such Lot or Living Unit shall be the member of the Tanasi Lagoon Townhouse Owners Association.

Section 2. Voting. Developer shall have the sole and exclusive right to appoint and remove the officers of the Tanasi Lagoon Townhouse Owners Association and Board of Directors for a period of five (5) years from the recordation date of the original Tanasi Lagoon supplemental declaration or the time of conveyance of the fortieth (40th) Lot or Living Unit, whichever last occurs. Thereafter, the membership of the Tanasi Lagoon Townhouse Owners Association shall elect the members to the Board of Directors at the next regularly scheduled annual meeting.

When the members of the Tanasi Lagoon Townhouse Owners Association are entitled to vote, they shall cast one vote for each Lot or Living Unit then owned, as provided in the By-Laws.

For purposes of determining the votes allowed under this section, when such Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted.

Section 3. Easement of Enjoyment Limited. Unless expanded by the Tanasi Lagoon Townhouse Owners Association as provided in Section 5(F) of Article IV of this Tanasi Lagoon Supplemental Declaration, Tanasi Lagoon Townhouse Members other than the Developer are limited in their easement of enjoyment of the Tanasi Lagoon Limited Common Properties to one Household. When more than one Household holds Tanasi Lagoon Townhouse Membership in a single Lot or Living Unit, the Household entitled to the easement of enjoyment shall be designated in accordance with and subject to the provisions and restrictions set forth therefor in the By-Laws of the Tanasi Lagoon Townhouse Owners Association.

ARTICLE IV

PROPERTY RIGHTS IN TANASI LAGOON LIMITED COMMON PROPERTIES

Section 1. Tanasi Lagoon Townhouse Association Designation to Perform Under Declaration. Pursuant to the provisions of Article VII and Article IX of the Original Declaration, the Tanasi Lagoon Townhouse Owners do hereby designate the Tanasi Lagoon Townhouse Association as the non-profit corporation having the powers and duties to provide for the maintenance, capital improvement, operation, taxes and other matters set forth therein

from the Developer to the Tanasi Lagoon Limited Common Properties and to hold same as set forth therein and herein.

Section 2. Tanasi Lagoon Townhouse Owners Association Powers and Duties. The operating entity for the Tanasi Lagoon Limited Common Properties within the Tanasi Lagoon Townhouse Subdivision shall be the Tanasi Lagoon Townhouse Owners Association. The Tanasi Lagoon Townhouse Owners Association shall have all powers and duties set forth therefor in the Original Declaration, the Townhouse Supplemental Declaration, and this Tanasi Lagoon Townhouse Supplemental Declaration, its Articles of Incorporation and By-Laws, applicable laws, statutes, ordinances and governmental rules and regulations, and all other lawful powers and duties deemed by its Board of Directors as advisable or necessary to carry out its functions. Every Tanasi Lagoon Townhouse Owner, however ownership was acquired, shall be bound by the Original Declaration, the Townhouse Supplemental Declaration, this Tanasi Lagoon Townhouse Supplemental Declaration, the Tanasi Lagoon Townhouse Owners Association Articles of Incorporation, By-Laws and Rules and Regulations, and the above set forth laws, statutes, ordinances and governmental rules and regulations.

Section 3. Interest of the Tanasi Lagoon Townhouse Owners Association. All property acquired by the Tanasi Lagoon Townhouse Owners Association, whether real, personal or mixed, whether owned or leased, shall be held, utilized and disposed of by the Tanasi Lagoon Townhouse Owners Association as Tanasi Lagoon Limited Common Property for the use and benefit of the Tanasi Lagoon Townhouse Owners within the Tanasi Lagoon Townhouse Subdivision. Except as otherwise specifically provided in this Tanasi Lagoon Townhouse Supplemental Declaration, any expense of the Tanasi Lagoon Townhouse Owners Association for acquisition, ownership, leasing, administration, maintenance, operation, repair or replacement of the Tanasi Lagoon Limited Common Properties shall be treated as and paid for as part of the Tanasi Lagoon Expenses of the Tanasi Lagoon Townhouse Owners Association.

Section 4. Title to Tanasi Lagoon Limited Common Properties. The lands described in this Tanasi Lagoon Townhouse Supplemental Declaration are currently owned by the Developer and it is contemplated that the Developer shall, within a reasonable time after the completion of construction of any improvements which the Developer intends to locate thereon, cause the Tanasi Lagoon Limited Common Properties thereon to be conveyed to the Tanasi Lagoon Townhouse Owners Association, free from any encumbrances or liens. The Developer shall be the sole judge as to the time when the aforesaid improvements, if any, shall be constructed or provided and as to when, if ever, such lands will be so conveyed. The Developer shall have the right, but not the obligation, to provide additional lands and improvements to the Tanasi Lagoon Townhouse Owners Association as Tanasi Lagoon Limited Common Properties and to cause same to be conveyed or transferred to the Tanasi Lagoon Townhouse Owners Association as and when the Developer shall in its sole discretion decide. The Tanasi Lagoon Townhouse Owners Association may acquire additional lands and improvements as Tanasi Lagoon Limited Common Properties at its own instance, from the Developer or otherwise.

Section 5. Members Easement of Enjoyment. Every Member of the Tanasi Lagoon Townhouse Owners Association, so long as such Tanasi Lagoon Membership shall continue, shall have a right and easement of enjoyment in and to the Tanasi Lagoon Limited Common Properties. Such easement of enjoyment shall, however, be subject to the provisions and limitations thereon as set forth in the Original Declaration, the Townhouse Supplemental Declaration, this Tanasi Lagoon Townhouse Supplemental Declaration or any Supplemental Declaration, including, but not limited to, the following:

(A) the right of the Tanasi Lagoon Townhouse Owners Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of constructing, maintaining and improving the Tanasi Lagoon Limited Common Properties and in aid thereof to mortgage said property or use any leasehold interest therein as security therefor, provided the rights of such mortgagee in said properties shall be subordinate to the rights of the Tanasi Lagoon Townhouse Owners hereunder until there shall be a default under said mortgage; and

(B) the right of the Tanasi Lagoon Townhouse Owners Association to take such steps as are reasonably necessary to protect the Tanasi Lagoon Limited Common Properties against foreclosure; and

(C) the right of the Tanasi Lagoon Townhouse Owners Association to suspend the enjoyment rights of any Tanasi Lagoon Townhouse Member other than the Developer as provided in this Tanasi Lagoon Townhouse Supplemental Declaration; and

(D) the right of the Tanasi Lagoon Townhouse Owners Association to charge reasonable admission and other fees for the use, service and enjoyment of any recreational facility or other improvements situated upon the Tanasi Lagoon Limited Common Properties; and

(E) the right of the Tanasi Lagoon Townhouse Owners Association to make any recreational facilities available by lease, or otherwise, subject to subparagraph (G) hereof, to another non-profit corporation, with the right of the other corporation to charge dues to Tanasi Lagoon Members and to permit persons who are not Tanasi Lagoon Members to become members of the other corporation for a membership payment and also for payment of dues, and with the understanding that the other corporation shall have the right to make rules and regulations which shall be enforceable as to Tanasi Lagoon Members as well as other members therein; and

(F) except as to the Developer, Membership in the Tanasi Lagoon Townhouse Owners Association shall entitle only one Household to the benefit of the easement of enjoyment as to the Tanasi Lagoon Limited Common Properties, provided, however, the Tanasi Lagoon Townhouse Owners Association may enlarge the limitation aforesaid by a majority vote of its Board of Directors; and

(G) the right of the Developer, so long as any Lot or Living Unit in the Tanasi Lagoon Townhouse Subdivision is being held by the Developer for sale in the ordinary course of business, to use such portions of the Tanasi Lagoon Limited Common Properties as the Developer shall determine in its sole discretion for the purpose of aiding in such sales, including the right to freely determine its sales tour route through the Tanasi Lagoon Townhouse Subdivision, even though traffic is increased in a specific area thereby, and to use portions of the Tanasi Lagoon Limited Common Properties for parking for prospective purchasers and such other parties as the Developer determines. Notwithstanding any provisions of this Tanasi Lagoon Townhouse Supplemental Declaration to the contrary, the Developer shall further have the right to use any Living Unit owned by it for Model Home purposes in the furtherance of its sales program. The foregoing rights shall include the right to display and erect signs, billboards and placards (subject to approval of the Architectural Control Committee), and to store, keep and exhibit same and to exhibit and distribute audio and visual promotional materials upon the Tanasi Lagoon Limited Common Properties or in Model Homes; and

(H) the right of the Tanasi Lagoon Townhouse Owners Association to dedicate or transfer all or any part of the Tanasi Lagoon Limited Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Tanasi Lagoon Townhouse Owners. No such dedication or transfer shall be effective unless an instrument is signed by Tanasi Lagoon Members entitled to cast a majority of all votes, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every Tanasi Lagoon Member not less than thirty (30) days nor more than sixty (60) days in advance thereof.

Section 6. Guests and Delegation of Easement of Enjoyment. The Tanasi Lagoon Townhouse Owners Association shall, upon the request of Tanasi Lagoon Townhouse Owner, issue temporary guest cards for the use of the Tanasi Lagoon Limited Common Properties of the Tanasi Lagoon Townhouse Owners Association by guests and invitees of such Tanasi Lagoon Townhouse Owners, provided, however, such temporary guest cards shall be limited to periods not in excess of thirty (30) days and, except as to Developer guests, shall be subject to such other reasonable limitations and rules and regulations as provided therefor by the Tanasi Lagoon Townhouse Owners Association. Notwithstanding anything herein to the contrary, the easement of enjoyment of an Tanasi Lagoon Townhouse Owner of a Living Unit may be transferred to a tenant or lessee who shall occupy such Living Unit of such Tanasi Lagoon Townhouse Owner under a written lease agreement for a term of not less than six (6) months, provided (1) that a copy of such lease agreement is provided to the Tanasi Lagoon Townhouse Owners Association, (2) the Tanasi Lagoon Townhouse Owner shall remain jointly and severally liable with the lessee for any breach of the duties and responsibilities of Tanasi Lagoon Townhouse Owner under this Tanasi Lagoon Townhouse Supplemental Declaration, (3) during the period of such lease delegation, the lessee shall have such easement of enjoyment in lieu of the Tanasi Lagoon Townhouse Owner, and (4) such delegation shall be otherwise subject to such reasonable rules and regulations as the Board of Directors of the Tanasi Lagoon Townhouse Owners Association shall from time to time determine.

ARTICLE V

ASSOCIATION RESPONSIBILITIES FOR THE SHORELINE STRIP AREAS

Section 1. Responsibilities of Tanasi Lagoon Townhouse Owners Association. It shall be the responsibility of the Tanasi Lagoon Townhouse Owners Association to provide for maintenance of the shoreline strip in the Tanasi Lagoon area. This maintenance includes, but is not limited to, the Tanasi Lagoon Limited Common Shoreline Strip, those areas surrounding the Tanasi Lagoon Townhouse Boat Docks and Individual Boat Dock permitted areas.

Section 2. Shoreline Strip Rules and Water Use Facilities Permit. Article XV of the Original Declaration and the Rules for Management of Tellico Reservoir Shoreline Strip Fronting Land Sold by Tellico Reservoir Development Agency (TRDA) to Cooper Communities, Inc. (Developer) shall govern the responsibilities of the Tanasi Lagoon Townhouse Owners Association in the maintenance of the shoreline strip. The term "Tanasi Lagoon Limited Common Shoreline Strip" as used herein refers to the land which lies between the 820 and 805 MSL contours along the Tellico Reservoir adjacent to the Tanasi Lagoon area of Tellico Village.

Section 3. Individual Shoreline Strip Maintenance. The maintenance of the Individual Shoreline Strip areas may cause a personal charge to be assessed against the Townhouse Owner who is permitted to construct an individual boat dock, whether or not same is constructed.

Section 4. Use of the Townhouse Boat Docks. The Tanasi Lagoon Townhouse Boat Docks may be limited to access by only those Members of the Tanasi Lagoon Townhouse Owners Association owning "Nonlakefront" Lots or Living Units. "Nonlakefront" Lots or Living Units as used herein shall refer to those Lots or Living Units not entitled to Individual Boat Dock Permits as reflected on the Subdivision Plat or Plats. The Rules and Regulations governing usage of the Tanasi Lagoon Townhouse Boat Docks will be control accessibility.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien. The Developer, subject to the provisions hereinafter set forth, for each Lot or Living Unit owned by it within the Tanasi Lagoon Townhouse Subdivision, hereby covenants, and each Tanasi Lagoon Townhouse Owner of such Lot or Living Unit, other than the Developer, by acceptance of a deed or other instrument thereto conveying a fee or undivided fee interest therein, whether or not it shall be so expressed in any such deed or other instrument, shall be deemed to covenant and agree to pay to the Tanasi Lagoon Townhouse Owners Association: (1) Annual Tanasi Lagoon Assessments and (2) Special Tanasi Lagoon Assessments, such Assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual and Special Tanasi Lagoon Assessments, together with such interest thereon and costs of collection thereof, including a reasonable attorney's fee, as hereinafter provided, shall be a continuing charge and lien upon such Lot or Living Unit against which each such Tanasi Lagoon Assessment is made. Each such Tanasi Lagoon Assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the Tanasi Lagoon Townhouse Owner at the time when the Tanasi Lagoon Assessment fell due. The personal obligation for delinquent Tanasi Lagoon Assessments shall not pass to successors in title unless expressly assumed by them.

Section 2. Purpose of Annual Tanasi Lagoon Assessments. The Annual Tanasi Lagoon Assessments levied hereunder by the Tanasi Lagoon Townhouse Owners Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Tanasi Lagoon Townhouse Owners and in particular for the construction, leasing, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Tanasi Lagoon Limited Common Properties and the Tanasi Lagoon Limited Common Shoreline Strip and the improvements situated thereupon, including, but not limited to, payment of taxes and insurance on the Tanasi Lagoon Limited Common Properties and the construction, maintenance, repair and replacement thereof or additions thereto, and for the cost of labor, equipment, materials, management and supervision in connection therewith.

Section 3. Basis and Maximum of Annual Tanasi Lagoon Assessment. Until January 1 of the year immediately following the date of this Tanasi Lagoon Townhouse Supplemental Declaration, the maximum Annual Tanasi Lagoon Assessment shall be Three Hundred Dollars ($300.00) per Lot or Living Unit located within the lands described in premises above. From and after January 1 of the year immediately following the date of this Tanasi Lagoon Townhouse Supplemental Declaration, the Annual Tanasi Lagoon Assessment for all Lots and Living Units within the Tanasi Lagoon Townhouse Subdivision may be increased each year above the Annual Tanasi Lagoon Assessment for the previous year by majority vote of the Board of Directors of the Tanasi Lagoon Townhouse Owners Association and without a vote of the Tanasi Lagoon Membership, provided, however, that such increase shall not in any one year exceed the greater of five percent (5%), rounded to the nearest

whole dollar amount, or increases in the Consumer Price Index for the twelve (12) month period ending June 30 of the preceding year using the "All Urban Consumers, U.S. City Average" for "General Summary, All Items" as promulgated by the Bureau of Labor Statistics of the U.S. Department of Labor, rounded to the nearest whole dollar amount, or, if such is not available, any other reliable governmental or other non-partisan publication evaluating similar information. Unless the Annual Tanasi Lagoon Assessments shall be increased as aforesaid, they shall remain at the rate prevailing for the previous year. From and after January 1 of the year immediately following the date of this Tanasi Lagoon Townhouse Supplemental Declaration, the Annual Tanasi Lagoon Assessment may be changed prospectively in any year, without limitation on the amount of such change, by a majority vote of each class of Tanasi Lagoon Members, voting in person or by proxy at a meeting duly called for this purpose. Any such increase shall be a fixed percentage of all Annual Tanasi Lagoon Assessments, each rounded to the nearest whole dollar amount. The Board of Directors of the Tanasi Lagoon Townhouse Owners Association may at any time after consideration of current income and expense and the future income requirements of the Tanasi Lagoon Townhouse Owners Association, within its discretion, fix the Annual Tanasi Lagoon Assessment at an amount less than the amounts aforesaid. The Tanasi Lagoon Townhouse Owners Association shall have the right, but not be obligated to, collect the Annual Tanasi Lagoon Assessment in monthly increments.

Section 4. Special Tanasi Lagoon Assessments. In addition to the Annual Tanasi Lagoon Assessments, the Tanasi Lagoon Townhouse Owners Association may levy in any assessment year a Special Tanasi Lagoon Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any desired construction or reconstruction, repair, replacement or improvement of or upon the Tanasi Lagoon Limited Common Properties of Tanasi Lagoon Limited Common Shoreline Strip, including the necessary fixtures and personal property related thereto, provided that any such Special Tanasi Lagoon Townhouse Assessment shall have the assent of a majority vote of each class of Tanasi Lagoon Members, voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action of Tanasi Lagoon Members Authorized Under Section 3 and 4. Written notice of any meeting of the Tanasi Lagoon Membership called for the purpose of taking any action authorized under Section 3 or 4 hereof shall be sent to all Tanasi Lagoon Members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of Tanasi Lagoon Members or of proxies entitled to cast a majority of all votes of each class of Tanasi Lagoon Membership shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (½) of the required quorum of each class for the preceding meeting. No such subsequent meeting shall be held more than ninety (90) days following the preceding meeting.

Section 6. Date of Commencement of Tanasi Lagoon Assessments and Application thereof to Lots or Living Units. Annual Tanasi Lagoon Assessments shall commence and become due and payable as to each Lot or Living Unit within the Tanasi Lagoon Townhouse Subdivision on the date fixed by the Board of Directors of the Tanasi Lagoon Townhouse Owners Association for commencement, provided, however, no Tanasi Lagoon Assessments shall be applicable to or payable with respect to any Lot or Living Unit until the first day of the month following sale by the Developer and a conveyance to the purchaser of such Lot or Living Unit pursuant thereto. Each initial Annual Tanasi Lagoon Assessment on a Lot or Living Unit shall be prorated according to the number of months

remaining in that calendar year. Written notice of Tanasi Lagoon Assessments shall not be required. The due date of any Special Tanasi Lagoon Assessment shall be fixed in the resolution authorizing such Special Tanasi Lagoon Assessment and may also be payable monthly within the discretion of the Board of Directors. The Tanasi Lagoon Townhouse Owners Association shall, upon demand and for which a reasonable charge may be imposed, furnish a certificate signed by an officer of the Tanasi Lagoon Townhouse Owners Association setting forth whether the Tanasi Lagoon Assessments on a specified Lot or Living Unit have been paid, which certificate shall be conclusive evidence of payment of any Tanasi Lagoon Assessments therein stated to have been paid.

Section 7. Non-Payment of Tanasi Lagoon Assessments. If any Tanasi Lagoon Assessments are not paid on the date when due, then such Tanasi Lagoon Assessments shall become delinquent and the Tanasi Lagoon Townhouse Owners Association shall have the right to declare such Tanasi Lagoon Assessments for the entire year due and payable, together with such interest thereon and costs of collection thereof as hereinafter provided. The Tanasi Lagoon Townhouse Owners Association may bring an action at law against the Tanasi Lagoon Townhouse Owner personally obligated to pay the same or foreclose the lien against the property and both actions shall be cumulative and neither shall preclude the other. No Tanasi Lagoon Townhouse Owner may waive or otherwise escape liability for the Tanasi Lagoon Assessments by non-use of the Tanasi Lagoon Limited Common Properties or abandonment.

If Tanasi Lagoon Assessments have become delinquent, such Tanasi Lagoon Assessments shall bind such property in the hands of the then Tanasi Lagoon Townhouse Owner, his heirs, devisees, personal representatives, successors and assigns. The personal obligation of the Tanasi Lagoon Townhouse Owner to pay such Tanasi Lagoon Assessments shall remain his personal obligation and shall not pass to successors in title unless expressly assumed by them. Such delinquent Tanasi Lagoon Assessments shall bear interest from the date of delinquency at any lawful rate as determined from time to time by the Board of Directors of the Tanasi Lagoon Townhouse Owners Association or, if not so determined, the rate of 10% per annum. In the event a judgment is obtained, such judgment shall include interest on the Tanasi Lagoon Assessments as above provided and a reasonable attorney's fee to be fixed by the Court, together with the costs of the action.

Section 8. Subordination of the Lien to Mortgages. The lien of the Tanasi Lagoon Assessments provided for herein shall be subordinate to the lien of any first mortgage now or hereafter placed upon the Lot or Living Unit subject to the Tanasi Lagoon Assessments. While an ordinary sale or transfer shall not affect the Tanasi Lagoon Assessment lien, any sale or transfer which is subject to any first mortgage pursuant to a decree of foreclosure or proceeding in lieu of foreclosure shall extinguish the lien of such Tanasi Lagoon Assessments which became due prior to such sale or transfer. Any excess funds from such foreclosure sale shall be applied to unpaid Tanasi Lagoon Assessments. No such sale or transfer shall relieve such Lot or Living Unit from liability for any Tanasi Lagoon Assessments thereafter becoming due or from the subsequent lien thereof except with respect to any future such decree of foreclosure or proceeding in lieu of foreclosure.

Section 9. Exempt Property. The following property subject to this Tanasi Lagoon Townhouse Supplemental Declaration shall be exempt from the Tanasi Lagoon Assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Properties; (c) the Limited Common Properties; (d) the Tanasi Lagoon Limited Common Properties; (e) utilities; (f) utility easements and all other easements; (g) any Reserved Properties; and (h) any Lot or Living Unit in the Tanasi Lagoon

Townhouse Subdivision owned or held by the Developer prior to the initial sale and conveyance thereof by the Developer.

Section 10. Delegation of Collection of Tanasi Lagoon Assessments. The Tanasi Lagoon Townhouse Owners Association may delegate the collection of the Tanasi Lagoon Assessments herein provided to the Developer, its successors and assigns, or to any other third party, to be accomplished at the expense of the Tanasi Lagoon Townhouse Owners Association.

ARTICLE VII

EXTERIOR MAINTENANCE

Section 1. Maintenance by Tellico Village Townhouse Association. The Tellico Village Townhouse Association shall be obligated to provide the landscape care and maintenance of the Limited Common Properties as reflected on the plat. This shall include the responsibility to cut, trim, care for, maintain, replace and plant trees, shrubs, grass, ground cover and accent materials.

Section 2. Other Exterior Maintenance. All other exterior maintenance, including repair and care of roofs, gutters, downspouts, exterior building surfaces, windows, fascia, doors, decks and other exterior improvements, including repainting or staining as needed shall be the responsibility of the Tanasi Lagoon Townhouse Owner.

In the event the Tanasi Lagoon Townhouse Owner should fail to provide the necessary exterior maintenance, the Tellico Village Townhouse Association shall have the right, but not the obligation, to provide exterior maintenance which in its sole judgement is deemed to be necessary to protect the aesthetic and property values in the area. The costs for such exterior maintenance shall be assessed against the Tanasi Lagoon Townhouse Owner and billed to such owner. In the event the Tanasi Lagoon Townhouse Owner fails to reimburse the Tellico Village Townhouse Association in a timely manner, any unreimbursed costs shall accrue interest at the maximum rate allowed under Tennessee law, shall be added to and become a part of the Annual Maintenance Assessment of the Tanasi Lagoon Townhouse Owner to the Tellico Village Townhouse Association and shall become a lien against the Lot or Living Unit as provided in Article V of the Townhouse Supplemental Declaration.

Section 3. Continuity of Exterior Appearance. There shall be no modification of the exterior design, materials, or colors of any Living Unit without the consent of the owners of all attached Living Units and of the Tellico Village Townhouse Association.

Section 4. Access at Reasonable Hours. For the purpose solely of performing the exterior maintenance authorized by Article VI of the Townhouse Supplemental Declaration, the Tellico Village Townhouse Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Tanasi Lagoon Townhouse Owner, to enter upon any such Lot or the exterior of any such Living Unit at reasonable hours on any day of the week.

ARTICLE VIII

OWNER LIABILITY

Any violation of this Tanasi Lagoon Townhouse Supplemental Declaration, the Tanasi Lagoon Townhouse Owners Association Articles of Incorporation, By-Laws and Rules and Regulations, or any laws, statutes, ordinances, or governmental authority rules and regulations, by a Tanasi Lagoon Townhouse Owner, other than the Developer, or by any family member, guest, lessee, licensee or

invitee of any Tanasi Lagoon Townhouse Owner, other than the Developer, shall be the responsibility of that Tanasi Lagoon Townhouse Owner and all enforcement rights or penalties therefor shall be applicable to said Tanasi Lagoon Townhouse Owner, except as specifically provided to the contrary in such documents or laws, statutes, ordinances, or governmental authority rules and regulations.

In the event a Tanasi Lagoon Townhouse Owner violates or threatens to violate any of the provisions hereof, the Tanasi Lagoon Townhouse Owners Association shall have the right to proceed in any appropriate court for an injunction to seek compliance. In lieu thereof, or in addition thereto, the Tanasi Lagoon Townhouse Owners Association shall have the right to levy a Tanasi Lagoon Personal Charge, enforceable in the same manner as Tanasi Lagoon Assessments, against the Tanasi Lagoon Townhouse Owner and his Lot or Living Unit for such sums as are necessary to enjoy any violation or to remove any unauthorized addition or alteration and to restore the affected property to good condition and repair.

ARTICLE IX

SUSPENSION OF VOTING RIGHTS AND EASEMENT OF ENJOYMENT

Section 1. Regular Suspension. Should a Tanasi Lagoon Townhouse Owner other than the Developer become delinquent in the payment of any Tanasi Lagoon Assessment or Tanasi Lagoon Personal Charge or violate any other provision of this Tanasi Lagoon Townhouse Supplemental Declaration, or the Tanasi Lagoon Townhouse Owners Association Articles of Incorporation, By-Laws or Rules and Regulations, the Board of Directors of the Tanasi Lagoon Townhouse Owners Association may suspend the voting rights of such Tanasi Lagoon Townhouse Owner and may deny such Tanasi Lagoon Townhouse Owner enjoyment of the Tanasi Lagoon Limited Common Properties until such time as any such delinquent Tanasi Lagoon Assessments or Tanasi Lagoon Personal Charges and any interest due thereon are paid and any such violations are ceased and any penalties therefor are satisfied. Suspension of Tanasi Lagoon Townhouse Owners Association privileges shall also entitle the Tellico Village Property Owners Association and the Tellico Village Townhouse Association to suspend such member's privileges under the Original Declaration and under the Townhouse Supplemental Declaration.

Section 2. Penalty Suspension. The Board of Directors of the Tanasi Lagoon Townhouse Owners Association shall further have the right, in its sole discretion, to impose as a Penalty Suspension for any such violations the suspension of such Tanasi Lagoon Townhouse Owners easement of enjoyment for a period not to exceed thirty (30) days for any one violation or occurrence. A Tanasi Lagoon Townhouse Owner must be given such notice and opportunity as is reasonable under the circumstances to refute or explain in person or in writing the charges against him before any decision to impose any such Penalty Suspension is enforced.

Section 3. General. Any suspension of rights under these provisions shall not be used as a basis for any reduction of Tanasi Lagoon Assessments or other charges payable by such Tanasi Lagoon Townhouse Owner.

ARTICLE X

PROTECTIVE COVENANTS

Every provision of the Protective Covenants of the Declaration shall apply as fully hereto as if same were set forth herein word for word. The following additional provisions are applicable to the Tanasi Lagoon Townhouse Subdivision:

Section 1. Permissive use. The Tellico Village Property Owners Association and the Tellico Village Townhouse Association shall have the right to use the Tanasi Lagoon Limited Common Properties for the purpose of fulfilling its obligations and duties under the Original Declaration and the Townhouse Supplemental Declaration, for accomplishing their purposes as set forth in their Articles of Incorporations and By-Laws, and for exercising any contractual duty which exists by reason of a contract between the Tellico Village Property Owners Association or the Tellico Village Townhouse Association and the Owners of Lots or Living Units in the Tanasi Lagoon Townhouse Subdivision, their heirs, successors and assigns, any representative designated by them, or the Tanasi Lagoon Townhouse Owners Association.

For the purpose solely of performing the aforesaid obligations and purposes, the Tellico Village Property Owners Association and the Tellico Village Townhouse Association, through their duly authorized agents or employees, shall have the right, after reasonable notice to the Tanasi Lagoon Townhouse Owner, to enter upon any Lot or exterior of any Living Unit at reasonable hours on any day of the week.

Section 2. Roof of Structural Overhang Easements. In any case where, as part of the original construction of a Living Unit upon the Lots subject to this Tanasi Lagoon Townhouse Supplemental Declaration, the roof or structural overhang of a Living Unit shall extend entirely upon or upon and over a particular party wall, or over the adjoining Lot, Tanasi Lagoon Limited Common Property or Reserved Properties, the Tanasi Lagoon Townhouse Owner and his heirs, successors or assigns, as the case may be, shall have a continuing easement as to the entire particular party wall or adjoining Lot, Tanasi Lagoon Limited Common Property or Reserved Properties for the support of said party wall and the permissive use, maintenance and replacement of such roof and roof or structural overhang. Under no circumstance, however, shall such roof or structural overhang extend over such adjoining Lot, Tanasi Lagoon Limited Common Property or Reserved Properties, or beyond the party wall on which it rests or is supported, by more than five (5) feet.

Section 3. Chimney Encroachment Easement. In any case where, as part of the original construction of a Living Unit upon the Lots subject to this Tanasi Lagoon Townhouse Supplemental Declaration, the chimney of a particular Living Unit shall encroach upon a party wall, an adjoining Lot, Tanasi Lagoon Limited Common Properties or Reserved properties, the Tanasi Lagoon Townhouse Owner and his heirs, successors, or assigns, as the case may be, shall have a continuing easement as to the entire particular party wall, the adjoining Lot, Tanasi Lagoon Limited Common Properties or Reserved Properties for the support, permissive use, maintenance and replacement of such chimney. Under no circumstance, however, shall such chimney extend beyond the party wall into the adjoining Lot, Tanasi Lagoon Limited Common Properties or Reserved Properties by more than five (5) feet beyond the party wall.

Section 4. General Appearance. The general appearance of each Lot or Living Unit in the Tanasi Lagoon Townhouse Subdivision shall be maintained as follows:

(A) No clothes line, rack for garbage pails, or free standing garbage pails shall be erected, placed or maintained on any Lot or Living Unit without prior approval, in writing, from the Architectural Control Committee. In no case shall said clothes line, rack or garbage pails be allowed unless screened from the view of the general public and of the adjoining Lots and Living Units, said screen to be approved as to design and appearance by the Architectural Control Committee. No trash or junk shall be placed or maintained on any Lot or Living Unit.

(B) No garage, carport, driveway, or parking area shall be used as a habitual parking place for a commercial or inoperable vehicle. No driveway, parking area, carport or garage without doors shall be used as a habitual parking space for boats, recreational vehicles, campers and trailers. All garage doors shall be closed, except when required to be opened for the purpose of ingress and egress.

(C) Except as a part of the original construction by the Developer, no fence or wall shall be erected upon the Tanasi Lagoon Townhouse Subdivision without prior approval in writing from the Architectural Control Committee.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 1. Duration. The covenants and restrictions of this Tanasi Lagoon Townhouse Supplemental Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Tanasi Lagoon Townhouse Owners Association, the Tellico Village Townhouse Association and the Tellico Village Property Owners Association, or the Tanasi Lagoon Townhouse Owners subject to this Tanasi Lagoon Townhouse Supplemental Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-six (26) years from the date the original Tanasi Lagoon Townhouse Declaration was 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 Tanasi Lagoon Townhouse Owners having two-thirds of the total number of qualified votes in the Tanasi Lagoon Townhouse Owners Association has been recorded, voting as a single class, agreeing to change said covenants and restrictions in whole or in part, provided, however, that no such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change and unless written notice of the proposed agreement is sent to every Tanasi Lagoon Townhouse Owner at least 90 days in advance of any action taken.

Section 2. Invalidity. If any of the provisions of this Tanasi Lagoon Townhouse Supplemental Declaration, the Articles of Incorporation or By-Laws of the Tanasi Lagoon Townhouse Owners Association, or any section, clause, phrase, word, or the application thereof, in any circumstance, is held invalid, the validity of the remainder of such instruments and the application of any such provision, action, sentence, clause, phrase or word, in other circumstances, shall not be affected thereby.

Section 3. Notices. Any notice required to be sent to any Tanasi Lagoon Member or Townhouse Owner under the provisions of this Tanasi Lagoon Townhouse Supplemental Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as such Tanasi Lagoon Member or Townhouse Owner on the records of the Tanasi Lagoon Townhouse Owners Association at the time of such mailing.

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

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

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

Section 7. Assignment, Transfer or Conveyance by Developer. The Developer reserves and shall have the right to assign, transfer or convey any reservations, rights or obligations of the Developer hereunder, and upon such assignment, transfer or conveyance the Developer shall immediately be released and discharged as to any and all liability incident to such reservations, right or obligation.

Section 8. Applicability. All provisions set forth herein shall extend to and be binding on the respective legal representatives, heirs, successors and assigns of all parties mentioned herein where consistent with the context hereof.

IN WITNESS WHEREOF, the Developer, joined by the Tanasi Lagoon Townhouse Owners Association for purposes of indicating its agreement hereto, have caused this instrument to be executed by their duly authorized corporate officers and their seals are affixed as of this ~~3rd~~ 3rd day of April, 1998.

ATTEST:

Secretary

COOPER HOMES, INC.
DEVELOPER

President

ATTEST:

Secretary

TANASI LAGOON TOWNHOUSE ASSOCIATION, INC.

President

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STATE OF ARKANSAS)
) ss. ACKNOWLEDGMENT
COUNTY OF BENTON)

On this day before me, the undersigned, a Notary Public duly qualified, commissioned and acting within and for the said state and county, appeared in person the within named Daniel W. Cooper and Ann Prestage, to me well known, who stated that they were the President and Secretary of COOPER HOMES, INC., an Arkansas corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

Witness my hand and Notarial Seal on this 3rd day of April, 1998.

David S. Thornton
Notary Public
5-1-2001

STATE OF TENNESSEE)
) ss. ACKNOWLEDGMENT
COUNTY OF)

On this day before me, the undersigned, a Notary Public duly qualified, commissioned and acting within and for the said state and county, appeared in person the within named David S. Thornton and Steele Jackson, to me well known, who stated that they were the _____ President and _____ Secretary of TANASI LAGOON TOWNHOUSE OWNERS ASSOCIATION, INC., a Tellico corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

Witness my hand and Notarial Seal on this 3rd day of April, 1998.

Rachel Walker
Notary Public
May 9, 2002

STATE OF TENNESSEE LOUDON COUNTY REGISTER'S OFFICE
THIS INSTRUMENT RECEIVED AT 1:47 O'CLOCK P M., OF THE 30 DAY OF April 1998
DULY CERTIFIED AND REGISTERED IN SAID OFFICE IN Trust BOOK NO. 429 PAGE 180
AND NOTED IN BOOK NO. V PAGE 78 STATE TAX PAID $ —
Fee #68.00 Bonnie Wear REGISTER