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STEVE HALL
REGISTER OF DEEDS

DECLARATION OF COVENANTS AND RESTRICTIONS

OF

THE ANCHORAGE

THIS INSTRUMENT PREPARED BY:
STEPHEN R. WISE
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607 Market Street, Suite 800
Knoxville, Tennessee 37902

INST: 83302 WB 2289 PG: 434
REC'D FOR REC 06/10/1998 15:20:39 KNOX CO. TN
RECORD FEE: $ 116.00
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DECLARATION OF COVENANTS AND RESTRICTIONS OF THE ANCHORAGE

KNOW ALL MEN BY THESE PRESENTS, that this Declaration of Covenants and Restrictions ("Declaration") made and entered into this 9th day of June, 1998, by TOPSIDE ROAD PARTNERSHIP, L.P., a Tennessee limited partnership, hereinafter referred to as "Developer", and RAJA JUBRAN, Trustee, hereinafter referred to as "Seller";

WITNESSETH:

WHEREAS, Developer is the Developer, and Seller is the owner, of the real property known as The Anchorage, being more particularly described in Exhibit A attached hereto and incorporated herein, and they desire to create thereon a residential community with permanent common facilities and entrance amenities for the benefit of the said community; and

WHEREAS, Developer and Seller desire to provide for the preservation of the values and amenities in said community and for the maintenance of the common facilities; and, to this end, desires to subject the real property described in Exhibit A, to the covenants, restrictions, easements, charges and liens, hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer and Seller 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, administering and enforcing the covenants and restrictions, and collection and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has caused to be incorporated under the laws of the State of Tennessee a not-for-profit corporation, known as THE ANCHORAGE HOMEOWNERS ASSOCIATION, INC., for the purpose of exercising the aforesaid functions.

NOW, THEREFORE, the Developer and Seller declare that the real property described in Exhibit A is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to The Anchorage Homeowners Association, Inc., its successors and assigns.

Section 2. "Board" shall mean and refer to the Board of Directions of the Association.

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Section 15. "Structure" shall mean and refer to: (i) any thing or object, the placement of which upon any Lot may affect the appearance of such Lot; and, (ii) any excavation, grading, fill ditch, diversion dam or other thing, object or device which affects or alters the natural flow of surface waters from, upon or which across any Lot, or which affects or alters the flow of any waters in any natural or artificial creek, stream, wash or drainage channel from upon or across any Lot.

ARTICLE II

COMMITTEE

Section 1. Composition and Purpose. The purpose of the Committee, is to assure that the installation, construction or alteration of any Structure on any Lot is in conformity and harmony with the development standards of the Property; and is appropriately located. The Committee shall have all the power and duty to approve or disapprove plans and specifications for any installation, construction or alteration of any Structure on any Lot. The Committee shall consist of such number of individuals or firms as the Developer shall determine. A representative of the Developer may serve on the Committee. The Developer may appoint an architectural firm to serve as the Committee, or as a member of the Committee.

Section 2. Developer's Obligation. The Developer and Seller shall abide by the Declaration, but shall be exempt from any requirements, directives, or orders set forth by the Board of Directors.

Section 3. Construction Bond. Prior to the clearing or grading of any Lot, on the commencement of construction of any Structure thereon, the Owner of such Lot shall submit to the Committee a construction bond in the sum of $5,000.00 per Lot, to be held in escrow by the Committee until the improvements are complete and the Committee has performed its final inspection. The Developer and Seller are exempt from this requirement. The construction bond shall be used to offset any costs incurred by the Association or the Committee as a result of, or to:

(a) Repair damage to any portion of the Property including signage and Common Properties. caused by the Owner or their contractors, subcontractors, suppliers and representatives during construction;

(b) The expenditure of legal fees and other costs incurred by the Committee in order to correct any construction or alteration not performed in substantial compliance with the approved plans;

(c) Pay for any fines or penalties imposed by the Committee or the Association for violations of any rules of conduct or regulations governing use of Property; and

(d) Clean and repair roadways due to the negligence of an Owner or Builder.

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Upon application of the Owner following completion of improvements and final inspection, the Committee shall return such portion of the Bond as has not been applied.

Section 4. Submission of Plans and Specifications. No Structure shall be commenced, erected, placed, moved onto or permitted to remain on any Lot, nor shall any existing Structure upon any Lot be altered in any way which materially changes the exterior appearance of the Structure or Lot, unless plans and specifications therefor shall have been first submitted to and approved in writing by the Committee. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the Committee, including, but not limited to:

(a) a site plan at 1" = 20' scale, showing the location and topography elevation of all proposed and existing Structures on the Lot, including building setbacks, final grade elevations (rear, front and side), all utility lines and utility meters, open space, driveways, walkways and parking spaces;

(b) floor plans at 1/4" scale and roof plans;

(c) exterior elevations of all proposed Structure and alterations to existing Structures, as such Structures will appear after all back-filling and landscaping are complete;

(d) specifications showing the nature, kind, shape, height, materials, basic exterior finishes and colors of all proposed Structures and alterations to existing Structures, and also showing front, side and rear elevations;

(e) plans for landscaping and grading;

(f) front door and garage door design;

(g) samples of building and paint materials to be used; and

(h) time frame within which all such improvements shall be complete, such time period not to exceed twelve (12) months.

Section 5. Design Guidelines. Developer reserves the right to prepare and make available and to modify from time to time an architectural and design review on construction standards manuals, or other written standards for guidance in the construction of any Structure on any Lot ("Design Guidelines"). If available, all plans and specifications submitted for review to the Committee shall be in conformity therewith and all shall be constructed in accordance therewith. The Design Guidelines as amended from time to time, shall be deemed to constitute a part of and be incorporated within this Declaration.

Section 6. Approval of Builders and Landscapers. Any builder or landscaper, prior to performing any work on any Lot, must first be approved by the Committee as to financial stability, building or landscaping experience, and ability to build or landscape Structures of the class and type of those which are to be built on the Property. Such approval shall be within the

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sole discretion of the Committee. No Person shall be approved as a builder or landscaper unless such Person obtains his income primarily from construction or landscaping of the type which builder or landscaper is to perform upon the Property. No Owner will be permitted to act as his own builder or contractor except where such Owner obtains his income primarily from the construction of the type of Structures to be constructed on the Property, and otherwise meets the qualifications hereinabove set forth.

Section 6.1 Approval of Design Professions: All plans and specifications for the construction and/or placement of any Structure and landscaping on any Lot must be drawn or written, by professionals in the appropriate fields, approved by the Committee. Credentials of said professionals shall also be submitted to the Committee for review and approval.

Section 6.2 Architectural Review Fees: Owners pay to the Committee a review fee in the sum of $250.00 upon submission of plans and specifications for review.

Section 7. Approval and Disapproval of Plans and Specifications.

(a) The Committee shall have the right to approve or disapprove any plans and specifications submitted to it in its sole and absolute discretion, which approval or disapproval may be based upon any grounds, including purely aesthetic considerations, which shall be deemed sufficient.

(b) Upon approval by the Committee of any plans and specifications submitted pursuant to this Declaration, a copy of such plans and specifications as approved, shall be deposited for permanent record with the Committee and a copy of such plans and specifications bearing such approval, in writing, shall be return to the applicant submitting the same. Approval of any plans and specifications used in connection with any Lot or Structure shall not be deemed a waiver of the Committee's right, in its sole discretion, to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with other Lots or Structures. Approval of any such plans and specifications relating to any Lot or Structure, however, shall be final as to that Lot or Structure, and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such approved plans and specifications, and all conditions attached thereto.

Section 8. Obligation of Act. The Committee shall take action on any plans and specifications submitted as herein provided within thirty (30) days after receipt thereof. Approval by the Committee, if granted, together with any conditions imposed thereon, shall be placed in writing on the plans and specifications and returned to the applicant. Failure by the Committee to take action within thirty (30) days of the receipt of plans and specifications submitted for approval shall be deemed approval of such plans and specifications.

Section 9. Right of Inspection. The Committee, its agents and representatives, shall have the right during reasonable hours to enter upon and inspect any Lot and Structure thereon for the purpose of ascertaining compliance with the provisions of this Declaration.

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Section 10. Violations. (a) If any Structure shall be erected, placed, maintained or altered upon any Lot, otherwise than in accordance with plans and specifications approved by the Committee pursuant to the provisions of this Declaration, the Committee shall be entitled and empowered to enjoin or remove any such construction. Any costs and expenses incurred by the Committee in enjoining and/or removing any construction or improvements shall be added to and become a part of the assessment to which the Owner and his Lot are subject.

(b) The Committee shall provide written notice to the Owner by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action within twenty (20) days after the mailing of the aforesaid notice of violation, then the Committee shall have the right of abatement, which means the right of the Committee, through its agents and employees, to enter at all reasonable times upon any Lot or Structure as to which a violation or breach exists, and to take such action or actions specified in the notice to the Owner to abate, extinguish, remove or repair such violation or breach, all without being deemed to have committed a trespass or wrongful act by reason of such entry ans such actions. Further, the Committee, the Association, the Developer or any Owner may: (1) prosecute proceedings at law for the recovery of damages against those violating or attempting to violate any covenant or restriction, and, or (2) maintain a proceeding in equity against those so violating or attempting to violate any covenants or restrictions, for the purpose of preventing or enjoining all of any such violations or attempted violations, and/or to have any such violation removed from the Lot, or cured.

(c) The remedies contained in this section shall be construed as cumulative of all other remedies now or hereafter provided by law. If the Association, the Committee, the Board or any other person or persons owning a Lot shall successfully prosecute in law or equity an action pursuant to this or any other enforcement section of this Declaration, then that party shall be entitled to receive its reasonable attorney's fees and the costs reasonably necessary to prosecute the case against the party violating the covenants and restrictions herein.

Section 11. No Occupancy Before Completion. No occupancy of any Structure shall be permitted prior to the completion thereof, consistent with the approved plans and specifications, to the satisfaction of the Committee, and full compliance with the provisions of this Declaration.

Section 12. Conduct. All Builders and Owners shall be held responsible for the acts of their employees, sub-contractors, suppliers and other persons or parties involved in construction or alteration of a Lot. In this regard, a Builder or Owner shall be responsible for:

(a) Ensuring that the construction site is kept clean and free of debris and waste materials, and that stockpiles of unused materials are kept in a neat and orderly fashion.

(b) Prohibiting the consumption of alcoholic beverages, illegal drugs or other intoxicants that could hamper the safety or well-being of other personnel on the site or affect the quality of workmanship.

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(c) Assuring that the aforementioned are properly insured.

(d) Assuring that the aforementioned do not commit any violation of the rules and regulations of The Anchorage.

(e) Ensuring that all driveways on the construction site are sufficiently graveled, a portable toilet is available and used by the construction workers, adequate erosion control measures are in place and any mud or any debris caused by the construction are removed from the adjoining roadways by the end of every workday.

Section 13. Government Regulations. Nothing contained herein abrogates, modifies, or changes the applicability of any ordinances, statues, codes, rules and regulations of the City of Knoxville, Tennessee or other governmental units as applicable and the necessity of obtaining a building permit, inspection or otherwise complying with applicable provisions of governmental codes, statues, ordinances, rules and regulations.

ARTICLE III

THE ANCHORAGE HOMEOWNER'S ASSOCIATION

Section 1. Creation. The Seller and the Developer have caused to be created The Anchorage Homeowner's Associations, Inc., a Tennessee not-for-profit corporation (the "Association"), and has caused Articles of Incorporation to be filed with the Office of the Secretary of State for the State of Tennessee and the Register's Office for Knox County, Tennessee. Seller and Developer reserve the right to assign some or all of its rights under and pursuant to this Declaration to the Association, to be effective upon the recording of a written assignment instrument with the Knox County Register's Office.

Section 2. Purpose. The Association shall be the governing body for all of the Owners, for the maintenance, repair, replacement, administration and operation of the Common Properties. The fiscal year of the Association shall be as determined by the Board. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be held and applied by it for the use and benefit of its members in accordance with this Declaration and the Association's By-Laws.

ARTICLE IV

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. Every Owner of a Lot shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to this Declaration and shall pass automatically to an Owner's successor-in-title to the Lot.

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Section 2. Voting Rights. The Association shall have two classes of voting membership:

Class A. Initially, the Class A members shall be all Owners, as defined in Section 1 of this Article. Class A members shall be entitled to one vote for each Lot owned. When more than one Person holds an interest in any Lot, all such persons shall be members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be case with respect to any Lot.

Class B. The Class B member shall be the Developer. The Class B member shall be entitled to three (3) vote for each Lot owned by the Seller and Developer. The Class B membership shall cease and be converted to Class A membership on the occurrence of the earliest of the following events:

(a) when the total votes outstanding in the Class A membership equal or exceed the total votes outstanding in the Class B membership; or

(b) seven (7) years from the date this Declaration is filed of record in the Register's Office for Knox County, Tennessee; or

(c) when, in its discretion, the Developer so determines.

ARTICLE V

PROPERTY RIGHTS

Section 1. Easement of Enjoyment. Every owner shall have a right and easement of use and enjoyment in and to the Common Properties which shall be appurtenant to and shall pass with the title to every Lot, subject to the provisions of this Declaration, including specifically:

(a) the right of the Association to adopt and publish rules and regulations governing the use of the Common Properties;

(b) the right of the Association to suspend an Owner's voting rights and rights to use any recreation facilities within the Common Properties for any period during which any assessment of the Association against said Owner's Lot remains unpaid;

(c) the right of the Association to charge reasonable admission and other fees for the use of the Common Properties;

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(d) the right of the Association to borrow money for the purpose of improving the Common Properties or any portion thereof, or constructing, repairing or improving any facilities located thereon and, upon the assent of two-thirds of the Class A members and the Class B member, if any, to give as security a mortgage conveying all or any portion of the Common Properties. The lien and encumbrance of any such mortgage, however, shall be subject and subordinate to all rights, interests, easements and privileges herein reserved or established for the benefit of Developer, any Owner, or the holder of any mortgage, irrespective of when executed;

(e) the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority or utility for public purposes; and

(f) the easements reserved in Article _____ of the Declaration.

Section 2. Title to Common Area. The Seller may, at his option, retain legal title to the Common Properties until such time as 20 Lots have been sold, at which time, if not before, Seller will convey and transfer the Common Properties to the Association.

Section 3. Extent of Common Properties. The term "Common Properties" as used in this Declaration shall mean and refer to all of the following, and all facilities and amenities thereon:

(a) Grassy areas located in any islands within any of the streets, and cul-de-sacs located on the Property, and not dedicated to public authorities;

(b) All areas shown and designated on the recorded Plat of the Property, as "Common Area," "common area," open space" or the like, or as otherwise subject to the control and/or jurisdiction of the Association;

(c) All areas encumbered by easements reserved in favor of the Association in this Declaration, or on the recorded Plat, or in any Supplement Declaration.

(d) Such other areas of the Property subject to this Declaration and facilities thereon, as Developer and/or Seller shall designate from time to time as a part of the "Common Area."

ARTICLE VI

COVENANT FOR MAINTENANCE AND CAPITAL IMPROVEMENTS ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each owner of a Lot, by acceptance of a deed therefor, whether or not it shall be expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments which

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may or shall be levied by the Association, and (b) special assessments, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, including reasonable attorney's fees, shall be a charge and continuing lien running with the land upon the Lot against which each such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, including reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fee due. The personal obligation for delinquent assessment shall pass jointly and severally to such Owner's successors-in-title regardless of whether expressly assumed by them, and such delinquent assessment shall remain a charge on and continuing lien against the Lots, which may be foreclosed by the Association in the manner prescribed by law.

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 residents in The Anchorage; to pay Common Expenses, including, but not limited to, the cost of the improvement and maintenance of the Common Properties including management fees to others to make such repairs as the Association may deem necessary; to pay ad valorem taxes and other charges for services provided by the Association and to pay insurance premiums; to pay for electricity and water for exterior lighting and irrigation to the Common Area, and for such other purposes as the Board may determine. In addition, the Assessments shall include amounts necessary to establish an adequate reserve fund for routine and normal preventative maintenance, repairs and replacement of those portions of the Common Properties that must be replaced on a periodic basis. Such reserve fund shall be included in the annual Assessment and shall be payable in periodic installments rather than by special assessments.

Section 3. Administration. Until assignment of the Common Properties to the Association by the Seller, the Developer, or its nominee shall administer the assessments and receipts thereon, which may be used only for the purposes permitted in this Declaration and/or the Association's By-Laws.

Section 4. Initial Annual Assessment. For the calendar year 1998, the initial annual assessment shall be set at a rate of $300.00 per year per Lot payable annually, and shall be thereafter increased or reduced for each year as shall be determined by the Board. The initial annual assessment shall be due and payable upon the purchase of each Lot.

Section 5. Determination of Annual Assessments. It shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses of operating the Association for the coming year, such budget shall include a capital contribution or reserve account in accordance with the capital needs of the Association. The budget and the proposed annual assessments to be levied against each Lot shall be delivered to each Owner no later than ten (10) days prior to such annual meeting. The budget and the annual assessment shall become effective unless disapproved at the annual meeting by either (i) Developer, so long as there is a Class B member; or (ii) a vote of a majority of the Owners voting in person or by proxy at such meeting. In the event the proposed budget is not approved or the Board fails for any reason to determine the budget for the succeeding year, then until a budget has been determined as provided herein, the budget and annual assessments in effect for the then current year shall continue for the succeeding year.

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If any budget at any time proves inadequate for any reason, the Board may call a meeting of the Association for the approval of a special assessment.

Section 6. Special Assessment. In additional to the annual assessments authorized above, the Association may levy, special assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement or capital improvement upon the Common Properties including fixtures and personal property related thereto, provided that any such assessment shall have the assent of at least two-thirds (2/3) of the Class A members voting in person or by proxy at a meeting duly called for such purpose, and the Class B member, if any. Special assessments may also be levied by the Association if for any reason the annual assessments prove inadequate to defray the expenses of the Association in fulfilling its duties and obligations hereunder, subject to the consent of the members as set forth above.

Section 7. Notice and Quorum for Any Action Under Sections 5 and 6. Written notice of any meeting called for the purpose of taking any action authorized under Section 5 or 6 above shall be sent to all members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or proxies entitled to cast fifty percent (50%) of all the votes of each class of 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 at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 8. Uniform Rate of Assessments. Both annual assessments and special assessments shall be fixed at a uniform rate for all Lots, except Lots owned by the Developer or the Seller or any of their respective related entities as determined by the Developer, which shall be exempt from all such assessments. The Board may waive any assessment in whole or in part for any year for any Lot not occupied as a residence.

Section 9. Date of Commencement of Annual Assessments; Due Dates. The annual assessments shall begin as to any Lot at the time the Lot is initially conveyed to an Owner other than the Seller or the Developer, unless otherwise provided in the deed for such Lot. The first annual assessment for a Lot shall be adjusted according to the number of months remaining in the calendar assessment year when the Lots is so first conveyed. Upon a person or entity ceasing to be member of the Association, he shall not be entitled to a refund of any annual assessment.

Section 10. Effect of Nonpayment of Assessments; Remedies of the Association. Any assessments which are not paid when due shall be delinquent and thereupon become a continuing lien on the Lot. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at 10% per annum. In such case, the Association may accelerate, at its option, the entire unpaid balance of the assessment and may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, and interest, costs and reasonable attorney's fees for any such action shall be added to the amount of such assessment. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the right

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and power to bring all actions against such Owner personally for the collection of such charges as a debt, and to enforce the aforesaid lien by all methods available for the enforcement of liens against real property, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage foreclosure on real property, and such Owner hereby expressly grants to the Association a power of sale in connection with the foreclosure of said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all Owners. The Association, acting on behalf of the Owners, shall have the power to bid for the interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Properties, abandonment of his Lot or by renunciation of membership in the Association. An Owner may give to the Association, subject to acceptance thereof by the Association, a deed in lieu of foreclosure.

Section 11. Subordination of the Lien to First Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage, first purchase money security deed, or security deed representing a first lien on said property encumbering the Lot prior to the due dated of any such assessment. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 12. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments, charges and liens created herein; (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Properties; and (c) all Lots owned by Seller or Developer.

ARTICLE VII

MAINTENANCE

Section 1. Association's Responsibility. Except as otherwise provided herein, the Association shall maintain and repair the Common Properties.

Section 2. Lot Owner's Negligence. In the event that the need for maintenance, repair, or replacement of the Common Properties or is caused through or by the negligent or willful act of any Owner, or member of an Owner's family , tenant, guests, contractors, subcontractors, agents, or invites, then the expenses incurred by the Association for such maintenance, repair, or replacement, shall be a personal obligation of such Owner, and, if not repaid to the Association within thirty (30) days after the Association gives notice to the Owner of the total amount due, then the same shall become a charge upon and lien against the Owner's Lot of equal priority to the lien for assessments provided for herein, enforceable as provided herein.

Section 3. Owner's Responsibilities. Each Owner shall keep and maintain his

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Lot and the exterior of any and all improvements located thereon in a neat, attractive and safe condition. Such maintenance shall include, but shall not be limited to, painting, repairing, replacing and care for shrubs, lawn, grass, walks, and other exterior improvements thereon. The Committee, its agents and representatives, may, after thirty (30) days written notice to the Owner of such Lot, enter upon his Lot for the purpose for removing garbage or trash, or for performing such exterior maintenance as the Committee, in the exercise of its sole discretion, deems necessary or advisable. Such Owner shall be personally liable to the Committee and the Association for the direct and indirect cost of such maintenance plus interest thereon at 10% per annum, which costs shall be added to and become part of the assessment to which such Owner and his Lot are subject. Although notice given as herein provided shall be sufficient to give the Committee, its agents and representatives, the right to enter upon such Lot and perform such maintenance, entry for such purpose shall be only between the hours of 9:00 a.m. and 5:00 p.m. on any day except Sunday. The provisions hereof shall not be construed, however, as an obligation on the part of the Committee to perform any such maintenance.

ARTICLE VIII

EASEMENTS

Section 1. Utility Easements. There is hereby created in favor of the Association and any governmental unit, utility, or service provider an easement upon, across, over through and under all of the Common Properties, and an easement five feet in width along all interior lot lines, and 10 feet in width along all exterior lot lines, for ingress and egress, installation, replacement, repair and maintenance of all utility and service lines and systems, including but not limited to, water, sewer, gas, telephone, electricity, television, cable or communication lines and systems. An easement is further granted to the Association, and its agents, to enter in or to cross over the Common Properties and the Lots, to inspect and to perform the duties of maintenance and repair of the Common Properties and the Lots, and for the performance of Association duties, as provided for herein. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property except as initially programmed and approved by the Developer or thereafter approved by Developer or the Board or as otherwise provided by law. Should any utility furnishing a service covered by this general easement herein request a specific easement to be recorded in a separate document, Developer or the Association shall have the right to grant such easement on the Common Properties.

Section 2. Easements for Developer. Developer hereby reserves for itself, its successors and assigns, the following easements and rights-of-way in, on, over, under and through any part of the Property owned by Developer or Seller and the Common Property for so long as Developer and/or Seller owns any Lot primarily for the purpose of sale:

(a) for the erection, installation, construction and maintenance of wires, lines and conduits, and necessary or proper attachments in connection with the transmission of electricity, gas, water, telephone, community antenna, television cables and other utilities;

(b) for the construction of improvements on the Lots;

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(c) for the installation, construction and maintenance of storm-water drains, public and private sewers, and for any other public or quasi-public utility facility;

(d) for the use of the Common Properties and any sales offices, model units and parking spaces in connection with their efforts to market Lots; and

(e) for the maintenance of such facilities and equipment as in the sole discretion of Developer may be reasonably required, convenient or incidental to the completion, improvements and sale of Lots.

ARTICLE IX

GENERAL COVENANTS AND RESTRICTIONS

The following covenants and restrictions shall apply to all Lots and to all Structures erected or placed thereon:

Section 1. Residential Use. All Lots are hereby restricted exclusively to single-family residential use. No Structure shall be erected, placed, altered or permitted to remain on any Lot except one residence designed for the occupancy of a one family (except that a reasonable number of domestic servants living on the premises shall be permitted). For purposes of this Declaration, there shall be specifically excluded from the meaning of the phrase "single family residential use", and shall not be permitted on any Lot, regardless of whether any of the same would otherwise be permitted by any applicable zoning regulations or other governmental laws, rules and regulations, any uses which constitute or relate to (a) boarding houses, (b) lodging houses, (c) fraternities or sororities, (d) clubs, (e) hotels, (f) residences or homes for social rehabilitation, (g) nursing homes, (h) residences or homes for the aged or infirm, (i) programs with respect to which admission to residency in or occupancy of the premises is limited to or intended in whole or in part for persons in the custody of the criminal justice system or in the juvenile justice system and/or persons engaged in the care, custody, nurturance or supervision of such persons, and (j) any "group home" or other similar use as determined by Developer and/or the Board. No Lot, or any portion thereof, shall at any time be used for any commercial, business or professional purpose. Provided, however, nothing herein shall be construed to prohibit Developer from using any Lot owned by Seller for the purpose of carrying on business related to the development, and/or the improvements and sale of Lots.

Section 2. Common Area. The Common Area shall be exempt from the use restrictions, but shall remain subject to the rules and regulations of the Association.

Section 3. Lease Restrictions. No Lot or Residence erected upon such Lot may be leased, for a term of less than 12 months. At least 3 business days prior to the commencement date of any lease of a Lot, the Owner of such Lot, shall notify the Association in writing of the execution of such lease, which notice shall specify in full the names of the lessees and the other family members who will reside at such Lot, and shall include a copy of the executed lease which lease shall incorporate by reference the provisions of this Declaration.

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Section 4. No Time-Shares. No Lot shall be subject to any time-share program or any similar division of interest whereby the right to use of the Lot rotates among members of the program or holders of interests in the Lot on a recurring or reservation basis.

Section 5. No Subdivision. No Lot shall be subdivided nor its boundary lines changed, except with the prior written approval of the Developer in its sole discretion, which approval may be arbitrarily and unreasonably withheld. Developer has the express right, in its sole discretion, to subdivide, replat and/or alter the boundary line of any Lot or Lots owned by Developer, the Seller and/or any of their respective affiliated or related entities.

Section 6. Disposal of Trash; No Hazardous Substances. No Lot shall be used or maintained as a dumping ground for, or for the storage or keeping or disposal of, rubbish, trash, or garbage or other waste or Hazardous Substances. Rubbish, trash, garbage or other waste shall not be kept on any Lot except for normal household rubbish, trash, garbage and similar waste kept within sanitary closed containers temporarily prior to collections. There shall be no burning of trash or other refuse on any Lot.

Section 7. Erosion Control. No activity which may create erosion or siltation problems shall be undertaken on any Lot without the prior written approval of the Committee of plans and specifications for the prevention and control of such erosion or siltation. The Committee may, as a condition of approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may include (by way of example and not of limitation) physical devices for controlling the run-off and drainage of water, special precautions in grading and otherwise changing the natural landscape and required landscaping. No grade may be modified as to create erosion or run-off onto abutting Lots.

During the clearing of any Lot and the construction of, or addition to, a residence thereon, each Owner shall cause to be placed and maintained a fabric silt fence with a minimum height of 18" above-ground, and a minimum burial of 6" underground, along that portion of the perimeter of the Lot bordering any developed Lot or any Common Properties. The silt fence may be removed only upon sodding of the Lot or establishment of grass thereon.

Section 8. Temporary Structures. No temporary building, trailer, mobile home, manufactured house, bus, camping unit, camping vehicle, tent, shed, barn, garage or building under construction shall be used as a residence on any Lot, temporarily or permanently. No contractor or builder shall erect on any Lot any temporary building or shed for use in connection with construction on such Lot without the prior written consent of the Committee.

Section 9. Signs. (a) No sign for any purpose shall be erected or maintained on any Lot, or on any Structure, except one professionally lettered builder, one professionally lettered realtor sign, and one professionally lettered architect sign, during construction and initial sale of any lot. Any such sign shall not be more than five (5) square feet in size or the standard realtor's sign, whichever is less.

(b) Following the consummation of the sale or lease of any Lot, the "For Sale" or "For Lease" sign shall be removed immediately.

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Section 10. Setbacks. No Structure shall be located on any Lot nearer to the front lot line, the side street line or other side lot lines, or to rear lot lines, than the minimum building setback lines required by the applicable zoning regulations, and (in addition to such regulations) as may be on the Plat of The Anchorage, or in any amendment thereto. Provided, reasonable bay windows, chimneys, roof overhangs and steps may project into said areas, not more than six feet, if permitted by applicable law and is acceptable to the Committee. Developer may from time to time vary the established builder setback lines, and/or grant variances therefrom, in its sole discretion, where not in conflict with applicable zoning regulations or other applicable law.

Section 11. Fences and Walls. (a) All fences and walls are subject to prior written approval by the Committee in its sole discretion. No fence or wall of any nature may be extended toward the front or street side property line on any Lot beyond the front or side street wall of the residence on any Lot (not including unenclosed porches). All fences and walls shall be construed so that the finished side thereof, as determined by the Committee in its sole discretion, shall face away from the Lot upon which such fence or wall is constructed. No fence or wall over 6 feet in height shall be permitted. No wire or chain link fences are permitted on any Lot, except for tennis court fences as provided herein.

(b) No tennis court fences shall be erected on any Lot unless (i) the fencing is coated with black, green, or other colored vinyl acceptable to Declarant, (ii) the fence and court area are landscaped to screen views of the fencing and courts, and (iii) the plans for such fence and landscaping have been approved by the Committee in writing.

Section 12. Driveways and Sidewalks. Within 30 days after completion of a residence on any Lot, (as determined by the Developer) the Owner shall construct the driveway from the abutting street. Such driveway and all sidewalks constructed upon a Lot shall be of exposed aggregate concrete and consistent with plans submitted to and approved by the Committee. All such driveways shall be at least 12 feet in width and located on the side of the Lot as designated by Developer. All curb cuts shall be subject to the prior approval of the Committee.

Section 13. Antenna. No antenna, satellite dish or other device for the transmission or reception of television signals, radio signals or any form of electromagnetic wave or radiation shall be erected, used or maintained on the exterior of any Structure without the prior written approval of the Committee. In no event shall free-standing transmission or receiving towers be permitted.

Section 14. Clotheslines. No outside clotheslines shall be placed on any Lot.

Section 15. Recreational Vehicles and Trailers. No trailer, trailer house, boat, or recreational vehicle shall be parked on any Lot or on any of the streets. While nothing contained herein shall prohibit the use of portable or temporary buildings or trailers as field offices by contractors during actual construction, the use, appearance and maintenance of such a building or trailer must be specifically approved by the Committee prior to its being moved onto the construction site.

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Section 16. Recreational Equipment. No swimming pools, swingsets, doll houses, recreational and/or playground equipment of any kind shall be erected, installed, maintained, or altered on any Lot without the prior written approval of the Committee of plans and specifications for such Structures. No above ground swimming pools shall be erected or placed on any Lot, although hot tubs and spas, the size, design, placement and landscaping of which have been approved in writing by the Committee in its sole discretion, shall be permitted.

Section 17. Animals. No animals of any kind, shall be raised, bred or kept on any Lot, except that a reasonable number of dogs, cats or other traditional household pets (meaning the domestic pets traditionally recognized as household pets in the Knoxville vicinity) may be kept in the residence on a Lot, provided they are not kept, bred, or maintained for any commercial or breeding purposes. No pet shall be permitted to become a nuisance to the neighborhood. No dog runs or other pet runs are permitted on any Lot. The Lot owner keeping any such pets shall keep the Lot free of pet waste.

Section 18. Exclusive Water and Sanitary Sewer Service. Each Lot owner shall be obligated upon the construction of a residence on any Lot to purchase the requisite pump and obtain service from the central water and sewage disposal systems provided for the Property by the Utility District of Knox County, Tennessee, or their respective successors and assigns. No other water or sewage system shall be permitted on or for any Lot. No private water or sewage treatment systems shall be permitted in The Anchorage, except as maintained by Developer or its affiliates or related entities, or their respective successors and assigns.

Section 19. Improvement to Lots and Construction Standards. All construction of any and all Structures on any Lot shall be undertaken and completed in accordance with the following conditions:

(a) All construction shall be carried out in compliance with the laws, code rules, regulations and orders of all applicable governmental agencies and authorities.

(b) Concrete or concrete block or cinder block shall not be used as building material for exposed exterior surface of any dwelling or accessory structure. All site retaining walls shall be masonry in nature and shall be faced with either brick, stone, or masonry stucco and shall be approved by the Committee.

(c) Only one mailbox shall be located on any Lot. All mailboxes shall be of a design approved in writing by the Committee and shall include only the surname and house number, and shall be located as prescribed by the United States Postal Service. The text and style of the surname and house number is subject to the prior approval of the Committee.

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(d) No building materials or devices used for building purposes shall be stored on any Lot except for purposes of construction of a dwelling or accessory structure on such Lot, nor shall any such building materials or devices be stored on any Lot for longer than the length of time reasonably necessary for the construction in which such materials or devices are to be used.

(e) No exposed, above ground tanks for the storage of fuel, sewage, water or any other substance shall be located on any Lot.

(f) Adequate off-street parking shall be provided for each Lot.

(g) All garages must: (i) accommodate at least 2 cars; (ii) have doors of raised panel construction; and (iii) be coordinated with the dwelling to which it is appurtenant. Garage doors shall be kept in working order and shall be kept closed when not in use. No garage shall face the front Lot line, provided, however, the Committee shall have the authority to make exception for this requirement only for Lots having road frontage of less than 75 feet.

(h) No window air conditioning unit may be located in any part of any dwelling Structure or accessory Structure. All exterior compressor units shall be ground mounted and screened by a wall of material identical with that of the appurtenant structure.

(i) Any screen porch which is a part of any dwelling or accessory Structure must have a dark color screen.

(j) No plumbing vent or hearing vent shall be placed on the front side of any roof of any dwelling or accessory Structure. Any such vent shall be painted the same color as the roof on which it is placed.

(k) Minimum Finished Floor Areas. The following shall be the minimum finished areas for residences constructed upon any Lot:

(i) One-Story. The ground floor area of a one-story residence shall be a minimum of 2,600 finished and habitable square feet.

(ii) One-and-One-Half-Story. The ground floor area of a one-and-one-half-story or Cape Cod residence shall be a minimum of 1,800 finished and habitable square feet, and the residence shall contain a total minimum of 2,800 finished and habitable square feet.

(iii) Two-Story. The ground floor area of a two-story residence shall be a minimum of 2,000 finished and habitable square feet, and the residence shall contain a total minimum of 3,600 finished and habitable square feet.

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(iv) Others. No dwelling shall be constructed on any Lot exceeding two and one-half stories in height, excluding basement.

(v) Exclusions. Basement areas, garages terraces and porches are not included in computing minimum floor areas pursuant to this Section.

(l) Utility Service. No lines, wires or other devices for communications purposes, including telephone, television, data and radio signals, or for transmission of electric current or energy, shall be constructed or placed on any Lot unless the same shall be in or by conduits or cables constructed, placed and maintained underground or concealed in, under or on buildings, or other improvement. Above ground electrical transformers, electric meters, gas meters, and other equipment may be permitted if properly screened and approved by the Committee. All gas, water, sewer, oil and other pipes for gas or liquid transmission shall also be placed underground or within or under buildings. Nothing herein shall be deemed to forbid the erection and use of temporary power or telephone services incident to the construction of approved improvements.

Easements for such underground utilities and services are reserved over, across and under such portions of the Property as are set forth in Plat thereof. Developer reserves the right to grant such additional easements as may be necessary to facilitate such utilities and services in the future.

(m) Refuse and Storage Areas. Garage and refuse shall be placed in containers and shall be capped and contained in such a manner that they are inaccessible to animals. The containers shall be concealed within buildings, or concealed by means of a screening wall of material identical with that of the building. These elements shall be integrated with the building plan, by design so as not to attract attention, and shall be located in as reasonably inconspicuous manner as is possible.

(n) Exterior Lighting. Any exterior lighting installed on any Lot shall either be indirect or of such controlled focus and intensity so as not to disturb the residents of adjacent or nearby Lots, as determined by Developer. All exterior lighting, ornamental post lights and other ornamental yard decorations shall require the prior written approval of the Committee.

(o) Pool Equipment & Accessory Structures. All pool equipment shall be located no further than 10' from the main house unless in a separate accessory Structure. The location of this Structure to be such as not to disrupt views of lake from adjacent lots.

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(p) Docks: All docks or boathouses shall be constructed in accordance with a design approved in writing by the Committee and in accord with all requirement and restrictions imposed by the Army Corp of Engineers and/or the Tennessee Valley Authority and their respective successors. Any deviation or revision to design must be submitted and approved prior to construction. All docks and boathouses shall be maintained in good condition at all times. The location of all such boat docks and boat houses must be approved b the Committee.

(q) Rip Rap. All rip rap construction along Little River/Fort Loudon Lake must be approved by the Tennessee Valley Authority, or its successors, and constructed by a contractor approved in advance by the Committee.

(r) Building Materials. The exterior building material of all residences and Structures on any Lot shall extend to ground level. The exterior building materials of all residences shall be brick, natural stone, brick veneer, natural stone veneer, masonry stucco or a combination of same, Developer recognizes that the appearance of other exterior building materials may be attractive and innovative, and Developer reserves to the Committee the right to approve in writing the use of other exterior building materials. Exposed smooth or brick mold-poured concrete walls shall not be permitted. All exterior paint and stain finishes and combinations and refinished exterior materials must receive the prior written approval of the Committee.

(s) Exterior Trim and Decoration. Exterior window and door trim and similar decorations shall all be of the same color and materials, unless otherwise approved, and shall be either of the same material as exterior walls or directly compatible. Facia, gutters and down spouts shall blend in and be directly compatible with the architectural detail of the exterior walls. Reflective glass is prohibited.

(t) Appurtenances. All exterior mechanical equipment including, but not limited to, transformers, vents, air conditioning compressors, pool pumps, meters, etc., shall be concealed from view by walls of the same material and color as the building or by an opaque landscaping screen as approved by the Committee.

(u) Roof Pitch, Height and Materials. The roof pitch of any residential Structure shall not be less than a plane of 8 inches vertical for every plane of 12 inches horizontal for a Structure with more than one story, (Provided, however, the dormers on one and one-half story houses may have a roof pitch of less than 8 inches vertical for every 12 inches horizontal with the prior written consent of the Committee in its sole discretion, which consent may be arbitrarily and unreasonably withheld); and a plane of 8 inches vertical for every plane of 12 inches horizontal for one story Structures.

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The Committee may waive the requirements of this Section in its sole discretion in special cases where architectural design warrants or requires for proper perspective.

Approved materials for roofs include: slate, wood shingles, CertainTeed Grand Manor architectural dimensional composite shingle or approved equal, and certain synthetic slates and tiles that mimic slate, or wooden shingles and as approved by the Committee. All colors shall be natural and in keeping with the other exterior materials and colors. Samples of the roofing materials shall be submitted to the Committee for approval.

(v) Exterior Metal: All flashing and all minor roof elements and architectural elements that are appropriate for sheet metal shall be made of uncoated copper.

(w) Gutters and Downspouts: All residential Structures shall have gutters of the half-round variety. All downspouts shall be round in cross section. O.G. style gutters and rectangular downspourts are not permitted.

(x) Windows: All windows facing the street shall be of true divided light.

(y) Window Treatments. All interior window treatment such as drapes and blinds shall have a solid light color appearance from the exterior and are subject to approval by the Committee. Any temporary window treatments shall not be permitted to remain more then 30 days without written permission of the Committee.

Section 20. Landscaping.

(a) Plan. Any Lot which shall have been altered from its natural state by an Owner, shall be landscaped according to plans approved by the Committee. In addition to, and contemporaneously with submission of the plans and specification referral to in Article II, Section 4 hereof, the Owner shall submit to the Commitee for its review and approval a landscape plan, designed by a Registered Landscape Architect or person of similar competence. Such plan shall show the trees, shrubs and other plantings then existing and to be planted on the Lot, along with accurate elevations, and the time frame within which the landscaping is to be completed, being not more than 30 days following the completion of any buildings on the Lot, weather and seasonal limitations permitting.

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(b) Trees. Each landscape plan for a Lot submitted to the Committee shall show that the Lot has or will have, prior to occupancy, a minimum of 2 shade trees in the front yard on the Lot and a minimum of 5 shade trees over the entirety of the Lot. Such trees shall have, at installation, a minimum 2 ½ inch diameter, and shall not be planted in locations that would immediately or in the future create a nuisance, or screen a desirable view of an adjoining Lot.

(c) Sod. All front and side yard areas within each Lot not covered with pavement, buildings, shrubs or ground cover shall be completely sodded with Rebel II fescue or approved equal. Sod shall extend to the rear corner on both sides of each dwelling. Lawn areas not sodded shall be seeded with Rebel II fescue in a manner that will effect a well established lawn with in six months.

(d) Irrigation. Automatic sprinkler systems are required for all yard areas.

(e) Inspection. The Owner shall have installed all required landscaping and the irrigation system for inspection by Developer at its request at any time following commencement of occupancy of the resjdence on the Lot. Provided, that when seasonal limitations prohibit, the approved landscaping on, and/or sodding of, the Lot must be installed with 15 days from the time planting operations can be feasibly undertaken, as determined by Developer. Moreover, when seasonal limitations do not permit planting, erosion control measures must be immediately implemented in accordance with generally accepted practices in the real estate development industry, as approved by Developer or the Committee in its sole discretion, and as otherwise may be required by applicable laws, rules, regulations, and ordinances.

ARTICLE X

BOATS

Boats docked at Lots shall not be of a size, style or condition to create a nuisance or adversely affect the views from adjacent Lots or to affect the overall appearance of the shoreline as viewed from the Lots. Boats greater than 30 feet in overall length or greater than 9 feet in height above the water line shall not be permitted. No more than 2 boats shall be permanently docked at any Lot. Houseboats will not be allowed to dock overnight on any part of the shore included within The Anchorage.

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ARTICLE XI

INSURANCE

The Board, or its duly authorized agent, shall obtain such insurance policies upon the Common Properties as the Board deems necessary or desirable in its sole discretion. The Association shall be a named insured on all insurance policies. In additional, the Board may obtain other appropriate insurance to protect members of the Board and any committees appointed by the Board.

ARTICLE XII

GENERAL PROVISIONS

Section 1. Enforcement. Enforcement of this Declaration shall be by the Developer, the Association, or in the absence of any such action, by any Owner (although Developer and/or the Association shall at all times have the superior right to bring and control the course of, any such proceeding) against any party violating or attempting to violate any covenant or restriction or provision of this Declaration, either to restrain violation, to direct restoration and/or to recover damages. Failure of any Owner, Developer or the Association to demand or insist upon observance of any of the provisions of this Declaration, or to proceed for restraint of violations, shall not be deemed a waiver of the violation or of the right to seek enforcement of that provision in that or any other case. Any such Owner, Developer and/or the Association enforcing this Declaration shall be entitled to recover all costs and expenses incurred in connection with such action, including, without limitation, court costs and reasonable attorney's fees. Any award of damages received by Developer or the Association in connection with any such action, and all costs and expenses incurred by Developer or the Association in connection therewith, shall constitute a lien upon the Lot, of equal priority to the lien for assessments provided for in Article VI, Section 10 and any award of damages received by any Owner in connection with any such action shall accrue to the sole benefit of the Association.

Section 2. Severability. Invalidation of any provision of this Declaration by judgment or court order of a court of competent jurisdiction shall in no way affect any of the other provisions hereof, which shall remain in full force and effect, and such provision so invalidated shall remain in full force and effect in all permitted contexts.

Section 3. Declaration Runs With The Land.

(a) Term; Amendment. The provisions of this Declaration shall run with the land and shall be binding on the Lots, the Owners of each Lot and all parties claiming under them, for a period 20 years from the date this Declaration is recorded. After such 20 years, this Declaration shall be deemed extended automatically for successive periods of 10 years, unless and until an instrument signed by at least two-thirds(2/3) of the Owners of the Lots subject to this Declaration has been recorded in the Knox County Register's Office, agreeing to change this

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Declaration in whole or in part. For so long as Seller or Developer owns any Lot or any portion of the Property, Developer may unilaterally amend this Declaration as it may elect in its sole discretion. Provided, that any such amendment shall not materially adversely affect the then existing planned residential nature of the Property.

(b) Easements and Rights Unaffected. Notwithstanding any other provision of this Declaration, no cancellation, alteration or amendment of this Declaration, shall in any event (i) affect or impair the rights, privileges or easements granted pursuant to this Declaration in favor of Developer, its successors and assigns, or any other person or entity other than the Owners, without the express written consent of such other persons and entities, or (ii) change the method of assessment or the obligations or duties of the Association without the prior written consent of Developer in its sole discretion.

(c) Assignment of Rights and Grant of Proxy. Until the Seller and the Developer no longer owns any Lots or Property, or until Developer shall otherwise declare, each Owner, by the acceptance of a deed for such Lot, does automatically and irrevocably appoint the Developer as the attorney-in-fact and proxy for such Owner, in the name and stead of such Owner: (i) to act for such Owner in executing any document or taking any action to amend this Declaration and/or the Articles or Bylaws of the Association, as applicable; and (ii) to otherwise exclusively exercise all rights of such Owner to vote as a member of the Association on all matters coming before the members of the Association, and to cause such vote as Developer sees fit in its sole discretion. All actions so taken by the Developer as such attorney-in-fact and proxy shall be fully binding upon the Owner as if taken by the Owner in its, his or her own name without acting through an attorney-in-fact and proxy. Such irrevocable appointment of Declarant as attorney-in-fact and proxy for each such Owner is a power coupled with an interest.

Section 4. Amendment to Articles and Bylaws of the Community Association. Nothing in this Declaration shall limit the right of the Association to amend, from time to time, its Articles and Bylaws.

Section 5. Non-Liability of the Directors and Officers. Neither Developer, nor the directors or officers of the Association, shall be personally liable to any of the Owners for any mistake of judgment or fact or for any other acts or omissions of any nature whatsoever while acting in their official capacity, except for any acts or omissions found by a court of competent jurisdiction to constitute gross negligence or actual fraud. The Owners shall indemnify and hold harmless each of the directors and officers of the Association and their respective heirs, executors, administrators, personal representative, successors and assigns, for acts or omissions of any nature whatsoever while acting in their official capacity and otherwise in accordance with the Articles and/or Bylaws of the Association.

Section 6. Incorporation by Reference on Resale. Upon the sale or other transfer of any Lot, any deed purporting to effect such transfer shall contain a provision incorporating by reference the covenants, conditions, restrictions, charges, liens, assessments and other provisions set forth in this Declaration; provided, however, that the failure of any such deed to so incorporate by reference this Declaration shall not affect the validity of such deed nor shall it be deemed to release the Lot conveyed thereby from the effect of this Declaration.

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Section 7. Notices. Upon purchase of any Lot, the purchaser thereof shall notify Developer and the Association in writing, sent to the address of Declarant at 1635 Western Avenue, Suite 102, Knoxville, Tennessee 37921, of such purchase, and shall set forth in writing the then existing address of such purchaser and the Lot purchased. Any notice required to be sent to any Owner pursuant to the provisions of this Declaration shall be deemed to have been property given upon personal delivery, or when mailed, by ordinary mail, postage-paid, to the last known address of the person or entity which appears as the Owner on the records of Developer or of the Association at the time of such mailing, or as specified on the deed of the Lot to such Owner.

Section 8. Captions and Headings. All captions and headings used in this Declaration are for convenience of reference only, and shall not limit or define the content or substance of such provision.

Section 9. Construction. Without written approval from the Developer to the contrary, the Owner of any Lot shall be required to commence construction on said Lot within thirty-six (36) months after the Lot is purchased from Seller, and shall complete construction in compliance with approved plans and pass final inspection of the Committee within fifteen (15) months of the time that the Committee granted approval of said plans. In the event that construction does not commence within thirty-six (36) months following original Lot purchase from the Seller, the Owner must offer the Lot for sale to the Developer at 90% of the original price of the Lot. The Developer shall have thirty (30) days to exercise this purchase option. If the Owner fails to complete construction within fifteen (15) months after the Committee approves the plans, the owner will forfeit the $5,000.00 construction bond to the Association.

Section 11. Waiver and Modification. (a) Developer hereby reserves the right in its absolute discretion at any time to annul, waive, change or modify any of the restricting conditions or covenants contained herein as to any part of the Property, and shall have further the right before a sale to change the size of or locate or relocate any of the lots, parcels, streets, or roads shown on the plat of The Anchorage. Further, the Developer may amend these covenants and restrictions for the purpose of curing any ambiguity or inconsistency between the provisions contained herein.

This Declaration may be amended at any time and from time to time by an agreement signed by at least seventy-five percent (75%) of the Owners of Lots; provided, however, such amendment by the Owners shall not be effective unless also signed by Developer, or unless all lots have a permanent residence constructed thereon. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record. Every purchaser or grantee of any interest in any real property made subject to this Declaration, by acceptance of a deed or other conveyance thereof, thereby agrees that this Declaration may be amended as provided in this Section.

Section 12. Assignment or Transfer. Any or all of the rights and powers, titles, easements and estates reserved or given to Developer in this Declaration may be assigned to any one or more corporations or assigns which will agree to assume said rights, powers, duties and obligations and carry out and perform the same. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the

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purpose of evidencing its acceptance of such rights and powers, and such assignee or transferee shall thereupon have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by Developer and Developer shall thereupon be released therefrom.

Section 13. Developer's Approval of Conveyances or Changes in Use of Common Area. The Association shall not, without obtaining the prior written consent of Developer, convey, mortgage, change or alter the use of the Common Property.

Section. 14. Drainage Easement. An easement is hereby reserved to the Developer and granted to the Association and their respective officers, agents, employees, successors, and assigns to enter upon, across, over, in, and under all Lots and any portion of the Common Properties for the purpose of changing, correcting, or otherwise modifying the grade or drainage channels of the Common Property so as to improve the drainage of water on the Common Property. Reasonable efforts shall be made to use this easement so as to disturb as little as possible the uses of the Owners of their Lots, to prosecute such drainage work property and expeditiously, and to restore any areas affected by such work to a sightly and usable condition as soon as reasonably possible following such work.

IN WITNESS WHEREOF, Raja Jubran, Trustee and Topside Road Partnership, L.P., have executed or caused this Declaration to be executed by the appropriate authority to be signed thereto this 9th day of JUNE, 1998.

RAJA JUBRAN, Trustee

TOPSIDE ROAD PARTNERSHIP, L.P.

By: SULLINS RIDGE DEVELOPMENT COMPANY,
General Partner

By: _____
RAJA JUBRAN, President

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STATE OF TENNESSEE

COUNTY OF KNOX

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, RAJA JUBRAN, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), the within named bargainor, who acknowledged that he executed the foregoing instrument for the purposes therein contained, by signing his name thereto.

WITNESS my hand and official seal at office in Knox County, Tennessee, this the 9th day of June, 1998.

Wendy D. Buchanan
NOTARY PUBLIC

My Commission Expires: 10-31-2000

NOTARY PUBLIC AT LARGE KNOX CO. TENN.

INST: 83302 MB 2289 PG: 461

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STATE OF TENNESSEE

COUNTY OF KNOX

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, RAJA JUBRAN, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be President, of SULLINS RIDGE DEVELOPMENT COMPANY, General Partner of TOPSIDE ROAD PARTNERSHIP, L.P., the within named bargainor, a Tennessee Limited Partnership, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the limited partnership as president of the general partner by himself as such officer.

WITNESS my hand and official seal, at office in Knox County, Tennessee, this 9th day of June, 1998.

NOTARY PUBLIC

NOTARY PUBLIC AT LARGE KNOX CO. TENN.

My Commission Expires: 10-31-2000

INST: 83302 WB 2289 PG: 462

Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

STEVE HALL
REGISTER OF DEEDS
KNOX COUNTY

This instrument prepared by:
AYRES & PARKEY, ATTORNEYS
Suite 650, One Centre Square
620 Market Street
Knoxville, Tennessee 37902

FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS FOR THE ANCHORAGE

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, TOPSIDE ROAD PARTNERSHIP, L.P., a Tennessee limited partnership, as developer does hereby amend the Declaration of Covenants and Restrictions for The Anchorage as follows:

WITNESSETH:

WHEREAS, the Developer is named as "Developer" in that certain Declaration of Covenants and Restrictions for The Anchorage Subdivision of record in Warranty Deed Book 2289, page 435, in the Register of Deed's Office for Knox County, Tennessee ("Restrictions"); and,

WHEREAS, the original recorded Restrictions inadvertently failed to attach Exhibit "A" thereto, and within Article I, Section 12 inadvertently failed to include the recording information for the subdivision plat; and,

WHEREAS, the Developer desires to correct the omissions and scrivener's errors pursuant to the terms and provisions memorialized herein:

NOW, THEREFORE, in consideration of the aforegoing recitals, and pursuant to the powers vested in the Developer pursuant to Article XII, Section 11 of the Restrictions, the same are hereby modified and amended as follows:

1. Exhibit "A" referred to in the Restrictions shall mean to property attached to Exhibit "A" to this amendment, and the restrictions shall be so construed as if Exhibit "A" to this amendment were originally included in the recorded Restrictions.

2. Article I, Section 12 of the Restrictions is hereby amended to denote that the "Plat" shall mean and refer to the subdivision plat for The Anchorage Subdivision as filed in Plat Cabinet P, Slide 64-C, and further as revised in Plat Cabinet P, Slide 102A in the Knox County Register of Deed's Office.

3. Other than as set forth herein, the remainder of the Restrictions shall remain unchanged.

TOPSIDE ROAD PARTNERSHIP, L.P.
BY: SULLINS RIDGE DEVELOPMENT COMPANY, a Tennessee General Partnership as General Partner

BY: _____
Raja J. Jubran, Trustee,
Managing General Partner

Instr:199910060027969 Page: 1 OF 3
REC'D FOR REC 10/06/1999 3:38:58PM
RECORD FEE: $14.00
M. TAX: $0.00 T. TAX: $0.00

Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

STATE OF TENNESSEE
COUNTY OF KNOX

Before me, the undersigned, a Notary Public, of the state and county aforesaid, personally appeared Raja J. Jubran, Trustee, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the Managing General Partner of Sullins Ridge Development Company, the General Partner of TOPSIDE ROAD PARTNERSHIP, L.P., the within named bargainor, and that he as such Managing General Partner for the General Partner executed the foregoing instrument for the purpose therein contained, by signing the name of the partnership as Managing General Partner for Sullins Ridge Development Company, General Partner, and as the free act and deed of Sullins Ridge Development Company, General Partner.

Witness my hand, and seal, at office, in Knox County, Tennessee, this 23 day of ~~December~~ April, 1998.9

Karen Brooks
Notary Public
My Commission Exp[illegible]

NOTARY PUBLIC AT LARGE KNOX CO. TENN.

Instr:199812050027969
PAGE: 2 OF 3

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Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

SCHEDULE A

TRACT ONE
SITUATE in the Ninth Civil District of Knox County, Tennessee, without the corporate limits of the City of Knoxville, Tennessee, being 23.47 acres lying along the southeastern side of Topside Road, and being more particularly bounded and described as follows:

BEGINNING at an iron pin in the southeastern right of way of Topside Road, said point being 46.86 feet easterly from a monument located at the intersection of the southeastern right of way of Topside Road with the eastern right of way of Alcoa Highway (U. S. Highway 129); thence from said beginning point with the southeastern right of way of Topside Road, North 38 deg. 25 Min. East, 51.28 feet to a monument; thence from said monument following along a curve to the left, said curve having a chord call of North 32 deg. 55 Min. East, a chord distance of 297.24 feet and a radius of 250 feet along the eastern right of way of Topside Road to an iron pin; thence South 86 deg. 14 Min. West, 20 feet to an iron pin; thence from said iron pin following along a curve to the right, said curve having a chord call of North 28 deg. 29 Min. East, a chord distance of 176.99 feet and a radius of 175 feet to an iron pin; thence from said iron pin, North 30 deg. 33 Min. West, 5 feet to an iron pin; thence from said iron pin continuing along the southeastern right of way of Topside Road, the following calls and distances: North 59 deg. 27 Min. East, 143.47 feet to an iron pin; thence from said iron pin, North 59 deg. 14 Min. East, 176.74 feet to an iron pin; thence from said iron pin, North 63 deg. 51 Min. East, 235.20 feet to an iron pin; thence from said iron pin, North 68 deg. 28 Min. East, 331.49 feet to an iron pin; thence from said iron pin leaving the southeastern right of way of Topside Road, South 22 deg. 49 Min. East, 1254.12 feet to an iron pin in the approximate 820 foot contour line of Fort Loudoun Lake; thence with said contour line of Fort Loudoun Lake, South 72 deg. 59 Min. West, 625.14 feet to an iron pin; thence from said iron pin leaving the banks of Fort Loudoun Lake, North 10 deg. 03 Min. West, 117.55 feet to an iron pin; thence from said iron pin, North 10 deg. 03 Min. West, 267.77 feet to an iron pin; thence from said iron pin, North 82 deg. 00 Min. West, 880 feet to an iron pin in the eastern right of way of Topside Road, said iron pin being the place of BEGINNING, containing 23.47 acres; and being according to the survey of Robert G. Campbell & Assoc., Inc., Robert G. Campbell, Surveyor, dated 26 July 1982, and revised March 1988.

TRACT TWO
SITUATE in the Ninth Civil District of Knox County, Tennessee, without the corporate limits of the City of Knoxville, Tennessee, being a tract of land lying on the north shore of the Little River Embayment of Fort Loudoun Lake, and being more particularly bounded and described as follows:

BEGINNING at a right of way monument at the point of intersection of the southeastern right of way of Topside Road with the northeastern right of way of Alcoa Highway (U. S. Highway 129); thence with the southeastern right of way of Topside Road, North 41 deg. 50 Min. East, 46.86 feet to an iron pin; thence from said iron pin, South 82 deg. 00 Min. East, 880 feet to an iron pin; thence from said iron pin, South 10 deg. 03 Min. East, 267.77 feet to an iron pin; thence from said iron pin, South 10 deg. 03 Min. East, 117.55 feet to an iron pin in the approximate 822 foot contour line of Fort Loudoun Lake; thence with said contour line of Fort Loudoun Lake, the following calls and distances: South 86 deg. 17 Min. West, 166.30 feet to an iron pin; thence from said iron pin, South 63 deg. 22 Min. West, 62.43 feet to an iron pin; thence from said iron pin, South 88 deg. 18 Min. West, 58.03 feet to an iron pin; thence from said iron pin, North 42 deg. 03 Min. West, 42.44 feet to an iron pin; thence from said iron pin, North 21 deg. 01 Min. West, 24.55 feet to an iron pin; thence from said iron pin, South 50 deg. 02 Min. West, 54.82 feet to an iron pin; thence from said iron pin, North 88 deg. 48 Min. West, 31.17 feet to an iron pin; thence from said iron pin, North 89 deg. 01 Min. West, 46.04 feet to an iron pin; thence from said iron pin, North 85 deg. 43 Min. West, 120.63 feet to an iron pin; thence from said iron pin, North 72 deg. 53 Min. West, 52.48 feet to an iron pin; thence from said iron pin, North 77 deg. 50 Min. West, 53.66 feet to an iron pin; thence from said iron pin, North 64 deg. 13 Min. West, 67.01 feet to an iron pin; thence from said iron pin, South 67 deg. 44 Min. West, 35.73 feet to an iron pin; thence from said iron pin, North 87 deg. 46 Min. West, 182.20 feet to an iron pin in the northwestern right of way of Alcoa Highway (U. S. Highway 129); thence from said iron pin following along the northwestern right of way of Alcoa Highway (U. S. Highway 129), the following calls and distnces: North 10 deg. 58 Min. West, 45 feet to an iron pin; thence from said iron pin, North 10 deg. 58 Min. West, 215.35 feet to an iron pin; thence from said iron pin, North 83 deg. 07 Min. East, 35 feet to a monument; thence with said monument, North 06 deg. 53 Min. West, 169.91 feet to a monument, said monument being the place of BEGINNING, containing 9.30 acres; and being according to the survey of Robert G. Campbell & Assoc., Inc., Robert G. Campbell, Surveyor, dated July 26, 1982, and revised March 1988.

Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

FIRST AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS OF THE ANCHORAGE

KNOW ALL MEN BY THESE PRESENTS, that this First Amendment to Declaration of Covenants and Restrictions ("Amendment") is made and entered into this 20th day of April, 2000, by TOPSIDE ROAD PARTNERSHIP, L.P., a Tennessee limited partnership, hereinafter referred to as "Developer".

WITNESSETH

WHEREAS, on or about the 9th day of June 1998, Developer and Raja Jubran, Trustee, created and entered into a certain Declaration of Covenants and Restrictions, hereinafter referred to as "Declaration", regarding the Anchorage Subdivision located in the 9th Civil District of Knox County, Tennessee, which Declaration is of record in Warranty Book 2289, page 434, in the Register's Office for Knox County, Tennessee; and

WHEREAS, pursuant to the authority granted in Article XII, Section 3(a) of the Declaration, Developer now desires to modify and amend certain provisions of the Declaration as is set forth hereinafter.

NOW, THEREFORE, the Developer hereby modifies and amends the Declaration, effective upon the filing of this instrument with the Knox County Register's Office, as follows:

1. Article II, Section 3 is deleted in its entirety.

2. Article II, Section 6.2 is deleted in its entirety.

3. Article IX, Section 12 is deleted in its entirety, and in lieu thereof is provided as follows:

"Section 12. Driveways and Sidewalks. Within 30 days after completion of a residence on any Lot, (as determined by the Developer) the Owner shall construct the driveway from the abutting street. Such driveway and all sidewalks constructed upon a Lot shall be of exposed aggregate concrete or other materials as approved, and consistent with plans submitted to and approved by the Committee. All such driveways shall be at least 12 feet in width and located on the side of the Lot as designated by Developer. All curb cuts shall be subject to the prior approval of the Committee."

4. Article IX, Section 19(k) is deleted in its entirety, and in lieu thereof is provided as follows:

"(k) Minimum Finished Floor Areas. The following shall be the minimum finished areas for residences constructed upon any Lot:

Instr:200004260027705 Page: 1 OF 3
REC'D FOR REC 04/26/2000 4:20:02PM
RECORD FEE: $14.00
N. TAX: $0.00 T. TAX: $0.00

Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

(i) One-Story. The ground floor area of a one-story residence shall be a minimum of 2,200 finished and habitable square feet.

(ii) One-and-One-Half-Story. The ground floor area of one-and-one-half-story or Cape Cod residence shall be a minimum of 1,800 finished and habitable square feet, and the residence shall contain a total minimum of 2,600 finished and habitable square feet.

(iii) Two-Story. The ground floor area of a two-story residence shall be a minimum of 1,800 finished and habitable square feet, and the residence shall contain a total minimum of 2,800 finished and habitable square feet.

(iv) Two-and-One-Half-Story. The ground floor area of a two-and-one-half-story residence shall be a minimum of 1,800 finished and habitable square feet, and the residence shall contain a total minimum of 3,600 finished and habitable square feet.

(v) Others. No dwelling shall be constructed on any Lot exceeding two and one-half stories in height, excluding basement.

(vi) Exclusions. Basement areas, garages, terraces, and porches are not included in computing minimum floor areas pursuant to this Section."

5. Article IX, Section 19(v) is deleted in its entirety.

6. Article IX, Section 19(w) is deleted in its entirety.

7. Article IX, Section 19(x) is deleted in its entirety, and in lieu thereof is provided as follows:

"(x) Windows. All windows shall be approved by the Committee. No metal windows will be allowed."

8. Article IX, Section 20(a) shall be amended to delete the phrase:

"designed by a Registered Landscape Architect or person of similar competence."

9. Article IX, Section 20(d) is deleted in its entirety.



Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

IN WITNESS WHEREOF, Topside Road Partnership, L.P.. has caused this First Amendment to Declaration to be executed by the appropriate authority the 20th day of April, 2000.

Topside Road Partnership, L.P.
By: Sullins Ridge Development Company, General Partner

By: _____
Raja Jubran, President

STATE OF TENNESSEE

COUNTY OF KNOX

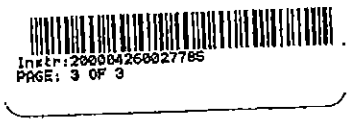
Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, Raja Jubran, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be President. of SULLINS RIDGE DEVELOPMENT COMPANY, General Partner of TOPSIDE ROAD PARTNERSHIP, L.P., the within named bargainor, a limited partnership, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the limited partnership as president of the general partner by himself as such officer.

WITNESS my hand and official seal at office in Knox County, Tennessee, this 20th day of April, 2000.

Rebecca B. Lane
NOTARY PUBLIC
Rebecca B. Lane



My Commission Expires: 08/29/01



Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

THIS INSTRUMENT PREPARED BY COSTNER & GREENE, ATTYS., 315 HIGH STREET, MARYVILLE, TENNESSEE 37804 BY: STEVEN J. GREENE C&G-7883

AMENDED RESTRICTIONS APPLICABLE TO THE ANCHORAGE SUBDIVISION

WHEREAS, THE UNDERSIGNED, HEREINAFTER REFERRED TO AS "OWNER" OWNS REAL PROPERTY SITUATED IN DISTRICT NO. 9 OF KNOX COUNTY, TENNESSEE AND IS KNOWN AND DESIGNATED AS "THE ANCHORAGE"; AND,

WHEREAS, RESTRICTIONS FOR SAID SUBDIVISION BEING OF RECORD IN WARRANTY BOOK 2289, PAGE 434 IN THE REGISTER'S OFFICE FOR KNOX COUNTY, TENNESSEE, AND,

WHEREAS, THE OWNER OF ALL LOTS IN THE ANCHORAGE SUBDIVISION DESIRES TO AMEND SAID RESTRICTIONS; AND,

NOW, THEREFORE, PREMISES CONSIDERED AND OTHER GOOD AND VALUABLE CONSIDERATIONS, THE OWNER HEREBY AMENDS THE RESTRICTIONS OF RECORD IN WARRANTY BOOK 2289, PAGE 434 IN THE REGISTER'S OFFICE FOR KNOX COUNTY, TENNESSEE, AS FOLLOWS:

ARTICLE NO. 11, SECTION 9 IS HEREBY DELETED IN IT'S ENTIRETY.

THIS AGREEMENT SHALL INURE TO THE BENEFIT OF THE PARTIES HERETO, THEIR HEIRS AND ASSIGNS, AND SHALL RUN WITH THE LANDS HEREINABOVE DESCRIBED FOREVER.

IN WITNESS WHEREOF THE UNDERSIGNED HAS SET HIS HAND AND SEAL THIS THE 30th DAY OF October, 2000.

RAJA J. JUBRAN, TRUSTEE

STATE OF TENNESSEE
COUNTY OF Knox

Personally appeared before me, the undersigned, a Notary Public in and for said County and State, RAJA J. JUBRAN, TRUSTEE, within named bargainor with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the within instrument for the purposes therein contained.

Witness my hand and official seal at office, this 30th day of October, 2000.

Rebecca B. Lowe
Notary Public

My Commission Expires: 08-29-01

Instr:200010300029829 Page: 1 OF 1
REC'D FOR REC 10/30/2000 2:36:24PM
RECORD FEE: $10.00
M. TAX: $0.00 T. TAX: $0.00

Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

THIS INSTRUMENT PREPARED BY:
Stephen R. Wise
Wise & Reeves, P.C.
625 S. Gay Street, Suite 160
Knoxville, Tennessee 37902

FOURTH AMENDMENT TO DECLARATION OF COVENANTS AND RESTRICTIONS OF THE ANCHORAGE

KNOW ALL MEN BY THESE PRESENTS, that this Fourth Amendment to Declaration of Covenants and Restrictions ("Amendment") is made and entered into this 24th day of October, 2001, by TOPSIDE ROAD PARTNERSHIP, L.P., a Tennessee limited partnership, hereinafter referred to as "Developer".

WITNESSETH

WHEREAS, on or about the 9th day of June 1998, Developer and Raja Jubran, Trustee, hereinafter referred to as "Seller", created and entered into a certain Declaration of Covenants and Restrictions, hereinafter referred to as "Declaration", regarding the Anchorage Subdivision located in the 9th Civil District of Knox County, Tennessee, which Declaration is of record in Warranty Book 2289, page 434, in the Register's Office for Knox County, Tennessee; and

WHEREAS, on or about the 23rd day of April, 1999, the Declaration was amended by a First Amendment to Declaration of Covenants and Restrictions of the Anchorage, of record at Instrument No. 199910060027969, in said Register's Office; and

WHEREAS, on or about the 20th day of April, 2000, the Declaration was again amended by a document also styled First Amendment to Declaration of Covenants and Restrictions of the Anchorage, of record at Instrument No. 200004260027785, in said Register's Office; and

WHEREAS, on or about the 30th day of October, 2000, the Declaration was again amended by an Amended Restrictions Applicable to the Anchorage Subdivision, of record at Instrument No. 2000010300029829, in said Register's Office; and

WHEREAS, pursuant to the authority granted in Article XII, Section 3(a) of the Declaration, Developer now desires to again modify and amend the Declaration as is set forth hereinafter.

NOW, THEREFORE, the Developer hereby modifies and amends the Declaration, effective upon the filing of this instrument with the Knox County Register's Office to include an additional Section 3 under Article VIII, Easements, as follows:

> "Section 3. EASEMENTS FOR BOAT DOCKAGE. There is hereby created in favor of the Anchorage Dockominium Association, a Tennessee not-for-profit corporation, and its members, and their respective successors and assigns, an easement upon, across, over and through that portion of the Common Property located along the westernmost boundary of the Anchorage Subdivision and generally west of the cul-de-sac of Shipwatch Lane as is more particularly described in Exhibit A attached

Instr:200111060035847 Page: 1 OF 3
REC'D FOR REC 11/06/2001 3:41:45PM
RECORD FEE: $17.00
M. TAX: $0.00 T. TAX: $0.00

Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

hereto for (i) ingress and egress to a boat dock located on the Little River embayment adjacent to the Common Property, (ii) short term automobile parking, within the designated parking areas, (iii) installation, maintenance, replacement and repairs of the boat dock, (iv) the permanent anchorage of the boat dock to the Common Property, and (v) the installation, maintenance and repair of utility and service lines and systems for the benefit of the boat dock, all of which utilities shall be underground to the extent possible."

IN WITNESS WHEREOF, Topside Road Partnership, L.P., has caused this Fourth Amendment to Declaration to be executed by the appropriate authority the 24th day of October, 2001.

TOPSIDE ROAD PARTNERSHIP, L.P.

By: SULLINS RIDGE DEVELOPMENT COMPANY, General Partner

By: _____
RAJA JUBRAN, President

STATE OF TENNESSEE

COUNTY OF KNOX

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, RAJA JUBRAN, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be President, of SULLINS RIDGE DEVELOPMENT COMPANY, General Partner of TOPSIDE ROAD PARTNERSHIP, L.P., the within named bargainor, a limited partnership, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the limited partnership as president of the general partner by himself as such officer.

WITNESS my hand and official seal, at office in Knox County, Tennessee, this 24th day of October, 2001.

Linda S. Bridges
NOTARY PUBLIC

S. BRIDGES NOTARY PUBLIC AT LARGE KNOX CO. TENN.

My Commission Expires:

Oct. 31, 2004

Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

Exhibit A

SITUATE in the 9th Civil District of Knox County, Tennessee and being more particularly described as follows:

BEGINNING at an iron pin at the southwesternmost point of the Anchorage Subdivision as shown in Plat Cabinet P, Slide 64C in the Knox County Register's Office and being in the eastern right of way of Alcoa Highway (US Highway 129); thence from the point of BEGINNING with the eastern right of way of Alcoa Highway (US Highway 129) north 29 deg. 22 min. 35 sec. east, 45 feet to an iron pin; thence continuing with the eastern right of way of Alcoa Highway north 29 deg. 17 min. 17 sec. east, 215.55 feet to an iron pin; thence south 56 deg. 21 min. 25 sec. east, 34.36 feet to an iron pin; thence north 33 deg., 23 min. 43 sec. east, 169.96 feet to an iron pin; thence north 81deg. 54 min. 30 sec. east 47.04 feet to an iron pin; thence north 79 deg. 37 min. 15 sec. east, 51.50 feet to an iron pin; thence with the arc of a curve having a radius of 250 feet, a delta of 32 deg. 56 min. 52 sec. a tangent of 73.93 feet, and a chord of 141.79 feet, bearing south 86 deg. 44 min. 18 sec. east, 143.76 feet to an iron pin, corner to Lots 6 and 7 of the Anchorage Subdivision; thence with the line of Lot 7 of the Anchorage Subdivision south 50 deg. 55 min. 3 sec. west, 216.46 feet to an iron pin; thence south 21 deg. 36 min. 04 sec. east, 42.02 feet to an iron pin; thence with the line of Lot 26 of the Anchorage Subdivision south 40 deg. 10 min. 15 sec. west, 205.71 feet to an iron pin; thence south 41 deg. 24 min. 13 sec. east 146.66 feet to an iron pin in the right of way of Ship Watch Lane; thence with the arc of a curve with Ship Watch Lane having a radius of 50.00 feet, a delta of 28 deg. 57 min. 18 sec., a tangent of 12.91 feet, and a chord of 25 feet, bearing south 30 deg. 23 min. 13 sec. west, 25.27 feet to an iron pin; thence north 43 deg. 45 min. 09 sec. west, 81.44 feet to an iron pin; thence south 46 deg. 1 min. 35 sec. west, 121.74 feet to an iron pin; thence north 47 deg. 25 min. 17 sec. west, 195.63 feet to an iron pin being the point of BEGINNING.



Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

STEVE ...
REGISTER OF DEEDS
KNOX COUNTY

THIS INSTRUMENT PREPARED BY:
DANIEL J. MORSE
WISE & REEVES, P.C.
625 S. GAY STREET, SUITE 160
KNOXVILLE, TN 37902

AGREEMENT TO AMEND THE ANCHORAGE DOCKOMINIUM ASSOCIATION DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

This Amendment to the Anchorage Dockominium Association Declaration Of Covenants, Conditions, And Restrictions ("Amendment") is made and executed this 29th day of June, 2006, pursuant to Article IX, Section 6 of the operative Declaration Of Covenants, Conditions, And Restrictions, by the undersigned Owner, the same representing at least seventy-five percent (75%) of the Ownership in the Anchorage Dockominium Association, to accomplish such purpose as set forth herein.

WITNESSETH:

WHEREAS, the undersigned Owner desires to amend The Anchorage Dockominium Association Declaration Of Covenants, Conditions, And Restrictions, by making certain adjustments to said instrument as described herein.

WHEREAS, the undersigned represents that it is the Owner of at least 75% of Dockominiums subject to The Anchorage Dockominium Association Declaration Of Covenants, Conditions, And Restrictions.

NOW THEREFORE, The Anchorage Dockominium Association Declaration of Covenants, Conditions, and Restrictions shall be amended as follows:

1. The Anchorage Dockominium Association Declaration Of Covenants, Conditions, And Restrictions As Amended On June 29th, 2006, attached hereto as Exhibit A, shall be adopted and hereby replaces all prior versions of The Anchorage Dockominium Association Declaration Of Covenants, Conditions, And Restrictions.

By its signature, the undersigned Owner executes this document as of the date first written above.

THE ANCHORAGE DOCKOMINIUM ASSOCIATION

By: _____

Print: Raja Jubaran

Its: Chairman of the Board of Directors

Instr:200607100002207 Page: 1 OF 13
REC'D FOR REC 07/10/2006 10:01:54AM
RECORD FEE: $67.00
M. TAX: $0.00 T. TAX: $0.00

Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

STATE OF TENNESSEE

COUNTY OF KNOX

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, Raja Jubran, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be Chairman of the Board of Directors of The Anchorage Dockominium Association, the within named bargainor, a Tennessee limited liability company, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as such officer.

WITNESS my hand and official seal at office in Knox County, Tennessee, this the 29th day of June, 2006.

NOTARY PUBLIC

My Commission Expires: SEPT. 8, 2009

DANIEL J. MORSE
STATE OF TENNESSEE NOTARY PUBLIC
KNOX COUNTY

Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

EXHIBIT A

THE ANCHORAGE DOCKOMINIUM ASSOCIATION
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

AS AMENDED ON JUNE 29th, 2006

THIS DECLARATION made and entered into by the undersigned BOARD OF DIRECTORS of the Anchorage Dockominium Association, hereinafter referred to as "Declarant."

W I T N E S S E T H

WHEREAS, the Declarants are the duly appointed and elected Board of Directors of The Anchorage Dockominium Association, a Tennessee not-for-profit corporation (the "Association"); and

WHEREAS, the Association is owner and holder of certain easement rights over and across certain portions of the Common Property of The Anchorage Subdivision located in the 9th Civil District of Knox County, Tennessee, as is more particularly described in Exhibit A attached hereto, and certain boat dock improvements appurtenant to said easement, and upon the embankment of the Little River (the "Property"); and

WHEREAS, the Declarants desire to establish, for the benefit of the Association, certain rights, covenants, conditions and restrictions with respect to the proper use, conduct and maintenance of the Property, in furtherance of a plan to promote and protect the co-operative aspects of the Association and protect the value and attractiveness of the Property.

NOW THEREFORE, the Declarants hereby declare that the Property shall be subject to the following covenants, conditions and restrictions and shall be binding upon any party having any ownership interest in, or right to use, any part of the Property, and shall inure to the benefit of every Owner as hereinafter defined.

ARTICLE I

DEFINITIONS

SECTION 1. "Association" shall mean and refer to The Anchorage Dockominium Association, its successors and assigns.

SECTION 2. "Board" shall mean and refer to the Board of Directors of the Association.

SECTION 3. "By-Laws" shall mean and refer to the By-Laws as adopted by the Association from time to time.

SECTION 4. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of any Slip which is a part of the Property, but excluding those having such interest merely as security for the performance of an obligation.

Authentisign ID: 2FDE2474-9F14-EC11-981F-501AC544F02B

SECTION 5. "Property" shall mean and refer to the easement rights over and across certain portions of the Common Property of The Anchorage Subdivision located in the 9th Civil District of Knox County, Tennessee, as is more particularly described in Exhibit A attached hereto, and certain boat dock improvements appurtenant to said easement, and upon the embankment of the Little River, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 6. "Slip" shall mean and refer to the air space within the bounds of the boat dock improvements as depicted on Exhibit B attached hereto.

ARTICLE II

PROPERTY RIGHTS

SECTION 1. Owner's Easements of Enjoyments. Every Owner of a Slip shall have a right and easement of enjoyment in and to the Property which shall be appurtenant thereto and subject to the following provisions:

(a) The right of the Association to suspend the voting rights and right to use of the Property by an Owner for any period during which any assessment against the Slip remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations; and

(b) The right of the Association to impose regulation for the use and enjoyment of the Property and improvements thereon, which regulation may further restrict the use of the Property.

SECTION 2. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Property and facilities to the members of his family, his tenants, or contract purchasers who may use a Slip.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

SECTION 1. Membership. Every Owner of a Slip 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 Slip which is subject to assessment, and shall automatically pass to an Owner's successor-in-trust to the Slip.

SECTION 2. Voting Rights. Members shall be entitled to one vote for each Slip owned. When more than one person holds an interest in any Slip, all such persons shall be members. The vote for such Slip shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Slip. In the event that an Owner has the Slip rented, the Owner shall exercise the right to vote.

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ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. Creation of the Lien and Personal Obligation of Assessments. The Owner of any Slip, by acceptance of such Slip, whether or not it shall be so expressed in the bill of sale or other documents evidencing ownership of such Slip, is deemed to covenant and agrees 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, cost, and reasonable attorney's fees, shall be a charge on the Slip and shall be a continuing lien upon the Slip 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 at the time when the assessment fell due. The personal obligation for delinquent assessment shall not pass to his successors in interest unless expressly assumed by them.

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 Association, Slip Owners, and the Property and for the improvement and maintenance of the Property including, but not limited to costs of repairs, maintenance, replacements, additions, management, taxes assessed against the Property and insurance maintained in accordance with the By-Laws and employment of attorneys to represent the Association when necessary or when the need arises.

SECTION 3. Initial Annual Assessment. Until January 1, of the second year immediately following the conveyance of the first Slip to an Owner, the maximum annual assessment shall be $150.00 per Slip, payable annually, and shall thereafter be increased or reduced for each year as shall be determined by a majority vote of the Board. The initial annual assessment shall be due and payable upon the purchase of each Slip.

SECTION 4. Determination of Annual Assessments. It shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses of operating the Association for the coming year. Such budget shall include a capital contribution or reserve account in accordance with the capital needs of the Association. The budget and the proposed annual assessment to be levied against each Slip shall be delivered to each Owner no later than ten (10) days prior to such annual meeting. The budget and the annual assessment shall become effective unless disapproved at the annual meeting by a vote of two-thirds (2/3rds) of the Owners voting in person or by proxy at such meeting. In the event the proposed budget is not approved, or if the Board fails for any reason to determine the budget for the succeeding year, then until a budget has been determined as provided herein, the budget and annual assessments in effect for the then current year shall continue for the succeeding year.

SECTION 5. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, any expense described in Section 2 of this Article, provided that any such assessment shall 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 called for this purpose.

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SECTION 6. Notice and Quorum for Any Action Under Sections 4 and 5. Written notice of any meeting called for the purpose of taking any action authorized under Section 4 or 5 shall be sent to all members not less than thirty (30) days and not more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of the members or of proxies entitled to cast sixty percent (60%) of all of 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 (½) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following the preceding meeting.

SECTION 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at the uniform rate for all Slips and shall be collected on an annual basis.

SECTION 8. Date of Commencement of Annual Assessments, Due Dates. The annual assessments provided for herein shall commence as to all Slips on the first day of the month following the conveyance of the Slip to an Owner. The first annual assessment shall be prorated according to the number of months remaining in the calendar year. Upon a person or entity ceasing to be a member of the Association, he shall not be entitled to a refund of any annual or special assessment.

SECTION 9. Effect of Nonpayment of Assessments, Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten (10) percent per annum. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the Slip and interest, costs and reasonable attorneys fees for such action shall be added to such assessment. No Owner escape liability for the assessments provided for herein by non-use of the Property or abandonment of his Slip.

SECTION 10. Subordination of the Lien to Security Interest. The lien of the assessments provided for herein shall be subordinate to the lien of any voluntarily granted first priority security interest. Sale or transfer of any Slip shall not affect the assessment lien. However, the sale or transfer of any Slip pursuant to sale under the Uniform Commercial Code, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Slip from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

MAINTENANCE

SECTION 1. Association's Responsibility. Except as otherwise provided herein, the Association shall maintain and repair the Property. No vessel moored within a Slip shall be used as a permanent residence.

SECTION 2. Slip Owner's Negligence. In the event that the need for maintenance, repair, or replacement of the Property is caused through or by the negligent or willful act of any Owner, or

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member of any Owner's family, tenant, guests, contractors, subcontractors, agents, or invites, then the expenses incurred by the Association for such maintenance, repair, or replacement, shall be a personal obligation of such Owner, and, if not repaid to the Association within thirty (30) days after the Association gives notice to the Owner of the total amount due, then the same shall become a charge upon and lien against the Owner's Slip of equal priority to the lien for assessments provided for herein, enforceable as provided herein.

ARTICLE VI

RESTRICTION ON USAGE

SECTION 1. Slip Use. No Slip shall be used for any purpose except for the authorized mooring of vessels. No vessel moored within a Slip shall be used for residential purposes.

SECTION 2. Nuisance. No noxious or offensive activity shall be conducted upon a Slip nor shall anything be done thereon which may be or become an annoyance or nuisance to the other Members. The Board shall enforce and mediate any disputes in this regard.

SECTION 3. Animals. No animals of any kind shall be kept or maintained on the Property except dogs, cats or other household pets, and provided further that said pets must not intrude onto the area of the others and must be on a leash and under control at all times.

SECTION 4. Improvements. No constructions or improvements of any kind shall be erected on the Property except upon written consent of the Board. Each Owner of a Class A or Class B Slip shall be entitled to maintain one (1) storage locker on the catwalk directly opposite the Owner's Slip, which storage locker size and location must be approved in advance by the Board.

SECTION 5. Signs. No sign of any kind shall be displayed to the public view on any Slip or the Property, except such signage regarding safety or general instructions as approved by the Board of Directors.

SECTION 6. Garbage and Refuse Disposal. No rubbish, trash, garbage, or other waste shall be stored on the Property. All areas must be maintained in a neat, orderly fashion.

SECTION 7. Lawful Use. No immoral, improper, offensive, or unlawful use shall be made of the Property or the Member's Slip or vessel; and all valid laws and regulations of all governmental bodies having jurisdiction thereof shall be observed.

SECTION 8. Commercial Business. No commercial businesses may be maintained on the Property or in the vessels moored at the Property.

SECTION 9. Alterations. Nothing shall be altered or constructed on or removed from the Property except upon the written consent of the Board.

SECTION 10. Rules for Property. The Association is authorized to adopt rules for the use of the Property and such rules shall be furnished in writing to the Members. The voting rights and right to use of any facilities owned by the Association may be suspended for a period up to sixty (60) days for violation of such rules.

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SECTION 11. Vehicle Parking and Vessel Mooring. Vehicle parking is provided on the Property within the designated parking areas on a first come, first serve basis. No vehicles of any type shall be permanently or semi-permanently parked on the Property.

SECTION 12. Fires. There shall be no open fires of any kind on the vessels moored within the Property. Grills may be used only on the vessels, but not upon the Property.

SECTION 13. Work on Vessels. Sanding, grinding, spray painting, or the use of any tool or equipment which creates noises which would interfere with the peace and quiet of other Members is prohibited. Courtesy to your neighbors is always expected and appreciated.

SECTION 14. Vessels. Houseboats or any boats greater than thirty (30) feet in overall length or greater than nine (9) feet in height above the water line shall not be permitted.

ARTICLE VII

INSURANCE

The Board, or its duly authorized agent, shall obtain such insurance policies upon the Property as the Board deems necessary or desirable in its sole discretion. The Association shall be a named insured on all insurance policies. In addition, the Board may obtain other appropriate insurance to protect members of the Board and any committees appointed by the Board.

ARTICLE VIII

RIGHT TO SELL OR LEASE

SECTION 1. Approval of transfer or lease.

(a) No Member may effectively dispose of a Slip or any interest therein by sale or lease, except to another Member in the Association, without approval of the Board. If any person shall acquire his Slip by gift, devise, foreclosure, or inheritance, the continuance of his ownership of the Slip shall be subject to the approval of the Board.

(b) A Member intending to make a bona fide sale or lease of his Slip or any interest therein shall give to the Board notice of such intention, along with the name and address of the intended purchaser or lessee, and such other information concerning the intended purchaser or lessee as the Board may reasonably require. In the case of a prospective sale, such notice, at the Member's option, may include a demand that the Association furnish a purchaser if the proposed purchaser is not approved; and if such demand is made, the notice shall be accompanied by an executed copy of the proposed contract to sell. A person who has obtained his Slip by gift, devise, foreclosure, or inheritance, shall give to the Board notice of the acquiring of the Slip, together with such personal information as the Board may reasonably require, and a copy of the instrument evidencing his ownership of the Slip. If the notice to the Board is not given, then at any time after receiving knowledge of a transaction or

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event transferring ownership or possession of a Slip, the Board, at its election, and with notice may approve or disapprove the transaction or ownership.

(c) Within 30 days after receipt of the notice described in subparagraph (b) of this paragraph the Board shall either approve or disapprove the proposed transaction or the continuance of ownership, as the case may be. If approved, the approval shall be stated in a certificate executed by the President and Secretary, and shall be delivered to the lessee, or new Owner.

SECTION 2. Disapproval of Transfer or Lease.

(a) If the Board disapproves a proposed sale and if the notice of sale given by the Member is accompanied by demand to furnish a purchaser, then within 30 days after receipt of such notice and information the Board shall deliver or mail by registered mail to the member an offer to purchase by a purchaser approved by the Board who will purchase at the terms set forth in the disapproved proposed sale contract and to whom the Member must sell. The sale shall be closed within 30 days after the delivery or mailing of such offer to purchase.

(b) If the proposed transaction is a lease, the Member shall be advised of the disapproval in writing, and the lease shall not be made.

(c) If the Board disapproves the acquisition of the Slip by gift, devise, or inheritance, the provisions of subparagraph (a) of the paragraph shall apply (except that the purchase price shall be at fair market value, determined by arbitration).

(d) If the Board shall fail to timely provide a purchaser as required in subparagraph (a) and (c) of this section, then notwithstanding the disapproval, the sale or ownership, as the case may be, shall be deemed to have been approved.

ARTICLE IX

GENERAL PROVISIONS

SECTION 1. Enforcement. Enforcement of this Declaration shall be by the Association, or in the absence of any such action, by an Owner (although the Association shall at all times have the superior right to bring and control the course of, any such proceeding) against any party violating or attempting to violate any covenant or restriction or provision of this Declaration, either to restrain violation, to direct restoration and/or to recover damages. Failure of any Owner or the Association to demand or insist upon observance of any of the provisions of this Declaration, or to proceed for restraint of violation, shall not be deemed a waiver of the violation or of the right to seek enforcement of that provision in that or any other case. Any such Owner or the Association enforcing this Declaration shall be entitled to recover all costs and expenses incurred in connection with such action, including, without limitation, court costs and reasonable attorney's fees. Any award of damages received by the Association in connection with any such action, and all costs and expenses incurred by the Association in connection therewith, shall constitute a lien upon the Slip, of equal priority to the lien for assessments provided for in Article IV, Section 1 and any award

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of damages received by any Owner in connection with any such action shall accrue to the sole benefit of the Association.

SECTION 2. Severability. Invalidation of any provision of this Declaration by judgment or order of a court of competent jurisdiction shall in no way affect any of the other provisions hereof, which shall remain in full force and effect, and such provision so invalidated shall remain in full force and effect in all permitted contexts.

SECTION 3. Term; Amendment. The provisions of this Declaration shall be binding on the Slips, the Owners of each Slip and all parties claiming under them, for a period 20 years from the date of this Declaration. After such twenty (20) years, this Declaration shall be deemed extended automatically for successive periods of ten (10) years, unless and until an instrument signed by at least two-thirds (2/3rds) of the Owners of the Slips subject to this Declaration has been executed, agreeing to change this Declaration in whole or in part.

SECTION 4. Non-Liability of the Directors and Officers. Neither the directors or officers of the Association, shall be personally liable to any of the Owners for any mistake of judgment or fact of for any other acts or omissions of any nature whatsoever while acting in their official capacity, except for any acts or omissions found by a court of competent jurisdiction to constitute gross negligence or actual fraud. The Owners shall indemnify and hold harmless each of the directors and officers of the Association and their respective heirs, executors, administrator, personal representative, successors and assigns, for acts or omissions of any nature whatsoever while acting in their official capacity and otherwise in accordance with this Declaration and/or Bylaws of the Association.

SECTION 5. Incorporation by Reference on Resale. Upon the sale of other transfer of any Slip, any instrument purporting to effect such transfer shall contain a provision incorporating by reference the covenants, conditions, restrictions, charges liens, assessments and other provisions set forth in this Declaration; provided, however, that the failure of any such instrument to so incorporate by reference this Declaration shall not affect the validity of such instrument nor shall it be deemed to release the Slip conveyed thereby from the effect of this Declaration.

SECTION 6. Modification. This Declaration may be amended at any time and from time to time by an agreement signed by at least seventy-five percent (75%) of the Owners of Slips. Every purchaser or grantee of any interest in any Slip made subject to this Declaration, thereby agrees that this Declaration may be amended as provided in this Section.

IN WITNESS WHEREOF the undersigned chairman of The Board of Directors of The Anchorage Dockominium Association has executed the Declaration this the 29th day of June, 2006.

THE ANCHORAGE DOCKOMINIUM ASSOCIATION

By:_____
RAJA JUBRAN

Its: Chairman of the Board of Directors

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STATE OF TENNESSEE

COUNTY OF KNOX

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, Raja Jubran, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be Chairman of the Board of Directors of The Anchorage Dockominium Association, the within named bargainor, a Tennessee limited liability company, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as such officer.

WITNESS my hand and official seal at office in Knox County, Tennessee, this the 29th day of June, 2006.

NOTARY PUBLIC

My Commission Expires: Sept. 8, 2009

DANIEL J. MORSE
STATE OF TENNESSEE
NOTARY PUBLIC
KNOX COUNTY

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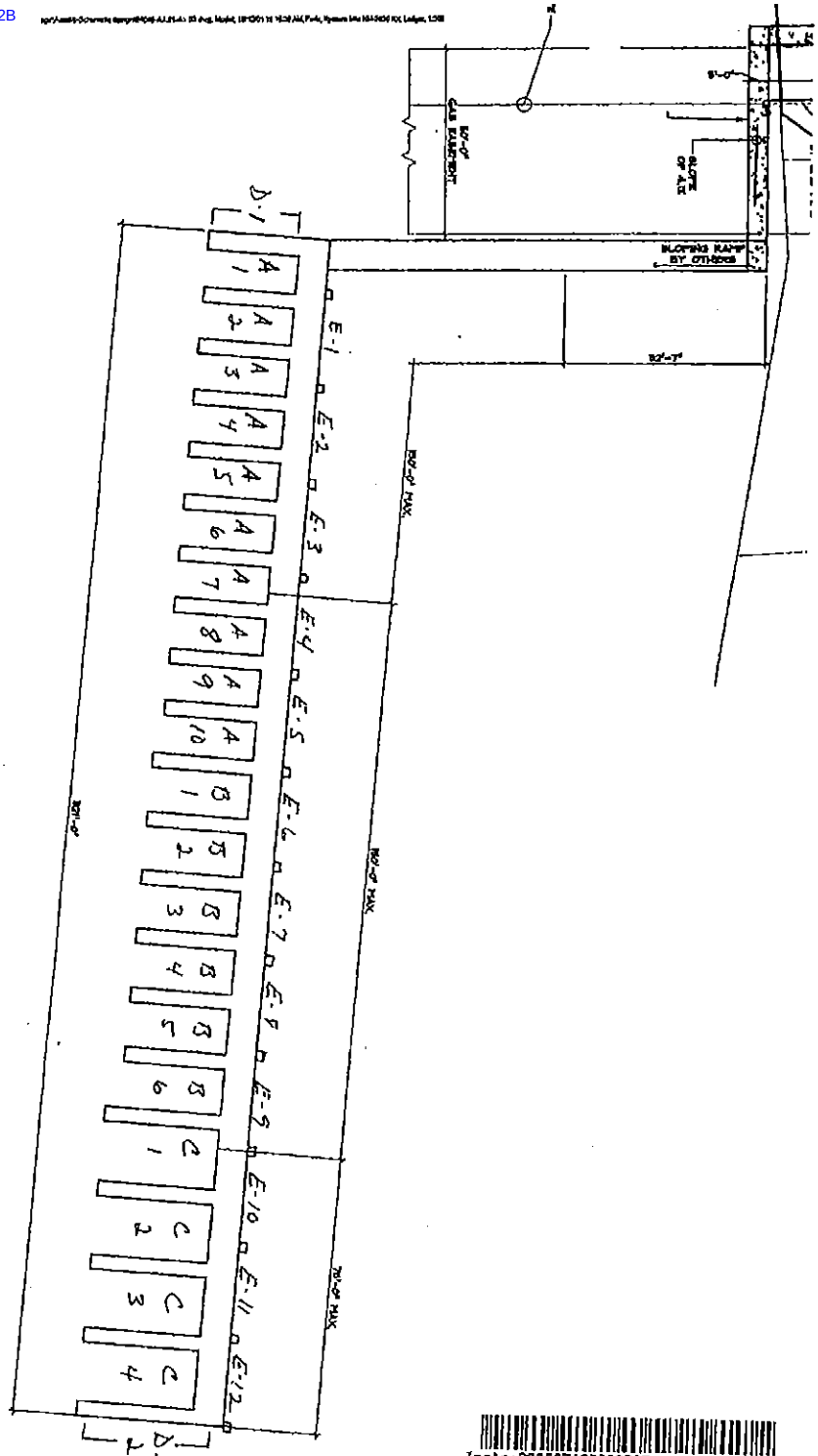
Exhibit A

SITUATE in the 9th Civil District of Knox County, Tennessee and being more particularly described as follows:

BEGINNING at an iron pin at the southwesternmost point of the Anchorage Subdivision as shown in Plat Cabinet P, Slide 64C in the Knox County Register's Office and being in the eastern right of way of Alcoa Highway (US Highway 129); thence from the point of BEGINNING with the eastern right of way of Alcoa Highway (US Highway 129) north 29 deg. 22 min. 35 sec. east, 45 feet to an iron pin; thence continuing with the eastern right of way of Alcoa Highway north 29 deg. 17 min. 17 sec. east, 215.55 feet to an iron pin; thence south 56 deg. 21 min. 25 sec. east, 34.36 feet to an iron pin; thence north 33 deg., 23 min. 43 sec. east, 169.96 feet to an iron pin; thence north 81deg. 54 min. 30 sec. east 47.04 feet to an iron pin; thence north 79 deg. 37 min. 15 sec. east, 51.50 feet to an iron pin; thence with the arc of a curve having a radius of 250 feet, a delta of 32 deg. 56 min. 52 sec. a tangent of 73.93 feet, and a chord of 141.79 feet, bearing south 86 deg. 44 min. 18 sec. east, 143.76 feet to an iron pin, corner to Lots 6 and 7 of the Anchorage Subdivision; thence with the line of Lot 7 of the Anchorage Subdivision south 50 deg. 55 min. 3 sec. west, 216.46 feet to an iron pin; thence south 21 deg. 36 min. 04 sec. east, 42.02 feet to an iron pin; thence with the line of Lot 26 of the Anchorage Subdivision south 40 deg. 10 min. 15 sec. west, 205.71 feet to an iron pin; thence south 41 deg. 24 min. 13 sec. east 146.66 feet to an iron pin in the right of way of Ship Watch Lane; thence with the arc of a curve with Ship Watch Lane having a radius of 50.00 feet, a delta of 28 deg. 57 min. 18 sec., a tangent of 12.91 feet, and a chord of 25 feet, bearing south 30 deg. 23 min. 13 sec. west, 25.27 feet to an iron pin; thence north 43 deg. 45 min. 09 sec. west, 81.44 feet to an iron pin; thence south 46 deg. 1 min. 35 sec. west, 121.74 feet to an iron pin; thence north 47 deg. 25 min. 17 sec. west, 195.63 feet to an iron pin being the point of BEGINNING.



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COUNTERSIGNED

DEC 19 2002

JOHN R. WHITEHEAD
KNOX COUNTY
PROPERTY ASSESSOR
BY

THIS INSTRUMENT PREPARED BY:
Stephen R. Wise
Wise & Reeves, P.C.
625 S. Gay Street, Suite 160
Knoxville, Tennessee 37902

RESPONSIBLE TAXPAYER:
The Anchorage Homeowners Association, Inc.
1635 Western Avenue, Suite 105
Knoxville, TN 37921

STEVE HALL
REGISTER OF DEEDS
KNOX COUNTY

QUIT CLAIM DEED

THIS INDENTURE made this 29th day of July, 2002, between RAJA J. JUBRAN, TRUSTEE (herein "First Party") and THE ANCHORAGE HOMEOWNERS ASSOCIATION, INC., A Tennessee not-for-profit corporation (herein "Second Party").

WITNESSETH:

That the said First Party for and in consideration of the sum of One ($1.00) Dollar to it in hand paid by the Second Party, the receipt of which is hereby acknowledged, has bargained, sold, remised, released and QUIT CLAIMED, and does hereby bargain, sell, remise, release and QUIT-CLAIM unto the Second Party, the following described premises, to-wit:

All of the common area of The Anchorage Subdivision as shown by map of record in Map Cabinet P, Slide 64C and Map Cabinet P, Slide 102A in the Register's Office for Knox County, Tennessee, to which maps specific reference is hereby made, and including specifically as follows:

SITUATE in the 9th Civil District of Knox County, Tennessee and being more particularly described as follows:

BEGINNING at an iron pin at the southwesternmost point of the Anchorage Subdivision as shown in Plat Cabinet P, Slide 64C in the Knox County Register's Office and being in the eastern right of way of Alcoa Highway (US Highway 129); thence from the point of BEGINNING with the eastern right of way of Alcoa Highway (US Highway 129) north 29 deg. 22 min. 35 sec. east, 45 feet to an iron pin; thence continuing with the eastern right of way of Alcoa Highway north 29 deg. 17 min. 17 sec. east, 215.55 feet to an iron pin; thence south 56 deg. 21 min. 25 sec. east, 34.36 feet to an iron pin; thence north 33 deg., 23 min. 43 sec. east, 169.96 feet to an iron pin; thence north 81deg. 54 min. 30 sec. east 47.04 feet to an iron pin; thence north 79 deg. 37 min. 15 sec. east, 51.50 feet to an iron pin; thence with the arc of a curve having a radius of 250 feet, a delta of 32 deg. 56 min. 52 sec. a tangent of 73.93 feet, and a chord of 141.79 feet, bearing south 86 deg. 44 min. 18 sec. east, 143.76 feet to an iron pin, corner to Lots 6 and 7 of the Anchorage Subdivision; thence with the line of Lot 7 of the Anchorage Subdivision south 50 deg. 55 min. 3 sec. west, 216.46 feet to an iron pin; thence south 21 deg. 36 min.

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REC'D FOR REC 12/19/2002 10:16:37AM
RECORD FEE: $17.00
M. TAX: $0.00 T. TAX: $0.00

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04 sec. east, 42.02 feet to an iron pin; thence with the line of Lot 26 of the Anchorage Subdivision south 40 deg. 10 min. 15 sec. west, 205.71 feet to an iron pin; thence south 41 deg. 24 min. 13 sec. east 146.66 feet to an Iron pin in the right of way of Ship Watch Lane; thence with the arc of a curve with Ship Watch Lane having a radius of 50.00 feet, a delta of 28 deg. 57 min. 18 sec., a tangent of 12.91 feet, and a chord of 25 feet, bearing south 30 deg. 23 min. 13 sec. west, 25.27 feet to an iron pin; thence north 43 deg. 45 min. 09 sec. west, 81.44 feet to an Iron pin; thence south 46 deg. 1 min. 35 sec. west, 121.74 feet to an iron pin; thence north 47 deg. 25 min. 17 sec. west, 195.63 feet to an iron pin being the point of BEGINNING.

Being a portion of the property conveyed to Raja Jubran, Trustee by Warranty Deed dated January 9, 1993 of record in Deed Book 2094, page 135 in the Register's Office for Knox County, Tennessee. See also Declaration of Trust of record at Instrument No. 199910060027969.

and all the estate, right, title and interest of the First Party therein, with the hereditaments and appurtenances thereto appertaining, hereby releasing all claim to Homestead and Dower therein.

Whenever in this instrument a pronoun is used it shall be construed to represent either singular or plural, as the case may demand.

THE FIRST PARTY INTENDING TO BE LEGALLY BOUND has executed this Quit Claim Deed on the day and year first above written.

RAJA J. JUBRAN, TRUSTEE

STATE OF TENNESSEE

COUNTY OF KNOX

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, RAJA J. JUBRAN, TRUSTEE, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), the within named bargainor, who acknowledged that he executed the foregoing instrument for the purposes therein contained, by signing his name thereto.

WITNESS my hand and official seal at office in Knox County, Tennessee, this the 4th day of December, 2002.

Rebecca B. Lane
NOTARY PUBLIC

My Commission Expires: 09-04-2005

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REBECCA B. LANE
NOTARY PUBLIC AT LARGE
KNOX CO., TENN.

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THIS DEED WAS PREPARED without benefit of a title search and the preparer makes no representation as to the status of the title of the property herein conveyed.

I, hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is $0, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

AFFIANT

Sworn to and subscribed before me

this 4th day of December, 2002.

Rebecca B. Lane
NOTARY PUBLIC

REBECCA B. LANE
NOTARY PUBLIC AT LARGE
KNOX CO., TENN.

My Commission Expires: 09-04-2005

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