

Prepared by and Upon Recording Return to:  
Rarity Bay Community Association, Inc.  
1010 William Blount Drive,  
Maryville, TN 37801

COPY

STATE OF TENNESSEE

COUNTIES OF LOUDON AND MONROE

AMENDMENT TO  
BY-LAWS OF RARITY BAY COMMUNITY ASSOCIATION, INC.  
AMENDMENT TO  
MASTER DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR RARITY BAY  
(Increase in Maximum General Assessment)

THIS AMENDMENT is made this 17th day of May 2010, Rarity Management Company, LLC, a Tennessee limited liability company (hereinafter referred to as "Declarant").

1. Tellico Lake Properties, L.P. ("Original Declarant") prepared and filed of record that certain Master Declaration of Covenants, Conditions, and Restrictions for Rarity Bay recorded in Trust Book 444, Page 248, and noted in Book V, Page 232, and amended in amendment recorded in Book T1057, page 890, in the Register's Office of Loudon County, Tennessee and in Trust Book M112, Page 323 and noted in Book 43, Page 232, and amended in amendment recorded in Book M208, page 715, in the Register's Office of Monroe County, Tennessee (as amended, hereinafter referred to as the "Master Declaration"); and
2. Original Declarant prepared and filed of record the By-Laws of Rarity Bay Community Association, Inc. in Book M192, Pages 481-521 in the office of the Register of Deeds for Monroe County, Tennessee and in Book T979, Pages 216-256 in the Office of the Register of Deeds for Loudon County, Tennessee (as amended, hereinafter referred to as the "By-Laws"); and
3. The rights and obligations of Original Declarant under the Master Declaration and under the By-Laws were assigned by Original Declarant to Declarant under that amendment recorded in Book T1057, page 890, the Register's Office of Loudon County, Tennessee, and in Book M208, page 715, in the Register's Office of Monroe County, Tennessee; and
4. Section 13.10 *Amendment* of the By-Laws allows for the By-Laws to be unilaterally amended for any purpose by the Declarant until termination of the Development Period and Section 13.2 *Amendment by Declarant* of the Master Declaration allows for the Master Declaration to be unilaterally amended for any purpose by the Declarant until termination of the Development Period; and
5. Conditions for termination of the Development Period have not been met; and
6. The Association has experienced an unexpected financial burden creating a need for additional funds to fulfill its duties; and

7. The Declarant desires to amend Section 7.3 *Maximum General Annual Assessment* of the Declaration and Section 12.3 *Maximum General Annual Assessment* of the By-Laws for the calendar year 2010.

NOW, THEREFORE, the Declarant does hereby amend the By-Laws and Master Declaration as follows:

ARTICLE 1  
Maximum General/Annual Assessment - Current

The following verbiage is currently stated in Section 7.3 *Maximum General Annual Assessment* of the Declaration and Section 12.3 *Maximum General Annual Assessment* of the By-Laws:

The General Assessment for each Member may not exceed the "Maximum Annual Assessment". The Maximum Annual Assessment is calculated using a base Maximum Annual Assessment for fiscal year 1995 of \$240.00. The Maximum Annual Assessment will be increased over the previous year's Maximum Annual Assessment by the greater of five percent (5%) or the Consumer Price Index for the twelve (12) month period ending December 31 of the preceding year using the "All Urban Consumer, U.S. City Average" for "General Summary, All Items" as promulgated by the U.S. Department of Labor and Statistics, whichever is greater.

The Board shall not be required to set the General Assessment any given year at the Maximum Annual Assessment, however, the Board shall not be entitled to set the General Assessment for any given year above the Maximum Annual Assessment for that year without the approval of members holding sixty-seven percent (67%) of the votes represented at a meeting called for that purpose.

The Maximum Annual Assessment shall not affect the Board's ability to set Neighborhood Assessments, Special Assessments and Specific Assessments, all of which shall be excluded from consideration of the Maximum Annual Assessment.

ARTICLE 2  
Maximum General/Annual Assessment - Increase

The Association has experienced an unexpected financial burden resulting in insufficient funds to meet its duties under the By-Laws and the Master Declaration creating a need for additional funds.

For the fiscal year 2010, the Maximum Annual Assessment is amended to be Five Hundred Sixty-Three Dollars (\$563.00).

ARTICLE 3  
Annual General Assessment for Futures Fiscal Years

The Maximum Annual Assessment for future fiscal years is to be calculated using a base Maximum Annual Assessment for fiscal year 2010 of Five Hundred Sixty-Three Dollars (\$563.00).

ARTICLE 4  
Questions on Assessments

The Board shall timely act upon any question as to any component of a General Assessment and provide written notice to any Member raising such question. Any such determination by the Board

shall be deemed final and binding upon the Member. Notwithstanding, to the extent litigation over any such issue is initiated by Members(s), the Member(s) so bringing and initiating such litigation shall be required to pay all reasonable attorneys' fees incurred by the Board and/or Declarant to the extent the Court upholds any portion of the General Assessment questioned.

ARTICLE 5  
Amendment

This Amendment to the By-Laws may be amended in accordance with Section 13.10 of the By-Laws. Except as specifically amended hereby, the By-Laws and all terms thereof shall remain in full force and effect. This Amendment to the Master Declaration may be amended in accordance Section 13.2 of the Master Declaration. Except as specifically amended hereby, the Master Declaration and all terms thereof shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Amendment the day and year first above written.

DECLARANT:

Rarity Management Company, LLC,  
a Tennessee limited Liability Company,

By: Michael L. Ross  
Michael L. Ross, Development Manager

STATE OF TENNESSEE  
COUNTY OF BLOUNT

Before me, the undersigned authority, a Notary Public in and for said State and County, personally appeared Michael L. Ross, with whom I am personally acquainted, and who, upon: oath, acknowledged himself to be the Development Manager of RARITY MANAGEMENT COMPANY, LLC, a Tennessee Limited Liability Company, the within named Declarant, and that he as such member, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporations by himself as such Manager. .

WITNESS my hand and seal at office in Maryville, Tennessee, this 17th day of May, 2010.

Pamela Lane  
Notary Public

My commission expires: 8/14/11

