

HORSESHOE COVE MARINA ASSOCIATION AGREEMENT

DEFINITIONS:

- *Horseshoe Cove Subdivision Marina* – the area of the Horseshoe Cove Subdivision located in Carter County, Tennessee set aside for a marina and as referenced on the deed between Horseshoe Cove Properties, Inc. and Horseshoe Cove Property Owners Association (POA), Inc. dated July 10, 2003, and recorded in the Register of Deeds for Carter County at Book D478, Page 452. It is heretofore referenced herein as the “Marina.”
- *Owners* – the owners of the boat slips at the Marina as further shown on Exhibit A attached hereto and all subsequent owners. All person owning or seeking to own a boat slip at the Marina shall also own a lot in the Horseshoe Cove Subdivision.
- *Horseshoe Cove Marina Association* – the Owners working together under this Agreement for the purpose of maintaining the Marina. It is understood that this is contractual association and is not acting as a homeowners’ association or other registered entity. Heretofore it is reference herein as the “Association.”
- *Boat Slip(s)* – those parts of the Marina dock that each Owner has purchased.
- *Assessments* – the total of all insurance, upkeep and other costs as agreed and incurred by the Association for the benefit of the Marina.
- *Common Structures* – those improvements, structures and fixtures at the Marina that are used jointly by all Owners.

AGREEMENT:

It is hereto agreed by the Owners that:

1. All Owners shall consent to be bound by the Agreement and sign a document in writing agreeing to the same. Their consent and this Agreement may be recorded in the office for the Register of Deeds of Carter County, Tennessee.
2. Each Owner shall deliver to the Association with their consent to this Agreement a copy of their recorded deed, bill of sale, or other documentation evidencing ownership of their Boat Slip. The Association shall have the right to review all documentation of ownership and approve the same.

3. All Owners shall have one vote per Boat Slip owned. All elected/voted upon or approved actions shall be passed by a simple majority of the total possible votes. For example, if there are 14 slips, then 8 votes shall be required to approve a proposed action.
4. All notices are to be in writing and sent to the address of record for each Owner as provide to the Secretary of the Association. Written notices may be made by fax or email at the election of the Owner, and such election shall be provided tot eh Secretary of the Associations along with the fax number or email address. Five (5) days after mailing/faxing of a written notice it will be deemed to have been received.
5. The Owners shall elect a President, a Secretary and a Treasurer. These persons shall serve or one year unless no persons are elected to replace them. The President shall be responsible for arranging for all meetings of the Owners, overseeing that the covenants and restrictions recorded herein are adhered to, and enforcing the same. The Secretary shall take minutes of each meeting of Owners and be responsible for the delivery of all notices and resolutions. The Treasurer shall be responsible for collection of all dues, assessments, and fines and keeping all financial records and transactions of the Association.
6. The President, Secretary, and Treasurer shall be indemnified by the Association and released of any and all liability for the good faith performance of their duties under this Agreement and/or on behalf of the Association. No Owner shall have a right of action against the President, Secretary, or Treasurer for their good faith actions in performance of their office.
7. Meeting of the Owners shall take place at least yearly on a date as agreed by the Owners, but no later that Jun1 of each year. In the event no agreement on a date can be reached, the President shall choose a date and notify each Owner in writing at least ten (10) days prior to the meeting date. Electronic attendance at a meeting shall be permitted at the discretion of the President of the Association.
8. Ant three (3) Owners may together call a meeting of the Owners by giving written notice to all Owners of at least twenty (20) das of the date, time, location, and purpose of the meeting. Attendance at a meeting waives all notice and Owners may agree to waive notice of meeting. A meeting may also be called by the President of the Association by giving written notice to all Owners of at least twenty (20) days of the date, time, location, and purpose of the meeting.
9. The Owners by vote shall determine rules for the use of the boat slips. The Owners may by vote or resolution amend, terminate, or otherwise modify this Agreement.
10. The Association may carry insurance as agreed by vote of the Owners. The cost of such insurance shall be added to the Assessments.

11. The Association shall make repairs and do maintenance to the Marina and its Common Structures as needed. The cost of such shall be added to the Assessments. Costs greater than \$1,000 for a single repair, or greater than \$2,000 for the year shall require a vote of the Owners. All repair costs less than \$1,000 shall be signed for by the Treasurer. All repairs greater than \$1,000 shall require the signature of the President and the Treasurer.
12. Each Owner shall pay a portion of the Assessments proportional to the number of Boat Slips owned in the Marina. All notice of Assessments must be delivered in writing to the Owners by the Secretary, and Owners shall pay the same within ten (10) days of receipt to the Treasurer. The Owners may set an annual estimated Assessment to be paid by June 1 of each year.
13. An Owner shall not sell, rent, or lease a Boat Slip without approval of the Association, such approval to be by vote of the Owners. Likewise, an Owner shall not allow others to use their Boat Slip without payment more than three (3) times per calendar year without approval of the Association, such approval to be by vote of the Owners. This restriction shall not apply to the spouse and children of the Owner. All sales or leases in violation of this Agreement shall be deemed null and void. However, at all times an Owner, without approval of the Association may sell a boat slip along with the Owner's lot(s) in the Horseshoe Cove Subdivision provided the lot and boat slip are both sold to the same purchaser.
14. All Owners agree to keep their mooring in good order and keep boats and other marine vehicles moored inside their Boat Slip when not in operation. No boats or other marine vehicles or floating objects shall be moored outside a Boat Slip except as agreed by the Owners by vote.
15. All common walkways, docks, and access points shall be kept clear and free of debris at all times.
16. In the event of a common disaster that destroys or substantially destroys a Common Structure, the Association may, but shall not be required to replace the structure if insurance is inadequate to pay for its replacement.
17. Owners agree to at all times obey any and all rules, regulation, laws, and requirements for boating in the State of Tennessee, the Tennessee Valley Authority and all county and municipal entities.
18. Violations of this Agreement and/or the rules put forth by the Association by a vote of the Owners shall be punishable by a fine of \$150 per incident, unless otherwise set by the Association. The President shall have the authority and responsibility to assess all fines to an Owner less than \$200 by written notice to the Owner and take action to collect the same if unpaid within thirty (30) days. Any fines in excess of \$450 (including multiple

incidents within a calendar year) shall be voted on by the Owners. The Association shall be empowered to take further action against and Owner for violations of the Agreement as agreed by majority vote including but not limited to restricting access to the Common Structures, rescinding voting rights on Association actions, enforcement of judgment by lien, and/or such other punishments as with their right and power.

19. All costs of collection including, but not limited to, court costs and attorney fees shall be assessed against the Owner owing the fine or Assessment. All Assessments and fines not timely paid shall accrue interest of 8% per annum or the maximum permitted under law if such is usurious. Owners agree in advance to a lien on their boat slips for the amount of any fines or unpaid Assessments including costs of collection and interest.
20. Any further addition of boat slips must be approved by a vote of the Owners. If boat slips are to be added, there must be an even number of slips added at one time, although not all added slips must be owned by the same person.

This Agreement is deemed accepted upon the consent signed by each of the Owners as listed on Exhibit A and attached hereto. Effective date of the Agreement being the date on the latest Owner's consent received.