

This Instrument Prepared By:
Philip Nemeth, Attorney
Gatlinburg, Tennessee

State of Tennessee, County of SEVIER
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Register of Deeds SHERRY ROBERTSON
Deputy Register ANNETTE

**MASTER DEED
OF
BLACK BEAR FALLS**

(A Planned Unit Development Pursuant To T.C.A. §66-27-103)

THIS MASTER DEED and the Exhibits which are attached hereto and made a part hereof, is made and executed this 27th day of December, 2000, by Smoky Top Development, L.L.C., a Tennessee Limited Liability Company, (herein the "Developer"), for itself, its successors, grantees and assigns.

WITNESSETH:

WHEREAS, Developer is the fee simple owner of a certain tract of land (the "Property") situated in the Eleventh (11th) Civil District of Sevier County, Tennessee, as the same is more particularly described and depicted as TRACT 1 on the Plat entitled "FINAL BOUNDARY SURVEY OF BLACK BEAR FALLS" of record in Book LM3, Page 22, Register's Office, Sevier County, Tennessee, (herein the "Master Plat"), being the same Property conveyed to Developer by deeds of record in Book 1032, Page 196 and Book 1029, Page 565, and subject to Boundary Line Agreement of record Book 1055, Page 140, all in the Register's Office, Sevier County, Tennessee; and

WHEREAS, Developer desires and intends by filing this Master Deed to submit the Property comprising Black Bear Falls as shown on the Master Plat to the provisions of the Horizontal Property Act of the State of Tennessee (T.C.A. Sec. 66-27-101 et. seq.) as a Planned Unit Development described in T.C.A. Sec. 66-27-103 and in accordance with the provisions of Section 406.4.1(c) of the Gatlinburg Municipal Zoning Ordinance, and to impose upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of the Property and the Owners thereof.

NOW THEREFORE, the Developer does hereby publish and declare that all of the Property is held and shall be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following covenants, conditions, restrictions, uses, limitation and obligations, all of which are declared and agreed to be in furtherance of a plan for the improvement of the Property in the division thereof into Units, and shall be deemed to run with the Land and shall be a burden and a benefit to the Developer, its successors and assigns, and any person acquiring or owning an interest in the Property, their grantees, successors, heirs executors, administrators, devisees and assigns.

I. PURPOSE AND INTENT

Developer intends to improve the Property as a vacation rental community with residential units of high quality construction, appropriate enforceable restrictions, and with first class management and control of the condition and appearance of the Property. Developer has therefore included in this Master Deed such terms and conditions as will insure a high return for each Owner's investment both in rental income and property value appreciation.

II. DEFINITIONS

The terms used herein or in the Exhibits attached hereto shall have the meanings stated in the Horizontal Property Act and as follows, unless the context otherwise requires:

1. **Act** shall mean and refer to the Horizontal Property Act of the State of Tennessee (T.C.A. Sec. 66-27-101, et. seq.) and in particular, T.C.A. Sec. 66-27-103 concerning Planned Unit Developments, as the same are now in effect and as hereafter amended.

2. **Association** means Black Bear Falls Owners Association, Inc., a Tennessee non-profit townhouse corporation, its successors and assigns, created pursuant to the provisions of T.C.A. Sec. 66-27-102 (15) and Sec. 66-27-103(b). The Charter of the Association is attached hereto as **Exhibit "A"**.

3. **By-Laws** shall mean the By-Laws for the administration of the Condominium Project and the Association as contained in **Exhibit B** attached hereto and made a part hereof.

4. **Board of Directors** means the governing body of the Association with the powers and duties as set forth in the By-Laws.

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5. **Common Elements** include all items defined as General Common Elements in the Act except as modified or limited herein. Unless provided otherwise herein, or in any subsequent amendment to this Master Deed, the Common Elements shall include all portions of the Property other than Limited Common Elements and Private Elements, regardless of which Phase such Common Elements may be located in.

6. **Common Expenses** include:

(A) Expenses of Association administration; expenses of maintenance, operation, repair or replacement of the Common Elements, and of the portions of Units, if any, to be maintained by the Association; rental, taxes, special assessments, insurance, maintenance, operation, repair, replacement, alteration or improvements of all Common Elements and facilities located upon the Property.

(B) Expenses declared Common Expenses by the provisions of the Master Deed or By-Laws.

(C) Any valid charge against the Condominium Project as a whole.

(D) Utility charges for water and sewer services to the Units if the furnishing of such utilities is handled through the Association.

(E) Unless provided otherwise herein, or in any subsequent amendment to this Master Deed, the Common Expenses shall include the expense items referred above for all of the Common Elements, regardless of which Phase such Common Elements may be located in.

7. **Condominium or Condominium Project** means all of the Property as a whole when the context so permits, as well as the meaning stated in the Act.

8. **Contractor** shall mean Smoky Top Construction, L.L.C., (doing business as Black Bear Falls Resort), a Tennessee Limited Liability Company.

9. **Developer** shall mean Smoky Top Development, L.L.C., its successors and assigns.

10. **Limited Common Elements** shall mean and refer to those portions of the Residences, such as steps, decks, parking areas, heating and air conditioning systems, etc., which are owned by the Unit Owner but, because of their location, may extend beyond the boundaries of the House Pad. The Limited Common Elements appurtenant to each Unit, if any, are reserved for the sole and exclusive use of that Unit.

11. **Management Company** shall mean and refer to any person, firm or corporation hired by or through the Association for the purpose of performing the functions set forth in Article XIII of this Master Deed.

12. **Master Deed** shall mean this document.

13. **Master Plat** shall mean and refer to the Plat entitled "Final Boundary Survey of Black Bear Falls" of record in Book LM3, Page 22, in the Register's Office, Sevier County, Tennessee.

14. **Member** shall mean and refer to the voting Members of the Association. Each Unit Owner shall be a Member of the Association.

15. **Mortgage** shall mean a Deed of Trust as well as a Mortgage.

16. **Mortgagee** shall mean a beneficiary under or holder of a Deed of Trust, as well as a Mortgagee.

17. **Ordinances** shall mean and refer to the Ordinances of the City of Gatlinburg, Tennessee as now in effect or hereafter amended and in particular the provisions of Section 406.4.1(c) of the Gatlinburg Municipal/Regional Zoning Ordinance.

18. **Phase or Phases** shall mean and refer to areas of the Property developed sequentially as shown on any Phase Plat. Phases shall be numbered consecutively beginning with Phase 1.

19. **Phase Plat** shall mean and refer to a Plat or Site Plan of any portion of the Property recorded in the Register's Office for Sevier County, Tennessee.

20. **Phase 1 Plat** shall mean and refer to the Plat and Site Plan for Black Bear Falls, Phase 1, of record in Book LM3, Page 44, Register's Office, Sevier County, Tennessee.,

21. **Private Elements** shall mean and refer to the Lots shown on any Phase Plat and the Residences now or hereafter located thereon.

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22. **Property** shall mean all of the land comprising Tract 1 as described and depicted on the Master Plat, any easements, rights and appurtenances shown on said Master Plat; and all buildings improvements, easements, rights, appurtenances, General Common Elements, Limited Common Elements and Private Elements shown on any Phase Plat.

23. **Residence** shall mean an refer to the individual residence buildings to be constructed on each Site and the Limited Common Elements appurtenant thereto.

24. **Site** shall mean and refer to the land areas described and designated on any Plat or Site Plan of any portion of the Property as the area on which a Residence is to be constructed, whether designated a "House Pad", "Lot", or "Site". Said Sites are part of the Private Elements.

25. **Site Plans** as used herein shall include each Phase Plat, any amendments thereto, and all other filings and/or exhibits hereto showing the location of Units on the Property.

26. **Unit** shall have the same meaning as "Condominium" as defined by the Act and shall collectively refer to the Site and the Residence, both of which are Private Elements.

27. **Unit Owner** or **Owner** means "Co-Owner" as defined by the Act and includes the fee simple owner of each Unit, but excludes those having an interest merely as security for the performance of an obligation.

III. DEVELOPMENT PLAN

The condominium has been developed in the following manner:

1. **Name:** The name of the Condominium Project is Black Bear Falls and the mailing address of the Project is P. O. Box 980, Gatlinburg, TN 37738.

2. **Location:** The Condominium Project is located on the Property which contains approximately 41 acres located north of Grouse Trail and south of Cartertown Road in Gatlinburg, Tennessee, as shown on the Master Plat.

3. **Subdivision Improvements:** The Developer intends to construct the subdivision improvements to the Property commencing with the improvements to Phase 1 which will serve Sites 1 through 26 as shown on the Phase 1 Plat, together with such other improvements as the Developer may deem appropriate in furtherance of the development plan. The Developer intends to develop additional Phases within the Property. The determination of the location, number of Units and other improvements to be constructed within each such future Phase, and the time of commencement of construction of each such Phase, shall be in the sole discretion of the Developer. Nothing contained or implied by this Master Deed shall be deemed to constitute any representation, warranty or guaranty, that any other development, other than Phase 1, will take place.

4. **Construction of Units:** The Units will be constructed by the Contractor under individual contracts with purchasers.

IV. COVENANTS, USES AND RESTRICTIONS

1. **Alteration:** Nothing shall be altered or constructed in or removed from the Common Elements, except upon the written consent of the Association. After initial construction of any Unit, the location and size of steps, decks and any other structure appurtenant to a Unit may not be constructed or altered without written consent of the Association.

2. **Architectural Control:** No building, fence, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made, or any interior modification affecting the structural appearance of a Unit, the Limited Common Elements and/or Common Elements, until the plans and specifications showing the nature, kind, shape, height, color, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surroundings, structures, and topography by the Board of Directors of the Association, or by an architectural committee composed of three (3) or more representatives appointed by the Board.

3. **Commercial Business:** No Unit may be used for commercial business purposes. Overnight vacation rental of an Owner's Unit shall not be deemed a commercial business.

4. **Common Elements:** The Common Elements shall be used only for the purposes for which they are intended in the furnishing of services and facilities for the enjoyment of occupants of the individual Units.

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5. **Exterior Work:** There shall be no exterior painting of Units or patio or yard walls by or on behalf of the Owners thereof, or any person holding thereunder, nor repair or replacing of original roofs or utility laterals by such persons, nor any major landscaping, without written approval in accordance with Article IV, Paragraph 2 above.

6. **Garbage and Refuse Disposal:** No Unit or any part of the Property shall be used or maintained as a dumping ground for discarded furniture, appliances or other rubbish. Trash, garbage or other waste shall not be kept on any Lot or within any part of the Property except in sanitary containers which shall be bear proofed, screened from public view, and kept in a clean and sanitary condition.

7. **Insurance:** Nothing shall be done or kept in any Unit or in the Common Elements which will increase the rate of insurance on the Common Elements without the prior written consent of the Association. No Owner shall permit anything to be done or kept in his Unit or in the Common Elements which will result in the cancellation of insurance of any Unit or any part of the Common Elements, or which would be in violation of any law.

8. **Lawful Use:** No immoral, improper, offensive, or unlawful use shall be made of the Property nor any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

9. **Motor Homes:** No motor home, travel trailer, recreational vehicle, or similar type vehicle shall be parked on the Property in excess of 48 hours.

10. **Nuisances:** No nuisance shall be allowed upon the Property, nor any use or practice which is the source of annoyance to residences or which interferes with the peaceful possession and proper use of the Property by its residents. All parts of the Property shall be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate, nor any fire hazard allowed to exist. No Unit Owner shall permit any use of his Unit or of the Common Elements which will increase the rate of insurance upon the Property.

11. **Obstruction of Common Elements:** There shall be no obstructions of the Common Elements. Except in the case of designated storage areas, nothing shall be stored in the Common Elements without the prior written consent of the Board of Directors of the Association.

12. **Pets:** Only indoor household pets shall be allowed in the Units and only if they do not constitute or create an annoyance or nuisance to the neighborhood and subject to the Rules and Regulations promulgated by the Board of Directors. Farm animals, outdoor kennels, or outdoor tied-up animals shall be prohibited.

13. **Repair of Vehicles:** No vehicles of any type shall be permanently or semi-permanently parked on the Property or in the vicinity of any Unit or in the Common Elements for purposes of accomplishing repairs thereto, or the reconstruction thereof except as permitted by the rules and regulations adopted by the Association.

14. **Rules and Regulations:** Reasonable rules and regulations concerning the use of the Property may be made and amended from time to time by the Association in the manner provided by its Charter and By-Laws. Copies of such rules and regulations and amendments thereto shall be furnished by the Association to all Unit Owners and residents of the Property.

15. **Sign Restrictions:** No sign of any kind shall be displayed to public view on any Lot except one (1) "for sale" sign may be placed in front of any Unit, but such sign shall not exceed 2 square feet in size. Rental Unit identification signs, uniform in design and approved by Developer, shall be permitted.

16. **Units:** Each of the Units shall be occupied only by an Owner, his family, his servants, and guests, or an authorized rental client as a residence as hereinafter provided, and for no other purpose. No Unit may be divided or subdivided into a smaller Unit nor any portion thereof sold or otherwise transferred without first amending this Master Deed to show the changes in the Units to be affected thereby.

17. **Waste:** No waste will be committed on the Common Elements.

V. PROPERTY RIGHTS

1. **Owners' Easements of Enjoyment:** Every Owner shall have an undivided interest in and a right and easement of enjoyment in and to the Common Elements which shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

(A) The right of the Association to suspend the voting rights of an Owner for any period during which he is in default in the payment of the Assessment against his Unit, and for a period not to exceed sixty (60) days for any infraction of its published Rules and Regulations after hearing by the Board of Directors of the Association.

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(B) The Developer reserves the right, in furtherance of its development plan, to dedicate or transfer any part of the Property to any public agency, authority, or utility for such purposes as the Developer may deem appropriate. Upon the sale by the Developer of all of the Units, the Association shall have the right to dedicate or transfer all or any part of the Common Elements to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Association. No such dedication or transfer by the Association shall be effective unless an instrument signed by the Board of Directors certifying approval of such dedication or transfer has been recorded in the Sevier County Register's Office.

(C) The right of the Association to reasonably limit the number of guests of Owners.

2. **Delegation of Use:** Any Owner may delegate, in accordance with the Rules and Regulations of the Association, his right of enjoyment to the Common Elements to the members of his family or his tenants who reside on the Property.

VI. GENERAL PROVISIONS

1. **Enforcement:** Subject to Article VII Grievance Procedure, the Association, or any Owner, shall have the right to enforce, by an proceeding at law or in equity, all restrictions, conditions, covenants, reservation, liens and charges now or hereafter imposed by the provisions of this Master Deed. Failure by the Association or by an Unit Owner to enforce any covenants or restrictions herein contained shall in no event be deemed a waiver of the right to do so thereafter.

2. **Severability:** Invalidation of any one these covenants or restrictions by judgment or court order shall not affect any other provisions, all of which shall remain in full force and effect.

3. **Easements for Utilities:** The Board of Directors of the Association shall have the right and power to grant easements upon, across, over and under all or any portion of the Common Elements for ingress, egress, installation, replacing, repairing or maintaining all utilities, including but not limited to water, gas, electricity, telephone, sewers or cable television.

Each Unit and all Common Elements are hereby subjected to an easement for the repair, maintenance, expansion, reductions, inspection, removal, relocation or other service of or to all gas, electricity, television, telephone, water, plumbing, sewer, utility, drainage or other lines or other Common Elements, whether or not the cause of any or all of those activities originates in the Unit in which the work must be performed.

The Association may hereafter grant easements or licenses for utility purposes for the benefit of the Property, including the right to install, lay, maintain, repair and replace water lines, pipes, sewer lines, gas mains, telephone and television wires and equipment, and wires over, under, along and on any portion of the Units and Common Elements; and each Unit Owner hereby grants to the Association or its designee, an irrevocable power of attorney to execute, acknowledge and record for an in the name of each Unit Owner such instruments as may be necessary to effectuate the foregoing.

4. **Easement for Emergency Access:** There shall exist in favor of any manager employed in connection with the operation of the Property and in favor of all policemen, firemen, ambulance personnel and all similar emergency personnel, an easement to enter upon the Property or any portion thereof in case of an emergency in the proper performance of their respective duties.

5. **Easements for Other Purposes:** Postal employees and other bona fide delivery personnel shall have an easement across the Common Elements for access to the Units in the performance of their duties.

VII. GRIEVANCE PROCEDURE

1. **Administration:** Any grievance or complaint which an Owner or Owners shall have against any other Owner or Owners for violation of the provisions of the Master Deed, By-Laws, other rules and regulations of the Association, or for any other reason shall be submitted in writing to the Board of Directors of the Association for determination.

2. **Procedure:** All such grievances shall be submitted in writing to the Board outlining the Owner or Owners complaining, the Owner or Owners complained against, the nature of the complaint, the date of all relevant facts, and the specific violations, if any, which are relied upon by the complaining party or parties. A hearing shall be held by the Board following submission of all complaints within thirty (30) days.

3. **Exclusive Remedy:** No Owner shall have the right to resort to other legal remedies until the remedies provided herein have been fully exhausted.

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VIII. THE UNITS AND COMMON ELEMENTS

The Units of the Condominium Project are more particularly described and the rights of their Owners established as follows:

1. **Units Numbered and Located; Boundaries Defined:** The Units shall be numbered and the Sites located as shown on the Phase Plats. Each Unit shall consist of the Residence and the Site upon which such Residence is located, all of which are Private Elements pursuant to the Act, together with an easement over the Common Elements for any part of the Limited Common Elements appurtenant to such Unit which extend beyond the boundaries of the Site. Upon substantial completion of a Unit, an "as-built" survey of that Unit with an accurate legal description of the Site shall be prepared and, to the extent the final location of such Site may differ from the location as shown on any initial Phase Plat, the "as-built" survey of said Unit shall be attached and recorded with the deed conveying said Unit to the purchaser. to
2. **Revised Phase Plats:** When all the Units within a particular Phase have been completed, the Developer may record a revised Phase Plat reflecting the final location of each of the Units within that Phase.
3. **Easement for Encroachments:** To the extent that any Residence, exclusive of its Limited Common Elements, encroaches on any Common Elements, whether by reason of any deviation from the Plat and plans in the construction, repair, renovation, restoration, or replacement of any Residence, or by reason of the settling or shifting of any land or improvement, a valid easement for such encroachment shall exist. Any Mortgage upon any Unit shall attach to the Unit as built.
4. **Appurtenances to Units:** The Owner of each Unit shall own a share and certain interests in the Property which are appurtenant to his Unit, including but not limited to the following items:
 - (A) **Common Elements and Common Surplus:** Each Unit shall have an appurtenant undivided fractional share and interest in the Common Elements and Common Surplus the numerator of which shall be 1 and the denominator of which shall be the total number of Units located within the Property in all Phases from time to time.
 - (B) **Association:** Each Unit Owner shall be a member of the Association.
5. **Common Elements:** The Common Elements consist of the entire Property other than Units, including, without limitation, the following:
 - (A) driveway areas and all other community facilities;
 - (B) any central installations for services such as power, light, telephone, gas, hot and cold water, heat, air conditions and refrigeration, and incineration, together with all other mechanical equipment spaces;
 - (C) all other parts of the Property and all apparatus and installations existing on the Property for common use or necessary or convenient to the existence, maintenance or safety of the Property.
6. **Liability for Common Expenses:** Each Unit Owner shall be liable for a proportionate share of the Common Expenses, such share being the same as the undivided share in the Common Elements which are appurtenant to his Unit.

IX. MAINTENANCE, ALTERATION & IMPROVEMENT

The responsibility for the maintenance of the Property and restrictions upon the alteration and improvement thereof, shall be as follows:

1. **Units:**
 - (A) **By the Association:** The Association shall not be responsible for the maintenance or repair of the Units or the Limited Common Elements appurtenant to such Units; however, the Association shall have the right to contract with a Management Company for such purposes in accordance with Article XII, below.
 - (B) **By the Unit Owner:** The responsibility of the Unit Owner shall be as follows:
 - (1) To maintain, repair and replace at his expense all portions of his Unit including the Limited Common Elements appurtenant thereto.
 - (2) To maintain, repair and replace at his expense any and all glass, screening, or other exterior damage to a Unit within thirty (30) days from time of damage.

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(C) Alterations & Improvements: Except as elsewhere reserved to Developer, neither a Unit Owner nor the Association shall make any alterations to any Unit, or remove any portion thereof, or make any additions thereto, or impair any easement, without first obtaining approval in writing from the Board of Directors of the Association as set forth in Article IV, Paragraph 12. If any Unit is destroyed by fire or otherwise, the architectural plans for repair or reconstruction shall be submitted to the Board of Directors for approval, which approval shall be in writing only. It is the intent of the Developer that Condominium Project be maintained in an architecturally consistent manner. To that end the Board of Directors shall approve any repairs or reconstruction that is consistent with the architectural scheme of design of the development as a whole. The fact that a Unit has been repaired, reconstructed or modified should not be apparent from the Unit's physical appearance compared to the appearance of the other Units.

(D) Failure of Unit Owner to Maintain and Repair - Rights of Association: The proper upkeep and repair of each Unit within the Property is essential to accomplish the purpose and intent set forth in Article I hereof. Accordingly, the Association shall have the right to require any Unit Owner to perform reasonable maintenance on said Owner's Unit and to repair any damage or deterioration to such Unit. In view of the fact that the Residences are log structures, reasonable maintenance includes, without limitation, the periodic application of wood preservative to the logs as recommended by the manufacturer thereof. In the event the Board of Directors of the Association determines that any Residence requires maintenance and/or repairs, written notice shall be sent to the Unit Owner setting forth with specificity the required maintenance and/or repairs. The Unit Owner shall have thirty (30) days after receipt of such notice to perform the required maintenance or complete the required repair. If a Unit Owner does not agree with the Association's determination that such maintenance and/or repairs are required, such Owner shall so advise the Association in writing and shall have the right to hearing on that issue before the Board of Directors to be held within fifteen (15) days after the date of said notice from the Unit Owner. If, upon such hearing, the Board decides against such Owner, the Owner shall have thirty (30) days after the date of such hearing to perform the required maintenance and/or repairs and upon failing to do so, the Association may cause such maintenance and/or repairs to be performed and the actual cost thereof, plus an administration fee of \$500.00, shall be added to the Assessments on such Unit and shall be immediately due and payable and shall be enforceable in accordance with Article X, below.

(E) Emergency Repairs to a Unit: In the event a condition exists with regard to any Unit which, in the reasonable and good faith judgment of the Board of Directors, constitutes eminent danger of injury to persons or property, the Board may take such action, without notice to the Owner, which the Board determines necessary to alleviate such condition and the Unit Owner shall be assessed the reasonable costs thereof.

2. Common Elements:

(A) By the Association: The maintenance and operation of the Common Elements shall be the responsibility of the Association and shall be a common expense.

(B) Alteration & Improvement: There shall be no major alteration or further improvement of the real property constituting the Common Elements without prior approval in writing by a majority of the Board of Directors of the Association.

X. ASSESSMENTS

The making and collection of assessments against Unit Owners for Common expenses of Condominium Project and the Association shall be done pursuant to the By-Laws and subject to the following provisions:

1. Share of Common Expense: Each Unit Owner shall be liable for a proportionate share of the Common Expenses and shall share in the common surplus, each share being the same as his undivided share in the Common Elements. No Unit shall be responsible for the payment of Common Expenses until construction of that Unit is completed and the Unit conveyed from the Developer. The Developer reserves the right to waive maintenance fees on any conveyed Unit for a period of time up to twelve (12) months after such Unit is conveyed.

2. Service Charges, Application of Payments: Assessments and installments thereon paid on or before ten (10) days after the date when due shall not bear interest, but all sums not paid on or before ten (10) days after the date when due shall be subject to a service charge of \$25.00 per month from the date when due until paid. All payments upon account shall be first applied to interest and then to the assessment first due. A Unit Owner shall be declared to be in default if any assessment is not paid thirty (30) days after the date it is due. Said interest rate may be adjusted by resolution receiving approval of seventy-five percent (75%) of the votes of the entire membership of the Board of Directors of the Association at a regular or called meeting.

3. Lien for Assessments: There shall be a lien against a Unit for default in the payment of assessments which shall also secure reasonable attorney's fees incurred by the Association incident to the collection of such assessment or enforcement of such lien, whether or not legal action is commenced.

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Such lien shall be subordinate to the lien of a bona fide Mortgage recorded prior to the time of recording of the claim of lien for such unpaid assessments. Each such assessment, together with interest, costs, and attorney's fees, shall also be the personal obligation of the person or persons who were the Owner or Owners of the Unit at the time when the assessment fell due.

4. **Notice to Mortgagee:** Not later than thirty (30) days prior to the imposition of any lien for the default of any Unit Owner, the Mortgagee of any Unit which has given notice to the Association shall be notified of any such default of the Owner.

5. **Capital Contribution to Association:** The initial purchaser of each Unit shall contribute the sum of \$250.00 to the capitalization of the Association which amount shall be charged to the purchaser at closing.

6. **Initial Assessment:** The initial maintenance fee shall be \$62.50 per month (\$750.00 per year) until such time as first modified by the Association in accordance with the By-Laws. No amendment of the Master Deed or By-Laws shall be necessary to increase or decrease the initial assessment.

7. **Charges for Utilities:** The Assessments referred to herein shall not include charges for utilities, such as water and sewer service, which may be supplied to the Developer or the Association by the utility provider and billed by the Developer or the Association to the individual Units at cost based on the amount of usage.

XI. ASSOCIATION

The operation of the condominium shall be by Black Bear Falls Owners Association., Inc., a nonprofit Tennessee corporation, which has been organized and shall fulfill its functions pursuant to the following provisions:

1. **Articles of Incorporation:** The Association has been incorporated and a copy of its Charter is attached as Exhibit "A".

2. **By-Laws:** The By-Laws of the Association shall be the By-Laws of the Condominium, a copy of which is attached as Exhibit "B".

3. **Voting:** The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Owners other than the Developer. Class A Members shall be entitled to one vote for each Unit owned. When more than one person owns any Unit, all such persons shall be Members and the vote for such Unit shall be exercised as they determine, provided, however, that only one vote be cast with respect to any Unit.

Class B. The Class B Member shall be the Developer. The Class B Member shall be entitled to four (4) votes for each Unit owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier, whereupon the Developer shall become a Class A Member and shall be entitled to one vote for each Unit owned and shall have all other rights and entitlements of Class A Members:

(A) when the total of the votes outstanding in the Class A membership equals the total of the votes outstanding in the Class B membership, or

(B) on December 31, 2006.

4. **Limitation Upon Liability of Association:** Notwithstanding the duty of the Association to maintain and repair parts of the Condominium Property, the Association shall not be liable for injury or damage other than the cost of maintenance and repair, caused by any latent condition of the Property to be maintained and repaired by the Association, or caused by the negligence of other Owners or persons.

5. **Restraint Upon Assignment of Shares in Assets:** The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated, or transferred in any manner, except as an appurtenance to his Unit.

6. **Approval or Disapproval of Matters:** Whenever the decision of a Unit Owner is required upon any matter, whether or not the subject to an Association meeting, such decision shall be expressed by the same person who would cast the vote of such Owner in an Association meeting.

7. **Roster of Unit Owners and Mortgagees:**

(A) **Unit Owners:** The Association shall maintain a roster of Unit Owners from the evidence of change of ownership furnished to the Association, which roster shall include the mailing addresses of Unit Owners which shall be furnished by them from time to time.

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(B) Mortgagees: The Association shall maintain a roster which shall contain the name and address of each Owner and holder of a Mortgage upon a Unit in the condominium of which notice is given to the Association. Such notice shall consist of a copy of the recorded instrument evidencing the title of the Mortgagee, which term when used in this Master Deed shall include any Owner and holder of a Mortgage or Deed of Trust. The Mortgagee shall be stricken from the roster upon receipt by the Association of a request from the Mortgagee or of a copy of a recorded release or satisfaction of the Mortgage. Notice of such removal shall be given to the Mortgagee unless the removal is requested by the Mortgagee.

The terms "mortgagee", "first mortgage lender", "first mortgagee", "institutional lender" and other references to a lender holding security of any Common Element, Limited Common Element, Private Element or Unit within the Condominium shall include, but not necessarily be limited to banks, savings and loan associations, insurance companies, the Federal National Mortgage Association, the Veterans Administration, Federal Home Loan Mortgage Corporation, Federal Housing Authority, and other similar associations and organizations. Whenever notice is required to be given to Mortgagees under the provision of this Master Deed, such notice shall be required to be given to such Mortgagees only if the names and addresses of such Mortgagees have been furnished in writing to the Board of Directors of the Association.

Any institutional holder of a first Mortgage on a Unit in the Condominium, upon written request, be entitled to (a) inspect the books and records of the Association during normal business hours; (b) receive an annual financial statement of the Association within ninety (90) days following the end of any fiscal year; and (c) written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

XII. INSURANCE

Insurance (other than title insurance) which shall be carried upon the Property and upon the Property of the Unit Owners shall be governed by the following provisions:

1. Individual Units: Unit Owners shall bear sole responsibility for insuring their Units as such Unit Owners deem necessary and appropriate in their absolute discretion.

2. Common Elements:

(A) Coverage:

(1) Casualty: All buildings and improvements upon the Common Areas shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, all as determined annually by the Board of Directors of the Association. Such coverage shall afford protections against:

(a) Loss or Damage by Fire and other hazards covered by a standard extended coverage endorsement, and

(b) Such Other Risks as from time to time shall be customarily covered with respect to building similar in construction, location and use as the buildings on the land including but not limited to vandalism and malicious mischief.

(2) Public Liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association, including but not limited to hired automobiles and non-owned automobile coverage, and with cross-liability endorsements to cover liabilities of the Lot Owners as a group to a Lot Owner.

(3) Workmen's Compensation Policy to meet the requirements of law.

(4) Such Other Insurance as the Board of Directors of the Association shall determine from time to time to be desirable.

(B) Premiums: Premiums upon insurance policies purchased by the Association shall be paid by the Association as a common expense.

XIII. APPOINTMENT OF MANAGEMENT COMPANY BY ASSOCIATION

In order to fulfill the purpose and intent of this Master Deed, the Association, in addition to and not in limitation of all other rights, obligations and powers of the Association set forth herein, shall have the right and power to select, approve and enter into a contract with a Management Company for the maintenance of the Common Areas and for such other services on behalf of the Association as its Board of Directors may deem appropriate to accomplish the purposes set forth in this Master Deed and to set the compensation to be paid to the Management Company for such services. The initial term of said contract shall be for a period of four (4) years with provision for earlier termination for cause. Each Unit Owner shall be entitled to full and complete copy of such contract.

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XIV. APPOINTMENT OF RENTAL MANAGEMENT COMPANY BY OWNERS

In order to insure a high return for each Owner's investment, both in rental income and property appreciation, it is essential that the overnight rental program of the Units be properly and efficiently managed. If many different rental management companies are handling the rental of Units within Black Bear Falls, the proper coordination of rental activities, and the preservation of the condition and appearance of the Units will not be possible. Therefore, the Management Company referred to in Article XIII, above, shall investigate and select several rental management companies, as the "Approved Rental Agents" for Black Bear Falls Resort. Each Unit Owner desiring to place their Unit on a rental program shall designate a rental management company from among the Approved Rental Agents designated by the Management Company. The rental commissions to be paid by the Owner to such Approved Rental Agent shall be the similar to those charged by other overnight rental companies in the Gatlinburg area and the initial term for each such overnight rental management contract shall not exceed a period of four (4) years with provision for earlier termination by the Unit Owner for cause.

XV. COMPLIANCE AND DEFAULT

Each Unit Owner shall be governed by and shall comply with the terms of the Master Deed, Articles of Incorporation, By-Laws and rules and regulations adopted pursuant thereto, as they may be amended from time to time. Failure of a Unit Owner to comply therewith shall entitle the Association or other Unit Owners to the following relief in addition to the remedies provided by the Horizontal Property Act:

1. **Negligence:** A Unit Owner shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his act, neglect or carelessness, or by that of any member of his family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. A Unit Owner shall pay the Association the amount of any increase in its insurance premium occasioned by use, misuse, occupancy or abandonment of a Unit or its appurtenances, or of the Common Elements.

2. **Costs and Attorney's Fees:** In any proceeding arising because of an alleged failure of a Unit Owner to comply with the terms of the Master Deed, the By-Laws or the regulations adopted pursuant thereto, and said documents as they may be amended from time to time, the prevailing party shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be awarded by the court.

3. **No Waiver of Rights:** The failure of the Association or any Unit Owner to enforce any covenant, restriction or other provision of the Horizontal Property Act, this Master Deed, the Articles of Incorporation, the By-Laws or the rules and regulations adopted pursuant thereto, shall not constitute a waiver of the right to do so thereafter.

XVI. AMENDMENTS

Except as elsewhere provided otherwise, this Master Deed may be amended in the following manner:

1. **Notice:** Notice of the subject matter of proposed amendment shall be included in the notice of any meeting of the Members at which a proposed amendment is considered.

2. **Resolution of Adoption:** A resolution adopting a proposed amendment may be proposed by either the Board of Directors of the Association or by the Members of the Association. Directors and Members not present in person or by proxy at the meeting considering the amendment may express their approval in writing, provided such approval is delivered to the Secretary at or prior to the meeting. Except as elsewhere provided, such approvals must be by not less than seventy-five percent (75%) of votes of the entire membership of the Association.

3. **Provision:** Provided, however, that no amendment shall discriminate against any Unit Owner or against any Unit or class or group of Units unless the Unit Owners so affected shall consent; and no amendment shall change any Unit or the share in the Common Elements appurtenant to it, or increase the Owner's share of the Common Elements, unless the record owner of the Unit and all record owners of liens or holders of Mortgages thereon shall join in the execution of the amendment.

4. **Execution and Recording:** A copy of each amendment shall be attached to a certificate certifying that the amendment was duly adopted, which certificate shall be executed by the Board of Directors of the Association with all the formalities of a deed. The amendment shall be effective when such certificate and a copy of the amendment are recorded in the Register's Office, Sevier County, Tennessee. Unless otherwise noted herein, any amendment which is duly certified as above set forth shall be effective and binding without necessity of joinder of individual Unit Owners of persons with a lien interest in any one or more individual Units.

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5. **Developer's Amendments:** Notwithstanding the foregoing provisions of this Article, as long as Developer is entitled to exercise seventy-five percent (75%) of the vote in the affairs of the Association as set out in Article X, Paragraph 3, of this Master Deed, Developer shall have the right to amend this Master Deed, Articles of Incorporation, and By-Laws as may be necessary to conform to applicable laws or governmental regulations, to meet requirements of lending institutions, or to expedite the completion of construction and sale of the Condominium Project.

XVII. TERMINATION

The condominium may be terminated in the following manner provided by the Act:

1. **Destruction:** In the event it is determined in the manner elsewhere provided that the Unit buildings shall not be reconstructed because of major damage, the condominium plan of ownership will be thereby terminated without agreement.

2. **Agreement:** The condominium may be terminated by the approval in writing of all of the Owners of the Units therein, and by all record owners of Mortgages thereon. If the proposed termination is submitted to a meeting of the members of the Association, the notice of which meeting gives notice of proposed termination, and if the approval of the Owners of not less than seventy-five percent (75%) of the Common Elements, and of the record owners of all Mortgages upon the Units, are obtained in writing not later than thirty (30) days from the date of such meeting, then the approving Owners shall have an option to buy all of the Units of the other Owners for the period ending on the sixtieth (60th) day from the day of such meeting. Such approvals shall be irrevocable until the expiration of the option, and if the option is exercised, the approvals shall be irrevocable. Such option shall be upon the following terms:

(A) **Exercise of Option:** The option shall be exercised by delivery or mailing by certified mail to each of the record owners of the Units to be purchased of an agreement to purchase signed by the record owners of Units who will participate in the purchase. Such agreement shall indicate which Units will be purchased by each participating Owner and shall agree to purchase all of the Units owned by Owners not approving the termination, but the agreement shall effect a separate contract between each seller and his purchaser.

(B) **Price:** The sale price of each Unit shall be the fair market value determined by agreement between the seller and purchaser within thirty (30) days from the delivery or mailing of such agreement, and in the absence of agreement as to price, it shall be determined by the decision of three licensed real estate appraisers, one of whom will be appointed by the seller and one by the purchaser, with the two appraisers so selected to appoint a third appraiser. The appraisers shall base their determination upon an average of their appraisals of the Unit. The expense of the appraisal shall be paid by the purchaser.

(C) **Payment:** The purchase price shall be paid in cash or as otherwise agreed between purchaser and seller.

(D) **Closing:** The sale shall be closed within thirty (30) days following the determination of the sale price.

3. **Certificate:** The termination of the condominium in either of the foregoing manners shall be evidenced by a certificate of the Association executed by the President and Secretary certifying as to facts effecting the termination, which certificate shall become effective upon being recorded in the Register's Office for Sevier County, Tennessee.

4. **Shares of Owners After Termination:** After termination of the condominium, the Unit Owners shall own the Property and all assets of the Association as tenants-in-common in undivided shares, and their respective Mortgages and lienors shall have Mortgages and liens upon the respective undivided shares of the Unit Owners. Such undivided shares of the Unit Owners shall be the same as the undivided shares in the Common Elements appurtenant to the Owner's Unit prior to the termination.

5. **Amendment:** This section concerning termination cannot be amended without consent of all Unit Owners and of all record owners of Mortgages upon Units.

XVIII. ALTERATION AND TRANSFER OF INTEREST

The Common Elements, Limited Common Elements and easements appurtenant to each Unit shall have a permanent character and shall not be altered without the consent of all the Owners of Units affected thereby as expressed in an amendment to this Master Deed duly recorded, shall not be separated from such Unit dwelling, and shall be deemed conveyed or encumbered with such Unit dwelling even though not expressly mentioned or described in the conveyance or other instrument. The Common Elements shall remain undivided and no right shall exist to partition or divide any part thereof except as provided in the Horizontal Property Act.

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XIX. DEVELOPER'S RIGHTS

In addition to those rights reserved hereinabove, the Developer shall have an easement over the Common Elements for purposes of continuing construction of the Units and for sales and marketing activities. The Developer shall further have the right to lease any completed but unsold Units in the Condominium.

While the Developer owns any of the Units and until such Unit is sold and is occupied by the Purchasers, the Developer and its employees may use and show one or more of such unsold or unoccupied Units as a model Unit or Units and may use one or more of such unsold or unoccupied Units as a sales office and maintain customary signs in connection therewith.

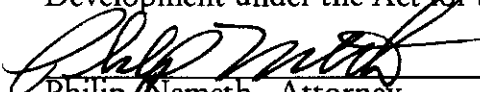
XX. ADDITIONS TO PROPERTY

1. **Additions in Accordance with a General Plan of Development:** The Developer, its successors and assigns, shall have the right, without the further consent of the Association or its Members, to bring within the scheme and operation of this Master Deed, additional properties, provided, however, that such additions shall be limited to lands which are contiguous to those above described, and which additional lands are to be developed as part of the Condominium Project, subject to the covenants, restrictions, terms and provisions herein set forth. Such additional properties shall be deemed to be "contiguous" even though separated from the above described property by streets, roads, streams, rights of way, utility easements, or other intervening physical features or property interests not inconsistent with the general contiguity of the lands in question. Such additions shall be developed in a manner consistent with the general plan of development as governed by the within Master Deed in compliance with the Act and all applicable Ordinances, subject to prior approval of all applicable governmental agencies, including the Gatlinburg Municipal Planning Commission.

2. **Procedure:** The additions to the Condominium Project authorized by the Article XVII, shall be made by filing an amended Master Deed of record in the Office of the Register of Deeds of Sevier County, Tennessee, together with a revised Plat reflecting the additional Property and the improvements to be located thereon. The amended Master Deed and revised Plat shall set forth all information required by the Act and all applicable Ordinances and shall reallocate Unit Owners interests in the Common Elements, Common Expenses and Common Surplus of the entire Condominium Project (inclusive of additions pursuant hereto) on a prorata basis. Such amended Master Deed and revised Plat shall not require the consent of the existing Unit Owners.

XXI. ATTORNEY'S OPINION

Pursuant to the provisions of T.C.A. Sec. 66-27-103(b), Philip Nemeth, an attorney licensed to practice in the State of Tennessee, has executed this Master Deed for the sole and exclusive purpose of confirming his opinion that all legal documents required by the Act for the creation of a Planned Unit Development are attached or have been recorded concurrently herewith and therefore a Planned Unit Development under the Act for the Condominium Project has been created, and for no other purpose.


Philip Nemeth, Attorney

IN WITNESS WHEREOF, the Developer, a Tennessee Limited Liability Company, has caused this Master Deed to be signed by its duly authorized Chief Manager, the day and year first above written.

SMOKY TOP DEVELOPMENT, L.L.C.

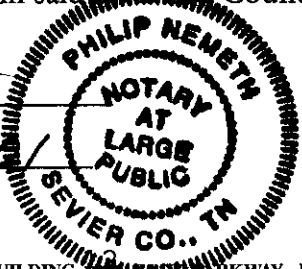
By: 
Ralph L. Albright, Chief Manager

STATE OF TENNESSEE
COUNTY OF SEVIER

Before me, the undersigned authority, a Notary Public of the state and county aforesaid, personally appeared RALPH L. ALBRIGHT, with whom I am personally acquainted, and who upon oath acknowledged himself to be the Chief Manager of SMOKY TOP DEVELOPMENT, L.L.C., the within named grantor, a limited liability company, and that he as such Chief Manager, being authorized so to do, executed the foregoing instrument for the purpose therein contained by signing the name of the limited liability company by himself as Chief Manager.

WITNESS my hand and Official Seal in said Sevier County this the 27 day of DEC., 2000.


Notary Public
My Commission Expires: 2-5-2001



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FILED

STATE OF TENNESSEE
2003 OCT 20 PM 12:51
CLERK OF THE COURT
SEVIER COUNTY

**CHARTER
OF
BLACK BEAR FALLS OWNERS ASSOCIATION, INC.**

The undersigned natural person, having capacity to contract and acting as the incorporator of a corporation not for profit under the Tennessee Nonprofit Corporation Act, adopts the following charter for such corporation.

ARTICLE I

NAME

The name of the corporation is **BLACK BEAR FALLS OWNERS ASSOCIATION, INC.**, hereinafter referred to as the "Association".

ARTICLE II

MUTUAL BENEFIT CORPORATION

This Association is a mutual benefit corporation.

ARTICLE III

DURATION

The duration of the Association is perpetual.

ARTICLE IV

INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association shall be located in Sevier County, Tennessee, at 865 Garners Landing Blvd., Seymour TN 37865, and the name of the initial registered agent of the Association at said office is **RYAN L. ALBRIGHT**.

ARTICLE V

INCORPORATOR

The name and address of the person acting as the incorporator of the Association is:

PHILIP NEMETH
906 East Parkway, Suite 2
Gatlinburg, TN 37738

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EXHIBIT "A"

BK 1131 PG 259

ARTICLE VI

PRINCIPAL OFFICE

The address of the principal office of the Association in the State of Tennessee shall be in Sevier County at:

865 Garners Landing Blvd.
Seymour, TN 37865

ARTICLE VII

NOT FOR PROFIT

This Association is incorporated as a corporation not for profit under the Tennessee Nonprofit Corporation Act.

ARTICLE VIII

PURPOSES

The purposes for which the Association is organized are as follows:

(a) To serve and to function as the organization of the Unit Owners of BLACK BEAR FALLS, a Planned Unit Development under the provisions of the Horizontal Property Act of the State of Tennessee and the Master Deed for Black Bear Falls which is of record in the Register's Office for Sevier County, Tennessee. Said Master Deed, and all future amendments and supplements thereto are incorporated as a part hereof by reference and are herein collectively referred to as the "Master Deed." The definitions contained in the Master Deed shall apply to this Charter.

(b) To promote the health, safety and social welfare of the Unit Owners of Black Bear Falls.

(c) To control the specification, architecture, design, appearance, elevation and location of all improvements of any type now or hereafter constructed, placed or permitted to remain in the Black Bear Falls Condominium Project with such controls and such restrictions as are provided in the Master Deed or in the Association's By-Laws.

(d) To acquire and hold title to the Common Elements within the Condominium Project as provided in the Master Deed.

(e) To maintain and/or repair the Common Elements, roadways, landscaping and other structures or improvements for which the obligation to maintain and repair has been delegated to the Association by the Master Deed.

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(f) To provide, purchase, lease, replace, improve, maintain and repair such buildings, structures, landscaping, materials and equipment as the Board of Directors of the Association shall deem necessary or appropriate to carry out the purposes set forth herein and in the Master Deed.

(g) To enter into contacts and hire employees to perform any functions set forth in the Master Deed and to prescribe their duties.

(h) To perform all of the functions contemplated for the Association in the Master Deed.

ARTICLE IX

GENERAL POWERS

The general powers that the Association shall have are as follows:

(a) To hold funds solely and exclusively for the benefit of the Owners for the purposes set forth in this Charter.

(b) To promulgate and enforce rules, regulations, by-laws, covenants, restrictions, and agreements to effectuate the purposes for which the Association is organized.

(c) To delegate power or powers where such is deemed in the interest of the Association.

(d) To purchase, lease, hold, sell, mortgage, grant easements in, or accept easements on, or otherwise acquire or dispose of, real or personal property, except to the extent restricted hereby; to enter into, make, perform, or carry out, contracts of every kind with any person, firm, corporation, or association; and to do any and all acts necessary or expedient for carrying on any and all of the activities and pursuing any and all of the objects and purposes set forth in this Charter and the Master Deed.

(e) To fix assessments to be levied against property in order to defray expenses and costs of effectuating the objects and purposes of the Association, to create reasonable reserves for such expenditures, and to authorize its Board of Directors, in its discretion, to enter into agreements with mortgage companies or other organizations for the collection of such assessments.

(f) To charge recipients for services rendered by the Association and the user for use of Association property where such is deemed appropriate by the Board of Directors of the Association.

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(g) To pay taxes and other charges, if any, on or against property owned or accepted by the Association.

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(h) In general, to have all powers conferred upon corporations by the laws of the State of Tennessee.

ARTICLE X

MEMBERS AND VOTING RIGHTS

This Association is to have Members. The Members of this Association shall consist of every person or entity who is a record Unit Owner as described in the Master Deed. A Unit Owner shall automatically be and become a Member of this Association. The foregoing is not intended to include as Members persons or entities who hold an interest merely as security for the performance of an obligation. No Unit Owner shall have more than one membership for each Unit which he owns. Membership shall be appurtenant to and cannot be separated from ownership of any lot which is subject to assessment by this Association. Ownership of a Unit shall be the sole qualification for membership. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the lot. Each Member of the Association shall be entitled to voting rights in the affairs of the Association in accordance with the provisions of this Charter and the By-Laws. Voting may be in person or by written proxy. A corporation which is a Member may vote through an officer or agent thereunto duly authorized. Membership in this Association shall cease and terminate upon the sale, transfer or disposition of the Member's Unit. No incorporator or Member shall have any vested right, interest or privilege of, in or to the assets, functions, affairs or franchise of the Association, or any right, interest or privilege which may be transferable or inheritable, or which shall continue if his membership ceases, or while he is not in good standing, except as an appurtenance to his ownership of one or more Units as described in the Master Deed.

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all owners other than the Developer. Class A Members shall be entitled to one vote for each lot owned. When more than one person owns any lot, all such persons shall be Members and the vote for such lot shall be exercised as they determine, provided, however, that only 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 four (4) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier, whereupon the Developer shall become a Class A Member and shall be entitled to one vote for each lot owned and shall have all other rights and entitlements of Class A Members:

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- (a) when the total of the votes outstanding in the Class A membership equals the total of the votes outstanding in the Class B membership, or
- (b) on December 31, 2006.

ARTICLE XI

DISTRIBUTION OF ASSETS UPON DISSOLUTION

In the event of the liquidation or dissolution of the Association, whether voluntary or involuntary, the assets of the Association, after the payment of debts and obligations of the Association, shall be distributed equally among the Members of the Association in good standing as such Members are defined in ARTICLE X hereof.

ARTICLE XII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board consisting of the number of Directors determined by the By-Laws, but not less than two (2) Directors. Directors of the Association shall be elected at the annual meeting of the Members, in the manner determined by the By-Laws. Until such time as their respective successors be duly elected and qualified, the persons named below shall be and serve as the first Board of Directors and shall manage the affairs of the Association:

- | | |
|-------------------|--|
| DAVID BURDETTE | 857 Eagle View Drive
Kodak, TN 37764 |
| RALPH L. ALBRIGHT | 4833 Lakeridge Terrace West
Reno, NV 89509 |
| RYAN L. ALBRIGHT | 865 Garners Landing Blvd.
Seymour, TN 37865 |

ARTICLE XIII

OFFICERS

The Board of Directors shall elect a President, Secretary and Treasurer. The President shall be elected from among the membership of the Board, but no other officer need be a Trustee. The names and addresses of the officers who are to serve until their successors are designated by the Board of Directors are as follows:

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President and Treasurer: RALPH L. ALBRIGHT
4833 Lakeridge Terrace West
Reno, NV 89509

Secretary: RYAN L. ALBRIGHT
865 Garners Landing Blvd.
Seymour, TN 37865

ARTICLE XIV

BY-LAWS

The By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided for by the By-Laws.

ARTICLE XV

AMENDMENT

Amendments to this Charter may be proposed by any Member and may be adopted by a vote of not less than seventy-five (75%) percent of all of the Members (as the membership is constituted at the time of the vote) at a special or regular meeting of Members held after written notice that the proposed change in the Charter will be considered, sent to all Members not less than thirty (30) days before the date of the meeting provided that:

(a) So long as the Developer named in the Master Deed is the owner of any Unit, or any property affected by the Master Deed or this Charter, as the same may then have been amended, the Developer's consent to the Amendment shall be required.

(b) No Amendment shall impair any right then existing of the holder of any first mortgage.

ARTICLE XVI

INDEMNIFICATION

Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Association, or any settlement thereof, whether or not he is a Director or Officer at the time such are incurred, except, in such cases wherein the Director or Officer is adjudged guilty of willful malfeasance or misfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of

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Directors approves such settlements and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE XVII

REIMBURSEMENT OF EXPENSES

All ordinary and necessary expenses paid or incurred by the Developer and/or the Directors and Officers in the organization of the Association or in the performance of the obligations of the Association as set forth in the Master Deed shall be deemed expenses incurred on behalf of the Association and shall be accounted as expenses of the Association and reimbursed to the person or persons paying the same.

Dated: October 1, 2000

INCORPORATOR:


PHILIP NEMETH

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BK 1183 PG 144

BY-LAWS
OF
BLACK BEAR FALLS OWNERS ASSOCIATION, INC.

ARTICLE 1

NAME AND LOCATION

The name of the corporation is **BLACK BEAR FALLS OWNERS ASSOCIATION, INC.**, hereinafter referred to as the "**Association**". The principal office of the Association shall be located at 865 Garners Landing Blvd., Seymour TN 37865, but meetings of Members and Directors may be held at such other places as may be designated by the Board of Directors.

ARTICLE II

PURPOSE AND RELATED DOCUMENTS

These are the By-Laws of the Association adopted in accordance with the Charter of the Association filed with the Secretary of State of Tennessee on October 20, 2000 (herein referred to as the "**Charter**") and the Master Deed of Black Bear Falls of record in Book _____, Page _____, Register's Office, Sevier County, Tennessee, which, together with all future amendments and supplements thereto, are herein collectively referred to as the "**Master Deed**". The definitions of terms as set forth in the Charter and in the Master Deed shall apply to the terms used in these By-Laws.

ARTICLE III

MEMBERS VOTING RIGHTS

Section 3.1 Membership. The qualification of Members and voting of Members shall be as set forth in Article X of the Charter.

Section 3.2 Proxies. Members may cast their vote in person or by proxy. Proxies shall be in writing, signed by the Member entitled to vote, and shall be filed with the Association on or before the appointed time of the meeting.

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EXHIBIT "B"

ARTICLE IV

MEETING OF MEMBERS

Section 4.1 Annual Meeting. A combined annual meeting of the Members and the Board of Directors shall be held annually, between February 1st and May 1st of each calendar year at the time and place designated by the Board of Directors. The Board of Directors shall endeavor to contact the Members and to schedule the annual meeting on a date when a majority of the Members will be in the area and can personally attend the meeting.

Section 4.2 Special Meetings. Special meetings of the Members and Directors may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 4.3 Notice of Meetings. Written notice of each meeting of the Members and Directors shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days prior to such meeting to each Member and Director entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member or Director to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4.4 Quorum. The presence at the meeting of Members and Directors entitled to cast, or proxies entitled to cast, a majority of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Charter the Master Deed, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members and Directors entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 5.1 Number. The affairs of this Association shall be managed by a Board of Directors consisting of at least two (2) persons who shall be Members of the Association.

Section 5.2 Term of Office. At each annual meeting the Members shall elect two (2) or more Directors who shall serve for a period of one (1) year or until their successors in office be duly elected and qualified.

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Section 5.3 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5.4 Compensation. No Director shall receive compensation from any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5.5 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 6.1 Nomination. Nominations for election of members of the Board of Directors may be made from the floor at the annual meeting.

Section 6.2 Election. Election to the Board of Directors shall be by voice or written vote at each annual meeting. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Charter. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

MEETING OF DIRECTORS

Section 7.1 Regular Meetings. The regular annual meeting of the Board of Directors shall be held in conjunction with the regular annual meeting of the Members.

Section 7.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than ten (10) days notice to each Director.

Section 7.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

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ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 8.1 Powers. The Board of Directors shall have power to:

- (a) adopt and publish rules and regulations governing the use of the property within the Condominium Project as prescribed by the Master Deed;
- (b) suspend the voting rights of a Member during any period in which such Member shall be in default in the payment of any assessment levied by the Association.
- (c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Charter, or the Master Deed;
- (d) declare the office of a Member of the Board of Directors to be vacant in the event such Member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- (e) enter into contacts and hire employees to perform any functions set forth in the Master Deed and to prescribe their duties.

Section 8.2 Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept, a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Members who are entitled to vote;
- (b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- (c) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- (d) carry out and perform such other duties as may be necessary to accomplish the purposes for which the Association was formed as set forth in the Charter and in the Master Deed.

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ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 9.1 Enumeration of Offices. The officers of this Association shall be a President, who shall at all times be a Member of the Board of Directors, a Secretary and a Treasurer. The offices of President and Treasurer or Secretary and Treasurer may be held by the same person.

Section 9.2 Election of Officers. The election of officers shall take place at the annual meeting of the Board of Directors held in conjunction with the annual meeting of the Members.

Section 9.3 Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year or until his successor is duly elected and qualified unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 9.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 9.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 9.7 Duties. The duties of the officers are as follows:

PRESIDENT

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all contracts and other written instruments on behalf of the Association.

SECRETARY

(b) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members and Directors; keep the

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corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

(c) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks of the Association; keep proper books of account; prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members and Directors; and shall prepare or cause to be prepared all tax returns required on behalf of the Association.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Master Deed, the Charter and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association.

ARTICLE XI

FISCAL MANAGEMENT AND PROCEDURES

Section 11.1 Fiscal Year. For purposes of accounting, assessments and tax returns, the fiscal year of the Association shall be the calendar year.

Section 11.2 Annual Accounting. On or before February 1st of each year, the Board of Directors shall prepare or cause to be prepared a complete accounting of the receipts and expenditures of the Association for the preceding calendar year and shall cause to be timely filed all required tax returns on behalf of the Association.

Section 11.3 Annual Budget. On or before February 1st of each year the Board of Directors shall prepare or cause to be prepared an Annual Budget which shall include an estimate of all of the capital costs, operating expenses and administrative expenses anticipated for the calendar year and necessary to the performance of the functions of the Association as set forth in the Master Deed.

Section 11.4 Proposed Annual Assessment. The Annual Budget prepared by the Board of Directors shall include a proposed assessment for each Unit necessary to cover the costs and expenses estimated in the budget.

Section 11.5 Submission to Members. Upon determination of the date for the annual meeting of the Members as provided in Article IV of these By-Laws, the Board of Directors shall cause the Secretary of the Association to mail notice of the annual meeting to each Member of the Association not less than thirty (30) days prior to the time of such meeting. Said notice shall be accompanied by:

- (a) A copy of the Annual Accounting referred to in Section 11.2, above.
- (b) A copy of the Annual Budget and Proposed Assessment referred to in Sections 11.3 and 11.4, above.
- (c) Copies of any other documents to be considered by the Members at the Annual Meeting.
- (d) A proxy form to be signed and returned by those Members who cannot attend the Annual Meeting.

Section 11.6 Approval of Budget and Assessment. The Budget and Annual Assessment shall be approved by a vote of a majority of the Members at the Annual Meeting of the Members. Modifications and adjustments to the Budget and Proposed Assessment may be made by the Members if necessary to secure their required approval.

Section 11.7 Payment Date. The Board of Directors shall cause a notice of the annual assessment as approved by the Members to be mailed to each Member and such assessment shall be due and payable in twelve equal monthly installments or quarterly as determined by the Board of Directors.

Section 11.8 Assessment Roll. The Treasurer of the Association shall maintain an assessment roll setting forth the name and address of each Unit owner, the amount of each annual assessment and the date of payment or payments.

Section 11.9 Effect of Non-Payment. Assessments not paid by within ten (10) days after the due date shall be deemed delinquent and shall bear interest at the rate of 10% per annum from the due date. Such assessment, interest and costs of collection, including recording and attorney fees shall constitute a lien against the Unit on which the assessment was levied.

Section 11.10 Notice of Lien. The Treasurer shall provide the Board of Directors with a list of those Members who are delinquent in the payment of Assessments and the Board of Directors, subject to the requirement of prior notice to mortgagees as set forth in the Master Deed, shall direct the

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President to file a Notice of Lien pursuant to Tennessee Code Annotated Section 66-27-114, et.seq. against the property upon which such assessment was levied and to proceed to collect such assessment, interest and costs as provided by the Master Deed and by-laws.

ARTICLE XII

RULES AND REGULATIONS

The Board of Directors shall be and is hereby empowered to promulgate and issue such Rules and Regulations from time to time and to amend and alter any Rules and Regulations theretofore promulgated and issues as it may, in its sole discretion, determine necessary and desirable for the continued maintenance, upkeep, use and enjoyment of the Units and Common Elements; subject, however, to such restrictions thereupon as may be contained in the Master Deed or the Act. Such Rules and Regulations shall be binding upon and enforceable against all Unit Owners, their families, tenants, guests and invitees and all occupants of any Unit.

ARTICLE XIII

METHOD FOR RESOLVING DEADLOCKS AND DISPUTES

All disputes and/or deadlocks among the voting members of the Association or among the members of the Board of Directors of the Association, shall be settled by Binding Arbitration pursuant to the rules then in force of the American Arbitration Association. The parties agree that the determination of the rights of the parties made pursuant to such arbitration proceeding shall be final and binding on all parties and may be specifically enforced by any Court of competent jurisdiction as though it had been specifically agreed to by the parties.

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: BLACK BEAR FALLS OWNERS ASSOCIATION, INC.

ARTICLE XV

AMENDMENTS

These By-Laws may be amended, at a regular or special meeting of the Members by a vote of not less than 75% of the Members holding voting rights in the Association.

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CERTIFICATION

I, the undersigned, do hereby certify:

THAT I am the duly elected and acting Secretary of the BLACK BEAR FALLS OWNERS ASSOCIATION, INC., a Tennessee corporation not for profit, and

THAT the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at the organizational meeting of the Members and Board of Directors thereof, held on the 27 day of DEC., 2000.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, this 27 day of DEC., 2000.



RYAN L. ALBRIGHT, Secretary

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FILED

**CHARTER
OF
BLACK BEAR FALLS OWNERS ASSOCIATION, INC.**

STATE OF TENNESSEE
2003 OCT 20 PM 12:51
CLERK OF THE COURT
SEVIER COUNTY

The undersigned natural person, having capacity to contract and acting as the incorporator of a corporation not for profit under the Tennessee Nonprofit Corporation Act, adopts the following charter for such corporation.

ARTICLE I

NAME

The name of the corporation is BLACK BEAR FALLS OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association".

ARTICLE II

MUTUAL BENEFIT CORPORATION

This Association is a mutual benefit corporation.

ARTICLE III

DURATION

The duration of the Association is perpetual.

ARTICLE IV

INITIAL REGISTERED OFFICE AND AGENT

The initial registered office of the Association shall be located in Sevier County, Tennessee, at 865 Garners Landing Blvd., Seymour TN 37865, and the name of the initial registered agent of the Association at said office is RYAN L. ALBRIGHT.

ARTICLE V

INCORPORATOR

The name and address of the person acting as the incorporator of the Association is:

PHILIP NEMETH
906 East Parkway, Suite 2
Gatlinburg, TN 37738

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(h) In general, to have all powers conferred upon corporations by the laws of the State of Tennessee.

ARTICLE X

MEMBERS AND VOTING RIGHTS

This Association is to have Members. The Members of this Association shall consist of every person or entity who is a record Unit Owner as described in the Master Deed. A Unit Owner shall automatically be and become a Member of this Association. The foregoing is not intended to include as Members persons or entities who hold an interest merely as security for the performance of an obligation. No Unit Owner shall have more than one membership for each Unit which he owns. Membership shall be appurtenant to and cannot be separated from ownership of any lot which is subject to assessment by this Association. Ownership of a Unit shall be the sole qualification for membership. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the lot. Each Member of the Association shall be entitled to voting rights in the affairs of the Association in accordance with the provisions of this Charter and the By-Laws. Voting may be in person or by written proxy. A corporation which is a Member may vote through an officer or agent thereunto duly authorized. Membership in this Association shall cease and terminate upon the sale, transfer or disposition of the Member's Unit. No incorporator or Member shall have any vested right, interest or privilege of, in or to the assets, functions, affairs or franchise of the Association, or any right, interest or privilege which may be transferable or inheritable, or which shall continue if his membership ceases, or while he is not in good standing, except as an appurtenance to his ownership of one or more Units as described in the Master Deed.

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all owners other than the Developer. Class A Members shall be entitled to one vote for each lot owned. When more than one person owns any lot, all such persons shall be Members and the vote for such lot shall be exercised as they determine, provided, however, that only one vote be cast with respect to any lot.

Class B. The Class B Member shall be the Developer. The Class B Member shall be entitled to four (4) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier, whereupon the Developer shall become a Class A Member and shall be entitled to one vote for each lot owned and shall have all other rights and entitlements of Class A Members:

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ARTICLE VI

PRINCIPAL OFFICE

The address of the principal office of the Association in the State of Tennessee shall be in Sevier County at:

865 Garners Landing Blvd.
Seymour, TN 37865

ARTICLE VII

NOT FOR PROFIT

This Association is incorporated as a corporation not for profit under the Tennessee Nonprofit Corporation Act.

ARTICLE VIII

PURPOSES

The purposes for which the Association is organized are as follows:

(a) To serve and to function as the organization of the Unit Owners of BLACK BEAR FALLS, a Planned Unit Development under the provisions of the Horizontal Property Act of the State of Tennessee and the Master Deed for Black Bear Falls which is of record in the Register's Office for Sevier County, Tennessee. Said Master Deed, and all future amendments and supplements thereto are incorporated as a part hereof by reference and are herein collectively referred to as the "Master Deed." The definitions contained in the Master Deed shall apply to this Charter.

(b) To promote the health, safety and social welfare of the Unit Owners of Black Bear Falls.

(c) To control the specification, architecture, design, appearance, elevation and location of all improvements of any type now or hereafter constructed, placed or permitted to remain in the Black Bear Falls Condominium Project with such controls and such restrictions as are provided in the Master Deed or in the Association's By-Laws.

(d) To acquire and hold title to the Common Elements within the Condominium Project as provided in the Master Deed.

(e) To maintain and/or repair the Common Elements, roadways, landscaping and other structures or improvements for which the obligation to maintain and repair has been delegated to the Association by the Master Deed.

(f) To provide, purchase, lease, replace, improve, maintain and repair such buildings, structures, landscaping, materials and equipment as the Board of Directors of the Association shall deem necessary or appropriate to carry out the purposes set forth herein and in the Master Deed.

(g) To enter into contacts and hire employees to perform any functions set forth in the Master Deed and to prescribe their duties.

(h) To perform all of the functions contemplated for the Association in the Master Deed.

ARTICLE IX

GENERAL POWERS

The general powers that the Association shall have are as follows:

(a) To hold funds solely and exclusively for the benefit of the Owners for the purposes set forth in this Charter.

(b) To promulgate and enforce rules, regulations, by-laws, covenants, restrictions, and agreements to effectuate the purposes for which the Association is organized.

(c) To delegate power or powers where such is deemed in the interest of the Association.

(d) To purchase, lease, hold, sell, mortgage, grant easements in, or accept easements on, or otherwise acquire or dispose of, real or personal property, except to the extent restricted hereby; to enter into, make, perform, or carry out, contracts of every kind with any person, firm, corporation, or association; and to do any and all acts necessary or expedient for carrying on any and all of the activities and pursuing any and all of the objects and purposes set forth in this Charter and the Master Deed.

(e) To fix assessments to be levied against property in order to defray expenses and costs of effectuating the objects and purposes of the Association, to create reasonable reserves for such expenditures, and to authorize its Board of Directors, in its discretion, to enter into agreements with mortgage companies or other organizations for the collection of such assessments.

(f) To charge recipients for services rendered by the Association and the user for use of Association property where such is deemed appropriate by the Board of Directors of the Association.

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(g) To pay taxes and other charges, if any, on or against property owned or accepted by the Association.

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(h) In general, to have all powers conferred upon corporations by the laws of the State of Tennessee.

ARTICLE X

MEMBERS AND VOTING RIGHTS

This Association is to have Members. The Members of this Association shall consist of every person or entity who is a record Unit Owner as described in the Master Deed. A Unit Owner shall automatically be and become a Member of this Association. The foregoing is not intended to include as Members persons or entities who hold an interest merely as security for the performance of an obligation. No Unit Owner shall have more than one membership for each Unit which he owns. Membership shall be appurtenant to and cannot be separated from ownership of any lot which is subject to assessment by this Association. Ownership of a Unit shall be the sole qualification for membership. The share of a Member in the funds and assets of the Association cannot be assigned, hypothecated or transferred in any manner except as an appurtenance to the lot. Each Member of the Association shall be entitled to voting rights in the affairs of the Association in accordance with the provisions of this Charter and the By-Laws. Voting may be in person or by written proxy. A corporation which is a Member may vote through an officer or agent thereunto duly authorized. Membership in this Association shall cease and terminate upon the sale, transfer or disposition of the Member's Unit. No incorporator or Member shall have any vested right, interest or privilege of, in or to the assets, functions, affairs or franchise of the Association, or any right, interest or privilege which may be transferable or inheritable, or which shall continue if his membership ceases, or while he is not in good standing, except as an appurtenance to his ownership of one or more Units as described in the Master Deed.

The Association shall have two classes of voting membership:

Class A. Class A Members shall be all owners other than the Developer. Class A Members shall be entitled to one vote for each lot owned. When more than one person owns any lot, all such persons shall be Members and the vote for such lot shall be exercised as they determine, provided, however, that only one vote be cast with respect to any lot.

Class B. The Class B Member shall be the Developer. The Class B Member shall be entitled to four (4) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier, whereupon the Developer shall become a Class A Member and shall be entitled to one vote for each lot owned and shall have all other rights and entitlements of Class A Members:

- (a) when the total of the votes outstanding in the Class A membership equals the total of the votes outstanding in the Class B membership, or
- (b) on December 31, 2006.

ARTICLE XI

DISTRIBUTION OF ASSETS UPON DISSOLUTION

In the event of the liquidation or dissolution of the Association, whether voluntary or involuntary, the assets of the Association, after the payment of debts and obligations of the Association, shall be distributed equally among the Members of the Association in good standing as such Members are defined in ARTICLE X hereof.

ARTICLE XII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board consisting of the number of Directors determined by the By-Laws, but not less than two (2) Directors. Directors of the Association shall be elected at the annual meeting of the Members, in the manner determined by the By-Laws. Until such time as their respective successors be duly elected and qualified, the persons named below shall be and serve as the first Board of Directors and shall manage the affairs of the Association:

- | | |
|-------------------|--|
| DAVID BURDETTE | 857 Eagle View Drive
Kodak, TN 37764 |
| RALPH L. ALBRIGHT | 4833 Lakeridge Terrace West
Reno, NV 89509 |
| RYAN L. ALBRIGHT | 865 Garners Landing Blvd.
Seymour, TN 37865 |

ARTICLE XIII

OFFICERS

The Board of Directors shall elect a President, Secretary and Treasurer. The President shall be elected from among the membership of the Board, but no other officer need be a Trustee. The names and addresses of the officers who are to serve until their successors are designated by the Board of Directors are as follows:

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President and Treasurer: RALPH L. ALBRIGHT
4833 Lakeridge Terrace West
Reno, NV 89509

Secretary: RYAN L. ALBRIGHT
865 Garners Landing Blvd.
Seymour, TN 37865

ARTICLE XIV

BY-LAWS

The By-Laws of the Association shall be adopted by the Board of Directors and may be altered, amended or rescinded in the manner provided for by the By-Laws.

ARTICLE XV

AMENDMENT

Amendments to this Charter may be proposed by any Member and may be adopted by a vote of not less than seventy-five (75%) percent of all of the Members (as the membership is constituted at the time of the vote) at a special or regular meeting of Members held after written notice that the proposed change in the Charter will be considered, sent to all Members not less than thirty (30) days before the date of the meeting provided that:

(a) So long as the Developer named in the Master Deed is the owner of any Unit, or any property affected by the Master Deed or this Charter, as the same may then have been amended, the Developer's consent to the Amendment shall be required.

(b) No Amendment shall impair any right then existing of the holder of any first mortgage.

ARTICLE XVI

INDEMNIFICATION

Every Director and every Officer of the Association shall be indemnified by the Association against all expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon him in connection with any proceeding to which he may be a party, or in which he may become involved, by reason of his being or having been a Director or Officer of the Association, or any settlement thereof, whether or not he is a Director or Officer at the time such are incurred, except, in such cases wherein the Director or Officer is adjudged guilty of willful malfeasance or misfeasance in the performance of his duties; provided that in the event of a settlement, the indemnification herein shall apply only when the Board of

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Directors approves such settlements and reimbursement as being for the best interest of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such Director or Officer may be entitled.

ARTICLE XVII

REIMBURSEMENT OF EXPENSES

All ordinary and necessary expenses paid or incurred by the Developer and/or the Directors and Officers in the organization of the Association or in the performance of the obligations of the Association as set forth in the Master Deed shall be deemed expenses incurred on behalf of the Association and shall be accounted as expenses of the Association and reimbursed to the person or persons paying the same.

Dated: October 1, 2000

INCORPORATOR:


PHILIP NEMETH

BY-LAWS
OF
BLACK BEAR FALLS OWNERS ASSOCIATION, INC.

ARTICLE 1

NAME AND LOCATION

The name of the corporation is BLACK BEAR FALLS OWNERS ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the Association shall be located at 865 Garners Landing Blvd., Seymour TN 37865, but meetings of Members and Directors may be held at such other places as may be designated by the Board of Directors.

ARTICLE II

PURPOSE AND RELATED DOCUMENTS

These are the By-Laws of the Association adopted in accordance with the Charter of the Association filed with the Secretary of State of Tennessee on October 20, 2000 (herein referred to as the "Charter") and the Master Deed of Black Bear Falls of record in Book 1183, Page 126, Register's Office, Sevier County, Tennessee, which, together with all future amendments and supplements thereto, are herein collectively referred to as the "Master Deed". The definitions of terms as set forth in the Charter and in the Master Deed shall apply to the terms used in these By-Laws.

ARTICLE III

MEMBERS VOTING RIGHTS

Section 3.1 Membership. The qualification of Members and voting of Members shall be as set forth in Article X of the Charter.

Section 3.2 Proxies. Members may cast their vote in person or by proxy. Proxies shall be in writing, signed by the Member entitled to vote, and shall be filed with the Association on or before the appointed time of the meeting.

ARTICLE IV

MEETING OF MEMBERS

Section 4.1 Annual Meeting. A combined annual meeting of the Members and the Board of Directors shall be held annually, between February 1st and May 1st of each calendar year at the time and place designated by the Board of Directors. The Board of Directors shall endeavor to contact the Members and to schedule the annual meeting on a date when a majority of the Members will be in the area and can personally attend the meeting.

Section 4.2 Special Meetings. Special meetings of the Members and Directors may be called at any time by the President or by the Board of Directors, or upon written request of the Members who are entitled to vote one-fourth (1/4) of all of the votes of the membership.

Section 4.3 Notice of Meetings. Written notice of each meeting of the Members and Directors shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least thirty (30) days prior to such meeting to each Member and Director entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member or Director to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

Section 4.4 Quorum. The presence at the meeting of Members and Directors entitled to cast, or proxies entitled to cast, a majority of the votes of the membership shall constitute a quorum for any action except as otherwise provided in the Charter the Master Deed, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the Members and Directors entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 5.1 Number. The affairs of this Association shall be managed by a Board of Directors consisting of at least two (2) persons who shall be Members of the Association.

Section 5.2 Term of Office. At each annual meeting the Members shall elect two (2) or more Directors who shall serve for a period of one (1) year or until their successors in office be duly elected and qualified.

Section 5.3 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association. In the event of death, resignation or removal of a Director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5.4 Compensation. No Director shall receive compensation from any service he may render to the Association. However, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5.5 Action Taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 6.1 Nomination. Nominations for election of members of the Board of Directors may be made from the floor at the annual meeting.

Section 6.2 Election. Election to the Board of Directors shall be by voice or written vote at each annual meeting. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Charter. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VII

MEETING OF DIRECTORS

Section 7.1 Regular Meetings. The regular annual meeting of the Board of Directors shall be held in conjunction with the regular annual meeting of the Members.

Section 7.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) Directors, after not less than ten (10) days notice to each Director.

Section 7.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE IX

OFFICERS AND THEIR DUTIES

Section 9.1 Enumeration of Offices. The officers of this Association shall be a President, who shall at all times be a Member of the Board of Directors, a Secretary and a Treasurer. The offices of President and Treasurer or Secretary and Treasurer may be held by the same person.

Section 9.2 Election of Officers. The election of officers shall take place at the annual meeting of the Board of Directors held in conjunction with the annual meeting of the Members.

Section 9.3 Term. The officers of this Association shall be elected annually by the Board of Directors and each shall hold office for one (1) year or until his successor is duly elected and qualified unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 9.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 9.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 9.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 9.7 Duties. The duties of the officers are as follows:

PRESIDENT

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all contracts and other written instruments on behalf of the Association.

SECRETARY

(b) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members and Directors; keep the

corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

TREASURER

(c) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks of the Association; keep proper books of account; prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the Members and Directors; and shall prepare or cause to be prepared all tax returns required on behalf of the Association.

ARTICLE X

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Master Deed, the Charter and the By-Laws of the Association shall be available for inspection by any Member at the principal office of the Association.

ARTICLE XI

FISCAL MANAGEMENT AND PROCEDURES

Section 11.1 Fiscal Year. For purposes of accounting, assessments and tax returns, the fiscal year of the Association shall be the calendar year.

Section 11.2 Annual Accounting. On or before February 1st of each year, the Board of Directors shall prepare or cause to be prepared a complete accounting of the receipts and expenditures of the Association for the preceding calendar year and shall cause to be timely filed all required tax returns on behalf of the Association.

Section 11.3 Annual Budget. On or before February 1st of each year the Board of Directors shall prepare or cause to be prepared an Annual Budget which shall include an estimate of all of the capital costs, operating expenses and administrative expenses anticipated for the calendar year and necessary to the performance of the functions of the Association as set forth in the Master Deed.

President to file a Notice of Lien pursuant to Tennessee Code Annotated Section 66-27-114, et seq. against the property upon which such assessment was levied and to proceed to collect such assessment, interest and costs as provided by the Master Deed and by-laws.

ARTICLE XII

RULES AND REGULATIONS

The Board of Directors shall be and is hereby empowered to promulgate and issue such Rules and Regulations from time to time and to amend and alter any Rules and Regulations theretofore promulgated and issues as it may, in its sole discretion, determine necessary and desirable for the continued maintenance, upkeep, use and enjoyment of the Units and Common Elements; subject, however, to such restrictions thereupon as may be contained in the Master Deed or the Act. Such Rules and Regulations shall be binding upon and enforceable against all Unit Owners, their families, tenants, guests and invitees and all occupants of any Unit.

ARTICLE XIII

METHOD FOR RESOLVING DEADLOCKS AND DISPUTES

All disputes and/or deadlocks among the voting members of the Association or among the members of the Board of Directors of the Association, shall be settled by Binding Arbitration pursuant to the rules then in force of the American Arbitration Association. The parties agree that the determination of the rights of the parties made pursuant to such arbitration proceeding shall be final and binding on all parties and may be specifically enforced by any Court of competent jurisdiction as though it had been specifically agreed to by the parties.

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: BLACK BEAR FALLS OWNERS ASSOCIATION, INC.

ARTICLE XV

AMENDMENTS

These By-Laws may be amended, at a regular or special meeting of the Members by a vote of not less than 75% of the Members holding voting rights in the Association.

BK/PG: 3524/62-68

10014803

7 PGS AMENDED MASTER DEED	
04/09/2010 - 10:38 AM	
LOIS BATCH 169411	VALUE 0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	35.00
ARCHIVE FEE	0.00
CP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	37.00
STATE OF TENNESSEE, SEVIER COUNTY	
SHERRY ROBERTSON HUSKEY	
REGISTRAR OF DEEDS	

This instrument prepared by
and when recorded return to:
Richard S. Matlock, Esq.
WOOLF, McCLANE, BRIGHT,
ALLEN & CARPENTER, PLLC
Post Office Box 909
Knoxville, Tennessee 37901-0900
(865) 215-1000

FIRST AMENDMENT TO MASTER DEED OF BLACK BEAR FALLS

THIS FIRST AMENDMENT to the Master Deed is made this 5th day of April, 2010, pursuant to Article XVI, Section 2 of the Master Deed of Black Bear Falls of record at Book 1183, Page 126, in the Register's Office for Sevier County, Tennessee, for the purposes set forth below:

WITNESSETH:

WHEREAS, Article XVI, Section 2 of the Master Deed of Black Bear Falls provides that the Master Deed may be amended upon approval by not less than seventy-five percent (75%) of the votes of the entire membership of the Black Bear Falls Owners Association, Inc. (the "Association"); and

WHEREAS, the members of the Association voted to make certain changes in the Master Deed, by more than seventy-five percent (75%) of the entire membership, in person or by proxy or ballot, at the annual meeting of the Association held on February 20, 2010, pursuant to notice sent January 15, 2010 to members of the Association,

NOW, THEREFORE, pursuant to such vote, the Master Deed is hereby amended as follows:

1. Article IV, Section 15, is amended by striking the contents thereof in their entirety and replacing same with the following:

Sign Restrictions: No sign of any kind shall be displayed to public view on any Lot except one (1) "for sale" sign may be placed in front of any Unit, but such sign shall not exceed 2 square feet in size. Rental Unit Identification signs shall substantially conform to the signage prototype approved at the annual meeting on February 20, 2010, a copy of such prototype is attached to this amendment as Exhibit "C". No other signs will be allowed to be placed on either the Common Elements, Lots, or other property of the Association, including signs hung from lamp posts or attached fencing, except such signage approved by the Association. Any Unit Owner renting a Unit through Vacation Rental By Owner as of April 15, 2010, shall be allowed to keep such Unit Owner's existing sign as long as the Unit continues to be rented through Vacation Rental By Owner; however, if such Unit is subsequently rented through a rental management

company, then such Unit owner must fabricate, install and use the Association-approved signage depicted in Exhibit "C" at the Owner's own expense. If a Unit Owner renting through a rental management company as of April 15, 2010, subsequently begins renting its Unit through Vacation Rental By Owner, then such Owner must thereafter fabricate, install and use the Association-approved signage depicted in Exhibit "C" at the Owner's own expense.

2. Article X, Section 3, is amended by adding to the end of such section the following:

In the event that any Unit Owner remains in default for more than sixty (60) days, the Association reserves the following rights: (a) to discontinue all services to the Unit to which such default pertains (including, without implied limitation, water and sewer service), (b) to restrict the Unit Owner's rights of use to the Common Elements, and (c) to revoke the voting privileges of such Unit Owner during the pendency of such default. The Association may also send past due bills to collection agencies as well as to any rental management company then managing such Unit, if applicable. In the event that any Unit Owner remains in default for more than ninety (90) days, the Association shall place a lien against the Unit to which such default pertains.

3. The charter of the Association shall be amended as shown on the attached Exhibit "A", and such amendment has been or shall be filed with the Secretary of State of Tennessee.

4. The By-laws of the Association shall be amended as shown on the attached Exhibit "B", and such amendment has been or shall be filed with the minutes of the Association.

5. Unless otherwise stated herein, capitalized terms herein shall have the meanings ascribed thereto in the Master Deed. Except as specifically set forth herein, all other terms and conditions of the Master Deed shall remain in full force and effect.

6. The President and Vice President of the Association hereby certify that this Amendment has been approved as required by the terms of the Master Deed.

IN WITNESS WHEREOF, this First Amendment to Master Deed is executed by Association as of the day and year first above written.

[SIGNATURE BLOCK CONTAINED ON FOLLOWING PAGE]

[SIGNATURE PAGE TO FIRST AMENDMENT OF MASTER DEED OF BLACK BEAR FALLS]

BLACK BEAR FALLS OWNERS ASSOCIATION, INC.
A Tennessee non-profit corporation

By: Theresa M. Schlaff
Theresa M. Schlaff, President

Attest: Michael J. Joslin
Michael J. Joslin, Vice President



[CORPORATE SEAL]

Before me the undersigned authority, a Notary Public of the state and county aforesaid, personally appeared THERESA SCHLAFF, with whom I am personally acquainted, and who upon oath acknowledged herself to be the duly elected President of Black Bear Falls Owners Association, Inc., a Tennessee non-profit corporation, and that she as President, being authorized to do so, executed the foregoing instrument for the purpose therein contained.

WITNESS my hand and official seal in said State and County this the 3rd day of March, 2010.

Heather R. Pugh
Notary Public, State of Tennessee
My commission expires: 1/22/2013

Before me the undersigned authority, a Notary Public of the state and county aforesaid, personally appeared MIKE JOSLIN, with whom I am personally acquainted, and who upon oath acknowledged himself to be the duly elected Vice-President of Black Bear Falls Owners Association, Inc., a Tennessee non-profit corporation, and that he as Vice-President, being authorized to do so, executed the foregoing instrument for the purpose therein contained.

WITNESS my hand and official seal in said State and County this the 3rd day of March, 2010.

Heather R. Pugh
Notary Public, State of Tennessee
My commission expires: 1/22/2013



37
RECEIVED
STATE OF TENNESSEE
2010 APR 13 AM 11:00
TREC MARSHALL
SECRETARY OF STATE

FILED

ARTICLES OF AMENDMENT TO THE CHARTER
OF
BLACK BEAR FALLS OWNERS ASSOCIATION, INC.

THIS FIRST AMENDMENT to the charter (the "Charter") of Black Bear Falls Owners Association, Inc. (the "Association") made and entered into this 5th day of April, 2010;

WITNESSETH:

WHEREAS, the Charter of the Association was dated October 1, 2000 and filed with the Secretary of State of Tennessee on October 20, 2000; and

WHEREAS, the members of the Association voted to make certain changes to the Charter, by a vote of more than seventy-five percent (75%) voter approval in person or by proxy or ballot, as required pursuant to Article XV of the Charter, at the annual meeting of the Association held on February 20, 2010, pursuant to notice sent January 15, 2010 to all members of the Association,

NOW, THEREFORE, pursuant thereto, the Charter is amended as follows:

1. Article XIII shall be amended by striking the contents thereof in their entirety and replacing same with the following:

Article XIII, Officers

The Association membership shall elect a President, Vice President, Secretary and Treasurer, in accordance with the terms of the By-laws.

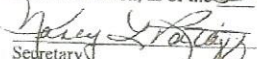
2. Except for the changes expressly set forth herein, the remainder of the Charter shall continue in full force and effect.
3. Approval of the amendment by some person or persons other than the members, the board, or the incorporators is not required pursuant to T.C.A. § 48-60-301.

CERTIFICATION

I, the undersigned, do hereby certify: that I am the duly elected and acting Secretary of BLACK BEAR FALLS OWNERS ASSOCIATION, INC. a Tennessee not-for-profit corporation; and

THAT the foregoing First Amendment to Charter contains the amendments duly adopted at the Annual Meeting of the Members and Board of Directors of the Association on February 20, 2010.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, as of the 5th day of April, 2010.


Secretary



RECEIVED
STATE OF TENNESSEE
2010 APR 13 AM 11:00
THE SECRETARY
SECRETARY OF STATE

EXHIBIT "B"
To First Amendment to Master Deed of Black Bear Falls

**FIRST AMENDMENT OF THE BYLAWS OF
BLACK BEAR FALLS OWNERS ASSOCIATION**

April 5th, 2010

THIS FIRST AMENDMENT to the By-laws (the "By-laws") of Black Bear Falls Owners Association, Inc. (the "Association") made and entered into this 5th day of April, 2010;

WITNESSETH:

WHEREAS, the By-laws were dated October 1, 2000 and filed in the minute book of the Association; and

WHEREAS, the members of the Association voted to make certain changes to the By-laws, by a vote of more than seventy-five percent (75%) voter approval in person or by proxy or ballot, as required pursuant to Article XV of the By-laws, at the annual meeting of the Association held on February 20, 2010, pursuant to notice sent January 15, 2010 to all members of the Association,

NOW, THEREFORE, pursuant to such vote, the By-laws are hereby amended as follows:

1. Section 9.1 shall be amended by striking the contents thereof in their entirety and replacing same with the following:

Section 9.1 Enumeration of Offices. The officers of this Association shall be a President, who shall at all times be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The offices of President and Treasurer, Vice-President and Treasurer, or Secretary and Treasurer may be held by the same person.

2. Section 9.3 shall be amended by striking the contents thereof in their entirety and replacing same with the following:

Section 9.3 Term. The officers of this Association shall be elected every two years by the Association and each shall hold office for a two (2) year term or until his/her successor is duly elected and qualified unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

3. Section 9.7 shall be amended by inserting a new paragraph at the end of Section 9.7, which shall read as follows:

VICE PRESIDENT

(d) The Vice President shall be engaged in the activities of the Association and assist the President in fulfilling his or her duties. The Vice President will perform and/or assume the duties of the President during times of the President's absence or if the office of President becomes unoccupied, all in accordance with applicable provisions of Tennessee law.

4. A new Section 9.8 shall be added between Section 9.7 and Section 10, and shall read as follows:

Section 9.8 Discount of Assessments for Officers. Notwithstanding any language to the contrary contained in Section 5.4, Compensation, and Section 9.1, Enumeration of Offices, the Officers of this Association shall receive, at all times in which they are serving in office, a set fee discount with respect to the Assessments on not more than one (1) Unit owned by such Officer, in the form of a set fee discount of dues in the following manner:

President - Assessments discounted by \$107.00 per month;
Vice President - Assessments discounted by \$53.50 per month; and
Treasurer- Assessments discounted by \$53.50 per month

Provided, however, that such discounts only apply to such Officers' Assessments that are paid within ten (10) days of the due date. Moreover, such discounts shall not apply during any period in which a property management company is operating the Association.

5. A new section 11.11 shall be added as follows:

11.11 Common Area Work Approval. All work performed and paid by the Association to the limited common area appurtenant to the Unit owned by an Officer, other than grass cutting, is to have approval from the Board of Directors and the work performed and amount paid for such work is to be disclosed at the next annual meeting of the Association. In the event that such work is performed, not disclosed by the Officer and later discovered, such officer shall pay restitution to the Association for such work.

There are no further amendments to the By-laws, and the remaining provisions of the By-laws shall remain in full force and effect, as amended herein.

[CERTIFICATION CONTAINED ON FOLLOWING PAGE]
CERTIFICATION

I, the undersigned, do hereby certify: that I am the duly elected and acting Secretary of BLACK BEAR FALLS OWNERS ASSOCIATION, INC. a Tennessee not-for-profit corporation; and

THAT the foregoing First Amendment to By-laws contains the amendments duly adopted at the Annual Meeting of the Members and Board of Directors of the Association on February 20, 2010.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, as of the 5th day of April, 2010.


Secretary



Instrument Corrected: First Amendment to Master Deed of Black Bear Falls filed at Book 3524, Page 62, Register's Office for Sevier County, Tennessee.


AFFIDAVIT OF SCRIVENER'S ERROR

STATE OF TENNESSEE)
COUNTY OF SEVIER)

Comes now, Nancy L. Ratliff, who, after being duly sworn according to law, does upon oath depose and state as follows:

1. I am above the age of 18 years and have personal knowledge of the matters set forth in this Affidavit.
2. I am a resident of Sevier County, Tennessee.
3. I am the secretary of Black Bear Falls Owners Association, Inc.
4. As secretary of Black Bear Falls Owners Association, Inc., I previously recorded the First Amendment to Master Deed of Black Bear Falls Owners Association, Inc. on April 9, 2010, at Book 3524, Page 62, in the Register's Office for Sevier County, Tennessee.
5. In recording the First Amendment to the Master Deed of Black Bear Falls Owners Association, Inc., I omitted Exhibit A, which is the Articles of Amendment to the Charter of Black Bear Falls Owners Association, Inc.
6. To correct this omission, I have attached a copy of the filed First Amendment to the Master Deed of Black Bear Falls Owners Association, Inc., which now includes the previously omitted Exhibit A. Exhibit A has been stamped "Filed" with the Tennessee Secretary of State's Office.


FURTHER AFFIANT SAITH NOT.



Nancy L. Ratliff



Sworn to and subscribed before me this 31 day of April, 2010.



Notary Public

My Commission Expires:


669575 1

This instrument prepared by:
WOLFE, McCLANE, BRIGHT, ALLEN & CARPENTER, PLLC (BCS)
900 Riverview Tower, 900 S. Gay Street, Knoxville, Tennessee 37902-1810

STATE OF TENNESSEE)
COUNTY OF SEVIER)

Before me, a Notary Public in and for the state and county aforesaid, personally appeared Nancy L. Ratliff, to me known (or proved to me on the basis of satisfactory evidence) to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

Witness my hand and seal, this 21 day of July, 2010.




Notary Public

My Commission Expires:



EXHIBIT "C"
To First Amendment to Master Deed of Black Bear Falls

[Approved Signage]



**Black Bear Falls
Log Home Community**

Name Of Your Cabin

www.blackbearfalls.com

Rental Agency: Unit # (if applicable)
Name of Rental Company Here
www.nameofrentalcompanywebsite.com
865-000-0000

294999v.1 002/85501

BK/PG: 3532799-809

10017548

TI PG3 - CORRENERG ATT DAVI	
04/27/2010 - 08:00 A/M	
BATCH 12/089	VALUE
MDR GAGE TAX	0.00
TRANSER TAX	0.00
RESIDING FEE	35.00
ARCHIVE FEE	0.00
DP FEE	2.00
REGULATORS FEE	0.00
TOTL AMOUNT	37.00
STATE OF TENNESSEE, SEVIER COUNTY	

This instrument prepared by:
Jared B. Karnes, Esq.
HAGOOD, TARPY & COX, PLLC
2100 Riverview Tower
900 S. Gay Street
Knoxville, Tennessee 37902
(865) 525-7313

**SECOND AMENDMENT TO THE MASTER DEED OF BLACK BEAR FALLS OWNERS
ASSOCIATION, INC.**

THIS SECOND AMENDMENT to the Master Deed of Black Bear Falls Owners Association, Inc. ("Master Deed") is made this ___ day of _____, 2012, pursuant to Article II(3) and Article XVI of the Master Deed, Section 4.3 of Article IV of the By-Laws of Black Bear Falls Owners Association, Inc. ("By-Laws"), attached as Exhibit "B" to the Master Deed, all of which has been recorded in Book 1183, Pages 126-153 in the Register's Office for Sevier County, Tennessee, for the purposes set forth below:

WITNESSETH:

WHEREAS, Article XVI of the Master Deed, Article XV of the Charter of Black Bear Falls Association, Inc. ("Charter"), and Article XV of the By-Laws of Black Bear Falls Owners Association, Inc. ("By-Laws") permit the By-Laws to be amended with proper notice, and upon the approval of not less than seventy-five percent (75%) of all of the members (as the membership is constituted at the time of the vote); and

WHEREAS, the members of the Association voted on April 19, 2012, to make certain changes in the By-Laws, with the below-listed amendments receiving approval by more than seventy-five percent (75%) of the membership, in person or by proxy or ballot, pursuant to proper notice to all members of the Association,

NOW, THEREFORE, pursuant to such vote, the By-Laws are amended as follows:

1. Section 5.1 of Article V of the By-Laws is amended by striking the contents thereof in their entirety and replacing the same with the following:

Section 5.1 Number. The affairs of this Association shall be managed by a Board of Directors consisting of five (5) persons who shall be members of the Association.

2. Section 5.2 of Article V of the By-Laws is amended by striking the contents thereof in their entirety and replacing the same with the following:

Section 5.2 Term of Office. The Directors shall be elected by the Association members and shall each serve a term of three (3) years. In an effort to achieve continuity among the Board of Directors, the Association Members wish to stagger the terms. In order to create the staggered terms, the tenure of some of the Directors in office at the time of the filing of this Second Amendment shall be shortened.

Specifically, at the next annual meeting, a vote shall take place at which time those two (2) Directors receiving the highest number of votes shall begin to serve a term of three (3) years. Those Directors receiving the third and fourth highest number of votes shall begin serving a term of two (2) years. The Director receiving the lowest number of votes shall begin serving a term of one (1) year. Thereafter, those Directors with expiring terms shall be replaced by incoming Directors who shall serve a term of three (3) years.

SIGNATURE PAGE TO SECOND AMENDMENT OF MASTER DEED OF BLACK BEAR FALLS OWNERS ASSOCIATION, INC.

BLACK BEAR FALLS OWNERS ASSOCIATION, INC.

A Tennessee non-profit corporation

By: _____
President

Attest: _____
Vice President

[CORPORATE SEAL]

Before me the undersigned authority, a Notary Public of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted, and who upon oath acknowledged herself/himself to be the duly elected President of Black Bear Falls Owners Association, Inc., a Tennessee non-profit corporation, and that she/he as President, being authorized to do so, executed the foregoing Instrument for the purpose therein contained.

WITNESS my hand and official seal in said State and County this the ___ day of July, 2012.

Notary Public, State of Tennessee
My commission expires: _____

Before me the undersigned authority, a Notary Public of the state and county aforesaid, personally appeared _____, with whom I am personally acquainted, and who upon oath acknowledged herself/himself to be the duly elected Vice-President of Black Bear Falls Owners Association, Inc., a Tennessee non-profit corporation, and that she/he as President, being authorized to do so, executed the foregoing Instrument for the purpose therein contained.

WITNESS my hand and official seal in said State and County this the ___ day of July, 2012.

Notary Public, State of Tennessee
My commission expires: _____

**AMENDMENTS TO THE MASTER DEED AND BYLAWS
OF
BLACK BEAR FALLS**

Pursuant to Article XVI., Section 2. of the Master Deed of Black Bear Falls of record in Book 1183, Page 126, in the Register's Office of Sevier County, Tennessee and Article XV. of the Bylaws, the membership of the Black Bear Falls Owners Association, Inc. did approve by not less than seventy-five percent (75%) of the votes of the entire membership as counted and determined at its annual meeting on March 3, 2018, the following amendments to the Master Deed *and* Bylaws of the Association:

AMENDMENTS TO THE MASTER DEED:

Amendment No. 1.

Subparagraphs "1.", "21." and "26." under II. DEFINITIONS are deleted in their entirety and supplanted with the following:

1. Act shall mean and refer to the Horizontal Property Act of the State of Tennessee codified at TCA §§66-27-108 and 66-27-201, et seq. as they apply to planned Unit developments.

21. Private Elements shall mean and refer to privately owned Units, whether or not improved with a residence, at times referred to herein as a "lot" or "site".

26. Unit shall include the definition under the Acts as applicable to Planned Unit Developments and shall mean a private element, whether referred to as a "site" or "lot" or "Unit" and whether improved with a residence or not. If improved with a residence, Unit shall collectively refer to the site and the residence thereon.

Amendment No. 2.

Subparagraph "4. Construction of Units:" under III. DEVELOPMENT PLAN is *deleted in its entirety*.

Amendment No. 3.

Section VII. GRIEVANCE PROCEDURE shall be *deleted in its entirety* and any reference elsewhere in the Master Deed or Bylaws to the "Grievance Procedure" shall be deleted. Section VII. shall hereafter be noted as "RESERVED".

Amendment No. 4.

Subparagraph "1. Units Numbered and Located; Boundaries Defined:" under VIII. THE UNITS AND COMMON ELEMENTS shall be *deleted in its entirety* and supplanted with the following:

1. Unit Numbers and Location; Boundaries Defined: The Units have been assigned numbers and generally located on the various phase plats of the subdivision. The boundaries of the Unit shall be determined by the "as built" survey of the Unit or similar survey or legal description of the Unit. To the extent the "as built" survey or other utilized description of the Unit deviates from the location as depicted on the phase plats, the "as built" or similar survey or legal description shall prevail and be the boundary of the Unit for all purposes herein, including, but not limited to, the responsibility of Unit owners and responsibility of the Association for private elements and common areas respectively.

Amendment No. 5.

Subparagraph "3. Voting:" under XI. ASSOCIATION is *deleted in its entirety* and supplanted with the following:

3. Voting: A member shall be entitled to one full vote in the affairs of the Association for each Unit owned improved with a residence. A member shall be entitled to a one-fourth (1/4) vote for each Unit owned *not* improved with a residence. Regardless of the number of owners or form of ownership of a Unit, there shall be only one vote for each Unit (or 1/4 vote), with the designation of the person entitled to cast the vote determine by and among the owners and provided to the Secretary of the Association.

Amendment No. 6.

Subparagraph "7. Roster of Unit Owners and Mortgagees:" under XI. ASSOCIATION is *deleted in its entirety*.

Amendment No. 7.

Under XIII. APPOINTMENT OF MANAGEMENT COMPANY BY ASSOCIATION, the sentence "The initial term of said contract shall be for a period of four years with provision for earlier termination for cause." is *deleted in its entirety*.

Amendment No. 8.

Section XIV. APPOINTMENT OF RENTAL MANAGEMENT COMPANY BY OWNERS is *deleted in its entirety* and shall hereafter be designated "RESERVED".

Amendment No. 9.

Section XVI. AMENDMENTS is *deleted in its entirety* and supplanted with the following:

XVI. AMENDMENTS

1. Notice: Notice and a copy of any proposed amendment(s) shall be included in the notice of a meeting of the members at which such proposed amendment(s) is to be considered.

2. Adoption: Any proposed amendment may be submitted by either the Board of Directors of the Association or by the members of the Association, provided it is in proper

form and included within the notice as set forth above. Any proposed amendment shall be considered and voted upon in person or by proxy at an annual or special meeting of the Association. The Board of Directors may, in its discretion, also adopt a mechanism allowing absentee voting by ballot on any proposed amendment, with such ballots to be included with the tabulation at the meeting of the votes of the persons attending in person or by proxy. An amendment shall pass if it receives the affirmative vote of not less than seventy-five percent (75%) of the votes cast, in person or by proxy or by ballot.

3. Recording: Upon approval of an amendment by the membership, a designated officer of the Association shall certify that the amendment was duly adopted by the membership at a meeting and the amendment shall be thereupon recorded at the Register of Deeds Office for Sevier County, Tennessee.

Amendment No. 10.

Section XIX. DEVELOPER'S RIGHTS, is *deleted in its entirety* and shall hereafter be designated "RESERVED".

Amendment No. 11.

Section XX. ADDITIONS TO PROPERTY, is *deleted in its entirety* and shall hereafter be designated "RESERVED".

AMENDMENTS TO THE BYLAWS:

Amendment No. 1.

The *second sentence* of ARTICLE I, "NAME AND LOCATION" shall be *deleted in its entirety* and supplanted with the following:

ARTICLE I
NAME AND LOCATION

The principal office of the Association shall be as designated by the Board of Directors and meetings of the Members and the directors may be held at such places and times as may be designated by the Board of Directors, subject to any provisions set forth herein.

Amendment No. 2.

ARTICLE IV, "MEETING OF MEMBERS", Section 4.3 Notice of Meetings and Section 4.4 Quorum shall be *deleted in their entirety* and supplanted with the following:

Section 4.3 Notice of Meetings. Notice of meetings of the Members shall be given by the Secretary or other person designated by the Board of Directors at least thirty (30) days prior to such meeting. The notice shall be by mailing a copy of such notice, postage prepaid, to the Member's address last appearing on the books of the Association as supplied by the Member for the purposes of notice. Alternatively, the Board of Directors may adopt means of other forms of notice, including internet or other electronic means, if such means reasonably effectuates notice to the Members *and* the Member affirms he/she wishes to accept notice by

shall specify the place, date and hour of the meeting, and, in the case of a special meeting, the purpose(s) of the meeting. In the event the Board of Directors adopts an electronic, video or audio distant means of participation by the Members other than in person, the notice shall also provide instructions, as needed, to participate by such means.

Section 4.4 Quorum. The presence at the meeting of Members in good standing entitled to cast forty percent (40%) of the votes of the entire Membership shall constitute a quorum for any action or votes be undertaken by the Membership unless otherwise provided for in the Charter, the Master Deed or these By-Laws. For the purposes of determining a quorum, *presence* at a meeting shall include presence in person, by proxy or by electronic, video or audio participation if such means of distant participation is adopted by the Board of Directors for Membership meetings. If a quorum shall not be present at any meeting, Members shall have the power to adjourn the meeting and reschedule the meeting for the purposes of securing a quorum.

Amendment No. 3.

ARTICLE V, "BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE", Section 5.5 Action Taken Without a Meeting shall be *deleted in its entirety*.

Amendment No. 4.

ARTICLE VII, "MEETING OF DIRECTORS", shall be *deleted in its entirety* and supplanted with the following:

ARTICLE VII
MEETING OF DIRECTORS

Section 7.1 Regular Meetings. A regular meeting of the Board of Directors shall be held in conjunction with the annual meeting of the Members and additional meetings of the Board shall be held, from time to time, as determined by the Board.

Section 7.2 Quorum. A majority of the number of Directors shall constitute a quorum of the Board for the purposes of transacting business. Upon the establishment of a quorum, unless otherwise specifically provided herein, the affirmative approval or vote of a majority of the Directors present at a duly held meeting shall be regarded as the approved action of the Board.

Section 7.3 Notice and Action Taken Without a Meeting. The Board Members shall be provided thirty (30) days notice of a regular meeting, unless otherwise provided herein. The Board shall also adopt a means of notice or publication to the Membership of scheduled meetings of the Board of Directors. The Board may adopt procedures and means to participate in regular and special meetings of the Board by means other than personal attendance, including, but not limited to, electronic, video or audio means. In such event, the participation of a Board Member by other than personal presence shall be deemed full attendance for the purposes of a quorum, voting and otherwise. The Board may meet entirely by such alternative means. Provided, however, in such event, the Board Members shall be provided instructions for participating in such meeting and in the notice or publication to the Membership as referenced above, the Board shall also provide a means for Association Members in good standing to listen in to such meeting and present any such matters to the

Board as may be properly presented by a Member. In the event of an emergency or such other circumstances which may imminently impair the Association, its Members or the facilities, the requirements set forth herein may be dispensed with by the President or any two directors and a meeting may be called emergently for the purposes of undertaking any action required to address the matter compelling the meeting. In such event, the need and circumstances for such emergency meeting shall be reflected on the minutes of the next regular meeting of the Board of Directors and the action taken, if any, shall be affirmed by the Board at the next regular meeting.

Amendment No. 5.

Under ARTICLE VIII, "POWERS AND DUTIES OF THE BOARD OF DIRECTORS", Section 8.1 Powers. (a) and (b), shall be *deleted* and supplanted with the following:

(a) adopt such rules and regulations as the Board deems appropriate governing the use of property within the development, including those as may be prescribed by the Master Deed, Charter and By-Laws. Such rules and regulations may include, but not be limited to, matters related to the common areas, architectural requirements, use and regulations of the roadways and conformity with the governing documents of the Association;

(b) suspend the voting rights of a Member during any period in which the Member shall be delinquent in the payment of any assessment, fine or other monetary obligation to the Association. This shall include any fines that may be adopted and published by the Board for the violation of any such rules and regulations adopted by the Board as set forth above. In the event the imposition of fines is adopted within the rules and regulations, the amount and conditions upon which they may be imposed shall be included in the adopted and published rules and regulations.

Amendment No. 6.

Under ARTICLE VIII, "POWERS AND DUTIES OF THE BOARD OF DIRECTORS", Section 8.1 Powers., a new (f), shall be added as follows:

(f) adopt such protocol, procedures or provisions as the Board deems appropriate in connection with any and all common portions of utilities (sewer, water or other) within the development that may be the obligation of the Association, including, but not limited to, designating those portions or operations of which the Association undertakes responsibility and of which the owners and public utility providers are to have responsibility.

Amendment No. 7.

Under ARTICLE VIII, "POWERS AND DUTIES OF THE BOARD OF DIRECTORS", Section 8.2 Duties. (a), shall be *deleted* and supplanted with the following:

(a) cause to be kept and maintained the business, financial and corporate records of the Association in such reasonable means and formats as it may determine and

to make available to the Members, upon request, such records by the means and procedures provided for under the *Tennessee Horizontal Property Act* and the *Tennessee Nonprofit Corporation Act*.

Amendment No. 8.

Under ARTICLE X, "BOOKS AND RECORDS", shall be *deleted in its entirety* and supplanted with the following:

ARTICLE X
BOOKS AND RECORDS

The books and records of the Association shall be maintained and made available to the Membership as set forth in Section 8.2(a) above. The Board may retain electronically or in print form copies of the Master Deed, Charter, By-Laws and rules and regulations of the Association, including any amendments thereto. The Board may also prepare any consolidated document as it deems appropriate to incorporate into one instrument the original and amendments for the benefit of the Membership. The Association may charge a reasonable cost for paper duplication of documents.

Amendment No. 9.

Under ARTICLE XI, "FISCAL MANAGEMENT AND PROCEDURES", Sections 11.2 and 11.3, the wording "on or before February 1st of each year" set forth therein shall be *deleted*.

Amendment No. 10.

Under ARTICLE XI, "FISCAL MANAGEMENT AND PROCEDURES", Section 11.4 Proposed Annual Assessment, shall be *deleted in its entirety* and supplanted with the following:

Section 11.4 Proposed Annual Assessment. The annual budget prepared by the Board of Directors shall include a proposed assessment for each Unit to meet the budgetary requirements of the Association, including any anticipated capital expenses or appropriate reserves.

Amendment No. 11.

Under ARTICLE XI, "FISCAL MANAGEMENT AND PROCEDURES", Section 11.5 Submission to Members, (c) and (d) shall be *deleted* and supplanted with the following:

Section 11.5 Submission to Members. Upon determination of the date for the annual meeting of the Members as provided in Article IV of these By-Laws, the Board of Directors shall cause the Secretary of the Association to mail notice of the annual meeting to each Member of the Association not less than thirty (30) days prior to the time of such meeting. Said notice shall be accompanied by:

- (c) if available, copies of the proposed budget and proposed assessment and copies of any other available documents which may be considered and voted upon by the Members at the annual meeting;

(d) a proxy in the form designated by the Secretary to be signed and returned by those Members who cannot attend the annual meeting in person or by such other electronic means (if adopted by the Board of Association).

Amendment No. 12.

Under ARTICLE XI, "FISCAL MANAGEMENT AND PROCEDURES", Section 11.6 Approval of Budget and Assessment, shall be *deleted* and supplanted with the following:

Section 11.6 Approval of Budget and Assessment. The budget and annual assessment shall be considered and voted upon by the Membership at the annual meeting. They shall be approved if receiving the majority vote of those Members voting, in person, by proxy or by other means as allowed. The proposed budget and assessments may be modified and adjusted upon discussion, amendment and affirmative vote at the annual meeting.

Amendment No. 13.

Under ARTICLE XII, "RULES AND REGULATIONS", shall be *deleted in its entirety* and supplanted with the following:

ARTICLE XII
RULES AND REGULATIONS

The Board of Directors is authorized and empowered to promulgate and adopt rules and regulations as set forth in Section 8.1(a) above. Such rules and regulations shall be binding upon and enforced against all Unit owners, their families, tenants, guests, invitees and occupants. The Association may enforce the collection of any imposed fines under the rules and regulations in the same manner as delinquent assessments, including lien rights as set forth herein.

Amendment No. 14.

Under ARTICLE XIII, "METHOD FOR RESOLVING DEADLOCKS AND DISPUTES", shall be *deleted in its entirety* and the Article shall hereinafter be designated "RESERVED".

Amendment No. 15.

Under ARTICLE XIV, "CORPORATE SEAL", shall be *deleted in its entirety* and the Article shall hereinafter be designated "RESERVED".

Amendment No. 16.

Under ARTICLE XV, "AMENDMENTS", shall be *deleted in its entirety* and supplanted with the following:

ARTICLE XV
AMENDMENTS

These By-Laws may be amended at a regular or special meeting of the Members by the affirmative vote of at least seventy-five percent (75%) of the votes cast in favor of the

AMENDMENTS

These By-Laws may be amended at a regular or special meeting of the Members by the affirmative vote of at least seventy-five percent (75%) of the votes cast in favor of the amendment at the meeting, in person or by proxy or by other adopted means of voting. Provided, however, any proposed amendment(s) to the By-Laws shall be submitted in the notice to the Membership of the annual or special meeting as set forth herein.

CERTIFICATION OF AMENDMENTS

The undersigned Officer and Board member of the Black Bear Falls Owners Association, Inc., for and on behalf of the Board and the Association, does hereby certify that the foregoing amendments to the Master Deed and Bylaws were duly and properly adopted by the membership as heretofore set forth.

BLACK BEAR FALLS OWNERS ASSOC., INC.,
a Tennessee Nonprofit Corporation

BY: Larry A. Bailey
ITS: Director BFF HOA

STATE OF TENNESSEE)
COUNTY OF SEVIER)

Personally appeared before me, the undersigned, a Notary Public, Larry Bailey, 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, and who further acknowledged that he is the Director of Black Bear Falls Owners Association, Inc. and is authorized to execute this instrument on its behalf.

WITNESS my hand, at office, this 13th day of April, 2018.

Genesis A. Duncan
Notary Public
My Commission Expires: 8/20/19



BK/PG: 5118/244-251	
18014411	
8 PGS : AMENDED MASTER DEED	
BATCH: 424420	
04/18/2018 - 01:59 PM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	40.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	42.00
STATE OF TENNESSEE, SEVIER COUNTY CYNDI B LOVEDAY REGISTER OF DEEDS	

BK/PG: 3524/62-68

10014803

7 PGS - AMENDED MASTER DEED	
04/09/2010 - 10:38 AM	
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TRANSFER TAX	0.00
RECORDING FEE	35.00
ARCHIVE FEE	0.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	37.00

STATE OF TENNESSEE, SEVIER COUNTY
SHERRY ROBERTSON HUSKEY
REGISTER OF DEEDS

This instrument prepared by
and when recorded return to:
Richard S. Matlock, Esq.
WOOLF, McCLANE, BRIGHT,
ALLEN & CARPENTER, PLLC
Post Office Box 900
Knoxville, Tennessee 37901-0900
(865) 215-1000

FIRST AMENDMENT TO MASTER DEED OF BLACK BEAR FALLS

THIS FIRST AMENDMENT to the Master Deed is made this 5th day of April, 2010, pursuant to Article XVI, Section 2 of the Master Deed of Black Bear Falls of record at Book 1183, Page 126, in the Register's Office for Sevier County, Tennessee, for the purposes set forth below:

WITNESSETH:

WHEREAS, Article XVI, Section 2 of the Master Deed of Black Bear Falls provides that the Master Deed may be amended upon approval by not less than seventy-five percent (75%) of the votes of the entire membership of the Black Bear Falls Owners Association, Inc. (the "Association"); and

WHEREAS, the members of the Association voted to make certain changes in the Master Deed, by more than seventy-five percent (75%) of the entire membership, in person or by proxy or ballot, at the annual meeting of the Association held on February 20, 2010, pursuant to notice sent January 15, 2010 to members of the Association,

NOW, THEREFORE, pursuant to such vote, the Master Deed is hereby amended as follows:

1. Article IV, Section 15, is amended by striking the contents thereof in their entirety and replacing same with the following:

Sign Restrictions: No sign of any kind shall be displayed to public view on any Lot except one (1) "for sale" sign may be placed in front of any Unit, but such sign shall not exceed 2 square feet in size. Rental Unit Identification signs shall substantially conform to the signage prototype approved at the annual meeting on February 20, 2010, a copy of such prototype is attached to this amendment as Exhibit "C". No other signs will be allowed to be placed on either the Common Elements, Lots, or other property of the Association, including signs hung from lamp posts or attached fencing, except such signage approved by the Association. Any Unit Owner renting a Unit through Vacation Rental By Owner as of April 15, 2010, shall be allowed to keep such Unit Owner's existing sign as long as the Unit continues to be rented through Vacation Rental By Owner; however, if such Unit is subsequently rented through a rental management

company, then such Unit owner must fabricate, install and use the Association-approved signage depicted in Exhibit "C" at the Owner's own expense. If a Unit Owner renting through a rental management company as of April 15, 2010, subsequently begins renting its Unit through Vacation Rental By Owner, then such Owner must thereafter fabricate, install and use the Association-approved signage depicted in Exhibit "C" at the Owner's own expense.

2. Article X, Section 3, is amended by adding to the end of such section the following:

In the event that any Unit Owner remains in default for more than sixty (60) days, the Association reserves the following rights: (a) to discontinue all services to the Unit to which such default pertains (including, without implied limitation, water and sewer service), (b) to restrict the Unit Owner's rights of use to the Common Elements, and (c) to revoke the voting privileges of such Unit Owner during the pendency of such default. The Association may also send past due bills to collection agencies as well as to any rental management company then managing such Unit, if applicable. In the event that any Unit Owner remains in default for more than ninety (90) days, the Association shall place a lien against the Unit to which such default pertains.

3. The charter of the Association shall be amended as shown on the attached Exhibit "A", and such amendment has been or shall be filed with the Secretary of State of Tennessee.
4. The By-laws of the Association shall be amended as shown on the attached Exhibit "B", and such amendment has been or shall be filed with the minutes of the Association.
5. Unless otherwise stated herein, capitalized terms herein shall have the meanings ascribed thereto in the Master Deed. Except as specifically set forth herein, all other terms and conditions of the Master Deed shall remain in full force and effect.
6. The President and Vice President of the Association hereby certify that this Amendment has been approved as required by the terms of the Master Deed.

IN WITNESS WHEREOF, this First Amendment to Master Deed is executed by Association as of the day and year first above written.

[SIGNATURE BLOCK CONTAINED ON FOLLOWING PAGE]

[SIGNATURE PAGE TO FIRST AMENDMENT OF MASTER DEED OF BLACK BEAR FALLS]

BLACK BEAR FALLS OWNERS ASSOCIATION, INC.
A Tennessee non-profit corporation

By: Theresa M. Schlaff
Theresa M. Schlaff, President

Attest: Michael J. Joslin
Michael J. Joslin, Vice President

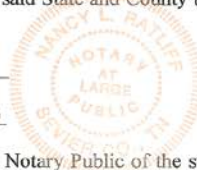


[CORPORATE SEAL]

Before me the undersigned authority, a Notary Public of the state and county aforesaid, personally appeared THERESA SCHLAFF, with whom I am personally acquainted, and who upon oath acknowledged herself to be the duly elected President of Black Bear Falls Owners Association, Inc., a Tennessee non-profit corporation, and that she as President, being authorized to do so, executed the foregoing instrument for the purpose therein contained.

WITNESS my hand and official seal in said State and County this the 5th day of March, 2010.

Nancy L. Ratliff
Notary Public, State of Tennessee
My commission expires: 7/23/2013



Before me the undersigned authority, a Notary Public of the state and county aforesaid, personally appeared MIKE JOSLIN, with whom I am personally acquainted, and who upon oath acknowledged himself to be the duly elected Vice-President of Black Bear Falls Owners Association, Inc., a Tennessee non-profit corporation, and that he as Vice-President, being authorized to do so, executed the foregoing instrument for the purpose therein contained.

WITNESS my hand and official seal in said State and County this the 5th day of March, 2010.

Nancy L. Ratliff
Notary Public, State of Tennessee
My commission expires: 7/23/2013





37
RECEIVED
STATE OF TENNESSEE
2010 APR 13 AM 11:00
TRE HARGETT
SECRETARY OF STATE

FILED

6795.1547

ARTICLES OF AMENDMENT TO THE CHARTER
OF
BLACK BEAR FALLS OWNERS ASSOCIATION, INC.

THIS FIRST AMENDMENT to the charter (the "Charter") of Black Bear Falls Owners Association, Inc. (the "Association") made and entered into this 5th day of April, 2010;

WITNESSETH:

WHEREAS, the Charter of the Association was dated October 1, 2000 and filed with the Secretary of State of Tennessee on October 20, 2000; and

WHEREAS, the members of the Association voted to make certain changes to the Charter, by a vote of more than seventy-five percent (75%) voter approval in person or by proxy or ballot, as required pursuant to Article XV of the Charter, at the annual meeting of the Association held on February 20, 2010, pursuant to notice sent January 15, 2010 to all members of the Association,

NOW, THEREFORE, pursuant thereto, the Charter is amended as follows:

1. Article XIII shall be amended by striking the contents thereof in their entirety and replacing same with the following:

Article XIII, Officers

The Association membership shall elect a President, Vice President, Secretary and Treasurer, in accordance with the terms of the By-laws.

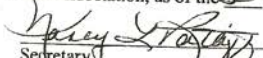
2. Except for the changes expressly set forth herein, the remainder of the Charter shall continue in full force and effect.
3. Approval of the amendment by some person or persons other than the members, the board, or the incorporators is not required pursuant to T.C.A. § 48-60-301.

CERTIFICATION

I, the undersigned, do hereby certify: that I am the duly elected and acting Secretary of BLACK BEAR FALLS OWNERS ASSOCIATION, INC. a Tennessee not-for-profit corporation; and

THAT the foregoing First Amendment to Charter contains the amendments duly adopted at the Annual Meeting of the Members and Board of Directors of the Association on February 20, 2010.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, as of the 5th day of APRIL, 2010.


Secretary



RECEIVED
STATE OF TENNESSEE
2010 APR 13 AM 11:00
TERRY HARGETT
SECRETARY OF STATE

8705.1549

EXHIBIT "B"
To First Amendment to Master Deed of Black Bear Falls

**FIRST AMENDMENT OF THE BYLAWS OF
BLACK BEAR FALLS OWNERS ASSOCIATION**

April 5th, 2010

THIS FIRST AMENDMENT to the By-laws (the "By-laws") of Black Bear Falls Owners Association, Inc. (the "Association") made and entered into this 5th day of April, 2010;

WITNESSETH:

WHEREAS, the By-laws were dated October 1, 2000 and filed in the minute book of the Association; and

WHEREAS, the members of the Association voted to make certain changes to the By-laws, by a vote of more than seventy-five percent (75%) voter approval in person or by proxy or ballot, as required pursuant to Article XV of the By-laws, at the annual meeting of the Association held on February 20, 2010, pursuant to notice sent January 15, 2010 to all members of the Association,

NOW, THEREFORE, pursuant to such vote, the By-laws are hereby amended as follows:

1. Section 9.1 shall be amended by striking the contents thereof in their entirety and replacing same with the following:

Section 9.1 Enumeration of Offices. The officers of this Association shall be a President, who shall at all times be a member of the Board of Directors, a Vice President, a Secretary and a Treasurer. The offices of President and Treasurer, Vice-President and Treasurer, or Secretary and Treasurer may be held by the same person.

2. Section 9.3 shall be amended by striking the contents thereof in their entirety and replacing same with the following:

Section 9.3 Term. The officers of this Association shall be elected every two years by the Association and each shall hold office for a two (2) year term or until his/her successor is duly elected and qualified unless he/she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

3. Section 9.7 shall be amended by inserting a new paragraph at the end of Section 9.7, which shall read as follows:

VICE PRESIDENT

(d) The Vice President shall be engaged in the activities of the Association and assist the President in fulfilling his or her duties. The Vice President will perform and/or assume the duties of the President during times of the President's absence or if the office of President becomes unoccupied, all in accordance with applicable provisions of Tennessee law.

4. A new Section 9.8 shall be added between Section 9.7 and Section 10, and shall read as follows:

Section 9.8 Discount of Assessments for Officers. Notwithstanding any language to the contrary contained in Section 5.4, Compensation, and Section 9.1, Enumeration of Offices, the Officers of this Association shall receive, at all times in which they are serving in office, a set fee discount with respect to the Assessments on not more than one (1) Unit owned by such Officer, in the form of a set fee discount of dues in the following manner:

President - Assessments discounted by \$107.00 per month;
Vice President - Assessments discounted by \$53.50 per month; and
Treasurer- Assessments discounted by \$53.50 per month

Provided, however, that such discounts only apply to such Officers' Assessments that are paid within ten (10) days of the due date. Moreover, such discounts shall not apply during any period in which a property management company is operating the Association.

5. A new section 11.11 shall be added as follows:

11.11 Common Area Work Approval. All work performed and paid by the Association to the limited common area appurtenant to the Unit owned by an Officer, other than grass cutting, is to have approval from the Board of Directors and the work performed and amount paid for such work is to be disclosed at the next annual meeting of the Association. In the event that such work is performed, not disclosed by the Officer and later discovered, such officer shall pay restitution to the Association for such work.

There are no further amendments to the By-laws, and the remaining provisions of the By-laws shall remain in full force and effect, as amended herein.

[CERTIFICATION CONTAINED ON FOLLOWING PAGE]
CERTIFICATION

I, the undersigned, do hereby certify: that I am the duly elected and acting Secretary of BLACK BEAR FALLS OWNERS ASSOCIATION, INC. a Tennessee not-for-profit corporation; and

THAT the foregoing First Amendment to By-laws contains the amendments duly adopted at the Annual Meeting of the Members and Board of Directors of the Association on February 20, 2010.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association, as of the 5th day of April, 2010.


Secretary



Instrument Corrected: First Amendment to Master Deed of Black Bear Falls filed at Book 3524, Page 62, Register's Office for Sevier County, Tennessee.

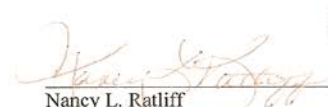
AFFIDAVIT OF SCRIVENER'S ERROR

STATE OF TENNESSEE)
COUNTY OF SEVIER)

Comes now, Nancy L. Ratliff, who, after being duly sworn according to law, does upon oath depose and state as follows:

1. I am above the age of 18 years and have personal knowledge of the matters set forth in this Affidavit.
2. I am a resident of Sevier County, Tennessee.
3. I am the secretary of Black Bear Falls Owners Association, Inc.
4. As secretary of Black Bear Falls Owners Association, Inc., I previously recorded the First Amendment to Master Deed of Black Bear Falls Owners Association, Inc. on April 9, 2010, at Book 3524, Page 62, in the Register's Office for Sevier County, Tennessee.
5. In recording the First Amendment to the Master Deed of Black Bear Falls Owners Association, Inc., I omitted Exhibit A, which is the Articles of Amendment to the Charter of Black Bear Falls Owners Association, Inc.
6. To correct this omission, I have attached a copy of the filed First Amendment to the Master Deed of Black Bear Falls Owners Association, Inc., which now includes the previously omitted Exhibit A. Exhibit A has been stamped "Filed" with the Tennessee Secretary of State's Office.


FURTHER AFFIANT SAITH NOT.



Nancy L. Ratliff



Sworn to and subscribed before me this 31 day of April, 2010.



Notary Public

My Commission Expires:

2/9/13

669575.1

This instrument prepared by:
WOOLF, McCLANE, BRIGIT, ALLEN & CARPENTER, PLLC (BCS)
900 Riverview Tower, 900 S. Gay Street, Knoxville, Tennessee 37902-1810

STATE OF TENNESSEE)
COUNTY OF SEVIER)

Before me, a Notary Public in and for the state and county aforesaid, personally appeared Nancy L. Ratliff, to me known (or proved to me on the basis of satisfactory evidence) to be the person described in and who executed the foregoing instrument, and acknowledged that she executed the same as her free act and deed.

Witness my hand and seal, this 21 day of April, 2010.



Notary Public

My Commission Expires:
3/9/13



EXHIBIT "C"
To First Amendment to Master Deed of Black Bear Falls
[Approved Signage]



**Black Bear Falls
Log Home Community**

Name Of Your Cabin

www.blackbearfalls.com

Rental Agency: Unit # (if applicable)
Name of Rental Company Here
www.nameofrentalcompanywebsite.com
865-000-0000

294999v.1 002/85501

BK/PG: 3532799-809
10017548

TI PG3 - SCRIVENERS AFFIDAVIT	
04/27/2010 - 08:00 AM	
MOBILE BATCH: 170391	VALUE
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	\$5.00
ARCHIVE FEE	0.00
DPT FEE	2.00
REGISTER'S FEE	0.00
LOTT. AMOUNT	57.00
... STATE OF TENNESSEE, SEVIER COUNTY	



**AMENDMENTS TO THE MASTER DEED AND BYLAWS
OF
BLACK BEAR FALLS**

Pursuant to Article XVI., Section 2. of the Master Deed of Black Bear Falls, as amended, and Article XV. of the Bylaws, the membership of the Black Bear Falls Owners Association, Inc. did approve by the requisite vote of the membership as counted and determined at its annual meeting on March 2, 2019, the following amendments to the Master Deed *and* Bylaws of the Association:

Amendment No. 1.

Section XX. of the **Master Deed**, originally designated as "ADDITIONS TO PROPERTY" and currently designated as "RESERVED", shall now read as follows:

XX. LIMITATIONS ON EXTENSION OF DEVELOPMENT

1. The perimeter of the development shall be as currently platted with the existing boundaries. There shall be no annexation of - or extension to - any contiguous or other property for the purpose of allowing additional lots within the development or resulting in additional membership in the Association. Nothing herein is intended to prohibit the purchase or annexation of contiguous or separate property for recreational, utility or other common purposes, but not otherwise.

Amendment No. 2.

The following paragraph 2. shall be included under XX. LIMITATIONS ON EXTENSION OF DEVELOPMENT of the **Master Deed**:

2. The roadways, utilities, amenities, common areas and common elements shall not be granted to, extended to or allowed for use by owners of any contiguous or separate properties existing outside of the current perimeter of the development, but rather are reserved for the sole use and benefit of the owners in Black Bear Falls, their invitees, guests, successors and assigns.

Amendment No. 3.

The *last sentence* under XVI. AMENDMENTS, 2. Resolution of Adoption of the **Master Deed** is *deleted in its entirety* and supplanted with the following:

An amendment shall pass if it receives the affirmative vote of not less than sixty-six and two-thirds (66-2/3) of *all* eligible votes of the owners in the development. An owner is eligible to vote if in good standing with the Association.

Amendment No. 4.

ARTICLE V. BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE, Section 5.1 Number, of the **Bylaws** shall be *deleted in its entirety* and supplanted with the following:

Section 5.1 Number: The affairs of the Association shall be managed by a Board of Directors consisting of no less than three (3) members and not to exceed nine (9) members. To the extent possible, the Board membership shall be an odd number.

CERTIFICATION OF AMENDMENTS

The undersigned Officer and Board member of the Black Bear Falls Owners Association, Inc., for and on behalf of the Board and the Association, does hereby certify that the foregoing amendments to the Master Deed and Bylaws were duly and properly adopted by the membership as heretofore set forth.

BLACK BEAR FALLS OWNERS ASSOC., INC.,
a Tennessee Nonprofit Corporation

BY: [Signature]
ITS: President

STATE OF OHIO)
COUNTY OF Hamilton)

Personally appeared before me, the undersigned, a Notary Public, John Gillman, 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, and who further acknowledged that he is the President of Black Bear Falls Owners Association, Inc. and is authorized to execute this instrument on its behalf.

WITNESS my hand, at office, this 16th day of May, 2019.

[Signature]
Notary Public
My Commission Expires: 9-8-2020



TAMI L. SMITH
Notary Public, State of Ohio
My Commission Expires
September 8, 2020

[2]

BK/PG: 5330/287-288
19016052

2 PGS : AMENDED MASTER DEED	
BATCH: 466264	
05/24/2019 - 08:10 AM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	10.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	12.00

STATE OF TENNESSEE, SEVIER COUNTY
CYNDI B PICKEL
REGISTER OF DEEDS