

Secretary of State  
Division of Business Services  
312 Eighth Avenue North  
6th Floor, William R. Snodgrass Tower  
Nashville, Tennessee 37243

DATE: 01/22/07  
REQUEST NUMBER: 5923-0128  
TELEPHONE CONTACT: (615) 741-2286  
FILE DATE/TIME: 01/22/07 0949  
EFFECTIVE DATE/TIME: 01/22/07 0949  
CONTROL NUMBER: 0539303

TO:  
EMERALD BAY HOMEOWNERS ASSOCIATION, INC.  
12796 EMERALD BAY  
DRIVE  
SODDY DAISY, TN 37379

RE:  
EMERALD BAY HOMEOWNERS ASSOCIATION, INC.  
CHARTER - NONPROFIT

CONGRATULATIONS UPON THE INCORPORATION OF THE ABOVE ENTITY IN THE STATE OF TENNESSEE, WHICH IS EFFECTIVE AS INDICATED.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH THE WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE DISSOLUTION.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A CORPORATION HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

FOR: CHARTER - NONPROFIT

ON DATE: 01/22/07

FROM:  
JAMES C. HEARTFIELD  
2288 GUNBARREL RD  
SUITE 111  
CHATTANOOGA, TN 37421-0000

FEES  
RECEIVED: \$100.00 \$0.00  
TOTAL PAYMENT RECEIVED: \$100.00

RECEIPT NUMBER: 00004077109  
ACCOUNT NUMBER: 00547746



SS-4458

*Riley C. Darnell*

RILEY C. DARNELL  
SECRETARY OF STATE

**FILED**

**CHARTER  
OF THE  
EMERALD BAY HOMEOWNERS ASSOCIATION, INC.**

Pursuant to the powers granted in the Declarations (as hereinafter defined) to George W. Luttrell, Jr. and to Timothy L. McClure and McClure Construction Company (and as successor-in-part to George W. Luttrell, Jr.) as Developer of the Subdivisions (as hereinafter defined), the undersigned, having the capacity to contract and acting as the incorporator of the corporation under the Tennessee Nonprofit Corporation Act, adopts the following Charter for such corporation.

**ARTICLE I  
NAME**

The name of the corporation is the:

**EMERALD BAY HOMEOWNERS ASSOCIATION, INC.** (hereinafter the "Association").

**ARTICLE II  
BENEFIT CORPORATION**

The Association is a mutual benefit corporation.

**ARTICLE III  
INITIAL REGISTERED OFFICE AND REGISTERED AGENT**

The street address of the initial registered office of the Association is: 12796 Emerald Bay Drive, Soddy Daisy, Tennessee 37379, in Hamilton County, and the name of the registered agent at that address is Karl J. Kinkead.

**ARTICLE IV  
INCORPORATOR**

The name and address of the Incorporator in the State of Tennessee is: Valerie Merkel, AccuDocs, 124 Westfield Drive, Columbia, Tennessee 38401 in Maury County.

**ARTICLE V  
PRINCIPAL OFFICE**

The street address and zip code of the initial principal office of the Association is: 12796 Emerald Bay Drive, Soddy Daisy, Tennessee 37379, in Hamilton County.

ARTICLE VI  
CORPORATION NOT FOR PROFIT

The Association is nonprofit.

ARTICLE VII  
MEMBERSHIP AND VOTING RIGHTS

As set forth in the By-Laws (as hereafter defined), the Association shall have one (1) class of membership consisting of each Owner (as define in the Declarations) of fee title to a Lot (as defined in the Declarations) which Lot is subject to the Declarations, provided that any such Owner who holds such title or interest merely as security for the performance of an obligation shall not be a Member of the Association. Each Member of the Association shall have such voting and other rights as may be granted to the Member under the By-Laws of the Association.

ARTICLE VIII  
PERIOD OF DURATION

The Association shall have perpetual duration.

ARTICLE IX  
PURPOSES AND POWERS

The Association is being organized as a nonprofit corporation under the laws of the State of Tennessee for the purpose of performing certain functions for the common good and general welfare of the residents and property owners within the Subdivisions as contemplated by: (i) the Declaration of Covenants and Restrictions for Emerald Bay executed by George Luttrell as Developer, and recorded at Book 5266, Page 234 and amended to Book 6296, 565 in the public records of the Register's Office of Hamilton County, Tennessee and any subsequent amendments or additions thereto (collectively the "Emerald Bay Declarations"), (ii) the Declaration of Covenants and Restrictions for Emerald Point at Emerald Bay executed by George Luttrell as Developer, and recorded at Book 5266, Page 234 in the public records of the Register's Office of Hamilton County, Tennessee and any subsequent amendments or additions thereto (collectively the "Emerald Point Declarations"), (iii) the Declaration of Covenants and Restrictions for Emerald Lake at Emerald Bay executed by George Luttrell as Developer, and recorded at Book 5378, Page 222 in the public records of the Register's Office of Hamilton County, Tennessee and any subsequent amendments or additions thereto (collectively the "Emerald Lake Declarations"), (iv) the Declaration of Covenants and Restrictions for Patten Place executed by Tim McClure as Developer, and recorded at Book 6296, Page 527 in the public records of the Register's Office of Hamilton County, Tennessee and any subsequent amendments or additions thereto (collectively the "Patten Place Declarations"), and (v) the Declaration of Covenants and Restrictions for Brooke Stone executed by Tim McClure and McClure Construction Company, LLC as Developer, and recorded at Book 6966, Page 540 in the public records of the Register's Office of Hamilton County, Tennessee and any

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subsequent amendments or additions thereto (collectively the "Brooke Stone Declarations") (all of the Emerald Bay Declarations, Emerald Point Declarations, Emerald Lake Declarations, Patten Place Declarations and Brooke Stone Declarations together with all subsequent amendments or additions thereto being collectively referred to herein as the "Declarations" or separately with respect to a particular Subdivision as the context may require as the "Declaration"). Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to such terms in the Declarations.

Pursuant to the Declarations, there shall be one homeowners association for the real estate developments and subdivisions known as Emerald Bay, Emerald Point at Emerald Bay, Emerald Lake at Emerald Bay, Patten Place and Brooke Stone (individually a "Subdivision" and collectively, the "Subdivisions" and/or as may sometimes be referred to herein and in the Declarations individually as a "Development" or collectively as the "Developments"), and the Association shall serve as the single combined homeowners association for the Subdivisions. The Association shall have and may exercise all powers necessary or convenient to effect this purpose as set forth above, including, to the extent and only to the extent necessary to carry out such purpose, the following powers and duties in addition to those set forth and contained in the By-Laws:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in the Declarations, and as the same may be amended from time to time as therein provided, said Declarations being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment of any lawful means, all charges or assessments pursuant to the terms of the Declarations; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association (including Common Properties);

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

(d) borrow money, and with the assent of sixty-seven percent (67%) of the votes of the Members present and entitled to vote, in person or by proxy, and voting at a duly held meeting, mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Properties to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the Members; provided that such dedication or transfer shall have the assent of sixty-seven percent (67%) of the votes of the Members present and entitled to vote, in person or by proxy, and voting at a duly held meeting;

(f) participate in mergers and consolidations with other nonprofit associations organized for the same purposes provided that any such merger or consolidation shall have the assent of sixty-seven percent (67%) of the votes of the Members present and entitled to vote, in person or by proxy, and voting at a duly held meeting; and

(g) have and exercise any and all powers, rights and privileges which an association organized under the laws of the State of Tennessee may now or hereafter have or exercise.

#### ARTICLE X BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of Directors. The number of directors may be changed by amendment of the By-laws of the Association. The initial Board of Directors shall consist of five (5) members, who shall be:

Karl J. Kinkead of Hamilton County, Tennessee;  
Robert Kirm of Hamilton County, Tennessee;  
Jay Prestwood of Hamilton County, Tennessee;  
Glenn Crause of Hamilton County, Tennessee; and  
Jerry Dempsey of Hamilton County, Tennessee.

The initial members of the Board of Directors shall serve until their successors are appointed or elected in accordance with the By-laws of the Association.

#### ARTICLE XI REMOVAL OF DIRECTORS AND VACANCIES

A director may resign from the Board of Directors or may be removed or replaced, with or without cause, upon the assent of sixty-seven percent (67%) of the votes of the Members present and entitled to vote, in person or by proxy, and voting at a duly held meeting in compliance with the terms of the By-Laws and the laws of the State of Tennessee.

#### ARTICLE XII OFFICERS

The initial officers of the Association consisting of a Chairman of the Board, a President, a Vice-President, a Secretary and a Treasurer shall be selected by the Board of Directors in accordance with the By-laws of the Association.

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### ARTICLE XIII INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Association shall indemnify its directors and officers and may indemnify its employees and agents, to the fullest extent permitted under the By-Laws and under applicable law. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such director or officer of the Association may be entitled.

### ARTICLE XIV BY-LAWS

The initial text of the By-Laws for the Association shall be those set forth and contained in Book 5266, Pages 276 - 290 of the Emerald Point Declarations recorded in the public records of the Register's Office of Hamilton County, Tennessee together with any subsequent amendments or additions thereto (collectively the "By-Laws"). Upon filing and recordation of this Charter, the Association will be formed as contemplated in the Declarations and the Developer will adopt said By-Laws by a separate written instrument to be recorded in the Register's Office of Hamilton County, Tennessee. Thereafter, the By-Laws may be amended, modified or revoked upon the assent of sixty-seven percent (67%) of the votes of the Members present and entitled to vote, in person or by proxy, and voting at a duly held meeting in compliance with the terms of the By-Laws and the laws of the State of Tennessee.

### ARTICLE XV CHARTER AMENDMENT

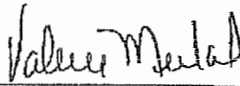
Any amendment and/or restatement of this Charter shall require the assent of sixty-seven percent (67%) of the votes of the Members present and entitled to vote, in person or by proxy, and voting at a duly held meeting in compliance with the terms of the By-Laws and the laws of the State of Tennessee.

### ARTICLE XVI DISSOLUTION AND DISPOSITION OF ASSETS UPON DISSOLUTION

The Association may be dissolved only if such dissolution is approved by a vote of sixty-seven percent (67%) of the votes of the Members present and entitled to vote, in person or by proxy, and voting at a duly held meeting and in compliance with the laws of the State of Tennessee. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated and conveyed to one or more appropriate public agencies on the express condition that such assets shall be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Association. In the event that such dedication is refused acceptance, such assets shall be conveyed to a nonprofit corporation, nonprofit association, nonprofit trust or other nonprofit organization on the express condition that such assets shall be devoted to purposes as nearly as practicable to the same as those to which they were required to be devoted by the Association.

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SECRETARY OF STATE

IN WITNESS WHEREOF, the undersigned executes this Charter.



Valerie Merkel, Incorporator

Date: 1-19-07

RILEY UARMELL  
SECRETARY OF STATE

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