
MODIFICATION OF
DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS
FOR
PINEBROOK PLACE
A PLANNED UNIT DEVELOPMENT

THIS MODIFICATION OF DECLARATION, made this ____ day of October, 2009, by HARTLAND DEVELOPMENT COMPANY, a Tennessee corporation, of Kingsport, Sullivan County, Tennessee, hereinafter called the "Declarant" and owners of homesites located in Pinebrook Place. THIS MODIFICATION OF DECLARATION modifies the DECLARATION dated the 22nd day of April, 2005 of record in Deed Book 2265C, Page 360, as modified in Deed Book 2322C, Page 418 and re-recorded in Deed Book 2337C, Page 162 to add Phase 2, as modified in Deed Book 2403C, Page 31 to add Phase 3, as modified in 2473C, Page 789 to add Phase 4, as modified in Deed Book 2525C, Page 701 to add Phase 5, as modified in Deed Book 2613C, Page 41 and as modified in Deed Book 2638C, Page 730.

WITNESSETH:

WHEREAS, the undersigned are the owners and developer of the real property described on Exhibit A of the original declaration and the additions thereto, more particularly described on plats depicting Phases 2 through 6, and desire to create thereon a senior residential community with open spaces and other common facilities for the benefit of the said community; and,

WHEREAS, the undersigned desire to provide for the preservation of the values and amenities in said community and for the maintenance of said open spaces and other common facilities; and to this end, desire to subject the real property described in Exhibit A of the original declaration and the additions thereto, more particularly described on plats depicting Phases 2 through 6, to the covenants, restrictions, and easements hereinafter set forth, each and all of which are for the benefit of said property and each owner thereof; and,

WHEREAS, the undersigned have deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created.

WHEREAS, by virtue of the provisions of Article XII, General Provisions of the said Declaration, as modified, the undersigned, as the original subdivider and owners of the land are desirous of modifying the Declaration and the various modifications thereto.

NOW, THEREFORE, in consideration of the premises, the undersigned parties hereby modify the original Declaration and the various modifications thereto, as follows:

ARTICLE I

DEFINITIONS

Section 1. “Association” shall mean and refer to Pinebrook Place Owners Association, Inc., a non-profit corporation under the laws of the State of Tennessee, incorporated and organized pursuant to the Act for the purpose of owning, maintaining and administering the Association properties and administering and enforcing the covenants and restrictions related thereto. The By-Laws of the Association, as modified and amended, are attached hereto as Exhibit A hereto and are incorporated herein by reference.

Section 2. “Owner” shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Home Site which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. “Properties” shall mean and refer to that certain real property described on Exhibit A of the original declaration and the additions thereto brought within the jurisdiction of the Association and made subject to this Declaration.

Section 4. “Common Area” shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first Home Site is described on Exhibit B attached to the original Declaration and further depicted on the various plats recorded adding additional phases to Pinebrook.

Section 5. “Home Site” shall mean and refer to any and all lots shown upon any recorded map of the Properties upon which a Home or Unit and the improvements associated therewith will be located on and for which fee simple ownership and exclusive use is reserved to that Home or Unit only, being the private elements of this planned unit development.

Section 6. “Declarant” or “Developer” shall mean and refer to Hartland Development Company.

Section 7. “Mortgage” shall mean and refer to any security instrument by means of which title to property is conveyed or encumbered to secure a debt, including (but without limiting the generality of the foregoing) Security Deeds, Deeds of Trust, and Deeds to Secure Debt.

Section 8. “Mortgagee” shall mean and refer to any one or more persons who hold a recorded or unrecorded Mortgage or Mortgages.

Section 9. “Home” or “Unit” shall mean or refer to any portion of a building situated upon the Properties designed and intended for use and occupancy as a single family, private residence.

Section 10. “Member” shall mean and refer to all those Owners who are members of the Association, as provided in Article III, Section 1, of this Declaration.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners’ Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Home Site, subject to the following provisions:

(a) The right of the Association to suspend the voting rights of an Owner for any period during which any assessment against his Home Site remains unpaid;

(b) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the Members agreeing to such dedication or transfer has been recorded.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a Home Site which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Home Site which is subject to assessment. Each owner of a Home Site shall own a pro rata share of the total membership in the Association.

Section 2. The members of the Association shall be all Owners of Home Sites in Pinebrook Place, and they shall be entitled to one vote for each Home Site owned. When more than one (1) person holds an interest in any Home Site, all such persons shall be Members. The vote for such Home Site shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Home Site.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Home Site owned within the Properties, hereby covenants, and each Owner of any Home Site by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the Home Site and shall be a continuing lien upon the Home Site against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Home Site at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. It is incumbent upon any purchaser of a Home Site to confirm, prior to purchase, that all assessments are current and not past due or delinquent, and the Owner shall provide written proof to purchaser, with endorsement by the treasurer, that all assessments are current, utilizing the form attached hereto as Exhibit F. The Association Board of Directors shall, with legal consultation, establish a document in the Office of the Register of Deeds of Sullivan County that will alert Realtors and Title Searchers of the items and concerns for liens, delinquent assessments, unpaid fines, or other relative issues against any of our Homesites prior to sale and/or deed transfers.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners of the Properties, and in particular for the acquisition, improvement, and maintenance of properties, services, and facilities devoted to this purpose upon the Properties or for the use and enjoyment of the Common Area, including, but not limited to, the cost of repairs, replacements, and additions, the cost of labor, equipment, maintenance, water utilities, materials, the payment of taxes assessed

against the Common Area, the procurement and maintenance of insurance related to the Common Area , its facilities and use in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, and such other needs as may arise.

Section 3. General Annual Assessment. Prior to release of the annual assessment charges each year, the Finance Committee and the Association Board of Directors will meet jointly to determine the budgetary needs for the next fiscal year. The annual assessment shall be sufficient to raise the amount which, in their said reasonable judgment, may be required to operate the Association. These budgetary needs will then be divided and levied equally among all owners of Homes or Home Sites. There will be a Membership Meeting in June of each year and at least 45 days prior to that meeting, a financial statement for the ending year, and budget for the following year and assessment charges for the following year will be either mailed or hand delivered utilizing a signed check-off system. This will permit discussions and clarification should it be needed. The Association Board of Directors will determine collection methods

(a) Maximum Increase. In order to allow some flexibility in the budgetary process, the Association Board of Directors will have the ability to increase said budget each year, if needed, up to a maximum of 5% over the previous year without approval of the Membership. Anything above that level will require a two-thirds (2/3) approval vote by members voting in person or by proxy in a meeting called for that purpose. If a large increase is needed it might best be done by Special Assessment. Any budgetary increase will be divided and levied equally to each Homeowner. The fiscal budget to be utilized as the base will be the budget in force at the approval of these said Declarations by the membership. The Board may also reduce the annual assessment if budget dictates.

(b) Fiscal Year. The fiscal year for the Association runs from July 1 of one year until June 30 of the next year. The annual assessment charge is payable by July 1 of each year. Said payment is considered delinquent if not paid by September 1 of the year in which it is due.

(c) Equalization. The Developer, in years preceding this Declaration revision, did make and engage in sale contracts and leases where the annual assessments were prorated and varied from the said base rate. Any and all new contracts must maintain the divided and levied equal charges to the higher assessment cost unless leased homes are purchased prior to July 1, 2009 in which case they fall under existing contracts. Existing contracts for assessments will be honored as long as the original purchaser owns the home but they will still be expected to pay any annual assessment increases on a divided and levied equal basis as permitted in Article IV, Section 3, Paragraph (a).

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any calendar year, a special assessment for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair, or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall be divided and levied equally to all Homeowners and have the assent of two thirds (2/3) of the votes of the Members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Annual Water Assessment. The two (2) Association water intake lines, 1) potable and 2) fire, security and environmental protection, each have a single water meter where they connect with the Kingsport city water lines. The Association is then billed for the total water used and the bill then divided and equally levied to each Member as an annual charge. The Finance Committee will meet with the Association Board of Directors, the method herein discussed earlier in this Declaration, to determine the budgetary needs for the annual water charge. The annual water assessment will be released with the general annual assessment permitting them to be discussed at the Annual Membership Meeting together. The fiscal base year for the water assessment will be the fiscal year that these said Revised Declarations are approved. The Board of Directors may raise the said water assessment up to 10% per year without Membership approval. Above this level a required two-thirds (2/3) approval vote by the Membership will be required or a special assessment discussed earlier in this Declaration. Collection methods will be determined by the Board of Directors.

Section 6. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4, shall be sent to all Members not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast sixty per cent (60%) of all the votes of the 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 (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 7. Date of Commencement of Annual Assessments - Due Dates. The annual assessments provided for herein shall be collected on an annual or semi-annual basis. The first annual or new homeowner assessment shall be adjusted according to the number of months remaining in the calendar year. At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall fix the amount of the

annual assessment against each Home Site and send written notice of each assessment to every Owner subject thereto. The due date shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association, setting forth whether the assessments on a specified Home Site have been paid.

Section 8. Effect of Nonpayment of Assessments - Remedies of the Association.

Any assessment not paid within sixty (60) days after the due date shall bear interest from the due date at the maximum rate permitted by law. The Association may bring an action

at law against the Owner personally obligated to pay the same or foreclose the lien against the Home Site, and interest, costs, and reasonable attorneys' fees of such action or foreclosure shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the

Common Area or abandonment of his Home Site.

Section 9. Association's Lien Subordinated to Mortgages. The lien provided for in Sections 1 and 7 shall be subordinate to the lien of any first mortgage at any time placed upon any Home Site. Such lien shall not be affected by any sale or transfer of a Home Site, except, that a sale or transfer pursuant to a decree of foreclosure, a non-judicial foreclosure, or deed in lieu of foreclosure shall extinguish the lien for assessments which become payable prior to such sale or transfer. Any sale or transfer shall not relieve the owner/seller or transferee of a Home Site from liability for, nor the Home Site so sold or transferred from the lien of, any assessment thereafter coming due.

Section 10. Acceleration. Upon default in the payment of any one or more installments of any assessment levied pursuant to this Declaration, the entire balance of said assessment may be accelerated at the option of the Board of Directors and be declared due and payable in full.

Section 11. Reserves and Working Capital. The association is required to establish and maintain an adequate reserve fund to affect the purposes of the assessments set forth herein. In addition to all the assessments set forth herein, each and every Home Site purchaser shall, at the time of the closing of such Home Site when title is furnished, be required to place into such working capital fund an amount of \$300.00. Such amount shall be placed into a segregated account in the name of the Association and shall be utilized by the Association for those said purposes, assuring that there will be adequate cash available for unforeseen expenditures or to provide additional equipment or services deemed necessary by the Board of Directors of the Association. The payment of said amount shall not be considered as an advance

payment of the general annual assessments, but shall be known as the working fund capital contribution. At the time of any subsequent conveyance of the Home Site the selling owner shall not be entitled to any refund or rebate on any sum paid into the working capital fund, and the new buyer of said Home Site shall be required at the time of closing to place into said working capital fund an amount of \$300.00 as determined above. The Association Board of Directors will establish a notification and collection method for these fees.

ARTICLE V

FINANCIAL COMMITTEE

Section 1. Establishing. To aid in the financial operation of the Association, the Board of Directors will establish and appoint an ongoing Financial Committee. Duties will be to develop budgets as declared in Article IV, and aid the Association Treasurer in preparing financial reports, working with the Board of Directors concerning financial matters, and having an ongoing internal audit in place. Due to escalating costs, no periodic external audit will be required. Should a reason occur where the Finance Committee, Board, or Membership determine a need for an external audit by a public accountant, than a two-thirds (2/3) approval vote of the Membership is required. The members of said Financial Committee will not collect, deposit or disburse any Association fees or funds.

Section 2. Appointment. The Financial Committee will consist of three (3) members to be appointed by the Association Board of Directors. It will be an ongoing committee with vacancies being appointed and filled as they occur. Individuals that are CPA's, present or past owners of businesses, or individuals that have budgetary or financial planning experience during employment should be given top consideration. If Members cannot be found to fill these positions then outside non-members may be used. Members will not be paid by the Association for serving on the committee but outside appointments may need to have a stipend given for services provided. One member from the Board of Directors other than the Treasurer may serve but it should be one with the previously mentioned experience. The Association Treasurer may be an extra ad-hoc non-voting member of the committee if so desired.

ARTICLE VI

PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the Home on each Home Site and placed on the dividing line between the Homes shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability

for property damage due to negligence or willful acts or omission shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use.

Section 3. Destruction by Fire or other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. All party wall destruction by fire or other casualty shall be repaired/replaced within ninety (90) to one-hundred and eighty (180) days following the incident. The party wall will be repaired/replaced by the party responsible for the incident to at least the requirements of the original construction and to any other code requirements required by law since the original installation.

Section 4. Weatherproofing. Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 6. Arbitration. In the event of any dispute concerning the interpretation and/or application requirements associated with party walls, Owners are to process their concerns in accordance with Exhibit B "Pinebrook Homeowners Association Complaint Procedures".

ARTICLE VII

ENVIRONMENTAL QUALITY COMMITTEE

Section 1. Review by Committee. No building, fence, wall, or other structure shall be commenced, erected, or maintained upon the Properties, including any Home Site, nor shall any exterior addition to or change or alteration 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 Board of Directors of the Association, or by any Environmental Quality Committee composed of three (3) or more representatives appointed by the Board. After said plans

and specifications have been submitted to the Board or Environmental Quality Committee, approval or rejection of the request shall not be unreasonably delayed or withheld. No construction or modification changes on the exterior of the Home Site or Home shall begin without first written approval from the Board.

Section 2. Unauthorized Improvements. In the event any Owner shall erect any structure or improvement upon the Properties, including any Home Site, or shall cause any exterior addition to or change or alteration therein without submitting the plans and specifications to the Board of Directors, or its designated committee, as herein provided, then the Board may, at its discretion, cause the same to be removed at the expense of the Owner at any time within three (3) years from the date that said unauthorized improvement was made by any such Owner or the Association may remove same or change said addition or alteration at the expense of Owner, and if not paid by Owner file a lien against Owner's Home Site.

ARTICLE VIII

EXTERIOR MAINTENANCE

Section 1. Landscaping Maintenance. Unless otherwise provided in a supplemental declaration, in addition to maintenance upon the Common Area, the Association shall provide maintenance upon those portions of each Home Site which are not occupied by buildings, as follows: trees, shrubs, grass, walks, and other landscaping improvements, except, provided, however, nothing contained herein shall require the Association to provide maintenance for any patio area owned in fee simple by any Owner.

Section 2. Maintenance of Homes. Each Owner shall, at his sole cost and expense, keep and maintain the exterior and interior of his Home and any patio to which he has sole access in a good state of repair, preservation, and cleanliness.

Section 3. Examination of Books. The Association shall be required to make available to all Owners and Lenders, and to Holders of any first mortgage, current copies of the Declaration, By-laws, other rules concerning the Properties and the books, records, and financial statements of the Association. "Available" as used herein shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances. In addition, any Holder of a first mortgage shall be entitled, upon written request, to a financial statement for the immediately preceding fiscal year.

ARTICLE IX

SALES, ASSIGNMENTS, LEASES, AND MORTGAGES OF HOMES

Section 1. No Severance of Ownership. No Owner shall execute any deed, mortgage, deed of trust, or other instrument conveying or mortgaging title to his Home Site without including therein the appurtenant interests that go with such Home Site, including each Owner's undivided membership in the Association, it being the intention hereof to prevent any severance of such combined ownership. Any such deed, mortgage, deed of trust, or other instrument purporting to affect one or more of such interests without including all such interests, shall be deemed and taken to include the interest or interests so omitted, even though the latter shall not be expressly mentioned or described therein. No part of the appurtenant interests of any Home Site may be sold, transferred, or otherwise disposed of, except as part of a sale, transfer, or other disposition of the Home Site to which such interests are appurtenant.

Section 2. Gifts and Devises, Etc. Any Owner shall be free to convey or transfer his Home Site by gift, or to devise his Home Site by will, or to pass the same by intestacy, without restriction, subject to these covenants.

Section 3. Leasing. Except as otherwise provided in this Section 3 of Article VIII, any Owner may lease his Home Site under such terms as he deems appropriate, provided that said lease is no shorter than six (6) months duration and provided further no customer hotel services shall be furnished, maintained, or offered in connection with the leasing of any home site and further provided that not less than all of said Home Site is leased. All leases must be in writing and provide that its terms are subject in all respects to this Declaration, the Charter, By-Laws and Association Rules and that any failure of the lessee to comply with the terms of these documents shall be a default under the lease. Owner shall be responsible for any and all damages incurred and will be held liable for the actions of said tenant as they pertain to the property and Common Area. Any Owner has the right to deny all pets on their premises; however, if permitted, the lease shall include the requirements specified in Article X, Section 3. All leases shall incorporate by reference all terms of this Declaration, as modified, the Charter, By-Laws, and Association Rules and shall be approved by the Association.

ARTICLE X

USE RESTRICTIONS

In order to promote the ecology of the development, provide compatibility for the Owners, and encourage congenial occupancy of the Properties, and for the protection of the value of PINEBROOK PLACE, the use of the Properties shall be restricted to and in accordance with the following provisions:

Section 1. Land Use and Building Type. No Home Site shall be used except for residential purposes, except the Developer reserves the right to maintain model Units and a sales office within the Properties and the right to conduct marketing activities upon the Properties until all Home Sites are sold. No initially constructed Home and no replacement Home shall be allowed or permitted to remain on any Home Site other than one (1) single-family dwelling and any replacement Home must conform to the original plan, size, and value of the Home replaced. It must be in keeping with the overall architectural scheme of development, and must first be approved in writing by the Board or Environmental Quality Committee. No chain link or wood fences are permitted; no Home Site shall have placed thereon any equipment for the reception of television signals, or other communication signals, including, without limitation, what are commonly called "satellite dishes", ham operator or citizens band radio operator antennas, etc., provided, however, equipment kept totally inside any dwelling constructed on any Home Site and "satellite dishes" less than 24" diameter shall be permissible; no Home Site may be re-subdivided except to form a larger Home Site; no exposed utilities, no outside dog runs or pens, and no outside clothes lines are permitted.

Section 2. Nuisances. No nuisances shall be allowed on the Properties, nor shall any use or practice be allowed which is a source of annoyance to its residents, or which interferes with the peaceful possession or proper use of the Properties by its residents.

Section 3. Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Home Site or in any Home, except that dogs, cats, or other customary household pets may be kept and maintained provided they are not kept or maintained for commercial purposes; provided, further however, that:

- (a) No one shall keep or maintain more than two (2) pets on the premises, except newborns for a reasonable time. Nor shall any pet be kept and maintained on any Home Site which exceeds forty (40) pounds in weight and no animal shall be tethered out of doors for more than thirty (30) minutes and the tether shall be short enough so as to not allow pet access to common walkways. Service

animals are excluded from the forty (40) pound weight restriction and depending upon special circumstances, the Board may provide an exception to the forty (40) pound weight limit as well.

- (b) No one shall suffer any animal belonging to him to run free on the Common Area or to trespass on the Home Site of any other Owner, or to disturb the peace and quiet of any resident. Residents are responsible for removal and disposal of animal waste.

Section 4. Use of Common Area. The Common Area and associated facilities shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the normal use and occupancy of the Homes, and preferably for shrubs and flowers in those appropriate areas. All owners shall have equal access and right to use the common areas and equal appurtenant interests therein.

Section 5. Legal Requirements. No immoral, improper, offensive, or unlawful use shall be made of the Properties or any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed. Laws, orders, rules, regulations or requirements of any governmental agency having jurisdiction thereof, relating to any portion of the properties, shall be complied with.

Section 6. Declarant's Rights. After development is complete, "for sale" or "for lease" signs may be placed on the units at the bottom of the window nearest the house/unit number. The Lodge units will place their signs at the bottom of the storm door three (3) inches above the bottom of the glass. Signs are not to exceed twenty (20) inches by fifteen (15) inches. No signs are permitted at the rear of the units.

Section 7. Rental units. In addition to occupants of any rental unit adhering to the same policies as the general population, prospective tenants must be approved by the Board of Directors prior to executing a lease.

Section 8. Age Restrictions. In order to provide a safe, secure and enjoyable environment for our senior residential community, 80 percent of the permanent residents must be 55 years of older; no children under the age of 25 shall be permanent residents; and the primary occupant shall be over the age of 30. Children under the age of 18 may visit but must have close adult supervision and the visits should not extend past fourteen (14) days. Any exceptions to the policy shall be approved by the Board of Directors.

Section 9. Security and Maintenance. The homeowner's association will establish and maintain a neighborhood watch program with the assistance of the

Kingsport Police department. The Association will also form a Neighborhood Help Committee to

assist homeowners with minor maintenance issues (replacing light bulbs, changing smoke alarm batteries, taking garbage cans to the curb, etc.).

Section 10. Vehicles. Parking for vehicles is limited to the number of parking spaces available for each unit; units with no garage or a one-car garage shall have two spaces; units with a two-car garage shall have four spaces. Guest parking spaces are provided for the tri-plex buildings at the Community Center. No mechanical work or servicing work on automobiles shall be conducted in parking areas. Disabled vehicles or vehicles without a visible license plate are not permitted to remain in the parking areas. Parking for motor homes exceeding twenty-two (22) feet in length is limited to 24 hours for loading and unloading only. No boats or uncoupled trailers shall be permitted to park in the parking areas at any time.

ARTICLE XI

EASEMENTS

Section 1. Utility Easements. Easements for installation and maintenance of utilities (electric power, telephone, water, sewer, CATV, etc.) and drainage facilities are reserved with the Properties. After use has been made of the easements for the purposes intended, no structure, planting, or other material shall be placed or permitted to remain within these easements which may interfere with the installation and/or maintenance of such utilities, or which may change the direction of flow or drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements.

Section 2. Developer's Easements. The Developer, for itself, its successors, and assigns, reserves the permanent easement and right of ingress and egress to pass and repass over all roads, ways, sidewalks, pathways, and easements, to and from any additional property which may be hereafter incorporated into Pinebrook Place or any other development that borders on Pinebrook Place. Further, the use of any Common Area by the Association will be subject to this and any other rights or easements reserved to the Developer in any deed to the Association for all or any part of the Common Area.

Section 3. Miscellaneous Easements. There is further reserved such easements as may be shown on any map of the properties recorded now or hereafter and those certain maintenance easements as may be required.

ARTICLE XII

PROPERTY SUBJECT TO THIS DECLARATION; ADDITIONS THERETO

Section 1. Existing Property. The real property which is, and shall be, held, transferred, sold, conveyed, and occupied subject to this Declaration is located in the City of Kingsport, in the 11th Civil District of Sullivan County, Tennessee, and is more particularly described on Exhibit A of the original declaration and the additions thereto and are incorporated herein by reference, all of which real property shall hereinafter be referred to as “Existing Property”.

Section 2. Additions to Existing Property. (a) Additional property may be made subject to this Declaration by the Developer without the consent of any Owners by filing of record a Supplementary Declaration of Protective Covenants, Conditions, and Restrictions

with respect to the additional property which shall extend the scheme of the covenants and restrictions of this Declaration to such property. Such Supplementary Declaration may contain such complementary 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 and as are not inconsistent with the scheme of this Declaration. In no event, however, shall such Supplementary Declaration revoke, modify, or add to the

covenants established by this Declaration within the Existing Property. (b) Effects of Amendment. Upon recording of a Supplementary Declaration by Developer, which annexes and subjects additional property to this Declaration, as provided in this Article, then:

- 1) The restrictions, conditions, covenants, and reservation, liens, charges, rights, benefits, and privileges set forth and described herein shall run with and bind the additional property and inure to the benefit of and be the personal obligation of the owner of additional Home Sites in the same manner, to the same extent, and with the same force and effect that this Declaration applies to the Existing Property and Owners of Home Sites which were initially subjected to this Declaration.
- (2) Every person who is an owner of an additional Home Site shall be a Member of the Association on the same terms and subject to the same qualifications and limitations of those members who are Owners.

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- (3) Until the effective date of the next revised or Annual Assessment, that portion of the Annual Assessment which shall be payable each month by each owner of an additional Home Site which is subject to assessment shall be determined as provided herein based on the annual assessment determined in the most recently adopted budget.

ARTICLE XIII

GENERAL PROVISIONS

Section 1. Limitation on Certain Contract Rights Prior to Passage of Control to Association. The Association, prior to passage of control, which shall not be sooner than one (1) year following completion of the development as determined by the Developer, shall not be bound either directly or indirectly to any contract or lease, including a management contract unless there is a right of termination of any such contract or lease, without cause, which may be exercised without penalty at any time after transfer of control, upon not more than ninety (90) days notice to the other party thereto.

Section 2. Enforcement. The Association or any Owner shall have the right and the responsibility to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. The failure to enforce any covenant or restriction or any obligation, right, power, privilege, authority or reservation herein contained, however long continued, shall in no event be deemed a waiver of the right to enforce the same thereafter as to the same breach or violation, or as to any other breach or violation thereof occurring prior to or subsequent thereto. The Board of Directors is authorized to assess charges for any breach of the declaration or rules and regulations. Pending notification of violations, fines will be levied against the Homeowner should a violation occur. Attorneys' fees and costs of any such actions to restrain violation or to recover damages as determined by the court shall be assessable against and payable by any persons violating the terms contained herein.

Penalties are as follows:

1. First offense: Written notification of the offense and a 7 (seven) day period in which to correct the problem with a notice of the subsequent fines should the Resident not comply.
2. Non-response of Resident to offense: Written notification of

the fine that has been levied against the unit and a thirty-day (30) period in which to correct the problem, restriction of privilege, and response required specifying actions taken. A fifty-dollar (\$50.00) fine for such incidence shall be levied.

3. If the violation is not corrected within the time frame provided, or the violator has not made arrangements with the Association to provide an acceptable solution or timetable, the matter will be turned over to the Association's legal counsel to institute legal proceedings against the violator. Restriction of privileges remain in force and an additional fifty-dollars (\$50.00) will be levied against the unit for every month the violation remains unresolved.

For initiating and processing a potential violation refer to Exhibit B, "Pinebrook Homeowners Association Complaint Procedures".

Section 3. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

Section 4. Amendment. The covenants and restrictions of this Declaration shall run with and bind the Properties, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by not less than two-thirds (2/3) of the Owners. Any amendment must be recorded.

Section 5. Lender's Notices. Upon written request to the Association, identifying the name and address of the holder and the Home Site number or address, any such eligible mortgage holder, for a nominal fee, if any, as established by the Board of Directors, will be entitled to timely written notice of:

- a. Any delinquency in the payment of assessments or charges owed by an Owner of a Home Site subject to a first mortgage held by such eligible holder which remains uncured for a period of sixty (60) days;
- b. Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

-
- c. Any proposed action which would require the consent of a specified percentage of mortgage holders.

Section 6. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 7. Home Sites Subject to Declaration, By-Laws, and Rules and Regulations. All present and future Owners, tenants and occupants of Home Sites shall be subject to, and shall comply with, the provisions of this Declaration, the By-Laws, and the Rules and Regulations of the Association, as they may be amended from time to time. The acceptance of a deed of conveyance or the entering into of a lease or the entering into occupancy of any Home Site shall constitute an agreement that the provisions of the Declaration, the By-Laws, and the Rules and Regulations of the Association, as they may be amended from time to time, are accepted and ratified by such Owner, tenant or occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Home Site, as though such provisions were recited and stipulated at length in each and every deed or conveyance or lease therefore.

Section 8. Developer's Rights to Develop and Sell Property. Nothing contained herein shall permit the Association or property owners to interfere with the rights of the Developer to develop the Property or to convey all of the Property in Pinebrook Place, and Developer shall be permitted to convey all of the Home Sites therein.

Section 9. All other provisions of the Declaration and its various modifications, except as expressly modified herein, shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein has hereunto set his hand, this _____ day of _____ 2009.

Declarant:

Hartland Development Company

By: MICHAEL L. HARTGROVE
Its: President

STATE OF TENNESSEE)
COUNTY OF SULLIVAN)

Before me, the undersigned authority, a Notary Public in and for the aforesaid State and County, personally appeared Michael L. Hartgrove, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the President of HARTLAND DEVELOPMENT COMPANY, a Tennessee corporation, and that he, as such President, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as President.

WITNESS my hand and official seal at office in Kingsport, Sullivan County, Tennessee, this the _____ day of _____ 2009.

NOTARY PUBLIC

MY COMMISSION EXPIRES:

EXHIBIT A

BY-LAWS OF PINEBROOK PLACE OWNERS ASSOCIATION, INC.

ARTICLE I – NAME AND LOCATION

The name of the Corporation is PINEBROOK PLACE OWNERS ASSOCIATION, INC., hereinafter referred to as the “Association”. The principal office of the Corporation shall be located at 2525 Pinebrook Place, Kingsport, Tennessee, or at such other place as the Corporation may designate from time to time, but meetings of members and directors may be held at such places within the State of Tennessee, as may be designated by the Board of Directors.

ARTICLE II – DEFINITIONS

Section 1. Definitions. The following words when used in these By-Laws or any amendments thereto (unless the context shall prohibit) shall have the following meanings:

- (a) “Association” shall mean and refer to PINEBROOK PLACE OWNERS ASSOCIATION, INC., its successors and assigns.
- (b) “The Properties” shall mean and refer to all such existing properties, and additions thereto, as are subject to these By-Laws or any amendments thereto under the provisions of the Declaration, these By-Laws, and any other instruments or deeds bringing property within the jurisdiction of the Association.
- (c) “Common Properties” or “Common Areas” shall mean and refer to those areas of land shown on any recorded plat of the Properties and/or designated as such in the Declaration or in any deed to the Association, and intended to be devoted to the common use and enjoyment of the owners of all Home Sites in the Properties.
- (d) “Private Elements” or “Home Sites” shall mean and refer to any and all lots shown upon any recorded map of the Properties upon which a Home or Unit and the improvements associated therewith will be located and for which fee simple ownership and exclusive use is reserved to

that Home or Unit only.

- (e) “Home” or “Unit” shall mean or refer to any portion of a building situated upon the Properties designated and intended for use and occupancy as a single family, private residence.
- (f) “Owner” shall mean and refer to the record owner, whether one or more persons or entities of any Private Element, including any Home or Unit located thereon, situated upon the Properties but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosing.
- (g) “Member” shall mean and refer to all those Owners who are members of the Association, as provided in Article III, Section 1, of the Declaration.
- (h) “Developer” shall mean and refer to Hartland Development Company, its successors and assigns.
- (i) “Declaration” shall mean and refer to the Declaration of Protective Covenants, Conditions, and Restrictions for Pinebrook Place applicable to the Properties recorded in the office of the Register of Deeds for Sullivan County, Tennessee.

ARTICLE III – MEMBER AND PROPERTY RIGHTS

Section 1. Membership. Every owner of a Private Element shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Private Element. Voting rights of the Members shall be provided in the Declaration and as may be set out herein.

Section 2. Property Rights. Each Member shall be entitled to the use and enjoyment of the Common Area and any associated facilities as provided in the Declaration. Any Member may delegate his rights of enjoyment of the Common Area and associated facilities to the members of his family, his tenants, or contract purchasers who reside in the Home (herein the “delegate”) with prior approval of the Board of Directors. Such Member shall notify the Secretary of the Association in writing of the name of the

delegate. The rights and privileges of such delegate are subject to approval and suspension by the Board of Directors to the same extent as those of the Member.

Section 3. Ownership in the Association. Each Owner of a Private Element shall own a prorata share of the total membership in the Association.

ARTICLE IV – MEETING OF MEMBERS

Section 1. Annual Meetings. Regular annual meetings of the Members shall be held at a date, time and place established by the directors. Notice of the meeting must be given as required by Section 3.

Section 2. Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote who hold one-half (1/2) of all the votes of the members.

Section 3. Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the direction of, the Secretary or the person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days, preferably thirty (30), before such meeting to each Member entitled to vote, addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and in the case of a special meeting, the purpose of the meeting. Waiver by a Member in writing of the notice required herein, signed by him before or after such meeting, shall be equivalent to the giving of such notice.

Section 4. Quorum. The presence at the meeting of Members or of proxies entitled to cast one-half (1/2) of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at such meeting shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented. The President shall preside over all meetings of the Members.

Section 5. Proxies. At all meetings of the Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance of the Member of his or her Private Element.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of seven (7) elected directors who need not be Members. Prior to the Developer's transfer of full power to the Association the Board will consist of two (2) directors appointed by him (President and Secretary/Treasurer), one at-large director and four (4) Community oriented directors. After the Association assumes full control there will be three (3) at-large and four (4) Community oriented directors.

Section 2. Community Orientation. The area consisting of Pinecone Circle, Pine Needle Path and Lodge Pine Walk shall be known as PINEBROOK SOUTH and have two (2) directors, the area of White Pine Lane and Foxtail Lane shall be known as PINEBROOK WEST and have one (1) director, and the area of Mountain Pine, Sugar Pine Drive and Ridge Pine Road shall be known as PINEBROOK NORTH and have one (1) director. These directors will be responsible for interchange of information, ideas and report between the Association, Board and their portion of the community. Should a community area not have a qualified Member willing to serve, the position may be filled from at-large with a directive given that Director to carry out the above Community function for the area where elected.

Section 3. Term of Office. At the annual meeting each year the Membership shall elect the number of directors necessary to replace the directors whose terms are expiring. However, directors may serve consecutive terms. All directors are elected to serve for two (2) years with three (3) being elected one year and four (4) the alternate year and with one-half ($\frac{1}{2}$), or two (2), of the Community delegates being elected each year. The Board shall arrange the elections to accomplish the above directive. Exhibits D and E are examples for the Directors Ballot.

Section 4. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the Members. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board, and shall serve for the unexpired term of his predecessor.

Section 5. Compensation. No director shall receive compensation for any service he may render to the Association as a director except for two exceptions. Due to an often heavy work load in the position of Treasurer or Secretary/Treasurer compensation may be required to fill the position. The Board shall determine the need and have the freedom to negotiate and establish said compensation. The Board may also employ a Manager to operate the business affairs of the Association. These two

positions may or may not be filled by a director. Any director shall be reimbursed for actual expenses incurred in the performance of Board duties.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors may be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting of the Members. The Nominating Committee, if one is constituted, shall

consist of a Chairman, who shall be a member of the Board of Directors, and two or more Members. Any Nominating Committee so constituted shall be appointed by the Board of Directors prior to each annual meeting of the Members. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday; provided, however, if the Board shall agree to meet on such legal holiday, any action taken by it shall be valid and binding.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days' notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act done or decision made by a majority of the directors present at a duly held meeting at which a quorum is present shall be the act of the Board.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have the power to:

- a) Adopt and publish Rules and Regulations governing the use of the Common Area and associated facilities, and the personal conduct of the Members and their guests thereon, and to establish penalties for the infraction thereof;
- (b) Suspend the voting rights and right to use of the recreational or associated facilities of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for infraction of published Rules and Regulations;
- (c) Exercise for the Association all powers, duties, and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;
- (d) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent, without good reason, from three (3) consecutive regular meetings of the Board of Directors;
- (e) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties;
- (f) Employ attorneys to represent the Association when deemed necessary; and
- (g) Take any action required or permitted to

be taken under the Tennessee Nonprofit Corporation Act, as amended, or as permitted by law.

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) Cause to be kept a complete record of all its acts and corporate affairs;
- (b) Supervise all officers, agents, and employees of this Association, and to see that their duties are properly performed;
- (c) As more fully provided in the Declaration, to:
 - 1) Jointly with the Finance Committee, fix the amount of all annual or special assessments against each Private Element at least sixty (60) days in advance of each annual or special assessment period;
 - 2) Send written notice of each assessment to every Owner subject thereto at least forty-five (45) days in advance of each annual or special assessment period; and
 - 3) Foreclose the lien against any Private Element for which assessments are not paid within sixty (60) days after due date, or to bring an action at law against the Owner personally obligated to pay the same.
- (d) Issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states that an assessment is paid, such certificate shall be conclusive evidence of such payment;
- (e) Procure and maintain adequate liability insurance covering the Association, its directors, officers, agents, and employees, and to procure and maintain adequate hazard insurance on the real and personal

property owned by the association; Obtain proof of insurance from each homeowner. A copy of the declaration page of the insurance policy showing interior, exterior and liability coverage should be submitted by July 1 of each year.

- (f) Cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate; and
- (g) Provide for the operation, care, upkeep, surveillance and maintenance of the Common Areas and to employ and dismiss all personnel necessary to accomplish the same.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The Officers of this Association shall be a President, and a Secretary, and such other officers as the Board may from time to time by resolution elect.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the Members.

Section 3. Term. The officers of this Association shall be elected annually by the Board, and each shall hold office for one (1) year and until his successor is elected and qualified unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time, giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer replaced.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

- (a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments, including all promissory notes. The President shall perform such other duties as required by the Board. Both the President and the Secretary shall sign all checks over one hundred (100) dollars.

VICE-PRESIDENT

- (b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY

- (c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

- (d) The Treasurer shall receive and deposit in appropriate bank accounts, all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign checks of the Association along with the President if checks are \$100.00 (One Hundred Dollars) or more; keep proper books of account; cause an audit of the Association books to be made by a public accountant at the request of two-thirds (2/3) approval vote of the Membership; prepare a quarterly income and expenditures statement, and prepare an annual budget and statement of income and expenditures to be presented to the membership at its regular annual meetings, and make available copies of both documents to members present at the quarterly meetings.

ARTICLE X

COMMITTEES AND DAILY OPERATIONS

While under the control of the Builder the Association has been controlled and operated by an appointed Board President that is a full time salaried employ. He has been the contact person for problems and the person responsible for the daily operation and solving of the problems. Once the control of the Association has been transferred to the Members it should not be expected that a voluntary unpaid President would assume that same function.

Section 1. The Board under the Articles of Declaration and Covenants are directed to establish a Finance Committee, an Environmental Committee and a Nominating Committee. They shall also establish a Committee System that will be broad enough to cover any operational problem that might ordinarily occur. Each Committee shall have a Director as Chairman when possible. They shall then publish and issue to each Member the complete committee lists showing chairmen and members with telephone numbers and with updates as needed to keep them current.

When a Member has an emergency problem or concern he shall contact the Chairman of the appropriate committee or other committee member if the chairman is not available (Example: Mowing problem - contact Lawn and Landscaping Committee

Chairman). If the committee members of needed committee are not available the Member shall contact his Community Board Director. As last resort, when the Member can find no one else, the President may be contacted. The Committee Chairman shall be given the authority to correct minor and inexpensive problems.

Section 2. The Board will place a need or problem box with blank notification forms in the Community Building for non-emergency requests. The forms may be completed and placed in the box to notify Committee Chairmen.

Section 3. If the Association should employ a Manager then he and the Board may alter this operational plan as the need dictates.

ARTICLE XI

BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times during reasonable business hours, be subject to inspection by any Member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association where copies may be purchased at a reasonable cost.

ARTICLE XII

ASSESSMENTS

The assessments to be made against each Home Site shall be as set forth in the Declaration. Members shall pay an extra 10% late charge on assessments or fees not paid by the tenth day of the month following the month they are determined to be delinquent.

ARTICLE XIII

AMENDMENTS

Section 1. These By-Laws may be amended, at a regular or special meeting of the Members, by a vote of two-thirds (2/3) of Members present in person or by proxy. Any such Amendment shall be in writing and shall be recorded in the same manner as these By-Laws.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

Section 3. Emergency Action. If the Board, at a special called meeting, determines that emergency action must be taken, and if such action is a violation of a provision of either the Declaration, Articles of Incorporation, or these By-Laws, then minutes of such meeting shall be distributed to all Members within fifteen (15) days.

ARTICLE XIV

DIRECTORS' LIABILITY

No director shall have any personal liability to the Corporation or its members for monetary damages for breach of fiduciary duty as director. Provided, this provision shall not eliminate or limit the liability of a director: (a) for any breach of the director's duty of loyalty to the Corporation or its Members; (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; or (c) for any unlawful distribution pursuant to Tenn. Code Ann. § 48-58-304.

ARTICLE XV

INDEMNIFICATION

The Corporation shall indemnify an individual made a party to a proceeding because he is or was a director of the Corporation against liability incurred in the proceeding if: (a) the director conducted himself in good faith; and (b) he or she reasonably believed: (i) in the case of conduct in his or her official capacity with the Corporation, that his or her conduct was in its best interest; and (ii) in all other cases, that his or her conduct was at least not opposed to its best interest; and (c) in the case of any criminal proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. The determination of an individual's right to indemnification shall be made in the manner provided in Tenn. Code Ann. §48-58-506.

ARTICLE XVI

DISSOLUTION

Upon the termination, dissolution, or winding up of the Corporation in any manner or for any reason, its assets, if any, remaining after payment (or provision for payment) of all liabilities of the Corporation shall be distributed to its Members on a pro-rata basis.

ARTICLE XVII

FISCAL YEAR

The fiscal year of the Corporation shall be from July 1st one year until June 30th the following year.

This ____ day of October, 2009.

PINEBROOK PLACE OWNERS ASSOCIATION, INC.

By: _____
President

ATTEST:

Secretary

EXHIBIT B

PINEBROOK HOMEOWNER'S ASSOCIATION

COMPLAINT PROCEDURES

I. Purpose

- A. These procedures provide an outline showing how the Board and officers of the Pinebrook Homeowner's Association intend to proceed when a complaint is filed by a member of the Association alleging that another member of the Association has violated the restrictive covenants.
- B. These procedures serve as a guide to assist the Board and officers in promoting consistency in the enforcement of the Association's restrictive covenants, and to inform the Association's membership how the Board and officers intend to proceed when complaints are filed.

II. Enforceability

- A. **These procedures are an outline and guide only, and thus are not to be considered mandatory.** As a mere outline of how the Board and officers intend to proceed when a complaint is filed, these procedures should not be construed to convey any legal rights whatsoever. Although the Board and officers intend to follow these procedures under normal circumstances, the Board and officers retain the right to exercise their discretion to deviate from these procedures however and whenever they deem appropriate.

III. Definitions

- A. The definitions provided in the By-Laws of the Pinebrook Homeowners Association shall be used for purposes of these complaint procedures.

IV. Filing A Complaint

- A. In order to initiate a complaint, a member of the Association must complete the Complaint Form titled "Pinebrook Homeowners Association Complaint Form" for violations of the restrictive covenants." After completing the form, the member must submit the form by mailing it to the following address:

Pinebrook Homeowner's Association
2525 Pinebrook Place
Kingsport, TN 37660.

The Complaint form (Exhibit C) is available from the Association by mailing a request for copies of the form to the above address, or by contacting one of the Association's officers.

- B. Upon receipt of a Complaint and at the direction of the Board, two officers, two board members of the Association, or two individuals consisting of an Association member, officer, or board member will go to the location of the alleged violation to investigate. The two investigators will make an initial determination of whether the complaint has sufficient validity to warrant further action.
- C. If the two investigating members disagree on whether there is/has been a violation of the covenants, or if it cannot readily be determined whether there is a violation, the matter will be brought before the board members at a meeting.
1. A meeting to determine whether or not a complaint is substantiated can be called at any time by the President, by the First Vice-president in the President's absence, or by any Board member.
 2. A meeting to determine whether a complaint is substantiated does not require the presence of all the Board members and need not be held as part of a Board meeting.

-
3. If the officers and/or board members determine that there has been a violation, the same process will be used as if the two investigators had agreed that there is reason to believe a violation of the covenants has occurred.
 - a. The vote to decide whether the board members believe a violation has occurred requires a majority vote of those members present. The quorum for such a meeting is five board members including the President or Vice President in the President's absence. Notice of the meeting must be given to the five board members at least five (5) days in advance of the meeting.
 4. If the board members determine a violation has not occurred, or that the matter is inconclusive and the complaint will not be pursued by the Association, written notice of the decision will be mailed to the member who filed the complaint and to the member alleged to have violated the covenants.
 - a. As part of the written notice stating that the Association will not pursue enforcement of the alleged violation, the member who filed the complaint will be informed that he or she may be able as a member of the Association to pursue enforcement action against the other member that is believed to be in violation of the covenants. However, the member pursuing the action will be urged to seek legal counsel on this matter, and he or she will bear the costs of any such enforcement action, which will not be reimbursed by the Association.
- D. If the two investigating members agree that there is reason to believe a violation of the covenants has occurred, the Association's officers will send a letter to the alleged violator stating that it appears a violation has occurred, and what action must be taken to correct the violation. The alleged violator will be requested to remedy the violation or provide an explanation as to why they are unable or unwilling to do so. Refer to Article XIII, Section 2.1.
- E. When a reply to the complaint is received, or when no reply is received in the time frame provided, the matter will be brought before the board

members at a meeting. At the meeting, board members will determine whether to proceed with further action on the alleged violation. If a determination is made not to pursue the alleged violation any further, both the complaining party and the alleged violator will be notified in writing of the decision.

1. A meeting to determine whether further action should be pursued on a complaint once a reply is received can be called at any time by the President, by the First Vice-president in the President's absence, or by any Board member.
 2. A meeting to determine whether further action should be pursued on a complaint does not require the presence of all Board members and need not be held as part of a Board meeting.
 3. Notice of the meeting to determine whether further action should be pursued on a complaint will be provided to all board members at least five (5) days in advance of the meeting. The quorum for such a meeting is five (5) board members including the President or Vice President in the President's absence.
 4. A decision to pursue further action on a complaint requires a majority vote of the officers and/or board members present.
- F. If the officers and/or board members decide to pursue further action on the alleged violation, a letter will be sent to the alleged violator informing the member of the decision and making a final request that the violation be corrected within a set time period. Refer to Article XIII, Section 2.2.
- G. Further action will be taken in accordance to Article XIII, Section 2.3 should the violation not be corrected within the time frame provided, or the violator has not made arrangements with the Association to provide an acceptable timely solution.



EXHIBIT C

**PINEBROOK HOMEOWNERS ASSOCIATION
COMPLAINT FORM**

TRACKING # _____

DATE: _____
YOUR NAME: _____
ADDRESS: _____
PHONE: _____

COMPLAINT AGAINST

NAME: _____
ADDRESS: _____
SPECIFIC THE BYLAW, RULE, REGULATION, ETC. VIOLATED _____
NOTIFIED OWNER WHOM VIOLATION IS BEING ISSUED AGAINST

YES _____ NO
Specify date notified

IF NO, EXPLAIN WHY

NATURE OF COMPLAINT: _____

SIGNED: _____

-
- * Any complaint lodged with the Association may NOT necessarily remain anonymous. The person communicating the alleged violation must state their first and last name and if the alleged violation is confirmed, response from the party who is accused of the violation will be required.

 - ** Barking dogs should be reported to Animal Control at 246-9111. This is your responsibility. Animal Control will NOT act on complaints from a Board Member.

 - *** Too much noise from your neighbor's party? You call the police at 911. The police will NOT respond to a complaint from a Board Member.

EXHIBIT D

SAMPLE BALLOT

Pinebrook Association Board of Directors Annual Election

Date: _____

Year A Ballot - Circle Choices

At-Large Candidates (Vote for one)

Pinebrook North Candidates (Vote for one)

Pinebrook South Candidates (Vote for one)

EXHIBIT E

SAMPLE BALLOT

Pinebrook Association Board of Directors Annual Election

Date: _____

Year B Ballot - Circle Choices

At-Large Candidates (Vote for two)

Pinebrook West Candidates (Vote for one)

Pinebrook South Candidates (Vote for one)

EXHIBIT F

STATEMENT OF DUES/ASSESSMENTS

DATE: _____

OWNER(S): _____

ADDRESS: _____

DUES: Due: _____
Past Due: _____

Penalties: _____

Total Due: _____

ASSESSMENTS: Due: _____
Past Due: _____

Penalties: _____

Total Due: _____

INC. PINEBROOK PLACE OWNERS' ASSOCIATION,

By: _____
Its: Treasurer