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IN THE TENNESSEE PUBLIC UTILITY COMMISSION
AT NASHVILLE, TENNESSEE

IN RE:	)	
	)	
COMPLAINT AND PETITION OF THE	)	
CONSUMER ADVOCATE DIVISION	)	**Docket No. 25-00048**
IN THE OFFICE OF THE ATTORNEY	)	
GENERAL AGAINST TELLICO VILLAGE	)	
PROPERTY OWNERS ASSOCIATION, INC.	)	
	)	

CONSUMER ADVOCATE'S PETITION TO INTERVENE AND/OR COMPLAINT FOR THE TENNESSEE PUBLIC UTILITY COMMISSION TO CONVENE A SHOW CAUSE PROCEEDING AGAINST TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION, INC.

The Consumer Advocate Division of the Office of the Tennessee Attorney General ("Consumer Advocate"), by and through counsel, pursuant to Tenn. Code Ann. § 65-4-118, respectfully files this *Petition and Complaint* request the Tennessee Public Utility Commission ("TPUC" or "Commission") grant the Consumer Advocate's intervention in this Docket or, in the alternative, to convene a show cause proceeding requiring Tellico Village Property Owners Association, Inc. to appear before the Commission to show cause why the Commission should not have jurisdiction over the Tellico Village Property Owners Association, Inc. as a regulated public utility, and why the Commission should not take other actions it deems appropriate for the following violations of state law:

1. Operation of a public utility without a Certificate of Public Convenience and Necessity (CCN) in violation of Tenn. Code Ann. § 65-4-201;

2. Failure to pay an annual inspection fee in violation of Tenn. Code Ann. § 65-4-301(a);

3. Failure to file a tariff in violation of Tenn. Code Ann. § 65-5-102; and

4. Charging rates not approved by the Commission in violation of Tenn. Code Ann. § 65-5-101 and/or 65-5-103.

I. JURISDICTION

The Commission is "specifically authorized and charged under Tenn. Code Ann. § 65-1-113, to ensure that the laws of this state as they relate to the [Commission's] jurisdiction over public utilities 'are enforced and obeyed, that violations thereof are promptly prosecuted, and all penalties due the state are collected.'"[1] The Commission is empowered to hear the Consumer Advocate's *Petition and Complaint* and "render an order pursuant to the powers delegated by the Tennessee General Assembly including those provided in Tenn. Code Ann. §§ 65-2-106, 65-3-105, 65-4-116, and 65-4-120."[2]

II. RELEVANT FACTS

1. On June 23, 2025, Harold Wilson, a TVPOA customer, filed a "Letter of Determination if a CCN is Needed." Mr. Wilson argues that the TVPOA is not a homeowners association because the development includes residential and commercial property, and its commercial facilities are open to the public.

2. The Consumer Advocate "has the duty and authority" by Tenn. Code Ann. § 65-4-118 to represent the interests of Tennessee consumers of public utility services by initiating a proceeding or intervening as a party in an existing proceeding before the Commission in accordance with the Uniform Administrative Procedures Act, Tenn. Code Ann. § 4-5-101 *et seq.*, and TPUC rules.

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[1] *Order Requiring Laurel Hills Condominiums Property Owners Association To Appear and Show Cause Why a Cease and Desist Order and Civil Penalties & Sanctions Should Not Be Imposed Against It For Violations of State* Law, p. 2, TPUC Docket No. 12-00030 (July 17, 2012).

[2] *Id.*

3. The interests of consumers in the determination of whether a water and wastewater utility are subject to the Commission's jurisdiction, may be affected by the decisions and orders made by the Commission with respect to the interpretation application, and implementation of Tenn. Code Ann. § 65-4-101(6)(B)(i), and other relevant statutory and regulatory provisions.

4. Tellico Village Property Owners Association, Inc. and its wholly owned subsidiaries[3] (collectively referred to as the "Association" or "TVPOA") is a Tennessee non-profit corporation duly authorized to do business in the state.[4] The Association is "a planned community located in Loudon and Monroe County, Tennessee.[5] It encompasses nearly 5,000 acres along Tellico Lake and has approximately 10,300 residents."[6]

5. The Association filed its Articles of Incorporation ("1984 Articles") with the Tennessee Secretary of State on September 18, 1984.[7] According to 1984 Articles, one of the Association's purposes is to look after the interests of both its residents and commercial owners. Specifically, the 1984 Articles state (emphasis added):

> The Corporation does not contemplate pecuniary gain or profit, direct or indirect, to its members, and the specific purposes for which it is formed are to provide the preservation of the values of the real estate brought within the jurisdiction of the Corporation from time to time within the **confines of the a residential and**

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[3] The "wholly-owned subsidiaries include TVPOA Homes, LLC, CS Holdings, LLC, TV Holding, LLC, and AKJ, LLC. The purpose of these subsidiaries is to hold different type of residential real estate held for resale." *Consolidated Financial Statements and Supplementary Information, Tellico Village Property Owners Association Inc. Years ended December 31, 2022 and 2021,* p. 7. A copy is attached as "TVPOA Complaint – CA Exhibit A."

[4] The Association's Secretary of State's control number is 000146281. A copy of the Association's annual filing for 2025 with the Secretary of State is attached as "TVPOA Complaint – CA Exhibit B."

[5] According to the Association's website, it represents the "Tellico Village Property Owners – and is responsible for governmental functions within Tellico Village. The POA maintains Tellico Village roads, amenities, **water and sewer systems**, and operates all Tellico Village facilities. We are a nonprofit organization funded by a monthly assessment and user fees paid by our property owners." The Association's Homepage, "Life at Tellico Village" at https://www.tellicovillagepoa.org/.

[6] *Id.*

[7] *Articles of Incorporation of Tellico Village Property Owner's Association, Inc.* (Sept. 18, 1984; 12:07pm). A copy of the Articles of Incorporation is attached as "TVPOA Complaint – CA Exhibit C."

> **commercial community** being created under the name of Tellico Village, Tennessee and to **promote the health, safety and welfare of the residents and commercial owners** within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of the Corporation and for this purpose.[8] (emphasis added)

The Association's combination of both residential and commercial development is made clear by the map of the Tellico site map that is publicly available on the Association's website.[9] Also, review of property records for lots within the Association's footprint include lots that are designated as commercial in nature. Some examples of these commercial lots are as follows:

a. United Community Bank, 290 Village Square, Loudon, TN 3774;[10]
b. Dollar General, 150 Mialaquo Road, Loudon, TN 3774;[11]
c. Marathon Gas Station, 200 Choata Road, Loudon, TN 3774;[12]
d. Food Lion, 101 Cheeyo Way, Loudon, TN 3774;[13] and
e. 200 Mialaquo Road, Loudon, TN 3774.[14]

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[8] *Id.* at p. 1, Article V.

[9] *Tellico Village Strategic Land Acquisition Initiative: Investing in our Future to Control Our Destiny*, p. 6 (Sept. 24, 2021). A copy of this Land Acquisition Initiative is attached as "TVPOA Complaint – CA Exhibit D" and it can also be accessed at https://www.tellicovillagepoa.org/wp-content/uploads/9.24.21-TellicVillage-Plan.pdf. A direct link to the Tellico Village Site map is at https://www.tellicovillagepoa.org/wp-content/uploads/CCI-Property-MAP21.2pdf-copy.pdf.

[10] A copy of this property's Parcel Details Report and Deed are attached collectively as "TVPOA Complaint – CA Exhibit E-1."

[11] A copy of this property's Parcel Details Report and Deed are attached collectively as "TVPOA Complaint – CA Exhibit E-2."

[12] A copy of this property's Parcel Details Report and Deed are attached collectively as "TVPOA Complaint – CA Exhibit E-3."

[13] A copy of this property's Parcel Details Report and Deed are attached collectively as "TVPOA Complaint – CA Exhibit E-4."

[14] A copy of this property's Parcel Details Report and Deed are attached collectively as "TVPOA Complaint – CA Exhibit E-5."

6. The 1984 Articles set out the various types of membership in the Association, which include General Membership, Associate Membership, CooperShare Membership, and Developer Membership. Of particular interest to the issue at hand is the General Membership, which is defined in the Association's Declaration of Covenants and Restrictions,as one "who is the record owner of a fee interest in or who is purchasing from the Developer a fee or undivided fee interst in a Lot[15] or Living Unit."[16]

7. Another purpose of the Association enumerated in the 1984 Articles is the ownership and operation of water and sewer utilties. Specifically, the 1984 Articles state (emphasis added) that the Association may:

> . . . own, lease acquire, construct, operate, and maintain recreational facilities, greenbelt areas, private streets, **utilities**, specifically including, but not limited to,

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15 "'Lot" shall be the numbered lots or numbered and lettered lots in the numbered blocks as shown on any recorded subdivision plat of The Project." Lots are furthered divided into "Commercial Lot" or "Residential Lot." "'Commercial Lot' shall mean and refer to any Lot so designated upon any recorded subdivision plat of the Project, or as may be so designated by this Declaration or any supplemental declaration." "'Residential Lot' shall mean and refer to any Lot so designated upon any recorded subdivision plat of The Project, or as may be so designated by this Declaration or any Supplemental Declaration. *Declaration of Covenants and Restrictions, Tellico Village, Tennessee* (the "Declaration"), p. 3 Article I., ¶¶(12)-(14) (December 16, 1985, Loudon County Register's Office). A copy of the Declaration is attached as "TVPOA Complaint – CA Exhibit F."

16 TVPOA Complaint – CA Exhibit C, 1984 Articles, p.3, Article VI.

the **water and sewer system**, and other common facilities and amenitites, together with improvements, buildings, structures, and personal properties incident hereto, **hereinafter referred to as "Common Properties**."[17] (emphasis added)

8. The Association has exercised its authority to own, operate, and/or control a community water system (the "Water System").[18] The Public Water System Identification ("PWSID") number for its water system is TN0000871.[19] A screen shot[20] from the Tennessee Department of Environment and Conservation's ("TDEC") dataviewer shows that the Association's Water System has 5,502 drinking water connections and serves approximately 13,260 customers.[21]

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[17] *Id.* at pp. 1-2, Article V.(b).

[18] In the Association's Declaration of Covenants and Restrictions, it was the responsibility of the developer to construct both the water and sewer/wastewater systems, but the systems would be part of the Association's Common Properties. TVPOA Complaint – CA Exhibit F, Declaration, p. 10, Article VI.

[19] The link to TDEC's *Water Resources Drinking Water Watch* dataviewer is https://dataviewers.tdec.tn.gov/DWW/JSP/WaterSystemDetail.jsp?tinwsys_is_number=657&tinwsys_st_code=TN&wsnumber=TN0000871.

[20] *Id.*

[21] In calculating the number of customers from the number of service connections is determine by multiplying the number of connections (5504) by 2.41, which is the Loudon County household factor. UNITED STATES CENSUS BUREAU, QUICK FACTS: LOUDON COUNTY TENNESSEE *Persons per household, 2019-2023*, https://www.census.gov/quickfacts/fact/table/loudoncountytennessee/BZA115222. A copy of the information available from the US Census Bureau webpage is attached as "TVPOA Complaint – CA Exhibit G." Also, it should be noted that in its 2018 Sanitary Survey, TDEC set out new monitoring requirements due to the Association's drinking water customer population exceeding 10,000. At the time of this 2018 document, the Association had only 4,224 service connections at the time. Letter from Eric Webber, TDEC to TVPOA (July 6, 2018). A copy of the 2018 Sanitary Survey is attached as "TVPOA Complaint – CA Exhibit H." A link to a list of TDEC documents for the Association's Water System can be accessed at https://dataviewers.tdec.tn.gov/dataviewers/f?p=2005:34031:9586418647251:::34031:P34031_SITE_ID:48482.

Drinking Water Branch

Water System Details

Water System No. :	TN0000871	**Federal Type :**	C
Water System Name :	TELLICO VILLAGE P.O.A.	**State Type :**	C
Principal County Served :	LOUDON	**Primary Source :**	SWP
Status :	A	**Activity Date :**	07-30-2018

Points of Contact

Name	Job Title	Type	Phone	Address	Email
TELLICO VILLAGE POA	mail	PL			
HAMIL, KEVIN	UTILITIES MANAGER	FC			
HAMIL, KEVIN	UTILITIES MANAGER	DO			
PILLSBURY, CHET	CEO	OW			[illegible]
BENOIT, MATT	DIRECTOR OF PUB WRKS	AC	865-458-5408	9824 DAVIS FERRY RD LOUDON, TN 37774	[illegible]

Annual Operating Periods & Population Served

Start Month	Start Day	End Month	End Day	Population Type	Population Served
1	1	12	31	R	13870

Service Connections

Type	Count	Meter Type	Meter Size Measure
RS	5504	ME	0

To put this in perspective, the Enforcment and Compliance History Online ("ECHO") database hosted by the United States Environmental Protection Agency ("EPA") breaks down water systems into four categories: (1) Very Small = 500 or less population served; Small = 501 – 3,300 population served; Medium = 3,301 – 10,000 population served; Large = 10,001 – 100,000 served; and Very Large = Greater than 100,000.[22]

The Association has also exercised its authority in the construction, installation, modification, or operation of any wastewater treatment works. As a result, TDEC issued a State Operating Permit ("SOP-89079") to the Authority, which was renewed on September 1, 2023.[23] This permit authorizes the Association to operate a municipal wastewater collection system which is then discharged partly to the Tellico Area Service System (NPDES Permit

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[22] Webpage: EPA's Drinking Water Dashboard Help, Chart Types, Public Water Systems, PWSs by Size at https://echo.epa.gov/help/drinking-water-qlik-dashboard-help#pwsbysize.

[23] Letter with renewed SOP Permit No. SOP-89079A from Vojin Janjic, Manager of TDEC Water-based Systems, to Chet Pillsbury, TVPOA CEO (August 31, 2023) copy of the State Operating Permit is attached as "TVOPOA Complaint – CA Exhibit I." A link to the TDEC permit and documents related to the wastewater system can be accessed at https://dataviewers.tdec.tn.gov/dataviewers/f?p=2005:34051:8848392531821:::34051:P34051_PERMIT_NUMBER:SOP-89079.

#TN0082121) Wastewater Treatment Plant and partly to the Loudon Wastewater Treatment Plant (NPDES Permit #TN0058181) for processing.[24]

9. To operate both a water and a sewer/wastewater system, the Authority must also have the authority to manage the financial aspects of being a utility owner. The authority of the Association to handle the financial needs of its water and sewer systems can be found it is 1984 Articles and its Declaration. The 1984 Articles provides the Association the authority to fix, levy, and enforce payment by the terms of the Declaration, and to pay all expenses connected with the Common Properties. As previously explained, the water and sewer/wastewater systems are Common Properites.[25] Specifically, the 1984 Articles state:

> **Fix, levy, collect and enforce payment** by any lawful means of all charges and assesment **pursuant to the terms of the Declaration** and to **pay all expenses in connection with the Common Properties** therefrom, including all business of the Association, together with all licenses, taxes, or governmental charges levied or imposed against the property of the Corporation.[26] (emphasis added)

The Declaration states:

> Section 1. Water and Sewer System. It is contemplated that the water system distribution infrastructure and sewer collection infrastructure serving The Project[27] and the **water distribution system and sewer collection system** with The Project shall be constructed by the Developer but **will be a part of the Common Properties**[28]. . . The **cost of** the acquisition of treated water and sewer treatment from third party sources, construction of water storage facilties and booster chlorinators as needed, **mainenance, capital improvements operations, taxes and other expenses incident to the water system and Sewer system and operation of the same, shall be paid from Assessments** as herein provided and

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24 Letter from Hassan A. Sanaat, TDEC Division of Water Resources, to Kevin Hamil, TVPOA Utilities Manager, about a Sanitary Sewer Survey Inspection, p. 1 (Sept. 18, 2024). A copy of this letter is attached as "TVOPOA Complaint – CA Exhibit J."

25 TVPOA Complaint – CA Exhibit C, 1984 Articles at pp. 1-2, Article V.(b).

26 TVPOA Complaint – CA Exhibit C, 1984 Articles at pp. 1-2, Article V.(d).

27 "'Project' means all real property concurrently herewith or in the future subjected to this Declaration. TVPOA Complaint – CA Exhibit F, Declaration, p. 10, Article I.(4).

28 "'Common Property' means any property, real, personal or mixed, owned or leased by the Association, those areas reflected as such upon any recorded subdivision plat of the Project and those areas so designated from time to time by the developer, intended t be devoted to the common use and enjoyment of the Owners." TVPOA Complaint – CA Exhibit F, Declaration, p. 10, Article I.(5).

from charges made to Owners[29] for furnishing **such services at such prices as shall be fixed from timt to time by the Board of Directors of the Association**.[30]

To summarize the 1984 Articles and the Declaration, the Association's Board of Directors are authoritzed to set a rate for water and sewer services provided to the Tellico Village lot owners, both commercial and residential.

10. The Association through its Board of Directors sets water and sewer rates including the assessment of any additional fees like the "Water and Sewer Infrastructure Asset Fee" ("WSIAF).[31] The water and sewer rates effective as of January 1, 2025, are as follows:[32]

TELLICO VILLAGE POA – WATER & SEWER RATES
Effective: January 1, 2025

RESIDENTIAL

WATER	SEWER
FIRST 2,000 GAL. @ 38.00 (2,000 GAL.)	FIRST 2,000 GAL. @32.00 PER 2,000
NEXT 13,000 GAL. @ 13.00 PER 1,000	NEXT 3,000 GAL. @ 9.00 PER 1,000
NEXT 15,000 GAL. @ 15.00 PER 1,000	($59.00 5,000 GAL. MAX)
OVER 30,000 GAL. @ 20.00 PER 1,000	MAINT. FEE 20% OF SEWER ($11.80 MAX)

COMMERCIAL

WATER	SEWER
FIRST 2,000 GAL. @ 38.00 (2,000 GAL.)	FIRST 2,000 GAL. @32.00 PER 2,000
NEXT 13,000 GAL. @ 13.00 PER 1,000	NEXT 23,000 GAL. @ 9.00 PER 1,000
	OVER 25,000 GAL. @ 0.00 PER 1,000

TAX .0900 LOUDON CO. WATER ONLY
TAX .0925 MONROE CO. WATER ONLY

MINIMUM BILL (RESIDENTIAL)

	MONROE COUNTY	LOUDON COUNTY
0-2,000 GAL.	$38.00 WATER	$38.00 WATER
	32.00 SEWER	32.00 SEWER
	6.40 SEW. MAINT.	6.40 SEW. MAINT.
	80.00 WSIAF	80.00 WSIAF
	3.52 TAX	3.42 TAX
TOTAL	$159.92	$169.82

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29 "'Owners' means the Developer and any person, firm, corporation, partnership, association or other legal entity, or any combination thereof, owning of record or purchasing from the Developer a fee interest in a Lot, Living, Unit or Cooper Share, or who has purchased or is purchasing an Associate Membership form the Developer." TVPOA Complaint – CA Exhibit F, Declaration, pp. 3-4, Article I.(22).

30 TVPOA Complaint – CA Exhibit F, Declaration, p. 10, Article VI, § 1.

31 Letter from the TVPOA Board of Directors to TVPOA members about the WSIAF (Oct. 2024). A copy of this letter is attached as "TVOPOA Complaint – CA Exhibit K." This letter is also available publicly from the Association's website at https://www.tellicovillagepoa.org/wp-content/uploads/WSIAF-Ltr.-Oct.2024-V3.pdf.

32 A copy of the Association's Water and Sewer Rates is attached as "TVOPOA Complaint – CA Exhibit L." A link to the Association's rates can be accessed at https://www.tellicovillagepoa.org/wp-content/uploads/Water-Sewer-Rates-2025.pdf.

III. THE COMMISSION HAS JURISDICTION OVER TVPOA

11. Despite its ownership of the above-referenced drinking water and wastewater systems and the establishment of rates for both residential and commercial lot owners, the Association claims it is exempt from the Commission's jurisdiction pursuant to Tenn. Code Ann. § 65-4-101(6)(B), which involves "non-profit homeowners associations or organizations whose membership is limited to owners of lots in residential subdivisions" and any "nonprofit corporation as defined by § 501(c)(4) of the Internal Revenue Code."[33] In a memorandum to the Association's Board of Directors, its attorney advised that the Association is not subject to direct rate regulation from the Tennessee Public Utility Commission. The attorney's reasoning is provided in the excerpt below:[34]

> In addition to the foregoing analysis of the Declaration, this firm also reviewed any applicable Tennessee laws and regulations which could potentially impact the Board's proposed imposition of a water and sewer capital improvement fee. To begin with, although TVPOA is subject to certain State regulation regarding the functional operation of the Systems by the Tennessee Department of Environment and Conservation ("TDEC"), it does not appear that TVPOA is subject to any direct rate regulation by either TDEC or the Tennessee Comptroller. This is evidenced by the fact that TVPOA does not disclose its water and sewer rates for review or approval by either TDEC or the Tennessee Comptroller. Further, TVPOA is expressly exempted from rate regulation by the Tennessee Public Utility Commission pursuant to Tenn. Code Ann. § 65-4-101, as a "public utility" subject to regulation thereby does not include the following: "nonprofit homeowners associations or organizations whose membership is limited to owners of lots in residential subdivisions...which construct, operate or maintain water systems...for the exclusive use of that subdivision" and "any nonprofit corporation, as defined in § 501(c)(4) of the Internal Revenue Code, which owns and operates a wastewater system primarily for the use of the members of the corporation..." Accordingly, it does not appear that there are any applicable Tennessee laws or regulations which would subject TVPOA to direct rate regulation or would otherwise preclude the Board's proposed imposition of a water and sewer capital improvement fee.

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33 TENN. CODE ANN. § 65-4-101(6)(B).

34 Memorandum from Kevin C. Stevens at Kennerly, Montgomery, & Finley, P.C. to TVPOA Board of Directors on its Authority to Implement Water and Sewer Capital Improvement Fee, p. 3 (March 1, 2024). A copy of this memorandum is "TVOPOA Complaint – CA Exhibit M." This memorandum is also available publicly from the Association's website at https://www.tellicovillagepoa.org/wp-content/uploads/Legal-Opinion-Regarding-Imposition-of-Water-and-Sewer-Capital-Improvement-Fee-3-21-24.pdf.

12. Although parts of the statute are quoted in the above-referenced memorandum, it is important to view the entire statutory language for the qualification for an exemption from the Commission's jurisdiction. Tenn. Code Ann. § 65-4-101(6)(B)(i) states (emphasis added):

> 'Public utility' does not mean nonprofit homeowners associations or organizations whose membership is limited to owners of lots in **residential** subdivisions, which associations or organizations own, construct, operate or maintain water, street light or park maintenance service systems for the exclusive use of that subdivision; provided, however, that the subdivisions are unable to obtain such services from the local utility district. None of the property, property rights or facilities owned or used by the association or organization for the rendering of such services shall be under the jurisdiction, supervision or control of the Tennessee public utility commission;

As shown above, the Association's Lot Owners, as defined by the Declaration, include both residential and commercial lot owners. The Association has its own "Application for Utility Service" in which an applicant must choose water, sewer, or mailbox service (i.e. start service or end service).[35] An applicant must also identify the type of utility service – commercial or residential – for determining the amount of a refundable deposit.[36] Also, the water and sewer rates set by the Association's Board of Directors include rates for both residential and commercial customers. Accordingly, the Association does not fall within the exception for homeowner associations under Tenn. Code Ann. § 65-4-101(6)(B)(i).

13. The next exception to regulation by TPUC involves non-profit 501(c)(4) organizations and has been raised by TVPOA in a response to a consumer plaint filed with the Consumer Affairs Division.[37] This exception is a two-step process: (a) designation as a

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[35] A copy of the Association's Application for Utility Service is attached as "TVOPOA Complaint – CA Exhibit N."

[36] *Id.*

[37] Kevin C. Stevens, TVPOA attorney, letter to Sheila Williams, Consumer Specialist (August 20, 2024). The citizen complaint and TVPOA's response are attached as "TVOPOA Complaint – CA Exhibit O."

501(c)(4) non-profit and (b) a written statement of exemption from the Commission Tenn. Code Ann. § 65-4-101(6)(B)(ii) states (emphasis added):

> (ii) Public utility" does not mean any nonprofit corporation, as defined in § 501(c)(4) of the Internal Revenue Code (26 U.S.C. § 501(c)(4)), which owns and operates a wastewater system primarily for the use of the members of the corporation and which has received a written statement of exemption from regulation as a public utility from the Tennessee public utility commission prior to January 1, 2009;

The Association last filed, with the United States Internal Revenue Service ("IRS"), as a 501(c)(4) in 2022.[38] It is unclear if the Association is currently a 501(c)(4) non-profit. However, even if Association is currently a 501(c)(4) or if it files documentation to retroactively reinstate its status as a 501(c)(4), it does not meet the second step of this exemption analysis. The Consumer Advocate conducted legal research but could not locate "a written statement of exemption from regulation as a public utility from the [Commission] prior to January 1, 2009" for the Association.[39] The Consumer Advocate also filed a records request with the Commission resulting in a response from the Commission's General Counsel stating that it had no record of such a written statement for the Association.[40]

IV. ALLEGED VIOLATIONS OF STATE LAW

The Association does not fall within the statutory exemptions from the Commission's regulatory oversight as set out in § 65-4-101(6)(B) as explained in above. Accordingly, the Association is subject to the Commission's jurisdiction. The following actions, alleged to have been performed by the Association, constitute violations of state law:

A. The Association failed to obtain a Certificate of Convenience and Necessity.

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38 A copy of this 2022 filing with the IRS is attached as "TVOPOA Complaint – CA Exhibit P."

39 The Consumer Advocate conducted a search for "Tellico Village" in Westlaw's administrative agency records for TPUC, but no documents were found.

40 A copy of the Consumer Advocate's request for records and the Commission's response is attached collectively as "TVOPOA Complaint – CA Exhibit Q."

COUNT 1:

The failure of the Association to obtain a CCN upon its construction and operation of a water utility and a sewer utility that serve the public violates Tenn. Code Ann. § 65-4-201, which states:

> No public utility shall establish or begin the construction of, or operate any line, plant, or system, or route in or into a municipality or other territory already receiving a like service from another public utility, or establish service therein, without first having obtained from the authority, after written application and hearing, a certificate that the present or future public convenience and necessity require or will require such construction establishment, and operation, and no person or corporation not at the time a public utility shall commence the construction of any plant, line, system, or route to be operated as a public utility, or the operation of which would constitute the same, or the owner or operator thereof, a public utility as defined by law, without having first obtained, in like manner, a similar certificate; provided, however, that this section shall not be construed to require any public utility to obtain a certificate for an extension in or about a municipality or territory where it shall theretofore have lawfully commenced operations, or for an extension into territory, whether within or without a municipality, contiguous to its route, plant, line, or system, and not theretofore receiving service of a like character from another public utility, or for substitute or additional facilities in or to territory already served by it.

B. The Association has not paid an annual inspection fee.

COUNT 2:

The failure of the Association to pay annual inspection fees violates Tenn. Code Ann. § 65-4-301(a), which states:

> (a)(1) Every public utility doing business in this state and subject to the control and jurisdiction of the authority to which the provisions of this chapter apply, shall pay to the state of Tennessee on or before April 1 of each year, a fee for the inspection, control and supervision of the business, service and rates of such public utility.

C. The Association has not filed a tariff or schedule of its rates or charges with the Commission for its approval.

COUNT 3:

The failure of the Association to file a tariff since constructing the water and sewer utilities violates Tenn. Code Ann. § 65-5-102, which states:

> The authority has the power to require every such public utility to file with it complete schedules of every classification employed and of every individual or joint rate, toll, fare, or charge made or exacted by it for any product supplied or service rendered within this state as specified in such requirement.

D. The Association has charged and collected money for water and sewer services without approval of the Commission.

COUNT 4:

The actions of the Association in imposing rates for water and sewer service to the public without Commission approval violates Tenn. Code Ann. § 65-5-101, which states:

> (a) The Tennessee regulatory authority has the power after hearing upon notice, by order in writing, to fix just and reasonable individual rates, joint rates, tolls, fares, charges or schedules thereof, as well as commutation, mileage, and other special rates which shall be imposed, observed, and followed thereafter by any public utility as defined in § 65-4-101, whenever the authority shall determine any existing individual rate, joint rate, toll, fare, charge, or schedule thereof or commutation, mileage, or other special rates to be unjust, unreasonable, excessive, insufficient, or unjustly discriminatory or preferential, howsoever the same may have heretofore been fixed or established. In fixing such rates, joint rates, tolls, fares, charges or schedules, or commutation, mileage or other special rates, the authority shall take into account the safety, adequacy and efficiency or lack thereof of the service or services furnished by the public utility.

WHEREFORE, Petitioner respectfully requests the Commission either grant the Consumer Advocate's intervention or, in the alternative, grant the Consumer Advocate's complaint to open a docket requiring the Association to appear before the Commission to show cause why the Commission should not have jurisdiction over TVPOA as a regulated public utility and why the Commission should not take other actions it deems appropriate for the violations enumerated above.

RESPECTFULLY SUBMITTED,

JONATHAN SKRMETTI (BPR No. 031551)
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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served via electronic mail, and upon request, a courtesy copy sent by U.S. mail:

Kelly Cashman Grams, Esq, General Counsel
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This the 7th day of July, 2025.

Karen H. Stachowski
KAREN H. STACHOWSKI
Deputy Attorney General

Consolidated Financial Statements and Supplementary Information

Tellico Village Property Owners Association, Inc.

Years ended December 31, 2022 and 2021
with Independent Auditor's Report

Tellico Village Property Owners Association, Inc.

Consolidated Financial Statements and Supplementary Information

Years ended December 31, 2022 and 2021

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TVPOA Complaint – CA Exhibit A

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Independent Auditor's Report

Board of Directors
Tellico Village Property Owners Association, Inc.

Opinion

We have audited the consolidated financial statements of Tellico Village Property Owners Association, Inc. and subsidiaries (the Association), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the related consolidated statements of revenues, expenses and changes in members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Association as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for one year after the date the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

Board of Directors
Tellico Village Property Owners Association, Inc.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control–related matters we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require the supplementary information on future major repairs and replacements on page 21 be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Financial Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements and other knowledge we obtained during our audit of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Coulter & Justus, P.C.

June 21, 2023
Knoxville, Tennessee

Tellico Village Property Owners Association, Inc.

Consolidated Balance Sheets

	December 31	
	2022	**2021**
Assets		
Cash	**$ 858,417**	$ 2,737,758
Designated cash and cash equivalents	**4,772,258**	9,054,754
Restricted cash and cash equivalents for deferred compensation plan	**252,238**	177,331
Designated investments	**10,857,138**	-
Membership assessments receivable, less allowance for bad debts of $1,753,053 in 2022 and $1,864,070 in 2021	**75,837**	45,086
Utility payments receivable	**348,762**	316,750
Prepaid expenses and other assets	**130,264**	126,393
Inventories	**1,022,302**	670,011
Net property, plant and equipment	**27,553,053**	25,745,674
Residential real estate held for resale	**217,228**	422,920
Net financing lease right of use assets	**5,818,085**	5,890,420
Net operating lease right of use assets	**753,923**	923,713
Goodwill, less accumulated amortization of $95,000 in 2022 and $63,000 in 2021	**211,689**	253,200
Total assets	**$ 52,871,194**	$ 46,364,010
Liabilities and members' equity		
Liabilities:		
Accounts payable	**$ 1,078,305**	$ 1,362,433
Accrued salaries, wages and benefits	**759,762**	645,199
Other accrued expenses	**15,590**	136,783
Deferred compensation plan	**252,238**	177,331
Deferred revenues	**4,439,821**	4,202,252
Long-term debt	**4,620,549**	4,950,678
Obligation under finance lease - TRDA	**5,429,562**	5,578,528
Obligation under operating leases	**753,923**	932,098
Total liabilities	**17,349,750**	17,985,302
Members' equity	**35,521,444**	28,378,708
Total liabilities and members' equity	**$ 52,871,194**	$ 46,364,010

See accompanying Notes to Financial Statements.

Tellico Village Property Owners Association, Inc.

Consolidated Statements of Revenues, Expenses
and Changes in Members' Equity

	Year ended December 31	
	2022	**2021**
Revenues		
Membership assessments, including service charges of $59,446 in 2022 and $36,678 in 2021	**$ 12,880,737**	$ 11,652,095
Golf courses	**3,624,720**	3,332,719
Water and sewer services	**6,162,240**	5,906,546
Utility installations	**1,966,235**	1,772,945
Recreation and beach	**1,630,305**	1,327,842
Dock and recreational vehicle storage	**1,279,631**	1,087,122
Other income	**5,333,407**	3,112,831
Total revenues	**32,877,275**	28,192,100
Expenses		
Golf courses	**5,319,889**	4,818,839
Corporate and administrative, including provision for bad debts of $28,138 in 2022 and $47,856 in 2021	**4,751,495**	4,034,126
Public works and general maintenance	**4,177,062**	2,987,737
Recreation and beach	**1,854,094**	1,738,667
Water and sewer services	**4,629,307**	4,372,218
Utility installations	**2,128,703**	1,867,709
Public safety	**178,343**	186,324
Food service	**1,424,921**	1,261,639
Dock and recreational vehicle storage	**1,107,747**	824,666
Interest	**162,978**	109,090
Total expenses	**25,734,539**	22,201,015
Excess of revenues over expenses	**7,142,736**	5,991,085
Members' equity at beginning of year	**28,378,708**	22,387,623
Members' equity at end of year	**$ 35,521,444**	$ 28,378,708

See accompanying Notes to Financial Statements.

Tellico Village Property Owners Association, Inc.

Consolidated Statements of Cash Flows

	Year ended December 31	
	2022	**2021**
Operating activities		
Excess of revenues over expenses	**$ 7,142,736**	$ 5,991,085
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Provision for bad debts	**28,138**	47,856
Increase in deferred compensation plan	**74,907**	83,913
Depreciation and amortization	**2,147,127**	1,826,851
Gain on insurance recoveries, sales of property, plant and equipment and residential real estate held for resale	**(3,328,385)**	(1,175,503)
Changes in operating assets and liabilities, net of effects of acquisition:		
Accounts receivable	**(107,071)**	(81,175)
Prepaid expenses and other assets	**(3,871)**	73,185
Inventories	**(352,291)**	(104,647)
Accounts payable and accrued expenses	**(299,143)**	469,633
Deferred revenues	**237,569**	750,578
Net cash provided by operating activities	**5,539,716**	7,881,776
Investing activities		
Purchases of property, plant and equipment	**(3,935,512)**	(3,153,221)
Purchases of designated investments	**(12,358,138)**	-
Redemptions or sales of designated investments	**1,501,000**	-
Proceeds from sales of property, plant and equipment and residential real estate held for resale	**792,026**	1,797,670
Insurance proceeds received for damage to building	**2,853,073**	259,562
Cash paid for business combination	**-**	(5,300,000)
Net cash used in investing activities	**(11,147,551)**	(6,395,989)
Financing activities		
Proceeds from long-term borrowings	**-**	3,975,000
Principal payments on long-term debt	**(330,129)**	(1,276,356)
Principal payments on obligation under finance lease obligations	**(148,966)**	(142,551)
Net cash (used in) provided by financing activities	**(479,095)**	2,556,093

Tellico Village Property Owners Association, Inc.

Consolidated Statements of Cash Flows (continued)

	Year ended December 31	
	2022	**2021**
Change in cash and cash equivalents	**$ (6,086,930)**	$ 4,041,880
Cash and cash equivalents at beginning of year	**11,969,843**	7,927,963
Cash and cash equivalents at end of year	**$ 5,882,913**	$ 11,969,843
Reconciliation to Consolidated Balance Sheets		
Cash	**$ 858,417**	$ 2,737,758
Designated cash and cash equivalents	**4,772,258**	9,054,754
Cash and cash equivalents restricted for deferred compensation plan	**252,238**	177,331
Total cash and cash equivalents	**$ 5,882,913**	$ 11,969,843

See accompanying Notes to Financial Statements.

Tellico Village Property Owners Association, Inc.

Notes to Consolidated Financial Statements

December 31, 2022

1. Significant Accounting Policies

General

Tellico Village (the Village) is a planned community located in Loudon County and Monroe County, Tennessee. It encompasses nearly 5,000 acres along Tellico Lake and has approximately 10,300 residents. The Village has approximately 5,100 homes, including approximately 338 townhouses and 21 senior living homes, and approximately 6,800 platted lots.

Tellico Village Property Owners Association, Inc. and its wholly-owned subsidiaries, (collectively referred to as the Association) is a nonprofit corporation operating under the guidelines of a common interest realty association (CIRA). The Association is responsible for the maintenance and operation of the various services and facilities located on 1,663 leased common property acres and other acquired acres in the Village.

The Association's wholly-owned subsidiaries include TVPOA Homes, LLC, CS Holdings, LLC, TV Holdings, LLC and AKJ, LLC. The purpose of each of these subsidiaries is to hold different types of residential real estate held for resale.

The Association maintains and operates several diverse member services and entertainment facilities including three championship golf courses, marinas, a yacht and country club, recreational and fitness facilities, roads, and sewer and water systems.

Principles of Consolidation

The consolidated financial statements include the accounts of the Association and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Designated Cash and Cash Equivalents and Designated Investments

Cash and cash equivalents and investments are designated by the Association's board of directors to be used to fund future operations and capital improvements are classified as designated cash and cash equivalents and designated investments in the accompanying consolidated balance sheet.

Designed cash and cash equivalents consist of demand deposits and money market funds. Designated investments consist of certificates of deposit and government securities. Investments are classified as held-to-maturity, as the intent of the Association is to hold the investments to maturity. Investments are stated at cost with realized gains and losses recognized at maturity.

Tellico Village Property Owners Association, Inc.

Notes to Consolidated Financial Statements (continued)

1. Significant Accounting Policies (continued)

Membership Assessments

Association members are subject to monthly membership assessments to provide funds for operating expenses, capital acquisitions and major repairs and replacements. Revenues are recognized when performance obligations under the terms of a contract with members are satisfied. The Association has determined the benefits received are not distinct and should be bundled together as a single performance obligation. Membership assessment revenues are recognized over time as the related performance obligation is satisfied at the transaction amount expected to be collected. Member assessments are charged to all property owners and may be collateralized by a lien on the underlying property.

Membership assessments receivable are stated at the amounts expected to be collected from members. The Association provides for an allowance for bad debts for accounts as they are determined to be uncollectible based upon a review of aging and collections (generally accounts with balances greater than one year in arrears). Service charges are added and recognized as revenues once accounts become 60 days past due at the amount expected to be collected. Accounts are written off against the allowance for doubtful accounts when all collection efforts have been exhausted and the lot in question has been deeded back to the Association. Credit losses, when realized, have been within the range of the Association's expectations.

The Association's legal counsel is currently engaged in an ongoing comprehensive collection program on behalf of the Association aimed at collecting past due assessments, although the likelihood of recovering the past due assessments is minimal. The amount that will ultimately be recovered as a result of these actions is uncertain.

The annual budget and related membership assessments are determined by the board of directors. The Association retains excess funds, if any, at the end of the operating year for use in future operating periods. Management believes there have been no material uses of assessed fees for other than their collected purpose.

Other Service Revenues

The Association recognizes revenues from golf courses, water service, sewer service, utility installations, recreation and beach, and dock and recreational vehicle storage. The Association's revenues from these services are recognized when the performance obligations under the terms of a contract with customers are satisfied. Contracts are short-term in nature and may require prepayment.

Golf Courses

Golf course revenues are recognized when the round is played. Prepaid golf course revenues are included with deferred revenues and recognized when the round is played. Unlimited golf rounds are paid in advance, included with deferred revenues and recognized ratably over the period of time the customer may utilize the golf courses.

Tellico Village Property Owners Association, Inc.

Notes to Consolidated Financial Statements (continued)

1. Significant Accounting Policies (continued)

Other Service Revenues (continued)

Water and Sewer Services

Revenues from water services is recognized monthly as the service is consumed. Contracts are generally short-term in nature and generally have payment terms of 30 days. Sales and use taxes are collected for water services, and the revenues are recognized on a net basis.

The Association's performance obligations for sewer services include current monthly services and future repairs and maintenance. The Association's governing documents require funds to be accumulated for future repairs and maintenance of the sewer system. 20% of the Association's gross sewer system billings are designated for sewer system repairs and maintenance that have not yet been incurred. Such amounts are deferred as deferred revenues and will be recorded as revenues when the corresponding expenses are incurred and the performance obligation is satisfied. The remaining 80% of the gross sewer billing is recognized monthly as the service is consumed. Contracts are generally short-term in nature and generally have payment terms of 30 days.

Utility Installations

Utility installation revenues are recognized when the installation is complete and control is transferred to the customer. Prepayments are deferred as deferred revenues until the utility installation is complete.

Recreation and Beach

Recreation and beach membership contracts are short-term in nature and may require prepayment. Prepayments are deferred as deferred revenues. Revenues are recognized ratably over the contract term. Revenues from daily use are recognized at a point in time when the service is provided.

Dock and Recreational Vehicle Storage

Dock and recreational vehicle storage contracts are short-term in nature and may require prepayment. Prepayments are deferred as deferred revenues. Revenues are recognized ratably over the contract term.

Inventories

Inventories consist primarily of supplies to maintain and operate the golf courses, water and sewer systems and other operations, along with golf pro-shop sporting goods and fuel for sale at certain recreational facilities. These supplies are valued at the lower of cost or estimated net realizable value on a first-in, first-out or average cost basis.

Tellico Village Property Owners Association, Inc.

Notes to Consolidated Financial Statements (continued)

1. Significant Accounting Policies (continued)

Property, Plant and Equipment

Property, plant and equipment is stated at cost. The Association recognizes common personal property and common real property to which the Association has title and can dispose of for cash while retaining the proceeds or that is used to generate significant cash flows based on usage from members or nonmembers as assets of the Association. The Association is responsible to preserve and maintain common property.

Depreciation of property and equipment is provided over the estimated useful lives of the respective assets using the straight-line method. Estimated useful lives for financial reporting purposes are as follows:

Land improvements	5-40 years
Buildings and improvements	5-40 years
Equipment	3-20 years
Furnishings	3-7 years

Residential Real Estate Held for Resale

Residential lots held for resale represent 131 lots as of December 31, 2022, and 288 lots as of December 31, 2021, acquired by foreclosure or in lieu of foreclosure related to past due assessments and are reported at estimated fair value (*Note 4*). The difference between any membership assessments receivable recorded and the fair value of the lots, along with any subsequent reduction in the recorded values of the lots, is recorded in the provision for bad debts. The values of the lots are also reduced by any unpaid real estate taxes assessed by Loudon and Monroe Counties and estimated costs to sell. The value of the lots is increased by the payment or the release of the obligation to pay the taxes up to but not exceeding the original fair value recorded by the Association less estimated costs to sell. The Association is actively marketing these lots for resale.

Goodwill

The Association has adopted the accounting alternative provided by Accounting Standards Update (ASU) 2014-02, Accounting for Goodwill (ASU 2014-12), which allows nonpublic entities to elect to amortize goodwill on a straight-line basis over ten years or less if the entity can demonstrate that another useful life is more appropriate. The Association has elected to amortize all additions to goodwill over ten years. Under ASU 2014-02, the Association evaluates goodwill for impairment only when a triggering event occurs indicating the fair value of the Association may be less than its carrying amount. When a triggering event occurs, the Association performs a qualitative assessment to determine if a quantitative test is needed. If that qualitative assessment demonstrates that it is not more likely than not that an impairment exists, no further testing is required. If impairment of goodwill is more likely than not, a quantitative test is required that compares the fair value of the Association with its carrying amount. The amount by which the carrying amount exceeds fair value is recorded as an impairment loss, up to the carrying amount of goodwill.

Tellico Village Property Owners Association, Inc.

Notes to Consolidated Financial Statements (continued)

1. Significant Accounting Policies (continued)

Deferred Revenues

Deferred revenues consist of prepaid membership assessments and other prepaid service revenues where the performance obligation has not yet been fully satisfied. In 2022 and 2021, the Association recognized revenues of $4,262,252 and $3,451,674, respectively, which were included in deferred revenues at the beginning of each reporting period. Deferred revenues of $4,439,821 as of December 31, 2022 are expected to be recognized as revenue during 2023 as performance obligations are satisfied.

Leases

Prior to January 1, 2021, operating lease rent was expensed as incurred. Effective January 1, 2021, the Association adopted Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842), using the modified retrospective method. The Association elected to adopt the package of transition practical expedients and, therefore, has not reassessed (1) whether existing or expired contracts contain a lease, (2) lease classification for existing or expired leases or (3) the accounting for initial direct costs that were previously capitalized. Topic 842 establishes a right-of-use (ROU) model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for all leases with a term longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of expense recognition in the statement of income. As a result of adopting Topic 842, the Association recognized a lease liability of $96,354 with a corresponding ROU asset of the same amount as of January 1, 2021. There was no cumulative earnings effect adjustment.

The Association determines if an arrangement is or contains a lease at contract inception. The Association recognizes a ROU asset and a lease liability at the lease commencement date. For operating leases, the lease liability is initially and subsequently measured at the present value of the unpaid lease payments at the lease commencement date.

Key estimates and judgments include how the Association determines (1) the discount rate it uses to discount the unpaid lease payments to present value and (2) lease term. The Association uses the interest rate implicit in the lease or its incremental borrowing rate as the discount rate. The lease term includes the noncancellable period of the lease plus any additional periods covered by an option to extend that the Association is reasonably certain to exercise.

The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Tellico Village Property Owners Association, Inc.

Notes to Consolidated Financial Statements (continued)

1. Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Significant items subject to such estimates and assumptions include allowances for bad debts, residential real estate held for resale and other contingencies.

Reclassifications

Certain 2021 amounts have been reclassified to conform with 2022 presentation.

Subsequent Events

In preparation of the accompanying financial statements, management has evaluated subsequent events that have occurred since the balance sheet date through June 21, 2023, the date the financial statements were available for issuance.

2. Designated Cash and Cash Equivalents and Designated Investments

While the Association's governing documents do not require that funds be accumulated for future major repairs and replacements, the Association does accumulate funds that are designated for future major repairs, replacement and certain capital projects based on annual determinations made by the board of directors. The Association conducted an internal study in January 2023 to determine the estimated remaining useful lives and the cost of future major repairs and replacements, which is presented as unaudited supplementary information on future major repairs and replacements. Actual expenditures may vary from the estimated future expenditures, and the variations may be material.

Funds accumulated for future repairs consist of the following:

	2022	**2021**
Cash and cash equivalents	**$ 4,772,258**	$9,054,754
Investments	**10,857,138**	–
Total designated cash and cash equivalents and investments	**$15,629,396**	$9,054,754

Tellico Village Property Owners Association, Inc.

Notes to Consolidated Financial Statements (continued)

2. Designated Cash and Cash Equivalents and Designated Investments (continued)

The following is a schedule of changes in designated cash and cash equivalents and designated investments for the years ended December 31:

	Beginning Balance	Deposits	Disbursements	Ending Balance
2022:				
Amenity	**$1,600,597**	**$ 3,808,523**	**$(3,143,997)**	**$ 2,265,123**
Dock repair	**1**	**–**	**(1)**	**–**
Repairs and maintenance	**5,172,697**	**8,453,288**	**(261,528)**	**13,364,457**
CAF Fee	**50,720**	**286**	**(51,006)**	**–**
Safety	**79,152**	**580**	**(79,642)**	**90**
Tellico Reservoir Development Agency	**3**	**268,874**	**(269,151)**	**(274)**
Water and sewer systems	**2,151,584**	**878,662**	**(3,030,246)**	**–**
Total	**$9,054,754**	**$13,410,213**	**$(6,835,571)**	**$15,629,396**
2021:				
Amenity	$ 187,847	$ 1,912,750	$ (500,000)	$ 1,600,597
Dock repair	1	–	–	1
Repairs and maintenance	2,519,639	3,192,888	(539,830)	5,172,697
CAF Fee	50,463	257	–	50,720
Safety	78,735	417	–	79,152
Tellico Reservoir Development Agency	5,838	333,544	(339,379)	3
Water and sewer systems	1,713,323	531,138	(92,877)	2,151,584
Total	$4,555,846	$ 5,970,994	$(1,472,086)	$ 9,054,754

3. Property, Plant and Equipment

Property, plant and equipment consists of the following as of December 31:

	2022	2021
Land and improvements	**$ 13,246,060**	$ 12,600,934
Buildings and improvements	**19,771,255**	18,553,225
Equipment:		
Recreation	**4,781,701**	4,105,980
Maintenance and operation	**3,992,141**	3,227,090
Golf course	**3,941,835**	3,391,561
Vehicles	**1,956,478**	1,948,842
Food and beverage	**607,640**	648,717
Office and communication	**671,690**	632,826
Furnishings	**175,345**	210,438
	49,144,145	45,319,613
Less accumulated depreciation	**(22,960,320)**	(21,369,535)
	26,183,825	23,950,078
Construction in progress	**1,369,228**	1,795,596
Net property, plant and equipment	**$ 27,553,053**	$ 25,745,674

In August 2022, the Association experienced a fire which destroyed one of its clubhouses. The Association received insurance proceeds of approximately $2,853,000 in 2022 and approximately $43,000 in 2023. The Association intends to rebuild the club house which was destroyed by fire however construction costs have not yet been determined. As of December 31, 2022, the estimated cost-to-complete various other construction in progress projects is approximately $1,101,000.

4. Fair Value Measurements

FASB ASC 820, *Fair Value Measurements and Disclosures*, establishes a framework for measuring fair value. That framework provides a three-level hierarchy that prioritizes the inputs to the valuation techniques used to measure the fair value. The fair value measurement level within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Tellico Village Property Owners Association, Inc.

Notes to Consolidated Financial Statements (continued)

4. Fair Value Measurements (continued)

The three levels of fair value hierarchy are as follows:

- Level 1 – Observable inputs such as quoted market prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical assets or liabilities in markets that are not active.
- Level 3 – Unobservable inputs that reflect the Association's own assumptions.

Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value:

Residential real estate held for resale: Value determined either by management's estimate based on the real estate tax assessed value or by the most recent average exit price of similar lots sold, less costs to sell including unpaid real estate taxes.

The preceding method described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Association believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth the fair value of the Association's assets within the fair value hierarchy as of December 31:

	Level 2
2022:	
Residential real estate held for resale	**$ 217,228**
2021:	
Residential real estate held for resale	$ 422,920

Tellico Village Property Owners Association, Inc.

Notes to Consolidated Financial Statements (continued)

5. Long-Term Debt and Lines of Credit

A summary of the Association's long-term debt is as follows as of December 31:

	2022	2021
Welcome Center note payable to a financial institution in monthly installments of $2,234, including interest at the prime rate (7.5% as of December 31, 2022 and 3.25% as of December 31, 2021), through August 2025, when any remaining principal will be due	**$ 291,284**	$ 301,667
Medical office building note payable to a financial institution in monthly installments of $11,300, including interest at a fixed rate of 3.53%, through March 2027, when any remaining principal will be due	**561,560**	674,011
CCI Acquisition note payable to a financial institution in monthly installments of $27,931, including interest at a fixed rate of 3.25% based on 15-year amortization, through December 2026, when any remaining principal will be due *(Note 12)*	**3,767,705**	3,975,000
Total long-term debt	**$4,620,549**	$4,950,678

Future maturities of long-term debt, as updated for medical office building note payable amendment, are as follows as of December 31, 2022:

2023	**$ 351,607**
2024	**363,554**
2025	**611,555**
2026	**3,228,974**
2027	**64,859**
Total	**$4,620,549**

The Association has an unused $500,000 line of credit with a financial institution, as of December 31, 2022. The line of credit bears interest at the prime rate (7.5% as of December 31, 2022) and is scheduled to expire in October 2023, unless renewed.

The notes payable and lines of credit agreements are with the same financial institution. The arrangements are unsecured and have negative agreements, whereby the Association agrees not to grant to any person any lien, security interest, encumbrance, mortgage, pledge or other similar interest in any of the Association's property. The CCI Acquisition note payable is cross-collateralized and cross-defaulted by all other note payables. The arrangements also require the Association to comply with certain financial and other covenants; the Association is in compliance with all stated covenants.

Interest paid and expensed related to long-term debt and lines of credit totaled $162,978 in 2022 and $109,090 in 2021.

Tellico Village Property Owners Association, Inc.

Notes to Consolidated Financial Statements (continued)

6. Financing Lease

The Association has a finance lease agreement with the Tellico Reservoir Development Agency (TRDA) for approximately 1,663 acres of common properties. The Association is responsible for the general care and maintenance of the properties during the term of the lease. The lease requires annual payments of $400,000 through 2043 and a final payment of $178,225 in 2044, at which time the leased properties will be conveyed to the Association.

Right of use assets and other information under this financing lease are summarized as follows as of and for the years ended December 31:

	2022	2021
Cost	**$6,289,776**	$6,289,776
Accumulated amortization	**471,691**	399,356
Net financing lease right of use assets	**$5,818,085**	$5,890,420
Interest expense	**$ 251,034**	$ 257,449
Amortization expense	**73,794**	73,794

Other information for the years ended December 31:

	2022	2021
Operating cash flows from finance leases	**$ 251,034**	$257,449
Finance cash flows from finance leases	**148,966**	142,551
Weighted average remaining finance lease term	**22 years**	23 years
Weighted average financing discount rate	**4.5%**	4.5%

Future minimum lease payments for the finance lease are as follows as of December 31, 2022:

2023	**$ 400,000**
2024	**400,000**
2025	**400,000**
2026	**400,000**
2027	**400,000**
Thereafter	**6,578,225**
Total minimum lease payments	**8,578,225**
Less present value discount	**3,148,663**
Present value of minimum lease payments	**$5,429,562**

Tellico Village Property Owners Association, Inc.

Notes to Consolidated Financial Statements (continued)

7. Operating Leases

The Association leases certain golf carts and various other equipment under operating leases, which expire on various dates through 2026. The golf carts lease agreement contains 12 monthly payments of $12,512, followed by 48 monthly payments of $16,006 and a final balloon payment of $585,000. The manufacturer of the golf carts has offered to make the final balloon payment in exchange for ownership of the related golf carts, which the Association intends to accept. The other equipment lease agreements contain fixed payment terms from $608 to $1,358.

Right of use assets and other information under these operating leases are as follows as of and for the years ended December 31:

	2022	2021
Operating lease right of use assets	**$753,923**	$923,713
Obligations under operating lease	**$753,923**	$932,098

A summary of future minimum payments under noncancellable operating leases are as follows as of December 31, 2022:

2023	**$225,121**
2024	**225,121**
2025	**202,115**
2026	**148,054**
Total undiscounted lease payments	**800,411**
Less imputed interest	**46,488**
Obligation under operating leases	**$753,923**

Components of lease expenses are as follows for the years ended December 31:

	2022	2021
Operating lease expense	**$178,175**	$40,379
Short-term lease expense	**27,142**	45,245
Total lease expense	**$205,317**	$85,624

Other information are as follows for the years ended December 31:

	2022	2021
Operating cash flow from operating leases	**$193,678**	$50,191
Right-of-use assets obtained in exchange for new operating lease obligations	–	972,477
Weighted average remaining operating lease term	**3.61 years**	4.65 years
Weighted average operating discount rate	**3.31%**	3.33%

8. Operating Lease Income

The Association has operating lease agreements to lease the medical office building and retail spaces in the village shopping center to tenants. The medical office building initial lease term is for a period of ten years through 2027. The village shopping center leases expire on various dates through 2026, and several of these leases have renewal options. Operating lease income is included in other income in the consolidated statement of revenues, expense and changes in members' equity and totaled $342,867 in 2022 and $153,551 in 2021.

The asset under these operating leases are included in net property, plant and equipment in the accompanying financial statements and summarized as follows as of December 31:

	2022	**2021**
Cost	**$2,968,601**	$2,968,601
Accumulated depreciation	**289,461**	159,632
Net carrying value	**$2,679,140**	$2,808,969

Future minimum rental payments to be received on these non-cancelable operating leases are contractually due as follows as of December 31, 2022:

2023	**$ 241,955**
2024	**206,676**
2025	**186,968**
2026	**172,929**
2027	**121,708**
Total	**$ 930,236**

The future minimum rental payments are anticipated to be used by management to fund the related debt payments on the medical office building and the CCI Acquisition note payable *(Note 5)*.

9. Income Taxes

The Association is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code (the IRC) as an organization described in Section 501(c)(4) of the IRC. The Association is also exempt for state income tax purposes.

The Association is subject to an unrelated business income tax on certain of its activities. However, as of December 31, 2022, the Association has net operating loss (NOL) carryovers of approximately $1,376,000 available to offset future unrelated business income through 2030. These NOL carryovers result in a potential deferred income tax benefit of up to approximately $289,000, which has not been recognized since future realization is not assured.

With few exceptions, the Association is no longer subject to examinations by tax authorities for years before 2019.

10. Commitments and Contingencies

The Association has committed to purchase certain water quantities and sewer treatment services at established prices from Loudon Utility Board and Tellico Area Services System.

Additionally, the Association from time to time is subject to various claims in the ordinary course of business. Management believes the ultimate resolution of any such claims will not have a material impact on the Association's consolidated financial position or operating results.

11. Deferred Compensation and Employee Retirement Plans

The Association has a 401(k) retirement plan. Under the provisions of the plan, eligible employees, as defined, who elect to participate, contribute specified amounts of their compensation to the various investment funds offered by the plan. The plan allows a discretionary matching contribution determined annually by the Board of Directors. Association contributions to the plan totaled approximately $104,000 in 2022 and $132,000 in 2021.

The Association also has a 457(f) deferred compensation plan for the benefit of its former chief executive officer. The plan is intended to make up for his reduced benefits under the Association's 401(k) Plan due to IRC limitations. The Association contributed approximately $84,000 in 2022 and 2021 to the plan. Increases and decreases in the assets restricted for deferred compensation plan are offset by corresponding increases and decreases in the related deferred compensation plan liability.

12. Business Combination

Effective September 15, 2021, the Association acquired certain land, residential real estate lots, boat docks and a building located within Tellico Village from Cooper Communities, Inc. Cooper Homes, Inc. Cooper Realty Investments, Inc. and Cooper Commercial Properties I, LLC, in a transaction accounted for as a business combination, for a total purchase price of $5,300,000, including proceeds received from $3,975,000 note payable to a financial institution (*Note 5*). The assets were acquired to enhance the overall operations of the Association.

The following table summarizes the estimated fair value of the assets acquired as of the acquisition date:

Land	**$2,340,000**
Building	**1,852,500**
Boat docks (recreation equipment)	**663,000**
Residential real estate held for resale	**128,000**
Goodwill	**316,500**
Total purchase price	**$5,300,000**

Tellico Village Property Owners Association, Inc.

Supplementary Information on Future Major
Repairs and Replacements (Unaudited)

Year ended December 31, 2022

Management analyzed current accounting, insurance and forecasted maintenance and repair data to compile an estimate of remaining useful lives and the replacement costs of common property components. Historical acquisition costs of the original property have been adjusted for inflation or, if available, a current replacement cost for property quantified in a recent insurance renewal. This analysis was completed in January 2023. Actual expenditures may vary from the estimates.

The following table is based on the analysis and presents significant information about the common property components:

Components	Estimated Remaining Useful Lives (Years)	Estimated Current Replacement Cost
Buildings	0-35	**$ 30,294,359**
Docks	4-25	**6,537,500**
Equipment	4-22	**4,900,000**
Fuel - Marine	5-15	**200,500**
Golf	0-17	**21,080,434**
Recreation	4-16	**1,300,000**
Roads	0-35	**57,264,178**
Sewer	5-35	**86,917,740**
Signs	10	**225,000**
Vehicles	2	**2,000,000**
Water System	24-56	**150,669,000**
Total estimated current replacement cost		**$361,388,711**

See Independent Auditor's Report.

Division of Business and Charitable Organizations
Department of State
State of Tennessee
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243
Phone: 615-741-2286
sos.tn.gov/

Tre Hargett
Secretary of State

JESSICA JOHNSON
112 CHOTA CENTER
LOUDON, TN 37774, USA

05/02/2025

Filing Acknowledgment

Please review the filing information below and notify our office immediately of any discrepencies.

Entity Name:	TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION, INC.		
SOS Control #:	000146281	Initial Filing Date:	09/18/1984
Entity Type:	Nonprofit Corporation	Formation Locale:	TENNESSEE
Status:	Active	Duration Term:	Perpetual
Fiscal Year Close:	December	Annual Report Due:	04/01/2026
Business County:	LOUDON		
Benefit Type:	Mutual Benefit Corporation	Religious Type:	Non-Religious

Document Receipt

Receipt #: 2025-59988	Filing Fee:	$20.00
Payment: Credit Card - 3893199350		$20.00

Annual Report Due Date: 04/01/2025
Next Annual Report Due: 04/01/2026
Annual Report Date Filed: 03/04/2025
Tracking Number: B2025043521

This will acknowledge the filing of the attached Annual Report with an effective date as indicated above. When corresponding with this office or submitting documents for filing, please refer to the control number above.

Tre Hargett
Secretary of State

Event History

Annual Report Due Date changed from: 4/1/2025 to: 4/1/2026
NAICS changed
Officers Changed

Tracking Number
B2025043521

Annual Report

Division of Business and Charitable Organizations
Department of State
State of Tennessee
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243
Phone: 615-741-2286
sos.tn.gov/businesses

Control #: 000146281
Filed: 03/04/2025 06:35 PM
Tre Hargett
Secretary of State

Tre Hargett
Secretary of State

Entity Information

Business Name: TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION, INC.

Entity Type: Non-Profit Corporation

Control Number: 000146281

Place of Formation: TENNESSEE

Principal Office Address:
112 CHOTA CTR
USA, LOUDON, TN 37774-2886

Mailing Address:
112 CHOTA CTR
USA, LOUDON, TN 37774-2886

Nature of Business (NAICS):
813990 - Other Similar Organizations (except Business, Professional, Labor, and Political Organizations)

Officer Information

ROBERT BRUNETTI
112 CHOTA CTR
USA, LOUDON, TN 37774-2886
Director,President

MIKE BRADDOCK
112 CHOTA CTR
USA, LOUDON, TN 37774-2886
Director,Treasurer

JOHN ARGUELLES
112 CHOTA CTR
USA, LOUDON, TN 37774-2886
Director,Secretary

STEVE SCHNEIDER
112 CHOTA CTR
USA, LOUDON, TN 37774-2886
Director,Vice President

Registered Agent Information

CHESTER PILLSBURY
112 CHOTA CTR
LOUDON, TN 37774

Signature

☑ By entering my name in the space provided below, I certify that I am authorized to file this document on behalf of this entity, have examined the document and, to the best of my knowledge and belief, it is true, correct and complete as of this day.

Signed Electronically: JESSICA JOHNSON **Date:** 03/04/2025

Title: FINANCIAL OPERATIONS MANAGER

Tre Hargett
Secretary of State

Division of Business and Charitable Organizations
Department of State
State of Tennessee
312 Rosa L. Parks Avenue, 6th Floor
Nashville, Tennessee 37243
Phone: 615-741-2286
sos.tn.gov/

Date: 03/04/2025

Invoice: 2025-59988

Customer Information

JESSICA JOHNSON
TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION, INC.
112 CHOTA CENTER
LOUDON, TN 37774, USA

Tracking #	Description	Amount Paid
B2025043521	2024 Annual Report for TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION, INC. (Corporation Filings)	$ 20.00

Payment Details

Fee Total:	$ 20.00
Payment Total:	$ 0.00
Amount Due:	$ 0.00

Payment Method

Payment Type: Credit Card
Check/Confirmation Number: 3893199350

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ARTICLES OF INCORPORATION

OF

TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION, INC.

We, the undersigned natural persons, having the capacity to contract, do hereby associate to form a corporation under the provisions of the laws of the State of Tennessee and certify as follows:

ARTICLE I

NAME

The name of the corporation is Tellico Village Property Owners Association, Inc.

ARTICLE II

ADDRESS

The address of the initial main office and principal place of business of the Corporation is Suite 3, First National Bank Building, 200 East Broadway, Lenoir City, Tennessee 37771.

ARTICLE III

DURATION

The Corporation shall have perpetual existence.

ARTICLE IV

TYPE

The Corporation is not for profit.

ARTICLE V

PURPOSES AND POWERS

The Corporation does not contemplate pecuniary gain or profit, direct or indirect, to its members, and the specific purposes for which it is formed are to provide for the preservation of the values of the real estate brought within the jurisdiction of the Corporation from time to time within the confines of a residential and commercial community being created under the name of Tellico Village, Tennessee, and to promote the health, safety and welfare of the residents and commercial owners within the above described property and any additions thereto as may hereafter be brought within the jurisdiction of the Corporation and for this purpose to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Corporation as set forth in the Declaration of Covenants and Restrictions, hereinafter called Declaration, applicable to Tellico Village, Tennessee, and recorded or to be recorded in the Register's Office of Loudon County and/or Monroe County, Tennessee; and

(b) own, lease, acquire, construct, operate and maintain recreational facilities, greenbelt areas, private

BY:
PREPARED COMMUNITIES, INC.
COURIER P.O. BOX 559
LEO NVILLE, ARK. 72718
DENT

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streets, utilities, specifically including, but not limited to, the water system and sewer system, and other common facilities and amenities, together with improvements, buildings, structures, and personal properties incident thereto, hereinafter referred to as "Common Properties"; and

(c) provide for necessary or appropriate municipal services which may include, but is not limited to, fire and police protection, garbage and trash collections, sanitary landfills, and the maintenance of unkept lands; and

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

(e) convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Corporation pursuant to the terms of the Declaration; and

(f) borrow money and with the assent of a majority of the members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property in connection wth the affairs of the corporation pursuant to the terms of the Declaration; and

(g) dedicate, sell or transfer all or any part of the Common Properties to any public or private agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members pursuant to the terms of the Declaration, provided, however, no such dedication or transfer shall be effective unless approved by a majority of members, agreeing to such dedication, sale or transfer; and

(h) participate in mergers and consolidations with other nonprofit corporations organized for the same or similar purposes, provided that any such merger shall have the assent of a majority of members, agreeing to such merger or consolidation; and

(i) serve as the Association under and enforce any and all covenants, restrictions, and agreements in the Declaration applicable to the Community; and

(j) insofar as permitted by law, to do any and all other things that, in the opinion of the Board of Directors, will promote the common benefit and enjoyment of the residents of the Community, including, but not limited to, maintenance of any public streets therein.

ARTICLE VI

MEMBERSHIP

The Corporation shall issue no shares of stock of any kind or nature whatsoever. The following classes of membership in the Corporation are hereby established subject to the limitations herein set forth:

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General Membership: Every person or entity, other than Cooper Communities, Inc., hereinafter referred to as the Developer, its successors and assigns, or any Associate Member or CooperShare Member, who is the record owner of a fee interest in or who is purchasing from the Developer a fee or undivided fee interest in a Lot or Living Unit which is subject to being assessed by the Corporation, even though such Assessment has not yet commenced, shall be a General Member of the Corporation. General Members shall be entitled to the privileges of Membership.

Associate Membership: In order to provide operating revenue to the Corporation and enhance utilization of the recreational facilities during the early development of the Project the Developer shall have 1,000 Certificates of Associate Membership in the Corporation. Such Associate Memberships may be sold by the Developer and shall not require the ownership of a Lot or Living Unit. Any person who owns or is purchasing from the Developer an interest in such Associate Memberships shall be entitled to the privileges of Membership in the Corporation except as hereinafter provided. At the expiration of fifteen (15) years from the date of recording of the Declaration or upon the completion of five thousand five hundred (5,500) Living Units, whichever is later, the Members other than Associate Members shall, at the next annual meeting of the Membership, vote on the issue of continuing the Associate Memberships. If a majority of the total votes cast favor continuing said Associate Memberships, said Associate Memberships shall continue for a period of five (5) years. At the expiration of said term of years, there shall be another like vote at the annual meeting of Members and a like vote every five (5) years thereafter until, if ever, a majority of the voters elect to terminate said Associate Memberships. Upon such termination, the Corporation shall be required to promptly purchase any such Associate Memberships which have been sold by the Developer from the then Owners at a price equal to ten percent (10%) of the original purchase price of said Associate Membership from the Developer. Except as to the Developer, Associate Memberships may be owned only by natural persons and are not transferable other than between spouses and shall terminate in the event of the death of both spouses. Such Associate Memberships may also be terminated by the Developer for failure of the purchasing Owner to pay in full the purchase price therefor from the Developer or any other breach of such contract of purchase in accordance with the terms of such contract of purchase or by the mutual cancellation of such contract of purchase by the parties thereto, and by the Corporation for the failure to pay any assessments or other amounts owed by the Owner therefor to the Corporation or for any other breach by such Owner of this Declaration which failure to pay or breach shall not be cured within six (6) months after notice to such Owner by the Corporation. Notwithstanding anything hereinabove to the contrary, upon the termination of an Associate Membership, for any reason whatsoever other than the vote of the Corporation Membership as hereinabove provided, the Developer shall have the right, but not the obligation, to create and sell an additional Associate Membership in the place thereof, without payment of any kind by the Developer therefor, so long as the total of the outstanding Associate Memberships does not exceed 1,000 and so long as such Associate Memberships have not been terminated by vote of the Corporation Membership as hereinabove provided.

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CooperShare Membership: A CooperShare Lot or Living Unit is subject to the same assessment obligations and voting rights as any other Lot or Living Unit, and Owners thereof are entitled to the same privileges of Membership in the Corporation as other Lot or Living Unit Owners except as hereinbelow provided. Every person or entity, other than the Developer, who is the record owner of a fee or undivided fee interest in or who is purchasing from the Developer a fee or undivided fee interest in an interval ownership use period in a CooperShare Lot or Living Unit, which CooperShare Lot or Living Unit is subject to being assessed by the Corporation, even though such assessment has not yet commenced, shall be a CooperShare Member. A CooperShare Member shall be entitled to all privileges of Membership as other Lot or Living Unit Owners except that such shall be limited to that period of time each year consistent with such CooperShare interval ownership period.

Developer Membership: The Developer, its successors and assigns, shall be a Member of the Corporation so long as it shall be the record owner of a fee or undivided fee interest in any Lot, Living Unit or Associate Membership which is subject to being assessed by the Corporation, even though such assessments have not yet commenced, and shall further be a Member until it is paid in full for every such Lot, Living Unit or Associate Membership it shall sell. The Developer, its successors and assigns, shall be entitled to the privileges of a Member for each such Lot, Living Unit or Associate Membership and shall be further entitled to the issuance of Membership guest cards during such Membership to the extent it may deem necessary in its sole discretion to assist in the development and sale of Lots, Living Units and Associate Memberships.

Notwithstanding anything hereinabove to the contrary, these provisions for Membership are not extended to any person or entity other than the Developer who holds such interest merely as security for the performance of an obligation.

ARTICLE VII

VOTING RIGHTS

All those persons or entities as set forth in Article VI hereinabove, with the exception of Developer, who have paid the Developer in full for the purchase price of the Lot, Living Unit or Associate Membership shall be entitled to one (1) vote for each Lot, Living Unit or Associate Membership in which they hold the interest required for Membership by the above Article VI. When more than one person and/or entity holds such interest, the vote for such Lot, Living Unit or Associate Membership shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot, Living Unit or Associate Membership.

The Developer shall be entitled to two (2) votes for each Lot, Living Unit or Associate Membership in which it holds the interest required for Membership by the above Article VI until such time as it shall cease to be a record owner thereof and shall have been paid in full therefor. The Developer shall continue to have the right to cast votes as aforesaid even though it may have contracted to sell the Lot, Living Unit or Associate Membership or may have same under a mortgage or deed of trust.

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Notwithstanding anything hereinabove to the contrary, a CooperShare Lot or Living Unit shall entitle the Owners thereof to only one (1) vote where any Owner therein other than the Developer shall be entitled to participate in the voting rights, and, in such event, the Developer shall participate in such vote to the same extent pro rata as other Owners therein entitled to participate in such vote.

For purposes of determining the votes allowed herein when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted.

ARTICLE VIII

BOARD OF DIRECTORS

The affairs of the Association shall be managed by a Board of three (3) Directors who need not be members of the Association. A change in the number of Directors shall be made only by amendment to these Articles of Incorporation. The names and addresses of the persons constituting the initial Board of Directors and the annual meeting to which their respective terms shall extend are as follows:

NAME	ADDRESS	TERM
John A. Cooper, Jr.	Bella Vista Village, Arkansas	1987
D. Weston Tucker	Hot Springs Village, Arkansas	1986
Larry W. Garrett	Bella Vista Village, Arkansas	1985

Thereafter, Directors shall be elected for a term of three (3) years and shall serve until their respective successors are elected and qualified. The election process shall be set out in the By-Laws of the Association. The election of Directors shall be at the annual meeting of the membership. Any vacancy occurring during a term in the initial or any subsequent Board of Directors may be filled at a meeting of the Board of Directors by the affirmative vote of a majority of the remaining Directors. Any Directors elected to fill a vacancy shall serve as such until the expiration of the term of the Director whose position he was elected to fill.

ARTICLE IX

INCORPORATORS' NAMES AND PLACES OF RESIDENCE

The name and place of residence of each of the Incorporators are as follows:

NAME	PLACE OF RESIDENCE
John A. Cooper, Jr.	Bella Vista Village, Arkansas 72712
D. Weston Tucker	Hot Springs Village, Arkansas 71902
Larry W. Garrett	Bella Vista Village, Arkansas 72712

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ARTICLE X

DISSOLUTION

The Corporation may be dissolved only with the assent given by the members entitled to cast two-thirds of the total votes. Written notice of a proposal to dissolve, setting forth the reasons therefor and the disposition to be made of the assets (which shall be in accordance with ARTICLE XI hereof) shall be mailed to every member at least thirty (30) days in advance of any action taken. Dissolution shall not divest or diminish any right or title of any Owner, as defined in the Declaration, vested in him under the Declaration and deeds applicable to his property unless made in accordance with the provisions of such Declaration and deeds.

ARTICLE XI

DISPOSITION OF ASSETS UPON DISSOLUTION

Upon the dissolution of the Corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation by dedicating same to an appropriate public agency or utility to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the Corporation or, in the event such dedication is refused acceptance, to such non profit Corporation, Association, trust or other organization created and operated exclusively for purposes as shall at the time qualify as an exempt organization or organizations under Section 528 of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by an appropriate court of the county in which the principal office of the Corporation is then located, exclusively for such purposes or to such organization or organizations as said court shall determine which are organized and operated exclusively for such purposes.

ARTICLE XII

ADDITIONAL PROVISIONS

Section 1. No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its members, trustees, officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article V hereof. No substantial part of the activities of the Corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from Federal income tax under Section 528 of the Internal Revenue Code of 1954 (or the

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corresponding provision of any future United States Internal Revenue Law), or (b) by any other comparable or applicable section of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law).

Section 2. All other provisions concerning the governance and regulation of the internal affairs of the Association shall be as set forth in the hereinabove mentioned Declaration of Covenants and Restrictions and the By-Laws of the Association.

ARTICLE XIII

AMENDMENTS

These Articles may be amended by majority vote at any meeting of the Board of Directors. A copy of all such amendments shall be filed with the Tennessee Secretary of State within thirty (30) days after their passage and such amendments shall not become effective until so filed.

ARTICLE XIV

INDEMNIFICATION

The Board of Directors of this Corporation are authorized at any time, or from time to time, to approve indemnification of directors, officers, or other persons to the full extent permitted by the laws of the State of Tennessee at the time in effect, with respect to past, present or future transactions of this Corporation.

IN WITNESS WHEREOF, the Incorporators hereby apply to the State of Tennessee for the Charter of Incorporation for the purposes and provisions set out in the foregoing instrument and have hereunto set their hands this 18th day of September, 1984.

John A. Cooper, Jr.

D. Weston Tucker

Larry W. Garrett

TVPOA Complaint – CA Exhibit D

Tellico Village Strategic Land Acquisition Initiative

INVESTING IN OUR FUTURE TO CONTROL OUR DESTINY

SEPTEMBER 24, 2021

Overview

At Tellico Village, our destiny is no longer a matter of chance. It is a matter of choice. Information you'll find in this document includes:

- Why Tellico Village POA is investing in a strategic land acquisition and what it will mean to Villagers
- Location of land parcels included
- Current and potential uses for the property
- How this investment will allow us to control our destiny
- Potential consequences of doing nothing
- The financial impact on property owners and the village
- How you can help

COOPER COMMUNITY INCORPORATED BACKGROUND

Cooper Community Incorporated (CCI) is the developer of Tellico Village and still owns the rights to The Declaration of Covenants, Conditions, and Restrictions, commonly known as the CC&Rs. Therefore, CCI has complete control of the remaining acreage and boundary lines, dictating whether land is added to the Village, and what may be built on the remaining acreage they own.

Cooper Community Incorporated (CCI) has been a family-owned and operated company since 1954 and has an excellent reputation. CCI is widely recognized as one of the most fiscally responsible developers of planned communities in the nation. Tellico Village is one of nine communities in the CCI portfolio, and the company maintains ownership of over 200 acres within the Village.

CCI is a values-based company with a firm commitment to the environment and aesthetic integrity of their communities. As often happens in family run companies, they are experiencing a generational transition of their business model. The result is that CCI has offered to us first right of refusal on 216 acres along with developer rights. We are fortunate to have this opportunity, and the POA is pursuing the land acquisition.

Land Acquisition and Developer Rights Overview

INVESTING IN THE FUTURE OF TELLICO VILLAGE

As Tellico Village property owners, you have chosen one of the country's premier communities. To maintain this high standard, your Property Owners Association [POA] must deliver great value, managed growth, and the continued quality of life you know and enjoy.

For the first time in 35 years of continued development, we have been given the opportunity to acquire developer rights and 206 additional acres within the Village from Cooper Community Inc. (CCI), the original developers of Tellico Village. The longstanding positive relationship of Tellico Village POA staff and property owners with CCI has resulted in an agreement to transfer ownership of 54 parcels of land, many of which are already in use by the POA. Additionally, the land acquisition agreement provides first right of refusal on the 10 remaining Chatuga Point acres owned by CCI. They may decide to develop it in the future, but under the new agreement, approval and permitting by the POA will be required for anything constructed on the parcel.

Acquisition of this property will allow us to invest in our own community, safeguard property values, and retain the Tellico Village culture. It will ensure the highest and best use of the land and fulfill the needs of current and future property owners first. This could be in the form of additional green space, villa communities, boat slips, and more.

Why Now?

If we do not acquire the property with developer rights, CCI will sell to outside developers. This critical investment in protecting our community from outside developers ensures peace-of-mind for the future of Tellico Village.

There are specific reasons why it is vitally important that we act now. If the POA does not acquire the property with developer rights, CCI has informed us that they will sell to outside developers. These developers will purchase the land (in full or in part), take over developer rights, and have the ability to make decisions over which we have absolutely no control.

This could easily result in undesirable commercial and retail establishments, building of timeshare communities, high rise boat storage in undesignated locations, and more. The list of unfavorable possibilities is endless. Purchase of this property now guarantees that we will continue to control the destiny of Tellico Village development.

Even with the many potential benefits, we understand that our property owners may have concerns about cost implications and impact to the village. The good news is that this investment will result in multiple revenue generating opportunities including dock, commercial lease, and land sale revenues. This land acquisition will require no additional cost to you, and will not change the allocation of assessments in the current 10-year budget as approved in 2020 by the Board of Directors.

What We Are Acquiring

NOTE: PARCELS TO BE ACQUIRED ARE IN **RED**. VACANT LOTS ARE NOT MARKED ON MAP.

NOTE: To view a larger map Click Here

POSSIBLE USES INCLUDE:
mountain bike trails, recreational expansions, additional RV & trailer storage, water sport access, & hiking trails

206 ACRES

54 PARCELS OF VACANT LAND

<u>Current usage includes</u>:

- Open spaces
- Green spaces
- Boat docks
- Boat dock parking
- Amenity parking
- Yacht club parking
- Village Square commercial area

13 VACANT LOTS

49 PARCELS OF UNDEVELOPED LAND

Land Purchase Benefits & Consequences of Not Purchasing

Results of Purchasing

Results of **Not** Purchasing

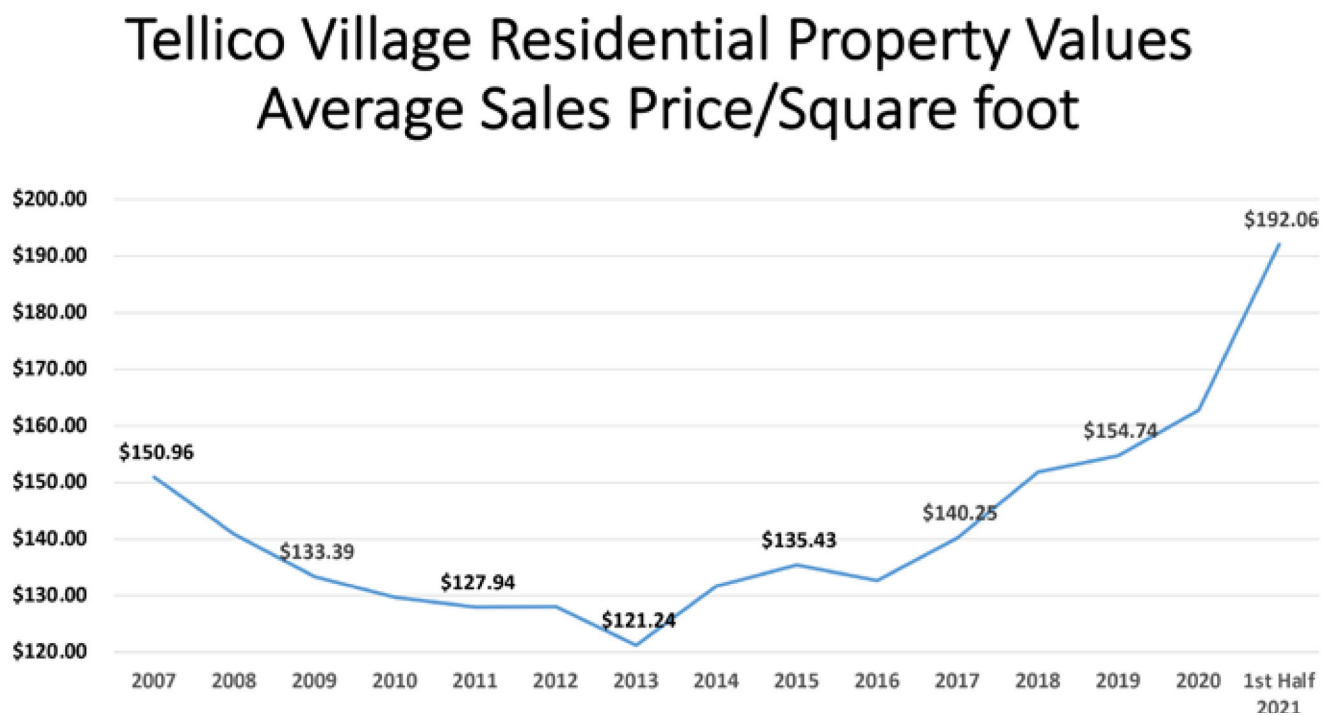
- Own Developer Rights
- Investment in our future
- Control over our Destiny
- Ensures best use of property
- Additional Boat Slips
- Potiential for Development of Villa Homes & Town Homes
- Revenue Generating Opportunity
- Managed Growth
- Long-term Increase in Property Values
- Control Over Commercial Growth
- First and Foremost Serves Needs of Property Owners
- Retain Our Culture

- Lose Once in a Lifetime Opportunity
- Outside Developer Purchases Property and Developer Rights
- Outside Developer Builds Whatever They Want, No POA Input
- Possible Timeshare Development
- Undesirable Commercial Development
- Objectionable Retailers
- Apartment Communities
- Possible Pay to Park, POA Does Not Own All Parking Lots
- Potential Impact on Property Values
- Restrictions on New Retail
- Quality of Life and Culture Compromised
- Poor Environmental Stewardship

Other Benefits

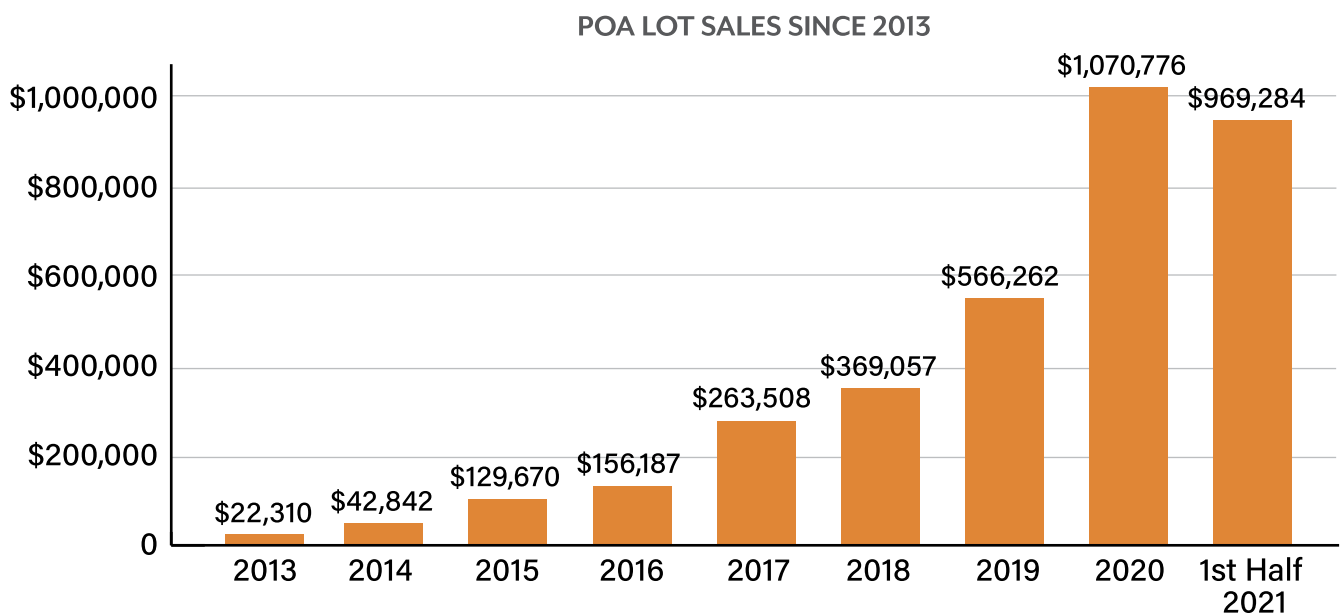
PROPERTY VALUES

By acquiring the additional acreage, and, most importantly, the developer rights, we can work to ensure that property values continue to increase. Since 2013, property values have risen 63%.



POA TRACK RECORD

Since 2013, the POA's proven track record for selling POA owned lots and increasing assessment revenues has soared, providing further validation the land acquisition initiative will be well-managed by internal teams.



Financial Information

Appraisals and Due Diligence

Tellico Village management has invested in obtaining professional property appraisals and conducting due diligence on the properties under consideration in the strategic land acquisition. We have taken the necessary measures to ensure that all material facts and potential defects about the properties were examined by both third-party and in-house inspections. As a result, we are confident that the purchase is an excellent acquisition at a fair price that will benefit Villagers for generations to come.

Actions and Results

APPRAISALS

A commercial property appraiser inspected the three largest tracts of land – P1, P4, and P38 in addition to Village Square, Tanasi Coves, Tanasi Lagoon, and Chota Landing Docks. Each of the appraisals were valued higher than the agreed upon purchase price.

THIRD-PARTY INSPECTIONS

Tellico Village hired National Property Inspections to examine the commercial buildings included in the strategic land acquisition. Minimal minor issues were reported, and are the responsibility of current lessees.

IN-HOUSE INSPECTIONS

Tellico Village management has diligently inspected every parcel and commercial unit, and all docks. The examination team determined that some areas require updating, including upgrading docks to the same quality as those currently owned by Tellico Village.

In addition, we reviewed the financials of the past three years, current commercial leases, and dock leases. Finally, we audited three years of maintenance records and reviewed short and long-term maintenance needs. No major improvements were deemed necessary.

CONCLUSION

Based on the comprehensive results of the appraisals and inspections, we can move forward with the strategic land acquisition with full confidence.

Financial Information

FINANCIAL COMPONENTS

Five Key Components of Purchase

- **Developer Rights** will allow for control of land use and future expansion beyond existing Tellico Village borders
- **Common Area Land** will provide opportunities for POA expansion of green space and amenities
- **Dock** opportunity will increase the number of POA owned docks (currently fully leased)
- **Retail** opportunity includes existing building and tenants with multi-year leases
- **Land Development** parcels will provide gain on sale of land and future assessment reserve

BANK FINANCING

Financing Details:

$5,300,000
TOTAL PURCHASE PRICE

25%
DOWN PAYMENT $1.325M

75%
FINANCED $3.975M

BANK FINANCING APPROVED AT
3.25%
FIXED RATE
5-year note
15-year
AMORTIZATION

3.25%
FIXED INTEREST RATE

NO PREPAYMENT PENALTIES

10k
BANK FEE ORIGINATION

NO PLEDGE COLLATERAL

Consistent with Previous POA Debt

- Debt load on the POA in the future is light and consistent with other POA Debt
  - Wellness Center debt paid off last year ($218K/year)
  - Toqua Clubhouse debt paid off September 2021 ($118K/year)
  - Projected debt service for Acquisition ($335K/year)
  - Monthly P/I payment of $27,931
- The debt will be paid down with proceeds from land development sales

Financial Information

PURCHASE DETAILS

The initial master plan for Tellico Village included 6,800 homesites, and currently the Village has approximately 4,700 homes built. We anticipate the land acquisition to potentially open up about 215 additional homesites.

What Do We Get From This Purchase?

- Developer rights not valued separately in analysis but worth millions!
- The land acquisition represents the potential of about 215 additional home sites. The initial master plan for Tellico Village included 6,800 home sites, and there now approximately 4,700 homes completed.
- Additional assets in good condition requiring minimal maintenance to freshen the look
- Positive EBITA (earnings before income taxes and depreciation allowances)
    - Cash flow of $400K the first year (due to one-time expenses related to maintenance noted above)
    - Additional $1M net income after first year
        - Retail lease revenue in excess of $200K/year
        - Dock Revenue in excess of $70K/year
        - Expected $900K gain on sale of land in years 2022-2024
        - Approximately $200K/year in assessment revenue from lot development beginning in 2023
- 71% expected return on invested capital

DOWN PAYMENT & SOURCE OF FUNDS

Impact

- $1,325,000 required cash for purchase
    - Significant positive financial performance over last several years allows for minimal impact to other priorities (i.e. Reserves)
    - Currently have funds available in Operating Cash so Reserves remain untouched
    - Will not impact any planned maintenance or other future capital required to manage the Village

Summary

Key Benefits of Land and Developer Rights Acquisition

DEVELOPER RIGHTS

If we do not acquire the property with developer rights, CCI will sell to outside developers. This could easily result in unwanted commercial development, undesirable retail, building of time share communities, and more.

COMPLETE CONTROL OF NEW DEVELOPMENT

The acquisition of the land and developer rights affords us complete control over any new development within the Village. We will ensure the highest and best use of the land – this could be in the form of additional green space, villa communities, boat slips, and more.

OWN ENTIRE BOUNDARY OF TELLICO VILLAGE

The acquisition of the land and developer rights also gives us ownership of the entire boundary of Tellico Village, ensuring our ability to acquire additional property and enforce potential encroachments and have the peace-of-mind that we are in control of our own community.

REVENUE

The aquisition provides sizeable annual income through additional assessments, commercial lease revenue, dock revenue, and land sales.

CLICK HERE

Declaration of Covenants and Restrictions

How Can You Help?

> As your Board President, I enthusiastically support this agreement to acquire all of CCI's developer rights as well as undeveloped Village lands which I am confident will put the future of Tellico Village squarely in the hands of its Property Owners. This is a one-time opportunity to control our destiny as a community which your Board and POA staff have labored to bring to fruition. I couldn't be happier with the result.
>
> -Rick Blough, Tellico Village POA Board President

We value the confidence of every Tellico Village property owner, and we ask for your support of this investment decision. The TVPOA staff and board of directors are committed to remaining exceptional financial stewards for the Village. We will continue our work to deserve your trust in our leadership to make the best decisions for our property owners and the future of our community.

At Tellico Village, our destiny is no longer a matter of chance. It is a matter of choice.

We simply cannot stand by and risk leaving our community in the hands of unknown and potentially undesirable outside developers.

This investment opportunity allows us to choose the best possible future for Tellico Village.

Thank you for your support.

Official Facts

Please ensure accurate information by referring to this document or the TVPOA website for factual information and data. If you need additional information or have questions, please contact:

Beth Kuberka
202 Chota Road, Loudon, Tennessee 37774
865-458-7095
tellicovillage.org/ThePlan

This agreement with Cooper represents an outstanding opportunity for the local business community and, most importantly, for Village property owners. By acquiring the commercial rights to Village Square, it provides a sizable, new revenue stream to the POA in the short-term. Long-term it gives control of the Square to the POA allowing it to improve the property and attract new businesses to the community.

-Joe Bogardus and Fred Toettcher,
Co-Administrators
Tellico Village Business Alliance

This land acquisition allows us to control and plan our growth for the future. It will allow the Long-Range Planning Committee to add additional amenities, villas and homes that are needed in the future to insure that Tellico Village remains the top quality community it is today.

-Ed Grollemond
Chairman of the Long-Range Planning Committee

As a POA Member for over 20 years I have seen many investments by our Board designed to improve the value of our village. Those decisions have always been fiscally responsible and managed effectively, i.e. Wellness Center, medical center, new golf clubhouses, community center and infrastructure designed to keep the village competitive. This plan has been well thought out, researched and is not only fiscally wise, but just as important it is a strategic decision to protect our village for the future. I endorse this plan.

-Ken Thoreson, Resident

I wholeheartedly support the land acquisition and believe it is in the best interest of all landowners. Our POA has worked tirelessly to ensure that we maintain control of our beautiful community, own developer rights, and guide future development decisions that impact all of us.

-Bruce Johnson, Board Member
Tellico Village POA

I urge property owners to take advantage of the POA Town Hall Meetings and website information to learn more about this strategic initiative and the potential impact it can have on the future of Tellico Village.

-Ken Litke, President
Home Owners Association of Tellico Village (HOA)

This plan represents countless hours of research, review, and negotiation by our POA Administration, led by CEO Winston Blazer and the Board. Because of excellent fiscal management, we are in position to take advantage of this once-in-a-lifetime opportunity for Tellico Village. We simply cannot afford to pass it up; our future depends on it! I fully support this land acquisition, and am confident that my fellow property owners will, too.

-Carla Johnson
POA Board of Directors

Tellico
Village

Tennessee Property Assessment Data - Parcel Details Report - https://assessment.cot.tn.gov/

Loudon (053)

Tax Year 2025 | Reappraisal 2021

Jan 1 Owner
UNITED COMMUNITY BANK GEORGIA
P O BOX 398
BLAIRSVILLE GA 30514

Current Owner

VILLAGE SQUARE DR 290

Ctrl Map:	Group:	Parcel:	PI:	SI:
058D	E	007.00		000

Value Information

Land Market Value:	$108,300
Improvement Value:	$827,000
Total Market Appraisal:	$935,300
Assessment Percentage:	40%
Assessment:	$374,120

Subdivision Data

Subdivision:
CHOTA COMMERCIAL

Plat Book:	Plat Page:	Block:	Lot:
C	82	1	6A

Additional Information

General Information

Class: 08 - Commercial
City #: 957
Special Service District 1: 000
District: 01
Number of Buildings: 1
Utilities - Water/Sewer: 01 - PUBLIC / PUBLIC
Utilities - Gas/Gas Type: 00 - NONE

City: TELLICO VILLAGE
Special Service District 2: 000
Neighborhood: Q01
Number of Mobile Homes: 0
Utilities - Electricity: 01 - PUBLIC
Zoning:

Outbuildings & Yard Items

Long OutBuilding & Yard Items list on subsequent pages

Sale Information

Long Sale Information list on subsequent pages

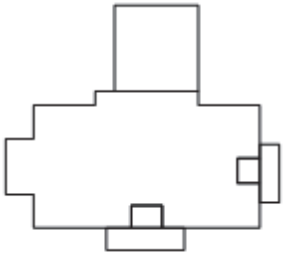
Land Information

Deed Acres: 0.79 **Calculated Acres:** 0 **Total Land Units:** 0.79

Land Code	Soil Class	Units
10 - COM		0.79

Commercial Building #: 1

Improvement Type:
33 - BANK
Quality:
1 - AVERAGE
Foundation:
02 - CONTINUOUS FOOTING
Roof Framing:
05 - BAR JOIST/RIGID FRAME
Cabinet/Millwork:
04 - ABOVE AVG
Interior Finish:
07 - DRYWALL
Bath Tiles:
01 - FLOOR ONLY
Shape:
01 - RECTANGLE
Heat and AC:
07 - HVAC SPLIT
Building Sketch



Actual Year Built:
2004
Business Living Area:
3789
Floor System:
01 - SLAB ON GRADE
Roof Cover/Deck:
03 - COMPOSITION SHINGLE
Floor Finish:
11 - CARPET COMBINATION
Paint/Decor:
04 - ABOVE AVERAGE
Electrical:
04 - ABOVE AVG
Structural Frame:
05 - RIGID FRAME
Plumbing Fixtures:
4

Interior/Exterior Areas

Type	Square Feet	Exterior Wall
33 - BANK	3,789	11 - COMMON BRICK

Commercial Features

Type	Units
EPF - ENCLOSED PORCH FINISHED	88 X 1
EPF - ENCLOSED PORCH FINISHED	72 X 1
OPF - OPEN PORCH FINISHED	147 X 1
CPF - CARPORT FINISHED	930 X 1
OPF - OPEN PORCH FINISHED	224 X 1

TVPOA Complaint – CA Exhibit E-1

Outbuildings & Yard Items

Building #	Type	Description	Area/Units
1	ASP - ASPHALT PAVING	65X91	5,915
1	LGT - LIGHTS	1X1X2	2
1	LGT - LIGHTS	1X2X4	4
1	ASP - ASPHALT PAVING	35X45	1,575
1	ASP - ASPHALT PAVING	40X91	3,640

Sale Information

Sale Date	Price	Book	Page	Vacant/Improved	Type Instrument	Qualification
10/31/2019	$0	417	605		QC - QUITCLAIM DEED	-
9/6/2017	$809,633	400	127	I - IMPROVED	WD - WARRANTY DEED	H - BUSINESS/CORPORATE SALE
5/1/2015	$0	T1246	888		-	-
3/24/2003	$96,000	275	465	V - VACANT	WD - WARRANTY DEED	A - ACCEPTED

BK/PG: D417/605-612
19009960
8 PGS:AL-QUIT CLAIM DEED
TAMMY BATCH: 151698
11/07/2019 - 11:50:06 AM

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, LOUDON COUNTY
TRACIE LITTLETON
REGISTER OF DEEDS

Prepared by and return to:
Sara Kate Rumsey, Esq.
James-Bates-Brannan-Groover-LLP
3399 Peachtree Road NE
Suite 1700
Atlanta, GA 30326

Tax Parcel No(s).: 053 015F A 002 00000 2019; 053 058D E 007 00000 2019; 053 041H F 031 00000 2019; 053 041H F 030 00000 2019; 053 041H F 032 00000 2019

QUITCLAIM DEED

THIS QUITCLAIM DEED ("Deed") is made the 31st day of October, in the year 2019, between UCB TENNESSEE PROPERTIES, INC., a Tennessee corporation ("Grantor") and UNITED COMMUNITY BANK (GEORGIA), a Georgia banking corporation ("Grantee") (the words "Grantor" and "Grantee" to include their respective heirs, successors and assigns where the context requires or permits).

WITNESSETH that Grantor, for and in consideration of the sum of Ten Dollars ($10.00) and other good and valuable consideration, in hand paid at and before the sealing and delivery of these presents, the receipt and sufficiency of which are hereby acknowledged, by these presents does hereby remise, convey and forever QUITCLAIM to Grantee all the right, title, interest, claim or demand which Grantor has or may have in and to the following described property (the "Property"), to wit:

> All that tract or parcel of land lying and being in Loudon County, Tennessee and more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference, TOGETHER with any and all easements, rights-of-way, appurtenances, or rights appertaining or in anywise belonging thereto including, without limitation, any portion of the Property lying within the right-of-way of any publicly dedicated street, roadway or alleyway; and TOGETHER with any

and all improvements, structures or fixtures located therein or thereon.

TO HAVE AND TO HOLD the Property to Grantee, so that neither Grantor, nor any person or persons claiming under Grantor shall at any time, by any means or ways, have, claim or demand any right or title to the Property, or any rights thereof.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF, Grantor has caused this Deed to be executed under seal by Grantor's representative duly authorized thereunto as of the day, month and year first above written.

GRANTOR:

UCB TENNESSEE PROPERTIES, INC.,
a Tennessee corporation

By:_____
Omar Galan, Vice President

[CORPORATE SEAL]

ACKNOWLEDGMENT

STATE OF GEORGIA

COUNTY OF FULTON

Before me, a Notary Public in and for said State and County, duly commissioned and qualified, personally appeared Omar Galan, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged him or herself to be the Vice President of UCB Tennessee Properties, Inc. and that he or she executed the foregoing instrument for the purposes therein contained, by signing the name of the Vice President by him or herself as Omar Galan.

Witness my hand and official seal this 31st day of October, 2019.

_____
NOTARY PUBLIC
My commission expires:_____

[NOTARIAL SEAL]

JANANNE JOHNSTON
MY COMMISSION EXPIRES
NOTARY
PUBLIC
DECEMBER 1, 2019
CHEROKEE COUNTY, GEORGIA

AFFIDAVIT OF VALUE AND CONSIDERATION

STATE OF GEORGIA
COUNTY OF FULTON

I, or we, hereby swear or affirm that to the best of affiant's knowledge, information, and belief, the actual consideration for this transfer is $0.00.

AFFIANT

Sworn to and subscribed before me this 31st day of October, 2019.

NOTARY PUBLIC
My commission expires:_____

[NOTARIAL SEAL]

JANANNE JOHNSTON
MY COMMISSION EXPIRES
NOTARY
PUBLIC
DECEMBER 1, 2019
CHEROKEE COUNTY, GEORGIA

Parcel One:
Loudon County Tax Map 015F, Group E, Parcel 002.00

Parcel Two:
Loudon County Tax Map 058D, Group E, Parcel 007.00

Parcel Three:
Loudon County Tax Map 041H, Group F, Parcel 030.00;
Loudon County Tax Map 041H, Group F, Parcel 031.00

Parcel Four:
Loudon County Tax Map 041H, Group F, Parcel 032.00

SEND TAX BILLS TO: United Community Bank
P.O. Box 398
Blairsville, GA 30514

EXHIBIT "A" TO QUITCLAIM DEED

(Legal Description to Deed)

Parcel One:
Tax Parcel: 053 015F A 002 00000 2019

BEING THE SAME PROPERTY conveyed to UCB Tennessee Properties, Inc. recorded in Book 382, Page 742, Register's Office for Loudon County, Tennessee.

SITUATED in the Second (2nd) Civil District of Loudon County, Tennessee, within the corporate limits of the City of Lenoir City, being a portion of Lot 1R as shown on Resubdivision Plat of Lots 1 and 2, Chetem Estates Subdivision, filed for record in **Plat Cabinet I, Slide 350** in the Loudon County Register of Deeds Office, and being more particularly bounded and described as follows:

BEGINNING at an iron pin set in the northwesterly corner of Lot 2R of said subdivision in line with Lot 1R; thence North 39°10'25" West a distance of 89.81 feet to a point; thence North 50°50'34" East a distance of 74.75 feet to a point; thence with a curve turning to the left with an arc length of 19.54 feet, with a radius of 72.39 feet, with a chord bearing of North 43°18'48" East, with a chord length of 19.48 feet; thence with a curve turning to the left with an arc length of 11.70 feet, with a radius of 18.24 feet, with a chord bearing of North 04°13'21" East, with a chord length of 11.50 feet; thence North 06°21'33" West a distance of 20.20 feet to a point; thence North 50°48'23" East a distance of 44.54 feet to a point; thence South 39°22'52" East a distance of 117.72 feet to a point; thence South 50°50'21" West a distance of 157.88 feet to the **POINT OF BEGINNING**, containing 15,682 square feet or 0.360 acres.

TOGETHER WITH:

BEING THE SAME PROPERTY conveyed to UCB Tennessee Properties, Inc. recorded in Book 382, Page 746, Register's Office for Loudon County, Tennessee.

SITUATED in the Second (2nd) Civil District of Loudon County, Tennessee, within the corporate limits of the City of Lenoir City, being all of Lot 1R as shown on Resubdivision Plat of Lots 1 and 2, Chetem Estates Subdivision, filed for record in **Plat Cabinet I, Slide 350** in the Loudon County Register of Deeds Office, to which plat specific reference is hereby made for a more particular description of said lot.

EXHIBIT "A" – CONTINUED

Parcel Two:
Tax Parcel: 053 058D E 007 00000 2019

BEING THE SAME PROPERTY conveyed to UCB Tennessee Properties, Inc. recorded in Book 400, Page 127, Register's Office for Loudon County, Tennessee.

LOT 6, BLOCK 1
CHOTA COMMERCIAL SUBDIVISION
TELLICO VILLAGE, TENNESSEE

A PARCEL OF LAND LYING IN THE FIRST CIVIL DISTRICT OF LOUDON COUNTY, TENNESSEE, ADJACENT TO THE NORTHERLY RIGHT OF WAY OF CHOTA ROAD, APPROXIMATELY ONE-TENTH MILE WEST OF THE INTERSECTION OF THE STATE ROUTE #444 (TELLICO PARKWAY) AND CHOTA ROAD, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT 13,701.29 FEET NORTH AND 5,701.66 FEET EAST OF TVA MONUMENT 52-51A, A METAL MARKER (TENNESSEE STATE PLANE COORDINATES OF NORTH 465,136 FEET AND EAST 2,510,195 FEET) IN THE 820 FOOT (MSL) CONTOUR ON THE EAST SHORE OF THE FORK CREEK EMBAYMENT OF TELLICO RESERVOIR; THENCE, N 46°53'25" E 348.80 FEET THENCE, N 46°53'25' E 33.02 FEET; THENCE, S 68°48'01" E 114.76 FEET; THENCE, S 18°33'57" E 82.95 FEET; THENCE, S 46°00'10" W 56.04 FEET; THENCE, S 46°00'10" W 285.23 FEET; THENCE, 40.40 FEET ALONG THE ARC OF A 732.08 FOOT RADIUS CURVE TO THE LEFT, SAID ARC HAVING A CHORD OF N 58°44'26" W 40.40 FEET; THENCE, N 60°19'17" W 152.06 FEET TO THE POINT OF BEGINNING.

BEING PART OF THE SAME PROPERTY CONVEYED TO COOPER REALTY INVESTMENTS, INC. BY QUITCLAIM DEED FROM COOPER COMMUNITIES, INC, DATED THE 16TH DAY OF MARCH, 1998, AND OF RECORD IN THE REGISTER'S OFFICE FOR LOUDON COUNTY, TENNESSEE, IN BOOK OF DEED VOL. 238, PAGE 310.

BEING PART OF THE SAME PROPERTY CONVEYED TO COOPER COMMUNITIES, INC. BY WARRANTY DEED FROM THE TELLICO RESERVOIR DEVELOPMENT AGENCY DATED THE 16TH DAY OF DECEMBER, 1985, AND OF RECORD IN THE REGISTER'S OFFICE FOR LOUDON COUNTY, TENNESSEE, IN BOOK OF WARRANTY DEEDS VOL. 1589, PAGE 656.

LESS AND EXCEPT any property conveyed by prior owners as evidenced by a deed that was recorded between March 24, 2003, and the date of this Deed.

EXHIBIT "A" – CONTINUED

Parcel Three:
Tax Parcel: 053 041H F 031 00000 2019; 053 041H F 030 00000 2019

BEING THE SAME PROPERTY conveyed to Moneytree Corporation (Tennessee) recorded in Book 124, Page 49, then conveyed to United Community Banks, Inc. (GEORGIA) by merger recorded in Book T1246, Page 888, Register's Office for Loudon County, Tennessee.

Located in the First Civil District of Loudon County, Tennessee, and in the City of Loudon, fronting twenty-five (25) feet on Lee Highway and beginning at the eastern boundary of property formerly owned by Smith and Boyd, where the said boundary intersects the southerly boundary of said Lee Highway; running thence in an easterly direction and with the right-of-way of Lee Highway a distance of twenty-five (25) feet; thence in a southerly direction a distance of one hundred forty (140) feet to an alley; thence westerly with the line of said alley a distance of twenty-five (25) feet; thence northwardly with the line of Cartwright a distance of one hundred forty (140) feet to the point of beginning. Being a lot fronting twenty-five (25) feet on Lee Highway and extending back between parallel lines a distance of one hundred forty (140) feet to the alley aforesaid, off of the westwardly section of property owned by the Consolidated Ice Company.

Situated in District No. One of Loudon County, Tennessee, and bounded and described as follows: Beginning at a stake in the right-of-way line on the eastern side of the Lee Highway and fifty feet northeastward from the line of Lonnie J. Haskins; thence running with said right-of-way line of Lee Highway northeastwardly a distance of fifty-eight feet and three inches, more or less, to a stake corner of the Ice Company property; thence eastwardly with the line of said Ice Company to a stake in an alley; thence southwestwardly with said alley a distance of thirty-two feet, more or less, to a stake in said alley; thence westwardly and at all points fifty feet from the line of and parallel with the line of Lonnie J. Haskins a distance of one hundred fifty feet to the beginning point. 4

TOGETHER WITH:

A certain tract or parcel of land located in the First Civil District of Loudon County, Tennessee and in the City of Loudon, and more particularly described as follows:

Fronting 100 feet on Mulberry Street (Lee Highway), commencing at the westerly property line of J. E. Penny property, where same intersects with the southerly right of way line of the Lee Highway; thence, proceeding in a westerly direction with said southerly right of way line of the Lee Highway a distance of 100 feet to a point; thence at right angles to said Lee Highway, and in a southerly direction approximately 140 feet to the northerly right of way line of an alley; thence in an easterly direction with said northerly right of way line of said alley 100 feet to the westerly line of the J. E. Penny property; thence in a northerly direction with said westerly property line of the J. E. Penny property approximately 140 feet to the point of beginning.

Included in the above description but specifically excluded herefrom is that tract of land previously conveyed by deed dated August 10, 1950, from E. A. Wortham and wife, as partners, to J. P. Cartwright, wherein approximately 25 x 140 feet of the above described property was conveyed to said J. P. Cartwright, and which strip is specifically excluded herefrom.

EXHIBIT "A" – CONTINUED

TOGETHER WITH:

Situated in District No. One of Loudon County, Tennessee, in the City of Loudon, and more particularly described as follows:

BEGINNING at a stake on the East right of way line of State Highway No. 11 at a point which is 8 feet 3 inches Southwest from the division corner on said right of way line between Lot Number 66 and 67 in Rosedale Addition to the Town of Loudon, map or plat of said Addition being of record in Deed Book 24, page 120; thence in a straight line through Lots 66 and 67 to a stake on the West line of an alley, which stake is 18 feet 4 inches Northeast along said alley line from the division corner between Lots Numbers 66 and 67, this said line crossing the division line Numbers 66 and 67 at a point thereon which is 104 feet Northwest from the West alley line; thence in a Northeasterly direction with said alley line a distance of 50 feet to a stake, thence in a Northwesterly direction across Lot Numbers 67 and 68 to a stake on the East right of way line of State Highway No. 11, which stake is 50 feet Northeast from the beginning point; and thence in Southwesterly direction with said street line 50 feet to the point of beginning.

Parcel Four:
Tax Parcel: 053 041H F 032 00000 2019

BEING THE SAME PROPERTY conveyed to UCB Tennessee Properties, Inc. recorded in Book 400, Page 117, Register's Office for Loudon County, Tennessee.

Located in the First (1st) Civil District of Loudon County, Tennessee, and in the City of Loudon, and more particularly described as follows:

TRACT ONE: Lot Number 71 in Rosedale Park of Ward's Addition to the Town of Loudon, as shown on map or plat of said Addition, which map is on file in the Register's Office of Loudon County, Tennessee, in Deed Book 24, Page 120, to which reference is heremade.

TRACT TWO: BEGINNING on an iron pin at the right of way of an alley corner to Presley (said iron pin having been placed by Guy Crawford, county Surveyor in February, 1968), thence with alley in an easterly direction 5 feet to a newly constructed fence, thence in a severance line with new fence in a northerly direction 60 feet, more or less, to the property line of J.R. Presley, thence with J. R. Presley, in a straight line and in a Southerly direction 60 feet, more or less, to the point of beginning. Said strip of land being off of part of Lot No. 72, West Rosedale Addition to the Town of Loudon.

LESS AND EXCEPT any property conveyed by prior owners as evidenced by a deed that was recorded between March 31, 1988, and the date of this Deed.

Tennessee Property Assessment Data - Parcel Details Report - https://assessment.cot.tn.gov/

Loudon (053)

Tax Year 2025 | Reappraisal 2021

Jan 1 Owner
PRINCE JOEL L ETUX MARY A
12330 VISTA BROOK LN
KNOXVILLE TN 37934

Current Owner

MIALAQUO RD 150

Ctrl Map:	Group:	Parcel:	PI:	SI:
068J	J	001.00		000

Value Information

Land Market Value:	$373,900
Improvement Value:	$774,100
Total Market Appraisal:	$1,148,000
Assessment Percentage:	40%
Assessment:	$459,200

Subdivision Data

Subdivision:
MIALAQUO COMMERCIAL

Plat Book:	Plat Page:	Block:	Lot:
C	86	3	1

Additional Information

General Information

Class: 08 - Commercial
City #: 957
Special Service District 1: 000
District: 01
Number of Buildings: 1
Utilities - Water/Sewer: 03 - PUBLIC / INDIVIDUAL
Utilities - Gas/Gas Type: 00 - NONE

City: TELLICO VILLAGE
Special Service District 2: 000
Neighborhood: Q01
Number of Mobile Homes: 0
Utilities - Electricity: 01 - PUBLIC
Zoning:

Outbuildings & Yard Items

Long OutBuilding & Yard Items list on subsequent pages

Sale Information

Long Sale Information list on subsequent pages

Land Information

Deed Acres: 1.8 **Calculated Acres:** 0 **Total Land Units:** 1.8

Land Code	Soil Class	Units
10 - COM		1.80

Commercial Building #: 1

Improvement Type:
18 - STORE CLASS "S"
Quality:
2+ - ABOVE AVERAGE +
Foundation:
02 - CONTINUOUS FOOTING
Roof Framing:
05 - BAR JOIST/RIGID FRAME
Cabinet/Millwork:
03 - AVERAGE
Interior Finish:
07 - DRYWALL
Bath Tiles:
00 - NONE
Shape:
01 - RECTANGLE
Heat and AC:
07 - HVAC SPLIT
Building Sketch

Actual Year Built:
2014
Business Living Area:
9280
Floor System:
01 - SLAB ON GRADE
Roof Cover/Deck:
13 - PREFIN METAL CRIMPED
Floor Finish:
01 - CONCRETE FINISH
Paint/Decor:
03 - AVERAGE
Electrical:
03 - AVERAGE
Structural Frame:
00 - NONE
Plumbing Fixtures:

Interior/Exterior Areas

Type	Square Feet	Exterior Wall
18 - STORE CLASS "S"	9,280	11 - COMMON BRICK

Commercial Features

Type	Units
OPF - OPEN PORCH FINISHED	166 X 1

TVPOA Complaint – CA Exhibit E-2

Outbuildings & Yard Items

Building #	Type	Description	Area/Units
1	LGT - LIGHTS	1X1X4	4
1	LGT - LIGHTS	1X2X2	2
1	ASP - ASPHALT PAVING		3,053
1	ASP - ASPHALT PAVING		10,425

Sale Information

Sale Date	Price	Book	Page	Vacant/Improved	Type Instrument	Qualification
11/17/2016	$1,615,000	390	113	I - IMPROVED	WD - WARRANTY DEED	H - BUSINESS/CORPORATE SALE
12/19/2014	$1,510,000	373	742	I - IMPROVED	WD - WARRANTY DEED	A - ACCEPTED
3/21/2014	$379,000	368	333	V - VACANT	WD - WARRANTY DEED	A - ACCEPTED
5/27/2011	$0	348	231		-	-
5/16/2011	$0	347	650		QC - QUITCLAIM DEED	-
9/14/2005	$175,000	300	351	V - VACANT	WD - WARRANTY DEED	N - NON-ARM'S LENGTH
8/18/2004	$90,000	287	435	V - VACANT	WD - WARRANTY DEED	A - ACCEPTED
3/16/1998	$0	238	310		-	-

This Instrument Prepared By and Returned To: Concord Title 10690 Murdock Drive Knoxville, TN 37932 File No. 20161634 **After Recording Return To The Above.**	I hereby swear or affirm that the actual consideration for this transfer, or the value of the Premises, whichever is greater, is **$1,615,000.00;** which is equal to or greater than the amount the Premises would command at a fair and voluntary sale. Joel L. Prince Affiant Sworn to and subscribed before me this 21 day of November, 2016. Notary Public My Commission Expires: 10/10/20

MARY HELEN STORY
STATE OF TENNESSEE NOTARY PUBLIC
Comm. Exp. 10-10-2020
KNOX COUNTY

WARRANTY DEED

LIMITED LIABILITY COMPANY

THIS INDENTURE, made this 17th day of November, 2016, among:

MADISON LAINE, LLC

an Alabama limited liability company, its successors and/or assigns (the "**Grantor**")

AND

JOEL L. PRINCE AND WIFE, MARY A. PRINCE

of Knox County, Tennessee, their trustees, executors, heirs, successors and/or assigns (the "**Grantee**").

WITNESSETH:

THAT the Grantor, for and in consideration of $10.00 Dollars and other good and valuable consideration, paid in hand, the receipt and sufficiency of which is hereby acknowledged, does grant, bargain, sell, transfer, convey and set over unto Grantee the following described real property hereinafter referred to as the "Premises".

SITUATED and LYING in the First (1st) Civil District of Loudon County, Tennessee, and being more particularly described as follows, to wit:

A lot of land adjacent to the Westerly right of way of Mialaquo Road and the Southerly right of way of State Route #444 (Tellico Parkway), being further described as Lot 1, Block 3 of MIALAQUO COMMERCIAL SUBDIVISION, as recorded in Plat Cabinet C, Slide 86, in the Register's Office for Loudon County, Tennessee, to which plat specific reference is hereby made for a more particular description.

BEING the same property conveyed to Madison Laine, LLC, by Special Warranty Deed dated December 19, 2014, of record in Book 373, Page 742, in the Register's Office for Loudon County, Tennessee.

TOGETHER WITH all hereditaments and appurtenances deriving therefrom or appertaining thereto; further releasing all claims to homestead and dower therein. TO HAVE AND TO HOLD THE Premises by the Grantee, their heirs and assigns forever.

FURTHERMORE Grantor, for Grantor and Grantor's successors and assigns, hereby covenants with Grantee, and Grantee's heirs, executors, administrators, successors and assigns, that Grantor is lawfully seized in fee simple of the premises conveyed hereby; that Grantor has full power, authority, and right to convey the same; that the said premises are free from all encumbrances except matters set forth on **Exhibit A**; and that Grantor will forever warrant and defend said premises and the title thereto against the lawful claims of **ALL PERSONS WHOMSOEVER.**

THE SOURCE of the above description is derived from the previous deed of record, no boundary survey having been made at the time of this conveyance.

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

IN WITNESS WHEREOF the undersigned has executed this instrument in accordance with its Operating Agreement and pursuant to a properly issued resolution authorizing the same.

Madison Laine, LLC, an Alabama limited liability company

By: Broadway Management, LLC, an Alabama limited liability company
Its: Manager

By: Lisa Hawkins
Its: Authorized Agent

State of ALABAMA
County of MADISON

Before me, the undersigned authority, a Notary Public in and for said County and State aforesaid, personally appeared **Lisa Hawkins**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be the **Authorized Agent** of **Broadway Management, LLC**, the **Manager of MADISON LAINE, LLC**, the within named bargainor, and that he/she as such Authorized Agent, being authorized to do so, executed the foregoing instrument for the purposes therein contained, by personally signing the name of the limited liability company, by himself/herself as its Authorized Agent.

Witness my hand and official seal this 17th day of November, 2016.

BETHANY SNEED NOTARY PUBLIC ALABAMA STATE AT LARGE

Notary Public
My Commission Expires: 9-17-2019

Property Address:

150 Mialaquo Road
Loudon, TN 37774

Name and Address of Owner and Responsible Party For Taxes

Joel L. Prince and Mary A. Prince
12330 Vista Brook Lane
Knoxville, TN 37934

Tax ID: 068J-J-001.00

EXHIBIT "A"

1. Subject to any and all matters as shown and /or stated on recorded plat of record in Plat Cabinet C, Slide 86, in the Register's Office for Loudon County, Tennessee.

2. Subject to all matters, including but not limited to Restrictions, Covenants, Reservations of recording Book T209, Page 96, Book T742, Page 332, Book T1000, Page 438, Book T1094, Page 155, Book T347, Page 650, Book T287, Page 435, in the Register's Office for Loudon County, Tennessee.

3. Subject to Memorandum of Lease of record in Book T1212, Page 698, in the Register's Office for Loudon County, Tennessee.

4. Subject to property taxes for the year 2017 and subsequent years.

BK/PG: D390/113-115
16009979

3 PGS:AL-WARRANTY DEED	
TAMMY BATCH: 126679	
12/06/2016 - 02:06:18 PM	
VALUE	1615000.00
MORTGAGE TAX	0.00
TRANSFER TAX	5975.50
RECORDING FEE	15.00
DP FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	5993.50

STATE OF TENNESSEE, LOUDON COUNTY
TRACIE LITTLETON
REGISTER OF DEEDS

Tennessee Property Assessment Data - Parcel Details Report - https://assessment.cot.tn.gov/

Loudon (053)

Tax Year 2025 | Reappraisal 2021

Jan 1 Owner
ISHIKA PATEL LLC
12312 CONNER SPRINGS LANE
KNOXVILLE TN 37932

Current Owner

CHOTA RD 200

Ctrl Map:	Group:	Parcel:	PI:	SI:
058D	E	001.00		000

Value Information

Land Market Value:	$217,800
Improvement Value:	$357,900
Total Market Appraisal:	$575,700
Assessment Percentage:	40%
Assessment:	$230,280

Subdivision Data

Subdivision:
CHOTA COMMERCIAL

Plat Book:	Plat Page:	Block:	Lot:
C	94	1	8

Additional Information

01 064B H 064B 00100 000
QUICK MARKET

General Information

Class: 08 - Commercial
City #: 957
Special Service District 1: 000
District: 01
Number of Buildings: 1
Utilities - Water/Sewer: 01 - PUBLIC / PUBLIC
Utilities - Gas/Gas Type: 00 - NONE
City: TELLICO VILLAGE
Special Service District 2: 000
Neighborhood: Q01
Number of Mobile Homes: 0
Utilities - Electricity: 01 - PUBLIC
Zoning:

Outbuildings & Yard Items

Long OutBuilding & Yard Items list on subsequent pages

Sale Information

Long Sale Information list on subsequent pages

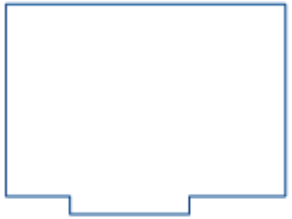
Land Information

Deed Acres: 1.01 **Calculated Acres:** 0 **Total Land Units:** 1.01

Land Code	Soil Class	Units
10 - COM		1.01

Commercial Building #: 1

Improvement Type:
23 - SERV STA/MARKET
Quality:
1+ - AVERAGE +
Foundation:
02 - CONTINUOUS FOOTING
Roof Framing:
02 - GABLE/HIP
Cabinet/Millwork:
03 - AVERAGE
Interior Finish:
03 - CEILING FIN ONLY AVG
Bath Tiles:
04 - FLOOR-1/2 WALL
Shape:
01 - RECTANGLE
Heat and AC:
08 - HVAC PKG
Building Sketch



Actual Year Built:
1990
Business Living Area:
2666
Floor System:
01 - SLAB ON GRADE
Roof Cover/Deck:
03 - COMPOSITION SHINGLE
Floor Finish:
04 - ASPHALT TILE
Paint/Decor:
03 - AVERAGE
Electrical:
03 - AVERAGE
Structural Frame:
00 - NONE
Plumbing Fixtures:
4

Interior/Exterior Areas

Type	Square Feet	Exterior Wall
23 - SERV STA/MARKET	2,666	11 - COMMON BRICK

Commercial Features

Type	Units
CPY - CANOPY	2990 X 1

TVPOA Complaint – CA Exhibit E-3

Outbuildings & Yard Items

Building #	Type	Description	Area/Units
1	ASP - ASPHALT PAVING		29,000
1	LGT - LIGHTS	1X1X8	8
1	UGT - UNDERGROUND TANK		8,000
1	UGT - UNDERGROUND TANK		2,000
1	UGT - UNDERGROUND TANK		4,000
1	UGT - UNDERGROUND TANK		8,000
1	UGT - UNDERGROUND TANK		8,000
1	UTB - UTILITY BUILDING	6X8	48

Sale Information

Sale Date	Price	Book	Page	Vacant/Improved	Type Instrument	Qualification
12/9/2020	$850,000	429	677	I - IMPROVED	WD - WARRANTY DEED	R - PERSONAL PROPERTY
5/6/2015	$3,881,040	376	366	I - IMPROVED	WD - WARRANTY DEED	P - MULTIPLE PARCELS
5/6/2015	$0	376	361		QC - QUITCLAIM DEED	-
4/25/2008	$0	328	236		QC - QUITCLAIM DEED	-
9/13/2007	$680,000	322	110	I - IMPROVED	WD - WARRANTY DEED	R - PERSONAL PROPERTY
12/12/1997	$3,870,000	236	862	I - IMPROVED	WD - WARRANTY DEED	P - MULTIPLE PARCELS

BK/PG: D429/677-679
20013612

3 PGS:AL-WARRANTY DEED	
TAMMY BATCH: 163463	
12/17/2020 - 02:59:48 PM	
VALUE	850000.00
MORTGAGE TAX	0.00
TRANSFER TAX	3145.00
RECORDING FEE	15.00
DP FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	3163.00

STATE OF TENNESSEE, LOUDON COUNTY
TRACIE LITTLETON
REGISTER OF DEEDS

Prepared By:
WILLIAM D. JONES, ATTORNEY AT LAW
518 GEORGIA AVENUE, SUITE 200
CHATTANOOGA, TN 37403

Return To:
JONES TITLE INSURANCE AGENCY, INC.
518 GEORGIA AVENUE, SUITE 200
CHATTANOOGA, TN 37403

Address New Owner(s) As Follows	Send Tax Bills To:	(Map Parcel No.)
Ishika Patel, LLC	Ishika Patel LLC	058D E 001.00
(NAME)	(NAME)	
154 County Road 1120	154 County Road 1120	
(Street Address or Route No.)	(Street Address)	
Athens TN 37303	Athens Tn 37303	
(City) (State) (Zip)	(City) (State) (Zip)	

FN20-1290TN

WARRANTY DEED

IN CONSIDERATION of One ($1.00) Dollar and other valuable considerations paid, the receipt of all of which is hereby acknowledged, LMAP Limited, a Tennessee general partnership (herein the "Grantor"), does hereby sell, transfer and convey unto Ishika Patel, LLC, a Tennessee limited liability company (herein the "Grantee"), the following described real estate Located in the First Civil District of Loudon County, Tennessee:

Lot Eight (8), Block One (1), Chota Commercial Subdivision, as shown on plat recorded in Plat Cabinet C, Page 94, in the Register's Office of Loudon County, Tennessee.

The source of Grantor's interest is found in deed of record in Book 376, Page 366, in the Register's Office Loudon County, Tennessee.

Subject to any governmental zoning and subdivision ordinances or regulations in effect thereon.

The grantee herein assumes and agrees to pay all taxes assessed against said real estate for the year 2020.

Subject to covenants, conditions, restrictions, reservations, and easements as set out in deed by and between United State of America, acting herein by and through Tennessee Valley Authority of record in Book 148, Page 870, in the Register's Office Loudon County, Tennessee.

Subject to covenants, conditions, restrictions, reservations, and easements in Contract Agreement recorded in Trust Book 187, Page 819, as amended in Trust Book 205, Page 624, as affected by Easement recorded in Book 158, Page 656, in the Register's Office Loudon County, Tennessee.

Subject to covenants, conditions, restrictions, reservations, and easements as set out in deed of record in Book 158, Page 656, in the Register's Office Loudon County, Tennessee.

Subject to blanket road and utility easement recorded in deed of record in Book 158, Page 668, in the Register's Office Loudon County, Tennessee.

Subject to restrictions, reservations, easements, covenants, obligations, and lien of assessments in Declaration of Covenants and Restrictions for Tellico Village, Tennessee, dated December 16, 1985, by Cooper Communities, Inc., a Delaware corporation, recorded in Trust Book 209, Page 96, as supplemented by Supplemental Declaration of Covenants and Restrictions Tellico Village Property Owners Association recorded in Book T945, Page 187, in the Register's Office Loudon County, Tennessee.

Subject to covenants, conditions, restrictions, reservations, and easements shown or set out on Plat in Plat Cabinet C, Slide 94, in the Register's Office Loudon County, Tennessee.

Subject to any notes, restrictions, drainage and utility easements and to building setback line requirements as set out on plat recorded in Plat Cabinet C, Page 94, in the Register's Office of Loudon County, Tennessee.

Subject to 240' right of way of Tellico Parkway (State Route 444), as set out on plat recorded in Plat Cabinet C, Page 94, in the Register's Office of Loudon County, Tennessee.

Subject to a 100' right of way easement for Chota Road, as set out on plat recorded in Plat Cabinet C, Page 94, in the Register's Office of Loudon County, Tennessee.

Subject to a 75' access easement over and across Village Square Drive as set out on plat recorded in Plat Cabinet C, Page 94, in the Register's Office of Loudon County, Tennessee.

TO HAVE AND TO HOLD the same unto the said Ishika Patel, LLC, a Tennessee limited liability company, its successors and/or assigns, forever in fee simple.

LMAP Limited, a Tennessee general partnership, does hereby covenant that it is lawfully seized and possessed of said real estate, has full power and lawful authority to sell and convey the same, that the title thereto is clear, free and unencumbered, except as hereinabove mentioned, and it will forever warrant and defend the same against all lawful claims.

IN WITNESS WHEREOF, LMAP limited, a Tennessee general partnership, has caused this instrument to be executed by its duly authorized General Partner on this the _____ day of December, 2020.

LMAP Limited, a Tennessee general partnership

BY:_____

Name: KARIM BOGHANI

Title: MANAGING MEMBER

STATE OF TENNESSEE
COUNTY OF Knox

Before me, Starlene Williams of the state and county aforesaid, personally appeared Karim Boghani, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath, acknowledged himself to be the General Partner authorized to execute the instrument of the LMAP Limited, the within named bargainor, and that he as such General Partner executed the foregoing instrument for the purpose therein contained, by signing the name of the Partnership by himself as General Partner.

WITNESS my hand and seal, this 9th day of December, 2020.

Starlene Williams
Notary Public
My Commission Expires: Nov. 12, 2023

STARLENE WILLIAMS
TENNESSEE NOTARY PUBLIC
COUNTY OF KNOX

STATE OF TENNESSEE
COUNTY OF HAMILTON

I hereby swear or affirm that the actual consideration for this transfer or value of the property transferred, whichever is greater, is $850,000.00, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

By: _____
Affiant

Subscribed and sworn to before me on this the 9th day of December, 2020

_____
Notary Public
My commission expires: 6-26-2021

WILLIAM D. JONES
STATE OF TENNESSEE NOTARY PUBLIC
HAMILTON COUNTY

Tennessee Property Assessment Data - Parcel Details Report - https://assessment.cot.tn.gov/

Loudon (053)

Tax Year 2025 | Reappraisal 2021

Jan 1 Owner
ARG TVLOUTN001 LLC
23425 COMMERCE PARK SUITE 103
CLEVELAND OH 44122

Current Owner

CHEEYO WAY 101

Ctrl Map:	Group:	Parcel:	PI:	SI:
068J	M	001.00		000

Value Information

Land Market Value:	$965,300
Improvement Value:	$3,387,700
Total Market Appraisal:	$4,353,000
Assessment Percentage:	40%
Assessment:	$1,741,200

Subdivision Data

Subdivision:
CHATUGA COVES COMMERCIAL

Plat Book:	Plat Page:	Block:	Lot:
C	99	1	1A

Additional Information

01 073 073 03300 000

General Information

Class: 08 - Commercial
City #: 957
Special Service District 1: 000
District: 01
Number of Buildings: 1
Utilities - Water/Sewer: 03 - PUBLIC / INDIVIDUAL
Utilities - Gas/Gas Type: 00 - NONE

City: TELLICO VILLAGE
Special Service District 2: 000
Neighborhood: Q01
Number of Mobile Homes: 0
Utilities - Electricity: 01 - PUBLIC
Zoning:

Outbuildings & Yard Items

Long OutBuilding & Yard Items list on subsequent pages

Sale Information

Long Sale Information list on subsequent pages

Land Information

Deed Acres: 8.68 **Calculated Acres:** 0 **Total Land Units:** 8.68

Land Code	Soil Class	Units
11 - COM RURAL		8.68

Commercial Building #: 1

Improvement Type:
215 - GROCERY STORE
Quality:
1 - AVERAGE
Foundation:
02 - CONTINUOUS FOOTING
Roof Framing:
05 - BAR JOIST/RIGID FRAME
Cabinet/Millwork:
04 - ABOVE AVG
Interior Finish:
07 - DRYWALL
Bath Tiles:
04 - FLOOR-1/2 WALL
Shape:
02 - L-SHAPED
Heat and AC:
08 - HVAC PKG
Building Sketch

Actual Year Built:
2008
Business Living Area:
41219
Floor System:
01 - SLAB ON GRADE
Roof Cover/Deck:
10 - BUILT-UP COMPOSITION
Floor Finish:
10 - HARDWOOD-TERR-TILE
Paint/Decor:
04 - ABOVE AVERAGE
Electrical:
03 - AVERAGE
Structural Frame:
05 - RIGID FRAME
Plumbing Fixtures:
22

Interior/Exterior Areas

Type	Square Feet	Exterior Wall
215 - GROCERY STORE	35,159	10 - CONC BLOCK/BRICK
201 - STRIP MALL	6,060	10 - CONC BLOCK/BRICK

Commercial Features

Type	Units
OPF - OPEN PORCH FINISHED	804 X 1
OPF - OPEN PORCH FINISHED	535 X 1
CAN - CANOPY	145 X 1
SPR - SPRINKLER SYSTEM	35159 X 1

TVPOA Complaint – CA Exhibit E-4

Outbuildings & Yard Items

Building #	Type	Description	Area/Units
1	LGT - LIGHTS	1X1X12	12
1	LGT - LIGHTS	1X2X8	8
1	ASP - ASPHALT PAVING	IRR	57,000

Sale Information

Sale Date	Price	Book	Page	Vacant/Improved	Type Instrument	Qualification
2/11/2022	$6,132,212	449	191	I - IMPROVED	WD - WARRANTY DEED	R - PERSONAL PROPERTY
12/20/2013	$5,350,000	366	598	I - IMPROVED	WD - WARRANTY DEED	R - PERSONAL PROPERTY
4/10/2008	$930,000	326	686	V - VACANT	WD - WARRANTY DEED	M - PHYSICAL DIFFERENCE
3/27/2008	$0	326	441		-	-
10/23/2007	$15,000	323	87	V - VACANT	WD - WARRANTY DEED	A - ACCEPTED
3/16/1998	$0	238	310		-	-

THIS INSTRUMENT WAS PREPARED BY:
Tina A. Smith, Esq.
Buchalter, P.C.
16435 N. Scottsdale Road, Suite 440
Scottsdale, AZ 85254-1754

AFTER RECORDING RETURN TO:
Paul, Weiss, Rifkind, Wharton & Garrison
1285 Avenue of the Americas
New York, New York, 10019
Attention: Peter E. Fisch

MAIL TAX STATEMENTS TO:
ARG TVLOUTN001, LLC
38 Washington Square
Newport, RI 02840
Attn: Michael Anderson

Tax Parcel ID No.: 068J-M-001.00

BK/PG: D449/191-196
22006138

6 PGS:AL-WARRANTY DEED	
TRACIE BATCH: 181232	
05/20/2022 - 10:58:30 AM	
VALUE	6132212.00
MORTGAGE TAX	0.00
TRANSFER TAX	22689.18
RECORDING FEE	30.00
DP FEE	2.00
REGISTER'S FEE	1.00
TOTAL AMOUNT	22722.18

STATE OF TENNESSEE, LOUDON COUNTY
TRACIE LITTLETON
REGISTER OF DEEDS

SPECIAL WARRANTY DEED

For and in consideration of Ten Dollars ($10.00) and other good and valuable consideration, COLE MT LOUDON TN, LLC, a Delaware limited liability company, whose address is c/o CIM Group, 2398 E. Camelback Road, 4th Floor, Phoenix, AZ 85016 ("**Grantor**"), hereby grants and conveys to ARG TVLOUTN001, LLC, a Delaware limited liability company, whose address is 38 Washington Square, Newport, RI 02840, Attn: Michael Anderson ("**Grantee**"), the improved real property located in Loudon County, Tennessee, legally described as:

> See legal description set forth in Exhibit A attached and incorporated by this reference (the "**Property**").

together with all right, title and interest of Grantor in and to all buildings and improvements located on the Property; all easements, if any, benefiting the Property; and all rights, benefits, privileges and appurtenances pertaining to the Property.

SUBJECT TO current real property taxes and all unpaid non-delinquent general and special taxes, bonds and assessments; all liens, covenants, conditions, reservations, rights, easements, interests, rights of way, and restrictions of public record; all leases and any other occupancy agreements in effect; all zoning ordinances and regulations and any other laws, ordinances or governmental regulations restricting or regulating the use, occupancy or enjoyment of the Property; and all matters visible upon or about the Property or that would be disclosed by an accurate survey of the Property.

TO HAVE AND TO HOLD the Property unto said Grantee and its successors and assigns forever, and Grantor will warrant and defend the title to the Property conveyed hereby unto said

C10033 – Tellico Village – Loudon, TN

FA022-TN1

Grantee against the lawful claims and demands of all claiming by, through and under Grantor, but no other.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

Dated this 11 day of February, 2022.

COLE MT LOUDON TN, LLC

By: Cypress Merger Sub, LLC,
a Maryland limited liability company,
its sole member

By: Nathan DeBacker
Nathan DeBacker, Vice President,
Chief Financial Officer and Treasurer

ATTEST:

By Craig Shames
Printed Name Craig Shames
Title Compliance Specialist

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On this 12th day of ~~January~~ May, 2022, before me, the undersigned, Notary Public in and for said County and State, personally appeared Nathan DeBacker, who acknowledged himself to be the Vice President of Cypress Merger Sub, LLC, a Maryland limited liability company, the sole member of COLE MT LOUDON TN, LLC, a Delaware limited liability company, and as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability company by himself as such officer, on behalf of such limited liability company.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Bethany Van Oosten
Notary Public

[SEAL]

BETHANY VAN OOSTEN
Notary Public - State of Arizona
MARICOPA COUNTY
Commission # 577120
Expires November 17, 2023

My Commission Expires: 11-17-23

C10033 – Tellico Village – Loudon, TN

Property Address:
101 Cheeyo Way, Loudon, TN 37774

Property Owner:
ARG TVLOUTN001, LLC
38 Washington Square
Newport, RI 02840
Attn: Michael Anderson

Mail Tax Bills to:
ARG TVLOUTN001, LLC
38 Washington Square
Newport, RI 02840
Attn: Michael Anderson

I hereby swear or affirm that, to the best of affiant's information and belief, the actual consideration for this transfer or value of the property transferred, whichever is greater, is **$6,132,212.00** which amount is equal to or greater than the amount which the property would command at a fair and voluntary sale.

Affiant

Subscribed and sworn to before me this 11 day of February, 2022

Notary Public
Name: Sarah Criner
Commission No.: 620214
My Commission Expires: 2.15.2026

(NOTARY SEAL)

SARAH CRINER
Notary Public - State of Arizona
MARICOPA COUNTY
Commission # 620214
Expires February 15, 2026

C10033 – Tellico Village – Loudon, TN

EXHIBIT A
LEGAL DESCRIPTION

Street Address: 101 Cheeyo Way, Loudon, TN 37774

C10033 – Tellico Village – Loudon, TN

EXHIBIT 'A'

File No.: **NCS-FA622-TN1-PHX1 ()**

Property: **101 Cheeyo Way, Loudon, TN 37774**

SITUATED IN DISTRICT NO. 1 OF LOUDON COUNTY, TENNESSEE, AND BEING ALL OF LOT 1A, AS SHOWN ON PLAT ENTITLED "PLAT OF CORRECTION, TELLICO GREENS, LLC, SUBDIVISION OF LOT 1, BLOCK 1, CHATUGA COVES COMMERCIAL PROPERTY," OF RECORD IN PLAT CABINET C, SLIDE 98, AND CORRECTED IN PLAT CABINET C, SLIDE 99, IN THE REGISTER'S OFFICE OF LOUDON COUNTY, TENNESSEE, TO WHICH PLAT REFERENCE IS MADE FOR A MORE PARTICULAR DESCRIPTION.

BEING THE SAME PROPERTY CONVEYED TO COLE MT LOUDON TN, LLC, A DELAWARE LIMITED LIABILITY COMPANY BY SPECIAL WARRANTY DEED FROM TELLICO GREENS, LLC, A NORTH CAROLINA LIMITED LIABILITY COMPANY OF RECORD IN BOOK D366, PAGE 598, IN THE REGISTER'S OFFICE OF LOUDON COUNTY, TENNESSEE.

A.P.N. 068J-M-001.00

Loudon (053)

Tax Year 2025 | Reappraisal 2021

Jan 1 Owner
SLOAN PROPERTIES
P O BOX 367
VONORE TN 37885

Current Owner

MIALAQUO CENTER 200

Ctrl Map:	Group:	Parcel:	PI:	SI:
068J	I	001.00		000

Value Information

Land Market Value:	$819,800
Improvement Value:	$1,073,500
Total Market Appraisal:	$1,893,300
Assessment Percentage:	40%
Assessment:	$757,320

Subdivision Data

Subdivision:
MIALAQUO COMMERCIAL

Plat Book:	Plat Page:	Block:	Lot:
C	112	4	1

Additional Information

01 073L I 073L 00100 000
TOP SHOP

General Information

Class: 08 - Commercial
City #: 957
Special Service District 1: 000
District: 01
Number of Buildings: 3
Utilities - Water/Sewer: 01 - PUBLIC / PUBLIC
Utilities - Gas/Gas Type: 03 - PRIVATE - NATURAL GAS

City: TELLICO VILLAGE
Special Service District 2: 000
Neighborhood: Q01
Number of Mobile Homes: 0
Utilities - Electricity: 01 - PUBLIC
Zoning:

Outbuildings & Yard Items

Long OutBuilding & Yard Items list on subsequent pages

Sale Information

Long Sale Information list on subsequent pages

Land Information

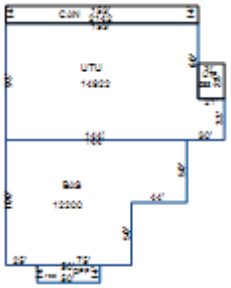
Deed Acres: 6.07 **Calculated Acres:** 0 **Total Land Units:** 6.07

Land Code	Soil Class	Units
10 - COM		6.07

Commercial Building #: 1

Improvement Type:
46 - BIG BOX STORE
Quality:
1 - AVERAGE
Foundation:
02 - CONTINUOUS FOOTING
Roof Framing:
05 - BAR JOIST/RIGID FRAME
Cabinet/Millwork:
03 - AVERAGE
Interior Finish:
07 - DRYWALL
Bath Tiles:
00 - NONE
Shape:
01 - RECTANGLE
Heat and AC:
08 - HVAC PKG

Building Sketch



Actual Year Built:
1994
Business Living Area:
12200
Floor System:
01 - SLAB ON GRADE
Roof Cover/Deck:
13 - PREFIN METAL CRIMPED
Floor Finish:
05 - VINYL ASBESTOS TILE
Paint/Decor:
03 - AVERAGE
Electrical:
03 - AVERAGE
Structural Frame:
05 - RIGID FRAME
Plumbing Fixtures:
11

Interior/Exterior Areas

Type	Square Feet	Exterior Wall
46 - BIG BOX STORE	12,200	07 - CONCRETE BLOCK

Commercial Features

Type	Units
OPF - OPEN PORCH FINISHED	700 X 1
UTU - UTILITY UNFINISHED	14922 X 1
OHD - OVERHEAD DOOR	240 X 1
OHD - OVERHEAD DOOR	800 X 1
CAN - CANOPY	2142 X 1
UTF - UTILITY FINISHED	588 X 1

TVPOA Complaint - CA Exhibit E-5

Commercial Building #: 2

Improvement Type:
47 - PREFAB
Quality:
1 - AVERAGE
Foundation:
02 - CONTINUOUS FOOTING
Roof Framing:
05 - BAR JOIST/RIGID FRAME
Cabinet/Millwork:
03 - AVERAGE
Interior Finish:
01 - UNFINISHED
Bath Tiles:
00 - NONE
Shape:
01 - RECTANGLE
Heat and AC:
01 - UNIT HEATER
Building Sketch

Actual Year Built:
1995
Business Living Area:
6400
Floor System:
01 - SLAB ON GRADE
Roof Cover/Deck:
13 - PREFIN METAL CRIMPED
Floor Finish:
01 - CONCRETE FINISH
Paint/Decor:
03 - AVERAGE
Electrical:
03 - AVERAGE
Structural Frame:
05 - RIGID FRAME
Plumbing Fixtures:
2
Interior/Exterior Areas

Type	Square Feet	Exterior Wall
47 - PREFAB	6,400	15 - PREFINISHED METAL

Commercial Features

Type	Units

Commercial Building #: 3

Improvement Type:
47 - PREFAB
Quality:
1 - AVERAGE
Foundation:
02 - CONTINUOUS FOOTING
Roof Framing:
05 - BAR JOIST/RIGID FRAME
Cabinet/Millwork:
01 - MINIMUM
Interior Finish:
00 - NONE
Bath Tiles:
00 - NONE
Shape:
01 - RECTANGLE
Heat and AC:
00 - NONE
Building Sketch

Actual Year Built:
1996
Business Living Area:
7500
Floor System:
01 - SLAB ON GRADE
Roof Cover/Deck:
13 - PREFIN METAL CRIMPED
Floor Finish:
01 - CONCRETE FINISH
Paint/Decor:
01 - MINIMUM
Electrical:
03 - AVERAGE
Structural Frame:
05 - RIGID FRAME
Plumbing Fixtures:
4
Interior/Exterior Areas

Type	Square Feet	Exterior Wall
47 - PREFAB	7,500	19 - PREFIN METAL CRIMPED

Commercial Features

Type	Units
CAW - CANOPY	3750 X 1

TVPOA Complaint - CA Exhibit E-5

Outbuildings & Yard Items

Building #	Type	Description	Area/Units
1	PTO - PATIO	50X35	1,750
1	OSH - OPEN SHED	26X100	2,600
1	ASP - ASPHALT PAVING		53,000
1	LGT - LIGHTS	1X2X9	9
1	CLF - CHAIN LINK FENCE		1,700
1	UTB - UTILITY BUILDING	10X16	160
1	OSH - OPEN SHED	30X120	3,600
1	UTB - UTILITY BUILDING	12X26	312
1	OSH - OPEN SHED	58X55	3,190
1	SHD - SHED	GUARD SHACK	64

Sale Information

Sale Date	Price	Book	Page	Vacant/Improved	Type Instrument	Qualification
8/4/2023	$0	465	385		QC - QUITCLAIM DEED	-
8/4/2023	$0	465	379		QC - QUITCLAIM DEED	-
8/4/2023	$0	465	372		QC - QUITCLAIM DEED	-
1/14/2016	$600,000	382	338	I - IMPROVED	WD - WARRANTY DEED	P - MULTIPLE PARCELS
12/12/1997	$3,870,000	236	862	I - IMPROVED	WD - WARRANTY DEED	P - MULTIPLE PARCELS

TVPOA Complaint - CA Exhibit E-5

Instrument prepared by:

WHITE, CARSON & ALLIMAN,
Attorneys at Law P.C.,
138 College Street, South
Madisonville, TN 37354
423-442-9000

This description was prepared by White, Carson & Alliman Attorneys at Law P.C. from information provided by **THE PARTIES.** The drafter and does not certify matters as to title, description, survey, or compliance with planning, zoning or other regulations. You are encouraged to purchase title services to protect your interest.

It is the responsibility of the parties to this conveyance to have this transfer approved by the appropriate planning and/or zoning authority.

It is the responsibility of the Grantee to have this instrument recorded. **YOU MUST RECORD THIS DEED IMMEDIATELY TO PROTECT YOUR INTEREST.**

Tax Information:
Map/Group/Parcel: 068J 002.02

Owner/Responsible Taxpayer's Name and Mailing Address:
Sloan Properties
TK Sloan
PO Box 367
Vonore TN 37885

BK/PG: D477/652-654
24007933

3 PGS:AL-QUIT CLAIM DEED	
CARRIE BATCH: 202055	
09/20/2024 - 04:17:28 PM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	15.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	17.00

STATE OF TENNESSEE, LOUDON COUNTY
TAMMY GALLAHER
REGISTER OF DEEDS

Valuation Oath:

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

Kristel Kinzea Sloan
AFFIANT

Sworn to and subscribed before me the 20th day of September, 2024.

Kimberly G. Thomas
Register of Deeds (Notary Public)

My commission expires: May 20, 2028

KIMBERLY G. THOMAS STATE OF TENNESSEE NOTARY PUBLIC COUNTY OF LOUDON

QUITCLAIM DEED

THIS INDENTURE, made the 19th day of September, 2024, between

TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION INC., hereinafter, Grantor

and

SLOAN PROPERTIES, a Tennessee General Partnership, hereinafter, Grantee

WITNESSETH: that said Grantor, for and in consideration of the sum of Ten Dollars and no/00 ($10.00) and other valuable considerations, to them in hand paid by the Grantee, the receipt and sufficiency of which is hereby acknowledged, hereby quitclaims unto Grantee all my interest in the following described real estate, to-wit:

LYING AND BEING in the First Civil District of Loudon County, Tennessee and being that "40 foot R/W joint access easement one (0.27 acres) and that "40 R/W joint access easement two (0.24 acres) shown on the recorded replat "Lot 1, Block 4, Mialaquo Commercial Subdivision" drawn by Jimmy D. Ogle, RLS No. 1371, dated 01/06/2016, now recorded in Plat Cabinet C, Slide 112 in the Register's Office for said county to which reference is made for a more particular description.

THIS CONVEYANCE IS SUBJECT to such restrictions, conditions and easements as may affect the premises.

The purpose of this conveyance is to declare that the underlying fee of the above-described areas belongs to the Grantee and are not "common properties" of the development. For prior conveyance see Book D 465, p. 385 in the Register's Office for Loudon County, Tennessee.

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

IN WITNESS WHEREOF, the said Grantor hereunder set their hands and seals the day and year above written.

TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION INC.

By: _____

Its: CEO

STATE OF Tennessee

COUNTY OF Loudon

Personally appeared before me, a Notary Public, in and for said County and State, the within named Chester Pilsbury, with whom I am personally acquainted or proved to me on the basis of satisfactory evidence and who being first duly sworn, did say under oath that he/she is the CEO of TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION INC., the within bargainor, and that he/she as such and, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained.

WITNESSETH this the 19 day of September, 2024.

HOLLY ALEXIS HOOPER
STATE OF TENNESSEE NOTARY PUBLIC My Commission Expires on 12/27/2027
LOUDON COUNTY

NOTARY PUBLIC

My commission expires: 12/27/27
344.24B

DECLARATION OF
COVENANTS AND RESTRICTIONS

TELLICO VILLAGE, TENNESSEE

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Cooper Communities, Inc., a Delaware corporation, hereinafter called "Developer", has acquired certain lands adjacent to Tellico Reservoir and lying in Loudon and Monroe Counties, Tennessee, from the Tellico Reservoir Development Agency, an agency created under the laws of the State of Tennessee and organized and existing pursuant to Act of April 1, 1982, Pub. Ch. No. 679, codified at Section 64-1-701 et. seq. of the Tenn. Code Ann., hereinafter called "TRDA"; and

WHEREAS, Developer has acquired certain agreements for the management of the Tellico Reservoir Shoreline Strip between 805 M.S.L. and 820 M.S.L. adjacent to the lands acquired from TRDA and for the issuance of permits for the construction, operation and maintenance of certain water use facilities thereon from the Tennessee Valley Authority, a corporate agency and instrumentality of the United States organized and existing pursuant to the Tennessee Valley Authority Act of 1933, 48 Stat. 58, as amended, 16 U.S.C. Sections 831-831dd (1976; Supp. V, 1981), hereinafter called "TVA"; and

WHEREAS, Developer, with the encouragement and assistance of TRDA and TVA in order to further the orderly economic development of the Tellico Reservoir project area and increase the public benefit to be derived therefrom, desires to create upon said lands, together with any additions thereto as hereinafter provided, to the extent economically feasible a residential and commercial community with streets, water and sewer utility systems, recreational facilities, greenbelt areas and other common facilities for the use and benefit of said community; and

WHEREAS, Developer desires to provide for the construction of the facilities aforesaid and also desires to provide for the preservation of the values and amenities in said community and for the maintenance of said facilities and, to this end, desires to subject the initial phase of such lands, together with such additional phases as may hereafter be added thereto in accordance herewith, to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof; and

WHEREAS, Developer has deemed it necessary and desirable, for the efficient construction of the common facilities and the preservation of the values and amenities in said community, that an agency be created to which should be delegated and assigned certain construction, maintenance and administration rights, duties and obligations with respect to the common facilities, as well as administering and enforcing the covenants and restrictions herein and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, Developer has encouraged and participated in the formation of the Tellico Village Property Owners Association, a non-profit corporation organized and existing under and by virtue of the laws of the State of Tennessee, hereinafter called "Association", with its principal office to be located within Tellico Village, Tennessee, for the purpose of exercising the functions aforesaid, which said Association joins in the execution of this instrument for the purpose of indicating its

12-4-08 (For amended restrictions see T999 page 42) (For amended restrictions see TB 751 pg. 680) 10-15-04 (For amended restrictions see TB 706 page 770) 2-18-04

PREPARED BY:
COOPER COMMUNITIES, INC.
LEGAL DEPT. P.O. BOX 639
BENTONVILLE, ARK. 72712

STATE OF TENNESSEE LOUDON COUNTY REGISTER'S OFFICE

(Page 1) THIS INSTRUMENT RECEIVED AT 1:45 O'CLOCK P. M. OF THE 16 DAY OF Dec 19 85
DULY CERTIFED AND REGISTERED IN SAID OFFICE IN trust BOOK NO. 209 PAGE 96
AND NOTED IN BOOK NO. M PAGE 290 STATE TAX PAID $ —
FEE PAID $124.00 REGISTER

agreement to perform the obligations placed upon it by this Declaration, as well as any Supplemental Declarations hereafter placed of record pursuant hereto and whether or not executed by it;

NOW THEREFORE, the Developer declares that the real property described in Section 1 of Article II hereof, and any additions thereto as may hereafter be made pursuant to Section 2 of Article II hereof, is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

In addition to other definitions herein provided and except where it is clearly evident from the context that a different meaning is intended, the following terms shall have the following meanings when used in this Declaration, any Supplemental Declaration, any record plat of the lands covered hereby, and any other documents related to the Project:

(1) "Declaration" means this instrument as extended or supplemented from time to time in the manner herein provided.

(2) "Developer" means Cooper Communities, Inc., a Delaware corporation, its successors and assigns.

(3) "Association" means Tellico Village Property Owners Association, Inc., a Tennessee non-profit corporation, its successors and assigns.

(4) "Project" means all real property concurrently herewith or in the future subjected to this Declaration.

(5) "Common Property" means any property, real, personal or mixed, owned or leased by the Association, those areas reflected as such upon any recorded subdivision plat of The Project, and those areas so designated from time to time by the Developer, intended to be devoted to the common use and enjoyment of the Owners.

(6) "Limited Common Property" means those areas reflected as such upon any recorded subdivision plat of The Project and those areas so designated from time to time by the Developer, intended to be devoted to the common use and enjoyment of the owners of specifically designated property.

(7) "Lease Agreement" means that certain lease agreement between the Association and TRDA for certain lands to be used as Common Properties as hereinafter provided.

(8) "Private Streets" shall mean and refer to every way of access for vehicles which is not dedicated to the general public but is designated as either Common Property or Limited Common Property. The fact that a Private Street shall be known by the name of street, road, avenue, way, lane, place or other name shall in nowise cause the particular street to be public in nature despite the fact that streets under general definitions are not private in nature.

(9) "Public Streets" shall mean and refer to all ways of access for vehicles which are dedicated to the general public.

(10) "Utility Easements" shall mean and refer to those areas of land designated for such purposes on any recorded subdivision plat of the Project or as may be provided for in or by this Declaration or any Supplemental Declaration.

(11) "Reserved Properties" shall mean and refer to those areas of land designated as such on any recorded subdivision plat of The Project.

(12) "Lot" shall be the numbered lots or numbered and lettered lots in the numbered blocks as shown on any recorded subdivision plat of The Project.

(13) "Commercial Lot" shall mean and refer to any Lot so designated upon any recorded subdivision plat of The Project, or as may be so designated by this Declaration or any Supplemental Declaration.

(14) "Residential Lot" shall mean and refer to any Lot so designated upon any recorded subdivision plat of The Project, or as may be so designated by this Declaration or any Supplemental Declaration.

(15) "CooperShare Lot" shall mean and refer to any Lot so designated upon any recorded subdivision plat of The Project, or as may be so designated by this Declaration or any Supplemental Declaration.

(16) "Living Unit" shall mean and refer to any portion of a building situated upon The Project designed and intended for use and occupancy as a residence by a single family.

(17) "Single Family Detached" shall mean and refer to any building intended for use by a single family and not attached to any other building.

(18) "Single Family Attached" shall mean and refer to any building containing two or more Living Units attached but each Living Unit located on a separate Parcel of Land.

(19) "Multi-family Structure" shall mean and refer to any building containing two or more Living Units located on a single Parcel of Land.

(20) "A Parcel of Land" may be less than a lot, a single lot, more than a lot, several lots, or a plot of land described by a metes and bounds description.

(21) "Member" means all those persons or entities who are members of the Tellico Village Property Owners Association, Inc. as hereinafter provided.

(22) "Owner" means the Developer and any person, firm, corporation, partnership, association or other legal entity, or any combination thereof, owning of record or purchasing from the Developer a fee interest in a Lot, Living Unit or CooperShare, or who has purchased or is purchasing an Associate Membership from the Developer.

(23) "Occupant" means any person or persons in possession of a Unit.

(24) "Household" shall mean those who dwell under the same roof and constitute a family.

(25) "Common Expense" means all expenses incurred by the Association for the construction, maintenance, repair,

replacement, operation, management and administration of the Project and the Common Property, together with any expenses which are the specific responsibility of an individual Owner which are paid by the Association and charged to the responsible Owner as a Personal Charge for reimbursement.

(26) "Assessment" means such amounts as are required by the Association for payment of the Common Expenses and levied against the Owners by the Association in accordance herewith.

(27) "Personal Charge" means any expense or charge of the Association for which a specific Owner is liable.

(28) "Master Plan" means that certain master plan for development of the Project consisting of Volumes I through VII as prepared by Cooper Consultants, Inc. and submitted to TRDA by the Developer at the time of closing of the purchase of the initial lands covered hereby.

(29) "Shoreline Strip" means those certain lands of the Tellico Reservoir owned by TVA and lying between 805 M.S.L. and 820 M.S.L. and adjacent to the Project.

(30) "Shoreline Strip Rules" means those certain rules heretofore agreed to between TVA, TRDA, the Association and the Developer for the management of the Shoreline Strip to effect a reasonable balance between use of the Shoreline Strip by abutting property owners and use by the general public, as recorded in Book 209, Page 75, Register's Office, Loudon County, Tennessee.

(31) "Water Use Facilities Permit" means that certain agreement between TVA, TRDA, the Association and the Developer to provide for the issuance of TVA Section 26a permits for the construction, operation and maintenance by abutting property owners of certain boat dock water use facilities within the Shoreline Strip, as recorded in Book 209, Page 86, Register's Office, Loudon County, Tennessee.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION

Section 1. Existing Property. The existing real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located and situated in the County of Loudon, State of Tennessee, to-wit:

Blocks 1-4, Chota Hills Subdivision, Tellico Village, Tennessee, per plat recorded in PLAT CAB. C, SLIDE 1, Register's Office, Loudon County, Tennessee; and

Blocks 5-6, Chota Hills Subdivision, Tellico Village, Tennessee, per plat recorded in PLAT CAB. C, SLIDE 1, Register's Office, Loudon County, Tennessee; and

Blocks 1-4, Toqua Shores Subdivision, Tellico Village, Tennessee, per plat recorded in PLAT CAB. C, SLIDE 2, Register's Office, Loudon County, Tennessee; and

Blocks 5-9, Toqua Shores Subdivision, Tellico Village, Tennessee, per plat recorded in PLAT CAB. C, SLIDE 2, Register's Office, Loudon County, Tennessee; and

Blocks 10-12, Toqua Shores Subdivision, Tellico Village, Tennessee, per plat recorded in PLAT CAB. C, SLIDE 3, Register's Office, Loudon County, Tennessee; and

Blocks 13-16, Toqua Shores Subdivision, Tellico Village, Tennessee, per plat recorded in PLAT CAB. C, SLIDE 3, Register's Office, Loudon County, Tennessee; and

Blocks 1-5, Toqua Hills Subdivision, Tellico Village, Tennessee, per plat recorded in PLAT CAB. C, SLIDE 4, Register's Office, Loudon County, Tennessee; and

Blocks 1-4, Toqua Point Subdivision, Tellico Village, Tennessee, per plat recorded in PLAT CAB. C, SLIDE 4, Register's Office, Loudon County, Tennessee; and

Blocks 5-6, Toqua Point Subdivision, Tellico Village, Tennessee, per plat recorded in PLAT CAB. C, SLIDE 5, Register's Office, Loudon County, Tennessee; and

Blocks 7-10, Toqua Point Subdivision, Tellico Village, Tennessee, per plat recorded in PLAT CAB. C, SLIDE 5, Register's Office, Loudon County, Tennessee; and

Blocks 11-16, Toqua Point Subdivision, Tellico Village, Tennessee, per plat recorded in PLAT CAB. C, SLIDE 6, Register's Office, Loudon County, Tennessee.

Section 2. Additions to Existing Property. Additional lands of the Developer situated in Loudon and Monroe Counties, Tennessee, as well as any other lands hereafter acquired by the Developer, whether or not so situated, may become subject to this Declaration in the following manner:

(A) The Developer, its successors and assigns, shall have the right, but not the obligation, to bring additional properties within the plan of this Declaration in future stages of development regardless of whether said properties are presently owned by the Developer. Any additions to the Project shall be compatible with the the Master Plan which has been prepared and heretofore made public by the Developer. Such proposed additions, if made, shall become subject to Assessments as hereinafter provided. Under no circumstances shall this Declaration or any Supplemental Declaration or such Master Plan bind the Developer, its successors and assigns, to make the proposed additions or in anywise preclude the Developer, its successors and assigns, from conveying the lands included in the Master Plan, but not having been made subject to this Declaration, free and clear of such Master Plan as well as free and clear of this Declaration or any Supplemental Declaration.

(B) The additions authorized hereunder shall be made by filing of record a Supplemental Declaration with respect to the additional property which shall extend the plan of this Declaration to such property, and the Owners, including the Developer, in such additions shall immediately be entitled to all privileges herein provided.

(C) Such Supplemental Declarations, if any, may contain such complementary additions and modifications of the covenants, conditions and restrictions contained in this Declaration as may be necessary to reflect the different character, if any, of the added properties as are not inconsistent with the plan of this Declaration. In no event, however, shall such Supplemental Declarations revoke, modify or add to the covenants, conditions and restrictions established by this Declaration or any Supplemental Declaration with respect to the then Existing Property.

Section 3. Limitation on Additions. No one other than the Developer, its successors and assigns, shall have the right to

subject additional lands to this Declaration unless the Developer, its successors and assigns, shall indicate in writing to the Association that such additional lands may be included hereunder.

ARTICLE III

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Section 1. Membership. The following classes of membership in the Association are hereby established subject to the limitations herein set forth:

(A) General Membership: Every person or entity, other than the Developer, Associate Member or CooperShare Member, who is the record owner of a fee interest in or who is purchasing from the Developer a fee or undivided fee interest in a Lot or Living Unit which is subject to being assessed by the Association, even though such Assessment has not yet commenced, shall be a General Member of the Association. General Members shall be entitled to the privileges of Membership.

(B) Associate Membership: In order to provide operating revenue to the Association and enhance utilization of the recreational facilities during the early development of the Project the Developer shall have 1,000 Certificates of Associate Membership in the Association. Such Associate Memberships may be sold by the Developer and shall not require the ownership of a Lot or Living Unit. Any person who owns or is purchasing from the Developer an interest in such Associate Memberships shall be entitled to the privileges of Membership in the Association except as hereinafter provided. At the expiration of fifteen (15) years from the date of recording of the Declaration or upon the completion of five thousand five hundred (5,500) Living Units, whichever is later, the Members other than Associate Members shall, at the next annual meeting of the Membership, vote on the issue of continuing the Associate Memberships. If a majority of the total votes cast favor continuing said Associate Memberships, said Associate Memberships shall continue for a period of five (5) years. At the expiration of said term of years, there shall be another like vote at the annual meeting of Members and a like vote every five (5) years thereafter until, if ever, a majority of the voters elect to terminate said Associate Memberships. Upon such termination, the Association shall be required to promptly purchase any such Associate Memberships which have been sold by the Developer from the then Owners at a price equal to ten percent (10%) of the original purchase price of said Associate Membership from the Developer. Except as to the Developer, Associate Memberships may be owned only by natural persons and are not transferable other than between spouses and shall terminate in the event of the death of both spouses. Such Associate Memberships may also be terminated by the Developer for failure of the purchasing Owner to pay in full the purchase price therefor from the Developer or any other breach of such contract of purchase in accordance with the terms of such contract of purchase or by the mutual cancellation of such contract of purchase by the parties thereto, and by the Association for the failure to pay any assessments or other amounts owed by the Owner therefor to the Association or for any other breach by such Owner of this Declaration which failure to pay or breach shall not be cured within six (6) months after notice to such Owner by the Association. Notwithstanding anything hereinabove to the contrary, upon the termination of an Associate Membership, for any reason whatsoever other than the vote of the Association

Membership as hereinabove provided, the Developer shall have the right, but not the obligation, to create and sell an additional Associate Membership in the place thereof, without payment of any kind by the Developer therefor, so long as the total of the outstanding Associate Memberships does not exceed 1,000 and so long as such Associate Memberships have not been terminated by vote of the Association Membership as hereinabove provided.

(C) CooperShare Membership: A CooperShare Lot or Living Unit is subject to the same assessment obligations and voting rights as any other Lot or Living Unit, and Owners thereof are entitled to the same privileges of Membership in the Association as other Lot or Living Unit Owners except as hereinbelow provided. Every person or entity, other than the Developer, who is the record owner of a fee or undivided fee interest in or who is purchasing from the Developer a fee or undivided fee interest in an interval ownership use period in a CooperShare Lot or Living Unit, which CooperShare Lot or Living Unit is subject to being assessed by the Corporation, even though such assessment has not yet commenced, shall be a CooperShare Member. A CooperShare Member shall be entitled to all privileges of Membership as other Lot or Living Unit Owners except that such shall be limited to that period of time each year consistent with such CooperShare interval ownership period.

(D) Developer Membership: The Developer, its successors and assigns, shall be a Member of the Corporation so long as it shall be the record owner of a fee or undivided fee interest in any Lot, Living Unit or Associate Membership which is subject to being assessed by the Corporation, even though such assessments have not yet commenced, and shall further be a Member until it is paid in full for every such Lot, Living Unit or Associate Membership it shall sell. The Developer, its successors and assigns, shall be entitled to the privileges of a Member for each such Lot, Living Unit or Associate Membership and shall be further entitled to the issuance of Membership guest cards during such Membership to the extent it may deem necessary in its sole discretion to assist in the development and sale of Lots, Living Units and Associate Memberships.

Notwithstanding anything hereinabove to the contrary, these provisions for Membership are not extended to any person or entity other than the Developer who holds such interest merely as security for the performance of an obligation.

Section 2. Voting Rights. All those persons or entities as defined in Section 1 of this Article III, with the exception of Developer, who hold the interest required for Membership by Section 1 of this Article III and have paid the Developer in full for the purchase price of the Lot, Living Unit or Associate Membership shall jointly be entitled to one (1) vote for such Lot, Living Unit or Associate Membership. When more than one person and/or entity holds such interest in a single Lot, Living Unit or Associate Membership, the vote for such Lot, Living Unit or Associate Membership shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any single Lot, Living Unit or Associate Membership.

The Developer shall be entitled to two (2) votes for each Lot, Living Unit or Associate Membership in which it holds the interest required for Membership by Section 1 of this Article III until such time as it shall cease to be a record owner thereof and shall have been paid in full therefor. The Developer shall continue to have the right to cast votes as aforesaid even though it may have contracted to sell the Lot, Living Unit or Associate Membership or may have same under a mortgage or deed of trust.

Notwithstanding anything hereinabove to the contrary, a CooperShare Lot or Living Unit shall entitle the Owners thereof to only one (1) vote where any Owner therein other than the Developer shall be entitled to participate in the voting rights, and, in such event, the Developer shall participate in such vote to the same extent pro rata as other Owners therein entitled to participate in such vote.

For purposes of determining the votes allowed herein when Living Units are counted, the Lot or Lots upon which such Living Units are situated shall not be counted.

Section 3. Easement of Enjoyment Limited. Unless expanded by the Association as provided in Section 4(F) of Article VIII of this Declaration, Members other than the Developer are limited in their easement of enjoyment of the Common Properties to one Household, with the exception of usage of the Private Streets. When more than one Household holds Membership in a single Lot, Living Unit or Associate Membership, the Household entitled to the easement of enjoyment shall be designated in accordance with and subject to the provisions and restrictions set forth therefor in the By-Laws of the Association.

ARTICLE IV

RESERVATION OF EASEMENTS

Section 1. Utility and Drainage Easements. Developer, for itself and its successors and assigns, hereby reserves and is given a perpetual, alienable and releasable blanket easement, privilege and right, but not the obligation, on, in, over and under the lands as hereinafter designated of the Project to install, maintain and use electric, antenna television and telephone transmission and distribution systems, poles, wires, cables and conduits, water mains, water lines, drainage lines and drainage ditches, or drainage structures, sewers and other suitable equipment and structures for drainage and sewerage collection and disposal purposes, or for the installation, maintenance, transmission and use of electricity, cable television systems, telephone, gas, lighting, heating, water, drainage, sewerage and other conveniences or utilities on, in, over and under all of the Common Property, Limited Common Property and the Shoreline Strip, and on, in, over and under all of the easements, including, but not limited to, private and public streets, in place or shown on any subdivision plat of the Project, whether such easements are for drainage, utilities or other purposes, and on, in, over and under a 7½ foot strip along the interior of all lot lines of each Lot in the Project, said 7½ foot strip aforesaid to be parallel to the interior lot lines of the respective Lots. The Developer shall have the unrestricted and sole right and power of alienating and releasing the privileges, easements, and rights referred to herein with the understanding, however, that the Developer will make such utility easements available to the Association for the purpose of installation of water lines and other water installations and sewer lines and other sewer installations and, in addition, will also make such utility easements available to the Association for any other utilities which the Developer and Association shall agree upon, and for which the Association shall have assumed the responsibility for obtaining additional easements in order that utilities other than sewer and water may be installed. Such utility easements shall be made available to the Association without cost to it. The Association and Owners other than the Developer shall acquire no right, title or interest in or to any poles, wires, cables, conduits, pipes, mains, lines or other equipment or facilities placed on, in, over

or under the property which is subject to said privileges, rights and easements, except that the Association shall own all pipes, mains, lines and other equipment or facilities which pertain to the water system and the sewer system installed as Common Properties. All such easements, including those designated on any plat of the Project, not made available to the Association are and shall remain private easements and the sole and exclusive property of the Developer and its successors and assigns. Within these aforesaid easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels within the easements, or which may obstruct or retard the flow of water through drainage channels within the easements.

Section 2. Easements for Streets. Developer, for itself and its successors and assigns, hereby reserves a perpetual, alienable and releasable blanket easement, privilege and right, but not the obligation, in, upon, over and across the Common Properties, Limited Common Properties and the Shoreline Strip for purposes of constructing and maintaining such roads, streets or highways as it shall determine to be necessary or desirable in its sole discretion, including such cuts, grading, leveling, filling, draining, paving, bridges, culverts, ramps and any and all other actions or installations which it deems necessary or desirable for such roads, streets or highways to be sufficient for all purposes of transportation and travel. The width and location of the right of way for such roads, streets or highways shall be within the sole discretion of Developer, its successors and assigns, provided, however, that the Developer, its successors and assigns, will use their best efforts consistent with their purposes to lessen any damage or inconvenience to improvements which have theretofore been located upon the property. Developer, its successors and assigns, further reserves the unrestricted and sole right and power of designating such roads, streets or highways as public or private and of alienating and releasing the privileges, easements and rights reserved herein.

Section 3. Others. All other easements and reservations as reflected on or in the notes of the recorded subdivision plats of lands within the Project or hereafter granted of record by the Association, in its sole discretion, as to the Common Property, shall be binding upon each Owner and his Lot or Living Unit to the same extent as if set forth herein.

ARTICLE V

RESERVED PROPERTIES

Section 1. Reserved Properties. Any area upon a recorded plat under this Declaration or any Supplemental Declaration, if any, designated as "Reserved Properties" shall remain the sole and exclusive property of the Developer, its successors and assigns, and neither this Declaration or any Supplemental Declaration or the plats in connection with same shall in anywise apply to such "Reserved Properties" unless at a later time same shall be included thereunder as provided in Article II hereof.

Section 2. Utilities Reserved. It is contemplated that utilities for the Project other than the water distribution system and sewer distribution system shall be furnished by companies so engaged in the vicinity of the Project. The Developer has and retains the exclusive right to negotiate contracts and agreements with such companies, under such conditions and for such considerations as it shall deem proper under the

circumstances. The utilities referred to shall include, but not be limited to, natural, liquified or manufactured gas systems, electrical systems, sanitation service, telephone systems, and antenna television transmission and distribution facilities.

In the event the Developer cannot negotiate contracts and agreements with local companies to furnish the utility services aforesaid, it may, but shall not be obligated, to organize a company or companies to furnish such utility services and shall have the right to enter into agreements therewith to furnish utility services, even though such companies so organized shall be wholly or partially owned by the Developer. Nothing herein contained shall be construed or interpreted as an obligation on the part of the Developer to provide the utilities reserved.

The Developer shall have the right, but not the obligation, to delegate to the Association the right to enter into contracts with utility companies to furnish certain or all of the utility services aforesaid. In the event of such delegation, the Association shall have the right to so contract and to expend funds of the Association therefor as a Common Expense in order to secure necessary or desirable utility services whether named hereinabove or not.

ARTICLE VI

PLAN FOR CONSTRUCTION AND MAINTENANCE OF COMMON PROPERTIES

Section 1. Water and Sewer System. It is contemplated that the water system distribution infrastructure and sewer system collection infrastructure serving the Project and the water distribution system and sewer collection system within the Project shall be constructed by the Developer but will be a part of the Common Properties. The Developer shall be the sole judge as to the time when the water system and sewer system shall be constructed and shall also be the sole judge as to when such system shall be extended from time to time. In the event the Developer shall decide it is not economically feasible to extend the water system or the sewer system to areas other than single family lots registered with the Interstate Land Sales Registration Division, Department of Housing and Urban Development pursuant to the Interstate Land Sales Full Disclosure Act, it shall not be obligated to do so. The cost of the acquisition of treated water and sewer treatment from third party sources, construction of water storage facilities and booster chlorinators as needed, maintenance, capital improvements, operation, taxes and other expenses incident to the water system and sewer system and operation of same, shall be paid from Assessments as herein provided and from charges made to Owners for furnishing such services at such prices as shall be fixed from time to time by the Board of Directors of the Association. The Association, through its designated agents or employees, shall have the right to enter upon any Lot or other Parcel of Land to perform the required operation and maintenance to the pumped effluent sewer system and shall further have the right, but not the obligation, to perform any or all service, repair, replacement or routine inspections in connection with the on site residential pressure sewer systems and appurtenances thereto and to make a Personal Charge to the Owner for the costs thereof. It is specifically provided that neither the water service nor sewer service will be furnished to the public for compensation and, to the contrary, such services will be limited to Owners, as herein defined, and in the event the services are made available to

persons or entities other than Owners, there will be no charge to such persons or entities unless the Association shall have complied with the applicable Tennessee law relative to the sale thereof to the public for compensation.

Section 2. Private Streets. It is contemplated that the streets shall be constructed by the Developer and that those streets which are not dedicated to the general public will be private streets and a part of the Common Properties. However, the Developer shall be the sole judge as to when such streets, whether dedicated to the public or as Common Properties, shall be constructed and extended from time to time. The Developer shall also be the sole judge as to the extent the streets will be improved although it is anticipated that same will be constructed and paved in any subdivision of the Project within 24 months after completion of the utility systems in such subdivision. In the event the Developer shall decide it is not economically feasible to extend improved streets to areas other than single family lots registered with the Interstate Land Sales Registration Division, Department of Housing and Urban Development pursuant to the Interstate Land Sales Full Disclosure Act, it shall not be obligated to do so. Upon completion of construction, the cost of maintenance, capital improvements, operation, taxes and other expenses incident to the streets, regardless of whether dedicated to the public or as Common Properties, shall be paid from Assessments as herein provided.

Section 3. Recreational Facilities. It is contemplated that the Developer shall construct as Common Properties certain initial recreational facilities consisting of one 18-hole championship golf course, one golf clubhouse, one recreation center including swimming and tennis, and one yacht and country club facility. The Developer shall have the right, but not the obligation, to construct such other recreational facilities as Common Properties in later phases of development as it shall in its sole discretion decide. The cost of maintenance, capital improvements, operation, taxes and other expenses incident to these Common Properties shall be the obligation of the Association and shall be paid from Assessments as herein provided and also from any fees for the use of the Common Properties. The Developer shall be the sole judge as to the time when such recreational facilities shall be constructed and if the Developer shall decide that it is not economically feasible to construct such additional recreational facilities if any, due to the failure to sell sufficient Lots, Living Units and Associate Memberships, it shall not be obligated to construct same.

ARTICLE VII

PLAN FOR CONSTRUCTION AND MAINTENANCE OF LIMITED COMMON PROPERTIES

Section 1. Construction and Maintenance. The Developer shall construct as Limited Common Properties such streets, public or private, utility systems, recreational facilities and other facilities as it shall in its sole discretion decide. The cost of maintenance, capital improvements, operation, taxes and other expenses incident to those Limited Common Properties shall be the obligation of the owners of the Lots or Living Units entitled to the use and enjoyment of the particular Limited Common Properties. In order to perform such obligations, the Owners of the Lots and Living Units entitled to the use and enjoyment of the particular Limited Common Properties may organize a

non-profit corporation to be limited to membership to those Owners of Lots and Living Units entitled to the use and enjoyment of the particular Limited Common Properties and the non-profit corporation shall have all of the powers, including the power to levy assessments against particular Lots and Living Units in order to obtain funds, as the Association has which are referred to in this Declaration.

Section 2. Failure to Administer. Upon the failure of the owners of the property entitled to the use and enjoyment of the particular Limited Common Properties to provide for the maintenance, capital improvements, operation, taxes and other expenses incident to the Limited Common Properties, the Association may perform same and apportion the charge against the Lots and Living Units entitled to the benefit of the particular Limited Common Properties and same shall constitute a lien against such property subject only to the lien by reason of a first mortgage or deed of trust against such property.

ARTICLE VIII

PROPERTY RIGHTS IN COMMON PROPERTIES

Section 1. Association Powers and Duties. The operating entity for the Common Properties within the Project shall be the Association. The Association shall have all powers and duties set forth therefor in this Declaration, its Articles of Incorporation and By-Laws, applicable laws, statutes, ordinances and governmental rules and regulations, and all other lawful powers and duties deemed by its Board of Directors as advisable or necessary to carry out its functions. Every Owner, however acquired, shall be bound by this Declaration, the Association Articles of Incorporation, By-Laws and Rules and Regulations, and the above set forth laws, statutes, ordinances and governmental rules and regulations.

Section 2. Interest of the Association. All property acquired by the Association, whether real, personal or mixed, whether owned or leased, shall be held, utilized and disposed of by the Association as Common Property for the use and benefit of the Owners within the Project. Except as otherwise specifically provided in this Declaration, any expense of the Association for acquisition, ownership, leasing, administration, maintenance, operation, repair or replacement of the Common Properties shall be treated as and paid for as part of the Common Expense of the Association.

Section 3. Title to Common Properties. The water system distribution infrastructure and sewer system collection infrastructure serving the Project and the water distribution system and sewer collection system within the Project constructed by the Developer as a part of the Common Properties shall be owned by the Association and transferred by the Developer to the Association as the same is completed. The Association shall lease all or a substantial portion of the other Common Properties, including but not limited to lands, streets and recreational facilities, pursuant to and as set forth in that certain Lease Agreement between the Association and TRDA. The lands described in said Lease Agreement are currently owned by the Developer and it is contemplated that the Developer shall, within a reasonable time after the completion of construction of any improvements which the Developer intends to locate thereon, cause such land to be conveyed to TRDA for lease to the Association, free from any encumbrances or liens, pursuant to the

provisions of said Lease Agreement. The Developer shall be the sole judge as to the time when the aforesaid improvements, if any, shall be constructed or provided and as to when, if ever, such lands will be so conveyed. The Developer shall have the right, but not the obligation, to provide additional lands and improvements to the Association as Common Properties not contained within said Lease Agreement and to cause same to be conveyed or transferred to the Association as and when it shall in its sole discretion decide. The Association may acquire additional lands and improvements as Common Properties at its own instance, from the Developer or otherwise.

Section 4. Members Easement of Enjoyment. Every Member of the Association, so long as such Membership shall continue, shall have a right and easement of enjoyment in and to the Common Properties. Such easements of enjoyment shall, however, be subject to the provisions and limitations thereon as set forth in this Declaration or any Supplemental Declaration, including, but not limited to, the following:

(A) the right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of constructing, maintaining and improving the Common Properties and in aid thereof to mortgage said property or use any leasehold interest therein as security therefor, provided the rights of such mortgagee in said properties shall be subordinate to the rights of the Owners hereunder until there shall be a default under said mortgage; and

(B) the right of the Association to take such steps as are reasonably necessary to protect the Common Properties against foreclosure; and

(C) the right of the Association to suspend the enjoyment rights of any Member other than the Developer as provided in this Declaration; and

(D) the right of the Association to charge reasonable admission and other fees for the use, service and enjoyment of any recreational facility or other improvements situated upon the Common Properties; and

(E) the right of the Association to make the golf course and other recreational facilities available by lease, or otherwise, subject to sub-paragraph (G) hereof, to another Association, which shall be a non-profit corporation, with the right of the other Association to charge dues to Members and to permit persons who are not Members to become members of the other Association for a membership payment and also for payment of dues, and with the understanding the other Association shall have the right to make rules and regulations which shall be enforceable as to Members; and

(F) except as to the Developer, Membership in the Association shall entitle only one Household to the benefit of the easement of enjoyment as to the Common Properties, provided, however, the Association may enlarge the limitation aforesaid by a majority vote of its Board of Directors and, further provided, this limitation shall not apply to Private Streets; and

(G) the right of the Developer, so long as any Lot, Living Unit or Associate Membership is being held by the Developer for sale in the ordinary course of business, to use such portions of the Common Properties as the Developer shall determine in its sole discretion for the purpose of aiding in such sales, including the right to freely determine its sales tour route through the Project even though traffic is increased in a specific area thereby and to use portions of the Common Properties for parking for prospective purchasers and such other parties as the Developer determines. Notwithstanding any provisions of this Declaration to the contrary, the Developer shall further have the right to use any Living Unit owned by it for Model Home purposes in the furtherance of its sales program. The foregoing rights shall include the right to display and erect signs, billboards and placards and to store, keep and exhibit same and to exhibit and distribute audio and visual promotional materials upon the Common Properties or in Model Homes; and

(H) the right of Members to the exclusive use of parking spaces as provided in Section 6 hereof; and

(I) the right of the Association to dedicate or transfer all or any part of the Common Properties to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Owners. No such dedication or transfer shall be effective unless an instrument is signed by Members entitled to cast a majority of all votes, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every Member not less than thirty (30) days nor more than sixty (60) days in advance thereof.

Section 5. Guests and Delegation of Easement of Enjoyment. The Association shall, upon the request of an Owner, issue temporary guest cards for the use of the Common Properties of the Association by guests and invitees of such Owners, provided, however, such temporary guest cards shall be limited to periods not in excess of thirty (30) days and, except as to Developer guests, shall be subject to such other reasonable limitations and rules and regulations as provided therefor by the Association. Notwithstanding anything herein to the contrary, the easement of enjoyment of an Owner of a Living Unit may be transferred to a tenant or lessee who shall occupy such Living Unit of such Owner under a written lease agreement for a term of not less than six (6) months, provided (1) that a copy of such lease agreement is provided to the Association, (2) the Owner shall remain jointly and severally liable with the lessee for any breach of the duties and responsibilities of an Owner under this Declaration, (3) during the period of such lease delegation, the lessee shall have such easement of enjoyment in lieu of the Owner, and (4) such delegation shall be otherwise subject to such reasonable rules and regulations as the Board of Directors of the Association shall from time to time determine.

Section 6. Parking Rights. Subject to reasonable rules and conditions, the Association shall maintain and designate at least one parking space conveniently located with respect to each Living Unit for which the Developer may request same and such parking space shall be for the exclusive use of Members residing therein, their families and guests. The use of such space by any

other Member or person may be prohibited and/or enjoined by the Association or the Members entitled thereto. The right of the exclusive use of such parking space and to its maintenance and designation by the Association shall be appurtenant to and shall pass with title to each such Living Unit.

Section 7. Access to Private Streets. Each Owner shall have a right of ingress and egress and passage over all Private Streets which are Common Properties for himself, members of his Household, and his guests and invitees, subject to such limitations (except such limitations shall not apply to Developer) as the Association may impose from time to time as to guests and invitees. Such right in the Private Streets shall be appurtenant to and shall pass with the title and equity to every Lot, Living Unit and Associate Membership. All Private Streets shall further be subject to a right-of-way for the agents, employees and officers of Loudon County (and other counties when applicable), State of Tennessee, and any other governmental or quasi-governmental agency having jurisdiction in Tellico Village to permit the performance of their duties, including, but not limited to, school buses, mail vehicles, emergency vehicles and law enforcement vehicles. Section 3 of this ARTICLE VIII shall in nowise apply to the rights conferred by this Section.

ARTICLE IX

PROPERTY RIGHTS IN LIMITED COMMON PROPERTIES

Section 1. Owners' Easement of Enjoyment. Lands so designated from time to time by the Developer shall be devoted to the common use and enjoyment of the Owners of specifically designated Lots and Living Units to the exclusion of the common use and enjoyment of other Owners. The Owners of the specifically designated Lots or Living Units, subject to ARTICLE IV hereof, shall have a right and easement of enjoyment in and to the particular Limited Common Properties and such easement shall be appurtenant to and shall pass with every such specifically designated Lot or Living Unit.

Section 2. Title to Limited Common Properties. The Developer may retain the legal title to the Limited Common Properties until the Owners of Lots and Living Units entitled to the easement of enjoyment as to the particular Limited Common Properties shall have constructed the permanent improvements thereon and provided for maintenance of same. At such time, the Developer shall convey the title to the particular Limited Common Properties to such entity as the Owners shall direct, and on failure of the Owners to perform or direct the conveyance of the title as to the particular Limited Common Properties, then the Developer shall convey to the Association, and it shall perform as provided in Section 2 of ARTICLE VII hereof.

ARTICLE X

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of Lien. The Developer subject to the provisions hereinafter set forth, for each Lot, Living Unit and Associate Membership owned by it within the Project, hereby covenants and each Owner of a Lot, Living Unit, or Associate Membership, other than the Developer, by acceptance of a deed or certificate therefor or by entering into a contract of purchase with the Developer therefor, whether or not it shall be so expressed in any such deed, certificate, contract of purchase or

other conveyance, shall be deemed to covenant and agree to pay to the Association: (1) Annual Assessments, and (2) Special Assessments, such Assessments to be fixed, established and collected from time to time as hereinafter provided. The Annual and Special Assessments, together with such interest thereon and costs of collection thereof, including a reasonable attorneys fee, as hereinafter provided, shall be a continuing charge and lien upon the Lot, Living Unit and Associate Membership against which each such Assessment is made. Each such Assessment, together with such interest, costs and reasonable attorneys fees, shall also be the personal obligation of the Owners of such property at the time when the Assessment fell due. The personal obligation for delinquent Assessments shall not pass to successors in title unless expressly assumed by them.

Section 2. Purpose of Annual Assessments. The Annual Assessments levied hereunder by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the Owners and in particular for the construction, leasing, improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Properties and the improvements situated thereupon, including, but not limited to, the water system and sewer system, taxes and insurance on the Common Properties, maintenance, repair, replacement and additions thereto, and for the cost of labor, equipment, materials, management and supervision thereof. The limitation aforesaid shall not preclude the use of Assessments levied hereunder for maintenance of streets within the Project, even though same may have been dedicated to the public.

Section 3. Basis and Maximum Annual Assessment. Until January 1 of the year immediately following the date of this Declaration, the maximum Annual Assessment shall be Three Hundred Dollars ($300.00) per Lot, Living Unit or Associate Membership, provided, however, such Annual Assessment as to Commercial Lots shall be one such assessment for each business establishment located thereon as determined by the existence of separate water meters therefor. From and after January 1 of the year immediately following the date of this Declaration, the Annual Assessment aforesaid may be increased each year above the Annual Assessment for the previous year by majority vote of the Board of Directors of the Association and without a vote of the Membership, provided, however, that such increase shall not in any one year exceed the greater of five percent (5%) or increases in the Consumer Price Index for the twelve (12) month period ending June 30 of the preceding year using the "All Urban Consumer, U.S. City Average" for "General Summary, All Items" as promulgated by the Bureau of Labor Statistics of the U. S. Department of Labor or, if such is not available, any other reliable governmental or other non-partisan publication evaluating similar information. Unless the Annual Assessments shall be increased as aforesaid, they shall remain at the rate prevailing for the previous year. From and after January 1 of the year immediately following the date of this Declaration, the Annual Assessment may be changed prospectively from the amounts hereinabove set forth in any year, without limitation on the amount of such change, by a majority vote of Members voting in person or by proxy at a meeting duly called for this purpose. The Board of Directors of the Association may at any time after consideration of current income and expense and the future income requirements of the Association, within its discretion, fix the Annual Assessment at an amount less than the amounts aforesaid.

Section 4. Special Assessments. In addition to the Annual Assessments, the Association may levy in any assessment year a

Special Assessment, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of the water system, sewer system and streets within the Project, even though such streets may have been dedicated to the public, and also any desired repair, replacement or improvement of facilities of the Association and/or the construction, of any capital improvement upon the Common Properties, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of a majority of the votes of Members voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for Any Action of Members Authorized Under Sections 3 and 4. Written notice of any meeting of the Membership called for the purpose of taking any action authorized under Section 3 or 4 hereof shall be sent to all Members not less than 30 days nor more than 60 days in advance of the meeting. At the first such meeting called, the presence of Members or of proxies entitled to cast a majority of all votes shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than ninety (90) days following the preceding meeting.

Section 6. Date of Commencement of Assessments and Application thereof to Lots, Living Units and Associate Memberships. Annual Assessments shall commence and become due and payable as to each Lot, Living Unit and Associate Membership on the date fixed by the Board of Directors of the Association for commencement, provided, however, no Assessments shall be applicable to or payable with respect to any Lot, Living Unit or Associate Membership until the first day of the second month following the execution of a contract of sale by the Developer with respect to such Lot, Living Unit or Associate Membership and, further provided, no Assessment shall commence upon a Lot, Living Unit or Associate Membership where such contract of purchase is terminated by reason of a failure of downpayment or recission thereof pursuant to any right granted by any public and/or governmental authority or agency. Each initial Annual Assessment on a Lot, Living Unit or Associate Membership shall be prorated according to the number of months remaining in that calendar year. Written notice of Assessments shall not be required. The due date of any Special Assessment shall be fixed in the resolution authorizing such Assessment and may also be payable monthly within the discretion of the Board of Directors. The Association shall, upon demand and for which a reasonable charge may be imposed, furnish a certificate signed by an officer of the Association setting forth whether the Assessments on a specified Lot, Living Unit or Associate Membership have been paid, which certificate shall be conclusive evidence of payment of any Assessments therein stated to have been paid.

Section 7. Non-Payment of Assessments. If any Assessments are not paid on the date when due, then such Assessments shall become delinquent and the Association shall have the right to declare the Assessments for the entire year due and payable, together with such interest thereon and costs of collection thereof as hereinafter provided. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property and both actions shall be cumulative and neither shall preclude the other. No Owner may waive or otherwise escape liability for the Assessments by non-use of the Common Properties or abandonment.

If Assessments have become delinquent, such Assessments shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the Owner to pay such Assessments shall remain his personal obligation and shall not pass to successors in title unless expressly assumed by them. Such delinquent Assessments shall bear interest from the date of delinquency at any lawful rate as determined from time to time by the Board of Directors of the Association or, if not so determined, the rate of 10% per annum. In the event a judgment is obtained, such judgment shall include interest on the Assessments as above provided and a reasonable attorney's fee to be fixed by the Court, together with the costs of the action.

Section 8. Subordination of the Lien to Mortgages. The lien of the Assessments provided for herein shall be subordinate to the lien of any first mortgage or deed of trust now or hereafter placed upon the properties subject to Assessment. While an ordinary sale or transfer shall not affect the Assessment lien, any sale or transfer which is subject to any first mortgage or deed of trust pursuant to a decree of foreclosure or proceeding in lieu of foreclosure shall extinguish the lien of such Assessments which became due prior to such sale or transfer. No such sale or transfer shall relieve such property from liability for any Assessments thereafter becoming due or from the subsequent lien thereof except with respect to any future such decree of foreclosure or proceeding in lieu of foreclosure.

Section 9. Exempt Property. The following property subject to the Declaration shall be exempt from the Assessments created herein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Properties; (c) the Limited Common Properties; (d) utilities; (e) utility easements and all other easements; (f) any Reserved Properties; and (g) any Lot, Living Unit or Associate Membership owned or held by the Developer prior to the initial sale or contract to sell by the Developer and excluding and exempting any such Lot, Living Unit or Associate Membership sold or contracted to be sold by the Developer which does not remain effective by reason of failure of downpayment or recission pursuant to any right granted or created by any public and/or governmental agency or authority.

Section 10. Delegation of Collection of Assessment. The Association may delegate the collection of the Assessments herein provided to the Developer, its successors and assigns to be accomplished at the expense of the Association. Due to the common interest of the Developer and the Association, the failure on the part of an Owner to pay an Assessment as herein provided shall be a reason or ground for which the Developer may rescind a contract of sale as to a Lot, Living Unit or Associate Membership.

ARTICLE XI

ARCHITECTURAL CONTROL COMMITTEE

Except as to original construction by the Developer, no building, fence, wall or other structure shall be commenced, erected or maintained upon the Project or the Shoreline Strip, nor shall any exterior addition, change or alteration be made thereto, until and unless the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design, location in relation to surrounding structures and topography and compliance with this Declaration

and the Protective Covenants contained herein by the Architectural Control Committee of the Association. The Committee shall make such determinations by majority vote and the determination of the individual committee members shall be upon the exercise of the sole and absolute discretion of such member. Such Committee shall be composed of three (3) or more representatives appointed by the Board of Directors of the Association. In the event said Committee fails to approve or disapprove such design and location within forty-five (45) days after said plans and specifications have been properly submitted to it in accordance with reasonable rules and regulations which may be adopted thereby, approval will not be required and this provision will be deemed to have been fully complied with, except to the extent such construction is in violation of the Protective Covenants, Shoreline Strip Rules or Water Use Facilities Permit. The Architectural Control Committee shall have the right to set reasonable charges and fees within their discretion necessary to offset expenses incurred by them in connection with the performance of their duties hereunder and the failure to pay same shall be grounds for withholding approval hereunder. The Architectural Control Committee, through its members or duly authorized agents or employees, shall have the right, after reasonable notice to the owner, to enter upon any Lot, Living Unit or the Shoreline Strip area at reasonable hours for the purpose of the performance of its functions hereunder.

ARTICLE XII

EXTERIOR MAINTENANCE

Section 1. Failure to Maintain by Owner. In the event the Owner of any Lot or Living Unit shall fail to properly provide for exterior maintenance thereof, the Association may, but shall not be obligated to, provide such exterior maintenance as follows: cut, trim, care for and maintain trees, shrubs and grass, or repair, replace and care for walks, roofs, gutters, downspouts, exterior building surfaces, windows, fascia, doors, decks and other exterior improvements, including repainting or staining as needed.

Section 2. Assessment of Cost. The cost of such exterior maintenance shall be assessed by the Association against the Lot or Living Unit upon which such maintenance is done and shall be added to and become a part of the Annual Assessment to which such Lot or Living Unit is subject as a Personal Charge and, as a part of such Annual Assessment, it shall be a lien upon said Lot or Living Unit until paid, subject, however, to any prior lien by reason of a first mortgage or first deed of trust, and shall become due and payable in all respects as provided herein for Assessments.

Section 3. Access at Reasonable Hours. For the purpose solely of performing the exterior maintenance authorized by this Article XII, the Association, through its duly authorized agents or employees, shall have the right, after reasonable notice to the Owner, to enter upon any Lot or exterior of any Living Unit at reasonable hours on any day except Sunday.

ARTICLE XIII

OWNER LIABILITY

Any violations of this Declaration, any Supplemental Declaration, the Association Articles of Incorporation, By-Laws and

Rules and Regulations, or any laws, statutes, ordinances, or governmental authority rules and regulations by a family member, guest, lessee, licensee or invitee of any Owner other than the Developer shall be the responsibility of that Owner and all enforcement rights or penalties therefor shall be applicable to said Owner, except as specifically provided to the contrary in such documents or laws, statutes, ordinances, or governmental authority rules and regulations.

In the event an Owner violates or threatens to violate any of the provisions hereof, the Association shall have the right to proceed in any appropriate Court for an injunction to seek compliance. In lieu thereof, or in addition thereto, the Association shall have the right to levy a Personal Charge, enforceable in the same manner as Assessments, against the Owner and his Lot, Living Unit or Associate Membership for such sums as are necessary to enjoin any violation or to remove any unauthorized addition or alteration and to restore the affected property to good condition and repair.

ARTICLE XIV

SUSPENSION OF VOTING RIGHTS AND EASEMENT OF ENJOYMENT

Section 1. Regular Suspension. Should an Owner other than the Developer become delinquent in the payment of any Assessment or Personal Charge or violate any other provision of this Declaration, and Supplemental Declaration, or the Association Articles of Incorporation, By-Laws or Rules and Regulations, the Association may deny such Owner enjoyment of the Common Properties until such time as any such delinquent Assessments or Personal Charges and any interest due thereon are paid and any such violations are ceased and any penalties therefor are satisfied.

Section 2. Penalty Suspension. The Association shall further have the right in its sole discretion to impose as a Penalty Suspension for any such violations the suspension of such Owners easement of enjoyment for a period not to exceed thirty (30) days for any one violation or occurrence. An Owner must be given such notice and opportunity as is reasonable under the circumstances to refute or explain in person or in writing the charges against him by the Association before any decision of the Association to impose any such Penalty Suspension is enforced.

Section 3. General. Any suspension of rights under these provisions shall not be used as a basis for any reduction of Assessments or other charges payable by such Owner.

ARTICLE XV

PROTECTIVE COVENANTS

Attached hereto as "Exhibit 1" and made a part hereof as fully as though contained herein word for word are the Protective Covenants relative to The Project as well as any other lands which may be added as provided in Article II hereof. Every provision of this Declaration shall apply as fully as to the Protective Covenants as if same were set forth herein word for word.

TVPOA Complaint - CA Exhibit F

ARTICLE XVI

SHORELINE STRIP RULES

AND WATER USE FACILITIES PERMIT

Section 1. Ownership and Use of Shoreline Strip. Ownership of the Shoreline Strip remains in TVA, the operating entity of Tellico Reservoir, which attempts to administer the area in such manner as to effect a reasonable balance between the right of the general public to use the Tellico Reservoir and its shorelands and the right of use and peaceful enjoyment by the owners of abutting lands. TVA, TRDA, the Association and the Developer have heretofore entered into an agreement for implementation of the Shoreline Strip Rules and the Water Use Facilities Permit to establish operating guidelines for the management of the Shoreline Strip in order to provide access to Tellico Reservoir by Owners in the Project and to provide for the construction of water use facilities by abutting property owners consistent with the rights of use by the general public. All usages of the Shoreline Strip shall be subject to such Shoreline Strip Rules and Water Use Facilities Permit.

Section 2. Designation and Transfer of Water Use Facilities Permits. As development of the Project proceeds, the Developer will divide and designate the Shoreline Strip into Common Shoreline Strips for the mutual use and enjoyment of all Owners, Limited Common Shoreline Strips for the mutual use and enjoyment of the Owners of the Limited Common Properties, Joint Shoreline Strips for the mutual use and enjoyment of the several Owners adjacent thereto, Individual Shoreline Strips for the exclusive use and enjoyment of the Owner adjacent thereto, and as Commercial Shoreline Strips for the use and enjoyment of the Owners of the Commercial Lots. Such designations will be made upon the record plats of lands within the Project lying adjacent to such Shoreline Strip. The Developer shall also, at the time of such designation, assign its rights under said Water Use Facilities Permit to the Association for the Common Shoreline Strips and to the affected Owners for the Joint, Individual and Commercial Shoreline Strips, which rights shall thereafter be appurtenant to and shall pass with the title to such specifically designated Lots, Living Units or other Parcels of Land.

Section 3. Administration and Enforcement. TVA and TRDA have retained certain rights with regard to the administration and enforcement of the Shoreline Strip Rules and Water Use Facilities Permit as set forth therein, specifically including, but not limited to, the requirement of certain permits from TVA and other agencies for usage of the Shoreline Strip. Additionally, the Shoreline Strip Rules and the Water Use Facilities Permit require the Architectural Control Committee of the Association to administer the issuance of site specific building permits under the provisions of this Declaration, the Shoreline Strip Rules and Water Use Facilities Permit for the construction, operation and maintenance of water use facilities within the Shoreline Strip. The Association further has the right of enforcement of the provisions of the Shoreline Strip Rules and the Water Use Facilities Permit as set out therein and in this Declaration.

Section 4. Association Jurisdiction. The rights, duties and obligations of the Association as set forth in the Shoreline Strip Rules and Water Use Facilities Permit are hereby subjected to the provisions of this Declaration, whether or not therein expressed. The Association and its Architectural Control Committee shall have all rights, duties and obligations with

respect to such Shoreline Strip, Shoreline Strip Rules and the Water Use Facilities Permit as it has with respect to any other lands of the Project as set forth in this Declaration and shall have the right to proceed against any Owner in violation thereof in the same manner.

ARTICLE XVII

MISCELLANEOUS PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Association or the Owners subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of 26 years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of 10 years unless an instrument signed by the then Owners having two-thirds of the total number of qualified votes in the Association has been recorded, agreeing to change said covenants and restrictions in whole or in part, provided, however, that no such agreement to change shall be effective unless made and recorded three (3) years in advance of the effective date of such change and unless written notice of the proposed agreement is sent to every Owner at least 90 days in advance of any action taken.

Section 2. Invalidity. If any of the provisions of this Declaration, any Supplemental Declaration, the Articles of Incorporation or By-Laws of the Association, or any section, clause, phrase, word, or the application thereof, in any circumstance, is held invalid, the validity of the remainder of such instruments and the application of any such provision, action, sentence, clause, phrase or word, in other circumstances, shall not be affected thereby.

Section 3. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 4. Genders and Plurals. Whenever the context so requires, use of any gender shall be deemed to include all genders, use of the singular shall include the plural, and use of the plural shall include the singular. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the development and operation of the Project.

Section 5. Captions. The captions used in this Declaration are inserted solely as a matter of convenience and shall not be relied upon or used in construing the effect or meaning of any of the text.

Section 6. Enforcement. Enforcement of this Declaration shall be by any proceeding at law or in equity against any person or entity violating or attempting to violate any covenant, condition or restriction herein, either to restrain violation or to recover damages against the party in violation, and/or against the land to enforce any lien created by these covenants. Failure by the Association, the Developer or any Owner to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 7. Assignment, Transfer or Conveyance by Developer. The Developer reserves and shall have the right to assign, transfer or convey any reservations, rights or obligations of the Developer hereunder, and upon such assignment, transfer or conveyance the Developer shall immediately be released and discharged as to any and all liability incident to such reservations, right or obligation.

Section 8. Applicability. All provisions set forth herein shall extend to and be binding on the respective legal representatives, heirs, successors and assigns of all parties mentioned herein where consistent with the context hereof.

IN WITNESS WHEREOF, the Developer, joined by the Association for purposes of indicating its agreement hereto, have caused this instrument to be executed by their duly authorized corporate officers and their seals affixed as of this 16th day of December, 19 85.

ATTEST:

Secretary

COOPER COMMUNITIES, INC., DEVELOPER

President

ATTEST:

Secretary

TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION, INC., ASSOCIATION

President

STATE OF ARKANSAS)
) ss. ACKNOWLEDGMENT
COUNTY OF BENTON)

On this 16th day of December, 1985, personally appeared before me, John A. Cooper, Jr. and Larry W. Garrett, to me personally known, who, being by me duly sworn, did say that they are the _____ President and _____ Secretary, respectively, of COOPER COMMUNITIES, INC., a Delaware corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed, sealed, and delivered in behalf of said corporation, by authority of its Board of Directors, and the said John A. Cooper, Jr. and Larry W. Garrett severally acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal at Bentonville, Arkansas, this the day and year aforesaid.

Rebecca Mahurin
Notary Public

My Commission Expires:

OFFICIAL SEAL
REBECCA MAHURIN
NOTARY PUBLIC-ARKANSAS
BENTON COUNTY
My Commission Expires July 13, 1991

STATE OF ARKANSAS)
) ss. ACKNOWLEDGMENT
COUNTY OF BENTON)

On this 16th day of December, 1985, personally appeared before me, John A. Cooper, Jr. and Larry W. Garrett, to me personally known, who, being by me duly sworn, did say that they are the _____ President and _____ Secretary, respectively, of TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION, INC., a Tennessee not for profit corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed, sealed, and delivered in behalf of said corporation, by authority of its Board of Directors, and the said John A. Cooper, Jr. and Larry W. Garrett severally acknowledged said instrument to be the free act and deed of said corporation.

WITNESS my hand and official seal at Bentonville, Arkansas, this the day and year aforesaid.

Rebecca Mahurin
Notary Public

My Commission Expires:

OFFICIAL SEAL
REBECCA MAHURIN
NOTARY PUBLIC-ARKANSAS
BENTON COUNTY
My Commission Expires July 13, 1991

PROTECTIVE COVENANTS

EXHIBIT 1 TO THE DECLARATION

1. APPLICATION. These Protective Covenants shall apply to all of the Existing Properties. Same shall also apply to additions to Existing Properties unless the Developer shall specifically except from these Protective Covenants such additions or a portion thereof in the Supplemental Declaration by which the Developer subjects such additions to this Declaration. In the event of conflict between these Protective Covenants and the Declaration, the Declaration shall prevail.

2. ARCHITECTURAL CONTROL COMMITTEE. When the Architectural Control Committee, hereinafter referred to as the A.C.C., is mentioned in these Protective Covenants, it shall mean the Architectural Control Committee of the Association as more particularly described in Article XI of the Declaration. Except as to original construction by the Developer, A.C.C. permits shall be required for any construction activity within the Project as set forth in Article XI of the Declaration and within the Shoreline Strip as set forth in Article XVI of the Declaration. The A.C.C. shall further have the authority, in connection with the issuance of such permits, to adopt such rules, regulations and standards and to adopt such standard building or other codes (or any portion thereof) as it shall deem appropriate or necessary for the proper performance of its function and duties. The Owner, contractor and builder will subject all permitted activities to such inspections as required by the A.C.C. to determine compliance with such A.C.C. permits, the Declaration, these Protective Covenants, the Shoreline Strip Rules and the Water Use Facilities Permit. In the event of any conflict between the provisions of the Declaration, these Protective Covenants and those of the A.C.C. rules, regulations and standards, same shall prevail in that order. In the event of any conflict between the provisions of the Shoreline Strip Rules and the Water Use Facilities Permit with the A.C.C. rules, regulations and standards, the Shoreline Strip Rules and Water Use Facilities Permit shall prevail. All actions of the A.C.C. shall be subject to review by the Board of Directors of the Association and appeals may be taken thereto under such terms and conditions as such Board of Directors may set from time to time.

3. AMENDMENT, RESCISSION OR ADDITIONS. The Developer, its successors and assigns, may amend, rescind or add to the Protective Covenants from time to time, provided, however, unless the Lots are specifically exempted from the Protective Covenants by the Declaration or a Supplemental Declaration at the time the Lots are subjected to the plan of the Declaration, such amendment, rescission or additions shall not make the Protective Covenants as to those Lots zoned as residential less restrictive for construction of residential buildings than as provided in the standards herein.

4. ZONING. The notes upon the recorded subdivision plats shall control as to use of the Lots reflected thereon, the residential structure types (Single Family Detached, Single Family Attached, Multi-family Structure and Interval Ownership) which shall be permitted upon Residential Lots, and the minimum square footage of each Single Family Detached Structure, Single Family Attached Structure or Living Unit in a Multi-family structure.

5. RESUBDIVISION. No Lot shall be resubdivided except upon written approval of the A.C.C. In the event more Lots are created by any such A.C.C. approved resubdivision than originally existed, Association Assessments shall apply to such newly created Lots as if such had been contained upon the original plat of such lands. The A.C.C. may permit the construction of a single residence upon two or more Lots by waiver of the 7½ foot utility easement and side yard setback on the appropriate interior lot lines, provided, however, such action by the A.C.C. shall not be construed as a waiver of other matters affecting such Lots, including, but not limited to, the obligation to pay Assessments on each such Lot.

6. TEMPORARY STRUCTURES. No structure of a temporary character, trailer, tent, shack, garage, or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently.

7. SETBACKS. No building shall be placed closer to the front or back lot lines than the setback lines shown therefor on a recorded subdivision plat, provided, however, where such requirements create an undue hardship upon the Owner, such setbacks may be modified by the A.C.C. to the extent necessary to prevent the hardship.

8. SIDE YARDS. Where Lots are zoned as a Residential Lot or CooperShare Lot, the following shall apply:

(a) A Single Family Detached Structure or any building incident thereto shall not be closer to a side lot line than 7½ feet, which restrictions may be extended in excess of 7½ feet when necessary for drainage, utility, or screening purposes and the extent thereof is reflected on the recorded subdivision plat, provided, however, where such restrictions create an undue hardship upon the Owner, such restrictions may be modified by the A.C.C. to the extent necessary to prevent the hardship.

(b) A Single Family Attached Structure shall not be required to have a side yard and a common or party wall may be constructed upon the dividing lines between Lots so that the wall may be partially upon one Lot and partially upon the other, or said common wall may be entirely upon one of the two Lots involved.

(c) Multi-family structures shall not be required to have a side yard and may be constructed up to or upon the dividing lines between Lots where approved by the A.C.C.

The A.C.C. shall decide all questions relative to location of structures upon Commercial Lots.

9. PARTY WALLS. The following provisions shall apply to party walls within the Project:

(a) General Rules of Law to Apply. Each wall which is built as a part of the original construction of a structure and placed on the dividing line between Lots shall constitute a Party Wall. To the extent not inconsistent with the provisions of this section, general rules of law regarding Party Walls and of liability for property damage due to negligent or willful acts or omissions shall apply thereto.

(b) Repair and Maintenance. The cost of reasonable repair and maintenance of a Party Wall shall be shared by the Owners who make use of the wall in proportion to such use.

(c) Destruction by Fire or Other Casualty. If a Party Wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it and if other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such Owner to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions.

(d) Weatherproofing. Notwithstanding any other provision of this section, an Owner who by his negligent or willful act causes the Party Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

(e) Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors in title.

(f) Arbitration. In the event of any dispute arising concerning a Party Wall, or under the provisions of this section, each party shall choose one arbitrator, and such arbitrators, as chosen, shall choose one additional arbitrator, and the decision of a majority of all the arbitrators shall be final and conclusive of the question involved.

10. LAND NEAR GOLF COURSES AND RECREATION AREAS. No structure shall be placed nor shall any material or refuse be placed or stored upon any Lot or other Parcel of Land within 20 feet of the property line of any Common Property used as a golf course or permanent recreation area, or as otherwise shown on a record plat of lands with the Project.

11. ASSURANCE OF COMPLETION OF BUILDINGS. Except as to original construction by the Developer, the Owner and any contractor, builder, person or entity constructing a structure upon The Project shall, prior to beginning the construction of any such structure, furnish the A.C.C. proof that a suitable completion bond has been made to ensure completion of the building, within the required time limits, and to indemnify the Owner against material and mechanic liens. At the same time, there shall be furnished to the A.C.C. satisfactory proof that builders' risk and appropriate workmen's compensation insurance will be in effect for the construction period.

12. TIME FOR COMPLETION OF BUILDINGS. Commmercial Structures, Single Family Attached Structures, and Multifamily Structures shall be completed according to plans and specifications and all applicable permits, codes, standards, rules and regulations applicable thereto, both as to exterior and interior, within such time as shall be fixed by the A.C.C. when the plans and specifications for the particular structure are approved by the A.C.C. The following shall apply to the construction of a Single Family Detached Structure, as well as garage and outbuildings permitted:

(a) The exterior of any Single Family Detached Structure, garage, or permitted outbuildings shall be completely finished within six months of start of construction;

(b) The interior of any Single Family Detached Structure, garage or permitted outbuildings shall be completely finished within twelve months of start of construction.

The Owner, contractor and builder will subject all structures to inspection by the A.C.C. as required to determine compliance with completion dates as herein provided or as may be provided by the A.C.C. In the event of non-compliance with completion dates as herein provided, the Association shall have the right, but not the obligation, to hire one or more contractors to perform the work and furnish the materials necessary for compliance and to bill the Owner for the amount expended plus 10% for administration. In the event the Owner does not pay same, the Association shall have the legal right to file a statutory lien against the property involved and proceed in law or equity to sell the property to obtain said charges. All money received over and above said charges and court costs, including a reasonable attorney's fee, shall be paid over to the Owner.

13. ELECTRIC WIRING AND PLUMBING. Electric wiring and plumbing installed in any structure erected upon or moved upon The Project shall be in accordance with standards prescribed by these Covenants, and in no event shall such standards be less restrictive than those provided by the Federal Housing Administration or the State of Tennessee.

14. SEWAGE DISPOSAL. No privately owned septic tank or other sewage disposal system shall be permitted upon any Lot or Parcel of Land of The Project except in extraordinary circumstances involving temporary service to a major building, which temporary service must be discontinued when central sewer service becomes available, and only after approval by the Association and TVA, and then not unless such system is designed, located and constructed in accordance with requirements, standards and recommendations of the Tennessee Department of Health and Environment and approved by the A.C.C. In any event, no such privately owned individual system shall be permitted on any single family lot registered with the Interstate Land Sales Registration Division, Department of Housing and Urban Development pursuant to the Interstate Land Sales Full Disclosure Act.

15. WATER SUPPLY. No privately owned well or other water system shall be permitted upon any Lot or Parcel of Land of The Project unless approved by the Association or unless the Association has indicated it will not make its water system available and then not unless such system is designed, located and constructed in accordance with requirements, standards and recommendations of the Tennessee Department of Health and Environment and approved by the A.C.C. In any event, no such privately owned individual system shall be permitted on any single family lot registered with the Interstate Land Sales Registration Division, Department of Housing and Urban Development pursuant to the Interstate Land Sales Full Disclosure Act.

16. OUTBUILDINGS. Outbuildings or accessory buildings for residence purposes such as servants' quarters or guest houses, shall be permitted on Lots upon which a Single Family Detached Structure has been constructed or is under construction, provided the building and/or buildings are occupied by servants employed on the premises or by guests and are not occupied otherwise as rental units by nonservant or nonguest occupants, and provided the A.C.C. shall approve the design, plans, specifications, et cetera, of such buildings. Outbuildings or accessory buildings permitted upon Lots or Parcels of Land upon which there is constructed a Commercial Building, Single Family Attached Structures, or

Multi-family Structure, shall be entirely within the discretion of the A.C.C.

17. PROTECTIVE SCREENING. There shall be compliance with all protective screening areas as reflected upon any recorded subdivision plat of The Project. Except as otherwise provided herein regarding street intersections under "Sight Distance at Intersections", shrub plantings, fences or walls shall be maintained throughout the entire length of such areas by the Owner or Owners of such areas at their own expense to form an effective screen in order to protect and beautify the area. No building or structure except a screening fence or wall approved by the A.C.C. or utility or drainage facilities shall be placed or permitted to remain in such areas. No vehicular access over the area shall be permitted except for the purpose of installation and maintenance of screening, utility and drainage facilities.

18. SIGHT DISTANCE AT INTERSECTIONS. No fence, wall, hedge or shrub planting which obstructs sight lines at elevations between 2 and 6 feet above the roadways shall be placed or permitted to remain on any corner Lot within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street property lines, or in the case of a rounded property corner from the intersection of the street property lines extended. The same sight line limitations shall apply on any Lot within 10 feet from the intersection of a street property line with the edge of a driveway or alley pavement. No tree shall be permitted to remain within such distances of such intersections unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines.

19. SIGNS. All signs are prohibited in areas zoned upon any recorded subdivision plat as residential except:

(a) Signs erected by the Association or Developer for identification of streets, neighborhoods, recreational amenities, traffic control and directional purposes;

(b) Signs of a temporary nature advertising property for sale and construction signs, which such signs shall not exceed 1 square foot in area, shall be limited to 1 such sign per Lot, must be placed upon the specific property involved, and may not be placed for the purpose of advertising that such property is already sold; and

(c) Signs erected by Developer in connection with its sales program.

Except for signs as provided in subparagraphs (a), (b) and (c) above, the erection of signs in areas zoned Commercial upon any recorded subdivision plat shall require a permit of the A.C.C. and no such sign shall be erected without the prior approval of the A.C.C.

20. MODEL HOUSES. No provision of these Protective Covenants shall preclude the Developer in furtherance of its sales program from erecting and maintaining Model Houses in any area zoned as Residential.

21. BUSINESSES PROHIBITED IN RESIDENTIAL AREAS. The practice of any profession or the carrying on of any business is prohibited within any area zoned as residential except for the business of the Developer in the furtherance of its

sales program and any home occupation which does not create any extraordinary traffic within the subdivision. Said home occupations must, however, first be approved by the A.C.C. and a permit issued therefor.

22. UTILITY AND DRAINAGE EASEMENTS. Easements for installation and maintenance of utilities and drainage facilities are reserved in the Declaration and will be reserved in any Supplemental Declaration and also will be reserved as indicated upon any recorded subdivision plat of The Project. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels within the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which the Association, a public authority or a utility company is responsible.

23. NUISANCES. No obnoxious or offensive activity shall be carried on upon any Lot or Parcel of Land of The Project.

24. LIVESTOCK AND POULTRY. No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot or Parcel of Land of The Project except that dogs, cats or other household pets which are not considered inherently frightening to the general public may be kept, provided that they are not kept, bred or maintained for any commercial purposes.

25. GARBAGE AND REFUSE DISPOSAL. No Lot or Parcel of Land of The Project shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall be kept in a clean and sanitary container and disposition of same shall be prompt.

26. SALVAGE YARDS, ETC. No automobile wrecking, junk, or salvage yards are permitted on any Lot or on any other Parcel of Land within the Project.

27. OIL AND MINING OPERATIONS. No oil drilling, oil development operations, oil refining, quarrying or mining operations of any kind shall be permitted upon or in any Lot or Parcel of Land of The Project. No derrick or other structure designed for use in boring for oil or natural gas, nor any oil wells, tanks, tunnels, mineral excavations or shafts shall be erected, maintained or permitted.

28. CEMETERIES. The following standards shall apply to the development and construction of any new cemeteries within the Project:

1. Sites for cemeteries shall be provided access directly from a collector or arterial street. Access to cemeteries shall not be made from residential streets which have residences or lots abutting the street and using it for access.

2. Any new cemetery shall be located on a site containing not less than five acres.

3. All cemetery structures, including but not limited to, mausoleums, permanent monuments, or maintenance buildings shall be set back not less than 25 feet from any property line or street right of way.

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4. All graves or burial lots shall be set back not less than 25 feet from any property line or street right of way.

29. A.C.C. RESPONSIBILITY. The function of the A.C.C. is designed for the enforcement of the Declaration and these Protective Covenants. The performance of its duties with respect thereto shall be on a best efforts basis in an effort to reasonably protect the aesthetics and property values of the Project and the health, safety and welfare of all of the Owners therein as a community of interests. No warranty or representation is made to or should be implied by any individual Owner that the actions of the A.C.C. in the issuance of permits, inspection and approval of construction, or otherwise, is intended as a tacit approval of the quality, safety, desirability, or suitability of such design or construction.

30. ENFORCEMENT. These Protective Covenants may be enforced in the same manner as any violation or threatened violation of the Declaration of which these Protective Covenants are a part, including, but not limited to the lien rights of the Association for any costs or charges incurred in connection therewith.

STATE OF TENNESSEE, LOUDON COUNTY REGISTER'S OFFICE
THIS INSTRUMENT RECIEVED AT 1:45 O'CLOCK P. M., OF THE 16 DAY OF Dec. 19 85
DULY CERTIFIED AND REGISTERED IN SAID OFFICE IN trust BOOK NO. 209 PAGE 96
AND NOTED IN BOOK NO. M PAGE 290 STATE TAX PAID $ —
Fee $124.00 REGISTER

Fact	Fact Note	Loudon County, Tennessee
Population estimates, July 1, 2024, (V2024)		62,129
Population estimates base, April 1, 2020, (V2024)		54,891
Population, percent change - April 1, 2020 (estimates base) to July 1, 2024, (V2024)		13.20%
Population, Census, April 1, 2020		54,886
Population, Census, April 1, 2010		48,556
Persons under 5 years, percent		4.70%
Persons under 18 years, percent		18.70%
Persons 65 years and over, percent		28.10%
Female persons, percent		50.60%
White alone, percent		94.90%
Black alone, percent (a)	(a)	1.70%
American Indian and Alaska Native alone, percent (a)	(a)	0.70%
Asian alone, percent (a)	(a)	1.00%
Native Hawaiian and Other Pacific Islander alone, percent (a)	(a)	0.20%
Two or More Races, percent		1.50%
Hispanic or Latino, percent (b)	(b)	10.50%
White alone, not Hispanic or Latino, percent		85.50%
Veterans, 2019-2023		4,108
Foreign-born persons, percent, 2019-2023		6.10%
Housing Units, July 1, 2024, (V2024)		27,481
Owner-occupied housing unit rate, 2019-2023		80.90%
Median value of owner-occupied housing units, 2019-2023		$292,600
Median selected monthly owner costs - with a mortgage, 2019-2023		$1,465
Median selected monthly owner costs -without a mortage, 2019-2023		$441
Median gross rent, 2019-2023		$995
Building Permits, 2024		608
Households, 2019-2023		23,438
Persons per household, 2019-2023		2.41

Living in the same house 1 year ago, percent of persons age 1 year+ , 2019-2023		93.10%
Language other than English spoken at home, percent of persons age 5 years+, 2019-2023		7.60%
Households with a computer, percent, 2019-2023		94.00%
Households with a broadband Internet subscription, percent, 2019-2023		89.40%
High school graduate or higher, percent of persons age 25 years+, 2019-2023		88.90%
Bachelor's degree or higher, percent of persons age 25 years+, 2019-2023		28.60%
With a disability, under age 65 years, percent, 2019-2023		9.70%
Persons without health insurance, under age 65 years, percent		11.20%
In civilian labor force, total, percent of population age 16 years+, 2019-2023		54.30%
In civilian labor force, female, percent of population age 16 years+, 2019-2023		48.70%
Total accommodation and food services sales, 2022 ($1,000)	(c)	103,643
Total health care and social assistance receipts/revenue, 2022 ($1,000)	(c)	187,628
Total transportation and warehousing receipts/revenue, 2022 ($1,000)	(c)	204,496
Total retail sales, 2022 ($1,000)	(c)	833,317
Total retail sales per capita, 2022	(c)	$14,307
Mean travel time to work (minutes), workers age 16 years+, 2019-2023		24
Median households income (in 2023 dollars), 2019-2023		$80,296
Per capita income in past 12 months (in 2023 dollars), 2019-2023		$42,817
Persons in poverty, percent		10.50%
Total employer establishments, 2022		1,026
Total employment, 2022		14,766
Total annual payroll, 2022 ($1,000)		722,952
Total employment, percent change, 2021-2022		3.90%
Total nonemployer establishments, 2023		4,723
All employer firms, Reference year 2022		741

Men-owned employer firms, Reference year 2022	413
Women-owned employer firms, Reference year 2022	144
Minority-owned employer firms, Reference year 2022	S
Nonminority-owned employer firms, Reference year 2022	539
Veteran-owned employer firms, Reference year 2022	48
Nonveteran-owned employer firms, Reference year 2022	536
Population per square mile, 2020	239.4
Population per square mile, 2010	211.8
Land area in square miles, 2020	229.27
Land area in square miles, 2010	229.22
FIPS Code	"47105"

NOTE: FIPS Code values are enclosed in quotes to ensure leading zeros remain intact.

Value Notes
None

Fact Notes

(a)	Includes persons reporting
(b)	Hispanics may be of any ra
(c)	Economic Census - Puerto

Value Flags

D	Suppressed to avoid disclos
F	Fewer than 25 firms
FN	Footnote on this item in pla
NA	Not available
S	Suppressed; does not meet
X	Not applicable
Z	Value greater than zero but
-	Either no or too few sample
N	Data for this geographic are

Value Note
for Loudon
County,
Tennessee

only one race
ce, so also are included in applicable race categories
Rico data are not comparable to U.S. Economic Census data

sure of confidential information

ce of data

publication standards

less than half unit of measure shown
e observations were available to compute an estimate, or a ratio of medians cannot be calculated because
ea cannot be displayed because the number of sample cases is too small.

one or both of the median estimates falls in the lowest or upper interval of an open ended distribution.

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STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES
Knoxville Environmental Field Office
3711 MIDDLEBROOK PIKE
Knoxville, TN 37921
Phone 865-594-6035 Statewide 1-888-891-8332 Fax 865-594-6105

July 6, 2018

Tellico Village Property Owners Association Certified Mail: 7014 2870 0001 3664 0139
Mr. Bruce Johnson, President
112 Chota Center
Loudon, Tennessee 37774-2886

RE: **Sanitary Survey-Community Water System & Compliance Status Letter**
Tellico Village Property Owners Association Water System
PWSID #0000871
Loudon County

Dear Mr. Johnson:

On May 25 and June 7, 2018, personnel from the Division of Water Resources (DWR) visited the Tellico Village Property Owners Association Water System (TVPOA) and performed a Sanitary Survey. The survey consisted of a records review to document the operational performance of the system and an on-site inspection of the distribution system. The survey covered the time period from June 2016 to May 2018. The Division would like to thank Mr. Glen Quillen and Mr. Kevin Hamil for their courtesy, willingness to work with the Division, and timely responses to Division requests. In accordance with the Sanitary Survey Manual the TVPOA Water System earned 408 points out of a possible 421 points for a numerical score of ninety-seven percent **(96%)**. This rating retains the TVPOA Water System in the State's "**Approved**" category.

The following deficiencies, comments, and/or recommendations as outlined in the Sanitary Survey Rating Form were identified during the survey and should be addressed as applicable:

1. **Section 1: System Management and Operation**
   - **Subsection B. Construction Projects**

   During the Sanitary Survey period, TVPOA experienced several line breaks on a run of water main within a one day period that resulted in the replacement of approximately 100 feet of water main in August 2016 along Tecumseh Trace. Although the water system replaced the run of water main that was no longer giving acceptable service, as-built plans were not submitted showing the work that was completed. In addition, approximately 100 feet of water main was extended to add a medical building and a fire hydrant in February 2017 on Dohi Drive at the Wellness Center. To date, TVPOA is unable to provide the

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Division with any records that this water main installation was part of the original Wellness Center project constructed several years prior or approved by the Division.

TCA 68-221-706 states in part "*No new construction shall be done nor shall any change be made in any public water system until the plans for such new construction or change have been submitted and approved by the department.*"

The replacement of water main that is no longer providing acceptable service and the addition of new water main, regardless of length, are items that require plans and specifications to be submitted prior to work beginning or as-built plans within 30 days if it is an emergency situation. Guidance on when plans and specifications are expected regarding new line construction was provided to water system staff at the time of the on-site inspection. Five points were deducted from the survey score for these deficiencies.

Since this is considered a significant deficiency and in an effort to ensure that future new line construction and line replacement projects are adequately addressed with plan and specifications submittal, the Division requests that TVPOA enter into a Letter of Agreement. The Division is attaching a Letter of Agreement for the water system to review and sign. A copy of the original signed copy must be returned to the Division and a copy kept for the water system's files.

- **Subsection C. Submission of Monthly Operations Reports**

TVPOA has done well in submitting the Monthly Operation Reports (MOR) in a timely manner. A review of the Division's files showed that only one MOR, September 2017, was received later than ten days following the end of the reporting period. Please continue to submit the MORs so that the Division receives them no later than ten days following the end of the reporting period.

During the on-site inspection, Division staff provided an amended MOR form in an effort for the water system to more easily report both their daily chlorine residuals and bacteriological samples. TVPOA was reporting daily chlorine residuals on the front of the MOR and listing the sample locations on the back under the Bacteriological Examination section. The Division requests that the bacteriological sample information be included in the appropriate section and that the daily chlorine residual sample locations be included on the front with the chlorine residual results.

- **Subsection H. Emergency Operations Plan**

TVPOA provided an update to their Drought Management Plan during the June 7 inspection visit. Division staff will review the drought plan update and send any comments in separate correspondence.

The water system last updated their Emergency Operations Plan (EOP) in 2016. The Division currently recommends that EOPs be updated every two years or when significant changes in the water system or personnel occur. Upcoming rule changes will begin requiring EOP updates every three years in conjunction with the Drought Management Plan. Since the water system has not submitted an updated EOP to the Division since the last

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survey, the Division will request that the TVPOA EOP be reviewed, updated and a copy submitted for review by **September 7, 2018**. One of the items that need to be included in the EOP update is a mention of the Kahite section and master meter.

2. **Section 5: Monitoring, Data Verification, & Compliance**

- **Subsection A. Laboratory – Process Monitoring**

As a part of each Sanitary Survey, Division staff observes water system personnel conduct daily testing requirements as prescribed by the Drinking Water Monitoring Program. On each day of the on-site inspection, Division staff observed Mr. Kevin Hamil obtain a free chlorine residual of 1.7 mg/L near 330 Dudala Point on the main Tellico Village system and a 1.7 mg/L at the dead end of Higoliya Trail in the Kahite section.

In accordance with Rule 0400-45-01-.14(1)(a), State approval for the analysis of free chlorine residual is hereby granted to Mr. Kevin Hamil. This approval is effective until the next sanitary survey and is contingent upon use of approved methodologies and proper operation of the analysis equipment. The updated Monitoring Program for the system in accordance with Rule 0400-45-01-0.17(3) is enclosed.

In reviewing the free chlorine residual sampling conducted five days per week by TVPOA water staff, Division staff noted that not all areas are being sampled. Areas that could use more representative sampling are sites in and around Dudala Way and Chogi Way. The daily chlorine residuals collected can come from dead-end blow-offs, which are recommended sampling points as they are likely worse case sites for sediment and lowest chlorine residuals in water systems.

- **Subsection B. Bacteriological Monitoring**

As a part of each Sanitary Survey, Division staff request a total connection count consisting of active, inactive and multiuser connections in accordance with Division Rule 0400-45-01-.32. TVPOA Water System provided 4,224 as their total connections. When multiplied by the Loudon County household factor of 2.45, the estimated population served is 10,349. Based on the estimated population, TVPOA Water System will continue to collect 10 bacteriological samples each month.

Although surpassing the 10,000 population mark will not affect bacteriological sampling at this time, it will affect other monitoring requirements such as Lead & Copper and disinfection by-product monitoring. These areas are covered later in the survey letter. One area that has not been covered and has new requirements is the provision of the Consumer Confidence Report (CCR). Community water systems with a population greater than 10,000 must either direct mail the CCR or use an acceptable electronic delivery method. The new CCR requirements will be in effect for the 2019 CCR delivery for TVPOA.

- **Subsection I. Lead & Copper Monitoring**

TVPOA Water System is scheduled to sample for Lead & Copper between June and September of this year. Currently, TVPOA is on reduced monitoring to sample at 20 locations. Due to the water system's increase in population served, TVPOA will now be required to sample at 30 locations for the 2018 sampling period. In addition, the water

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system's master sampling site list must also be updated to include a total of 60 sampling locations that are representative of the entire water system. The updated master list must be submitted by **December 31, 2018**.

- **Subsection K. Disinfection / Disinfection By-Product Precursors Monitoring**

Another area in which the water system will be affected by the population exceeding 10,000 is disinfection by-product monitoring. TVPOA Water System will increase from two sampling locations each quarter to four sampling locations. A revised Stage 2 Monitoring plan must be submitted to the Division designating the two additional sites that will be monitored. The increase to four samples each quarter will be effective October 1, 2018. The revised Stage 2 monitoring plan must be submitted to the Division by **September 7, 2018**. A Stage 2 monitoring plan template is attached as a reference.

3. **Section 6: Finished Water Storage**
   - **Subsection A. Adequate Storage**

TVPOA purchases all their water from Loudon Utilities and Tellico Area Services System. Currently TVPOA maintains 500,000 gallons of water storage with an average daily pumpage of over 1 million gallons per day. Division rule does allow purchase water systems to utilize their supplier's water storage capacity to meet the 24 hour storage capacity requirement as long as the parent systems have sufficient capacity themselves. If TVPOA has not already done so, it may be beneficial for TVPOA to obtain a written statement from their parent systems that TVPOA can float off their storage capacity.

4. **Section 8: Distribution System & Cross Connection Controls**
   - **Subsection A. Notification, Inspection, Disinfection & Sample Collection of New or Existing Facilities**

A review of the new line and line repair records show that water system staff needs to provide additional information and be more consistent on documenting disinfection practices. For line repairs, the water system must indicate whether the damaged water main remains under positive pressure while the main is uncovered and any potential contamination is removed before the water main is dewatered. If positive system pressure (flow is throttled, but not completely shut-off) is maintained and the repair area is not contaminated, then swabbing of the existing main and replacement main are acceptable. If positive pressure is removed prior to uncovering the damaged main, then slug chlorination must be conducted. Sampling following a repaired main should be conducted immediately following the downstream valve being opened and the line being flushed of any discolored water in an effort to obtain a sample of water that is being returned to customers from the repaired main area. An updated line repair record with information that must be completed for all water main repairs is attached as a reference.

For new lines, the water system must be more consistent in documenting their sanitary practices showing the actual amount of disinfectant used and that chlorine residuals are collected prior to flushing the highly chlorinated water in accordance with AWWA Standard C651. In addition, Division rule requires that a set of bacteriological samples be collected twenty four hours apart or one set of samples collected forty-eight hours after the highly chlorinated water is flushed from the new water main. A set of samples is defined in

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Division rule as a sample near the beginning, near the end and any spur lines. New line sampling on projects completed during this survey period show only one sample being collected, with some samples being collected within a few hours of the initial line flushing. A new line construction record is attached for future reference on the amount of detail that the Division requires to be maintained for new water main projects. Three points were deducted for failing to fully document line repairs and new line disinfection. Five points were deducted for not properly sampling new line construction projects.

- **Subsection G. Working Cross Connection Program**

A review of the water system's activity for an on-going cross connection program shows that all known back-flow prevention assemblies are being tested every 12 months. However, the TVPOA was unable to provide any additional documentation demonstrating an active surveying and inspection of the water system to locate new potential cross connections. Based on the back-flow prevention assembly master list, the water system has added a few new back-flow prevention assemblies since the last survey. However, more effort is needed in documenting efforts to show an active search program. Some of the ways that have benefitted other water systems is by documenting cross connection inspections during meter change outs/replacement and as a part of customer complaints.

Again, I would like to thank Tellico Village Property Owners Association Water System personnel for their assistance and courtesy. Division staff is available to assist the water system as it transitions serving a population of greater than 10,000 or within any other concerns from the items mentioned above. If you have any questions or need additional information, please contact me at the (865) 594-5564 or Mr. Robert Ramsey at (865) 594-5515 at the Knoxville Environmental Field Office.

Sincerely,

Erich Webber, Environmental Consultant
Knoxville Environmental Field Office
Division of Water Resources

e-copy: Mr. Jeff Gagley, Director of Public Works, TVPOA
Mr. Glen Quillen, Utilities Property Manager, TVPOA
Mr. Kevin Hamil, Water / Sewer Department Supervisor, TVPOA

DRINKING WATER MONITORING PROGRAM
Tellico Village Property Owner's Association Water System
Distribution Grade 1
PWSID# TN0000871, LOUDON COUNTY
August 2018

The following Drinking Water Monitoring Program (DWMP) has been developed in accordance with Division Rule 0400-45-01-.17(3) and other applicable drinking water regulations. Unless otherwise noted, all results must be reported on the Monthly Operations Report (MOR). Please place this monitoring program in an easily accessible location for water system personnel to review.

Distribution System: Collect a representative sample from dead-end or low usage lines (sample locations must be reported on or with MOR).	
Parameter	Frequency
Chlorine residual, free	Five days per week*
Bacteriological	Ten (10) samples per month, analyzed by a State Certified laboratory. Free chlorine residual must be collected at the same time and frequency of bacteriological sample.

*Excluding weekends and holidays

Sanitary Survey Rating

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PWSID:	TN0000871	Water System Name:	Tellico Village POA Water System
Survey Date:	May 25, 2018	System Category (Points):	421

421 - Consecutive Systems/Distribution Only
488 - Treatment Systems/Wholesalers
599 - Both Treatment and Distribution

1. System Management and Operation (94)

Requirement	Points Range	Deduction	Comments
A. Record Keeping 0400-45-01-.20	(0)	Narrative	Record organization okay, could not produce some MORs.
B. Construction Projects 0400-45-01-.05, 0400-45-01-.17	(1-5)	5	Line replacement on Tecumseh Trace and extension on Dohi Drive w/o plans submittal
C. Submission of Monthly Operations Reports 0400-45-01-.17	(0)	Narrative	One late MOR, system enters data directly onto MOR, no daily worksheet.
D. Reporting Requirements 0400-45-01-.18	(4-30)		Okay
E. Public Notification 0400-45-01-.19	(3-10)		No violations requiring public notice
F. Facility Maintenance Fee	(0)	Narrative	Okay
G. Enforcement – TCA §68-221-701 et seq.	(4-10)		Okay
H. Emergency Operations Plan 0400-45-01-.17	(3)		Updated DMP provided during survey, EOP needs to be updated
	Deficiency Subtotal	5	

2. Operator Compliance (23)

Requirement	Points Range	Deduction	Comments
A. Certified Operator – Plant and Distribution System 0400-45-01-.17(1) and 0400-49-01-.04	(3-15)	0	Mr. Glen Quillen, DS2 & WT3
	Deficiency Subtotal	0	

3. Source (25)

Requirement	Points Range	Deduction	Comments
A. Source Adequacy 0400-45-01-.02, .05, .16, .17(13) and .34(3)	(3-5)	0	Loudon Utilities (4 master meters) & TASS (2 master meters)
B. Intake 0400-45-01-.05, .17	(2)		N/A
C. Wellhead/Springbox Construction 0400-45-01-.05(12), .16 and .17(3) and (16)	(2)		N/A
D. Source Protection Plans 0400-45-01-.34	(1-2)		N/A
	Deficiency Subtotal	0	

4. Treatment (153)

Requirement	Points Range	Deduction	Comments
A. Aerator 0400-45-01-.05, .17	(2)		N/A
B. Chemicals/Chemical Feeders 0400-45-01- .05(8), and .17, .36	(2)		N/A
C. Mixing 0400-45-01-.02, .05, .17	(2)		N/A
D. Flocculation 0400-45-01-.02, .05, .17	(2)		N/A
E. Sedimentation 0400-45-01-.02, .05, .17	(2)		N/A
F. Filtration/Alternative Technology 0400-45-01-.17(12) and (27)	(2-30)		N/A
G. Re-wash/Filter-to-waste 0400-45-01-.17 (35)	(2)		N/A
H. Turbidimeters/Calibration 0400-45-01-.05 (11).17, .31, .39	(2-4)		N/A
I. Disinfection 0400-45-01-.02, .17, .31, .36	(2-30)		N/A
J. Disinfection Contact Time 0400-45-01-.02, .17, .31	(2-4)		N/A
K. Master Meter 0400-45-01-.17 (2) and (3)	(1-2)		6 total master meters owned by parent systems
L. Maintenance of Equipment, Buildings and Grounds 0400-45-01-.02, .17(3), (17) and (19)	(1)		N/A
M. Laboratory Facilities 0400-45-01-.02, .14, .17(3)	(1-3)		N/A
N. Safety 0400-45-01-.02	(2)		N/A
O. Sludge Handling/Backwash Handling 0400-45-1-.05	(2)		N/A
P. Sanitary Conditions 0400-45-01-.17 (17)	(2)		N/A
Q. Fluoridation Techniques 0400-45-01-.06, .12, .17	(2)		N/A
R. Design Capacity 0400-45-01-.05 (10)	(2-4)		N/A
S. Filter Backwash Recycling 0400-45-01-.31 (9)	(1)		N/A
	Deficiency Subtotal		

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5. Monitoring, Data Verification and Compliance (175)

Requirement	Points Range	Deduction	Comments
A. Laboratory-Process Monitoring (excluding Turbidity and Chlorine Residual) 0400-45-01-.17(3)	(5)	0	Mr. Kevin Hamil daily chlorine residuals; spread daily testing out
B. Bacteriological Monitoring	(2-6)	0	RTCR sampling plan provided following survey
C. Bacteriological Compliance 0400-45-01-.06	(4-7)		Okay
D. Turbidity Monitoring	(2-3)		N/A
E. Turbidity Compliance	(4-7)		N/A
F. Chorine Residual Monitoring 0400-45-01-.17, .31, .36	(2-3)		N/A
G. Primary Chemicals Monitoring	(2-3)		Conducted by Loudon Utilities & TASS
H. Primary Chemicals Compliance	(4)		Okay
I. Lead and Copper Monitoring 0400-45-01-.33	(2-3)	0	Increase to 30 sample sites in 2018 due to population > 10,000.
J. Lead and Copper Action Level 0400-45-01-.33	(3-5)		Okay
K. Disinfection/Disinfection By-Products and Precursors Monitoring 0400-45-01-.36, .37, .38	(2-3)	0	Increase to four sample locations beginning 4th quarter 2018 due to pop. > 10,000
L. Disinfection/Disinfection By-Products and Precursors Compliance 0400-45-01-.06, .36	(2-30)		Okay
M. Secondary Chemicals 0400-45-01-.12	(2)		Conducted by Loudon Utilities & TASS
N. Secondary Chemicals Compliance 0400-45- 01-.12	(3)		Okay
O. Cryptosporidium Monitoring 0400-45-01-.39	(0)	Narrative	N/A
	Deficiency Subtotal	0	

6. Finished Water Storage (25)

Requirement	Points Range	Deduction	Comments
A. Adequate Storage 0400-45-01-.17 (14)	(2-4)	0	500,000 gallons but daily average pumpage is 1.084 mgd
B. Inspection and Maintenance of Reservoirs, Tanks and Clearwell 0400-45-01-.17 (16), (17), (33) and (34)	(1-10)	0	Inspected in 2014, no issues observed
	Deficiency Subtotal	0	

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7. Pumps, Pump Facilities and Controls (18)

Requirement	Points Range	Deduction	Comments
A. Pump Facilities 0400-45-01-.17 (9) and (13)	(1-4)	0	Maintain two pump stations
B. Maintenance of Pumping Equipment 0400-45-01-.17(13)	(1-3)		Okay
	Deficiency Subtotal	0	

8. Distribution System and Cross Connection Controls (86)

Requirement	Points Range	Deduction	Comments
A. Notification, Inspection, Disinfection and Sample Collection of New or Existing Facilities 0400-45-01-.17 (8) and (19)	(3-5)	8	Issues with repair and new line construction documentation, sampling new lines
B. Flushing Program/Blow Offs 0400-45-01-.17(10) and (23)	(3-4)	0	Work from end of system back to meters
C. Fire Hydrants 0400-45-01-.17 (18)	(0)	Narrative	All hydrants meet fire flow per certified operator
D. Adequate Pressure 0400-45-01-.17 (9)	(5)		Okay
E. Map of Distribution System 0400-45-01-.17 (15)	(3)	0	Updated system map (GIS) submitted following survey
F. Approved Cross Connection Policy or Ordinance and Plan 0400-45-01-.17 (6)	(4)		Last approved in 1988
G. Working Cross Connection Program 0400-45-01-.17(6)	(3-9)	0	Annual testing being conducted as required; need to document surveys and inspections
H. Unaccounted Water Loss	(0)	Narrative	
	Deficiency Subtotal	8	

Total Deficiency Points:	13
Points Available:	421
Overall Rating:	96

Points Available
421 - Consecutive Systems/Distribution Only
488 - Treatment Systems/Wholesalers
599 - Both Treatment and Distribution

Inspector: [signature]

Additional Comments/Explanations:

STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES
William R. Snodgrass - Tennessee Tower
312 Rosa L. Parks Avenue, 11th Floor
Nashville, Tennessee 37243-1102

August 31, 2023

Mr. Chet Pillsbury, TVPOA CEO
TVPOA
e-copy: cpillsbury@tvpoa.org
112 Chota Center
Loudon, TN 37774

Re: State Operating Permit No. SOP-89079
Tellico Village Property Owners Association, Inc.
Loudon, Loudon County, Tennessee

Dear Mr. Pillsbury:

In accordance with the provisions of the Tennessee Water Quality Control Act, Tennessee Code Annotated (T.C.A.), Sections 69-3-101 through 69-3-120, the Division of Water Resources hereby issues the enclosed State Operating Permit. The continuance and/or reissuance of this Permit is contingent upon your meeting the conditions and requirements as stated therein.

Please be advised that a petition for permit appeal may be filed, pursuant to T.C.A. Section 69-3-105, subsection (i), by the permit applicant or by any aggrieved person who participated in the public comment period or gave testimony at a formal public hearing whose appeal is based upon any of the issues that were provided to the commissioner in writing during the public comment period or in testimony at a formal public hearing on the permit application.

Additionally, for those permits for which the department gives public notice of a draft permit, any permit applicant or aggrieved person may base a permit appeal on any material change to conditions in the final permit from those in the draft, unless the material change has been subject to additional opportunity for public comment.

Any petition for permit appeal under this subsection (i) shall be filed with the technical secretary of the Water Resources Board within thirty (30) days after public notice of the commissioner's decision to issue or deny the permit. A copy of the filing should also be sent to TDEC's Office of General Counsel.

TVPOA Complaint - CA Exhibit I

TDEC has activated a new email address to accept appeals electronically. If you wish to file an appeal, you may do so by emailing the appeal and any attachments to TDEC.Appeals@tn.gov. If you file an appeal electronically, you do not have to send a paper copy. If you have questions about your electronic filing, you can call 615-532-0131. Electronic filing is encouraged, but not required.

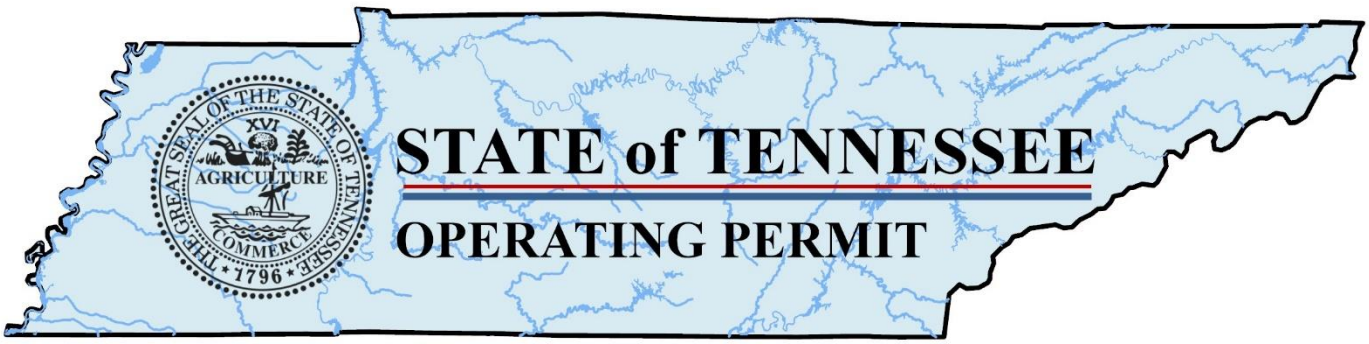
If you have questions, please contact the Knoxville Environmental Field Office at 1-888-891-TDEC; or, at this office, please contact Mrs. Tricia Swaney at (615) 946-6803 or by E-mail at *Tricia.Swaney@tn.gov*.

Sincerely,

Vojin Janjić
Manager, Water-based Systems

Enclosure

cc/ec: Permit File
Knoxville Environmental Field Office
Mr. Clayton Taylor, Public Works Director, Tellico Village POA, ctaylor@tvpoa.org
Mr. Kevin Hamil, Tellico Village POA, khamil@tvpoa.org
Mr. John Davis, Assistant Manager, Loudon Utilities Board, john.davis@loudonutilities.org
Mr. Carl Plaugher, Manager, TASS- NFWTF, plaugher@tassonline.org



State of Tennessee Operating Permit
Permit Number SOP-89079

Issued by
State of Tennessee
Department of Environment and Conservation
Division of Water Resources
William R. Snodgrass - Tennessee Tower
312 Rosa L. Parks Avenue, 11th Floor
Nashville, Tennessee 37243-1102

In accordance with the provisions of Tennessee Code Annotated Section §69-3-108 and regulations promulgated pursuant thereto, permission is hereby granted to:

Permittee: **Tellico Village Property Owners Association, Inc.**

for the operation of: a municipal wastewater collection system

from a facility located at: 112 Chota Center, Loudon, Loudon County, Tennessee

This permit shall become effective on: **November 1, 2023**

This permit shall expire on: **October 31, 2028**

Issuance date: **August 31, 2023**

for Jennifer Dodd
Director

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RATIONALE **R-1**

PART 1

1. GENERAL PERMIT REQUIREMENTS

The Tellico Village Property Owners Association, Inc. is authorized to collect and transport untreated municipal wastewater to Loudon Utilities Board and Tellico Area Services System. This permit is issued as a result of the application filed on 7-Jun-23 with the office of the Tennessee Division of Water Resources and in conformity with approved plans, specifications, and other data submitted to the Department in support of the above application, all of which are filed with and considered as part of this permit, together with the following named conditions and requirements.

The operation of this collection system will be governed by the following requirements:

The wastewater collection system shall be operated under the supervision of a certified operator in accordance with the public Water Environmental Health Act of 1984 and the rules promulgated thereunder.

All pump/lift stations shall be inspected on a daily basis. The inspector shall note the date, time, and inspector's initials in a bound logbook. Alternately, the permittee may provide telemetering devices for any pump station in order to reduce the frequency of actual inspections.

Daily flow data collected at the tie-in/discharge point shall be reported quarterly to the Division of Water Resources, Knoxville Environmental Field Office. Reports shall be submitted or postmarked no later than 15 days after the completion of the reporting period and shall be submitted electronically via MyTDEC Forms, if available, or to the following address:

STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES
Knoxville Environmental Field Office
3711 Middlebrook Pike
Knoxville, Tennessee 37921

This permit does not relieve the permittee from any requirements of the municipality or utility where the sewage is ultimately disposed. The permittee must obtain approval for the connection from that municipality or utility and must comply with all their requirements including pretreatment regulations, the exclusion of storm and other extraneous water, etc.

PART 2

2. STANDARD CONDITIONS

2.1. GENERAL PROVISIONS

2.1.1. Duty to Comply

The permittee shall comply with all conditions of this permit. Any permit noncompliance constitutes a violation of the Water Quality Control Act and is grounds for enforcement action; for permit termination, revocation and reissuance, or modification; or denial of a permit renewal application.

2.1.2. Duty to Reapply

The permittee is not authorized to discharge after the expiration date of this permit. In order to receive authorization to discharge beyond the expiration date, the permittee shall submit such information and forms as are required to the Division Director no later than 180 days prior to the expiration date. Such forms shall be properly signed and certified.

2.1.3. Proper Operation and Maintenance

The permittee shall, at all times, properly operate and maintain all facilities and systems (and related appurtenances) for collection and treatment which are installed or used by the permittee to achieve compliance with the terms and conditions of this permit. Proper operation and maintenance also includes adequate laboratory and process controls and appropriate quality assurance procedures. This provision requires the operation of backup or auxiliary facilities or similar systems, which are installed by a permittee only when the operation is necessary to achieve compliance with the conditions of the permit.

Additionally, for collection systems the following conditions apply:

1) Collection system components of a sewerage system that are designed to collect, treat, or convey sewage to a treatment process shall be designed in accordance with accepted engineering practice as prescribed in Chapter 0400-40-02.
2) Low pressure pumps, low pressure tanks, septic tank effluent pumps (STEP), STEP tanks, and septic tank effluent gravity (STEG) tanks are integral to the treatment and conveyance of sewage in a low-pressure system design, and shall be owned or under control of the municipality, other body of government, public utility district, or a privately owned public utility demonstrating lawful jurisdiction over the service area.

3) Except as provided in paragraph (2) above, all collection system components regulated by this chapter shall be owned by a municipality, other body of government, public utility district, or a privately owned public utility demonstrating lawful jurisdiction over the service area. In limited circumstances, a corporation with a demonstrated capacity to provide the managerial and operational resources necessary to maintain its sewerage system may be permitted to operate a collection system to support a business activity (e.g., a resort).

2.1.4. Right of Entry

The permittee shall allow the Commissioner, or an authorized representative, upon the presentation of credentials, to:

a) Enter upon the permittee's premises where a regulated facility or activity is located or conducted, or where records shall be kept under the conditions of this permit;

b) Have access to and copy, at reasonable times, any records that shall be kept under the conditions of this permit;

c) Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit; and

d) Sample or monitor at reasonable times for the purposes of assuring permit compliance or as otherwise authorized by the Director.

2.1.5. Availability of Reports

All reports and data shall be kept for a minimum of three years.

2.1.6. Property Rights

This permit does not convey property rights of any sort, or any exclusive privilege.

2.1.7. Severability

The provisions of this permit are severable. If any provision of this permit due to any circumstance is held invalid, then the application of such provision to other circumstances and to the remainder of this permit shall not be affected thereby.

2.1.8. Other Information

If the permittee becomes aware of failure to submit any relevant facts in a permit application, or of submission of incorrect information in a permit application or in any report to the Director, then the permittee shall promptly submit such facts or information.

2.2. CHANGES AFFECTING THE PERMIT

2.2.1. Permit Modification, Revocation, or Termination

a) This permit may be modified, revoked and reissued, or terminated for cause. The filing of a request by the permittee for a permit modification, revocation and reissuance, or termination, or a notification of planned changes or anticipated noncompliance does not stay any permit condition. Causes for such permit action include but are not limited to the following:

   i. Violation of any terms or conditions of the permit;
   ii. Obtaining a permit by misrepresentation or failure to disclose fully all relevant facts; and
   iii. A change in any condition that requires either a temporary or permanent reduction or elimination of the permitted discharge.

b) The permittee shall furnish to the Director, within a reasonable time, any information which the Director may request to determine whether cause exists for modifying, revoking and reissuing, or terminating this permit, or to determine compliance with this permit. The permittee shall also furnish to the Director, upon request, copies of records required to be kept by this permit.

2.2.2. Change of Ownership

Individual permits are not transferable to any person except after notice to the Commissioner, as specified below. The Commissioner may require modification or revocation and reissuance of the permit to change the name of the permittee.

a) The permittee notifies the Director of the proposed transfer at least 30 days in advance of the proposed transfer date.

b) The notice includes a written agreement between the existing and new permittees containing a specified date for transfer of permit responsibility, coverage, and liability between them.

c) The permittee shall provide the following information to the Director in their formal notice of intent to transfer ownership:

i. The permit number of the subject permit;
ii. The effective date of the proposed transfer;
iii. The name, address, and contact information of the transferor;
iv. The name, address, and contact information of the transferee;
v. The names of the responsible parties for both the transferor and transferee;
vi. A statement that the transferee assumes responsibility for the subject permit;
vii. A statement that the transferor relinquishes responsibility for the subject permit;
viii. The signatures of the responsible parties for both the transferor and transferee pursuant to the signatory requirements of subparagraph (i) of Rule 0400-40-05-.07(2); and
ix. A statement regarding any proposed modifications to the facility, its operations, or any other changes, which might affect the permit, limits and conditions contained in the permit.

2.2.3. Change of Mailing Address

The permittee shall promptly provide to the Director written notice of any change of mailing address. In the absence of such notice, the original address of the permittee will be assumed to be correct.

2.3. NONCOMPLIANCE

2.3.1. Effect of Noncompliance

All discharges shall be consistent with the terms and conditions of this permit. Any permit noncompliance constitutes a violation of applicable State and Federal laws and is grounds for enforcement action, permit termination, or denial of permit reissuance.

2.3.2. Reporting of Noncompliance

a) 24-hour Reporting:

In the case of any noncompliance, or any release (whether or not caused by improper operation and maintenance), which could cause a threat to human health or the environment, the permittee shall:

i. Report the noncompliance or release to the Commissioner within 24 hours from the time the permittee becomes aware of the circumstances.

ii. Submit a written report within five days of the time the permittee becomes aware of the noncompliance. The permittee shall provide the following information:

1. A description of and the cause of the noncompliance or release;

2. The period of noncompliance or release, including start and end dates and times i.e. duration or, if not corrected, the anticipated time the noncompliance or release is expected to continue;

3. The steps being taken to reduce, eliminate, and prevent recurrence of the noncompliance or release; and

4. For POTWs, domestic wastewater treatment plants, or collection systems, reporting any dry weather overflow, wet weather overflow, dry weather release, wet weather release, combined sewer overflow, or bypass, this written report must also include the following:

   I. Type of event;
   II. Type of sewer overflow, release, or bypass structure (e.g., manhole, combined sewer overflow outfall);
   III. Estimated volume (gallons);
   IV. Types of human health and environmental impacts;
   V. Location (latitude and longitude);
   VI. Estimated duration (hours);
   VII. The next downstream pump station (for overflows and releases only); and
   VIII. The name of receiving water (if applicable).

iii. For overflows and releases, the report required by a) ii. Shall be submitted electronically via MyTDEC Forms.

b) Other Noncompliance.

i. All permittees shall report each instance of noncompliance or any release (whether or not caused by improper operation and maintenance), not reported under sub-part a) at the time of submitting the next routine monitoring report, including all information required by sub-parts a) ii. 1-3.

ii. In addition to the information required by part i of this sub-part, the permittee shall submit a written report containing the information required by sub-part a) ii. 4. If these events are caused by an extreme weather event, the Commissioner may provide a written waiver of some or all of these reporting requirements.

2.3.3. Overflows and Releases

a) Sanitary sewer overflows, including dry-weather overflows and wet weather overflows, are prohibited.

b) Releases caused by improper operation and maintenance, which is to be determined by the Commissioner based on the totality of the circumstances, are prohibited.

c) The permittee shall operate the collection, transmission, and treatment system so as to avoid sanitary sewer overflows and releases due to improper operation or maintenance. A "release" may be due to improper operation or maintenance of the collection system or may be due to other cause(s).

d) The permittee shall take all reasonable steps to minimize any adverse impact associated with overflows and releases.

e) No new or additional flows shall be added upstream of any point in the collection, transmission, or treatment system that experiences greater than 5 sanitary sewer overflows and/or releases per year[1] or would otherwise overload any portion of the system. Unless there is specific enforcement action to the contrary, the permittee is relieved of this requirement after:

1) An authorized representative of the Commissioner of the Department of Environment and Conservation has approved an engineering report and construction plans and specifications prepared in accordance with accepted engineering practices for correction of the problem;
2) The correction work is underway; and
3) The cumulative, peak-design flows potentially added from new connections and line extensions upstream of any chronic overflow or release point are less than or proportional to the amount of inflow and infiltration removal documented upstream from that point.

[1] This includes dry weather overflows, wet weather overflows, dry weather releases and wet weather releases.

The inflow and infiltration reduction must be measured by the permittee using practices that are customary in the environmental engineering field and reported to the EFO. The data measurement period shall be sufficient to account for seasonal rainfall patterns and seasonal groundwater table elevations.

f) In the event that chronic sanitary sewer overflows or releases have occurred from a single point in the collection system for reasons that may not warrant the self-imposed moratorium of the actions identified in this paragraph, the permittee may request a meeting with Division EFO staff to petition for a waiver based on mitigating evidence.

2.3.4. Adverse Impact

The permittee shall take all reasonable steps to minimize any adverse impact to the waters of Tennessee resulting from noncompliance with this permit, including such accelerated or additional monitoring as necessary to determine the nature and impact of the noncomplying discharge. It shall not be a defense for the permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

2.4. LIABILITIES

2.4.1. Civil and Criminal Liability

The permittee is subject to civil and criminal liability for violation of this permit. Notwithstanding this permit, the permittee shall remain liable for any damages sustained by the State of Tennessee, including but not limited to fish kills and losses of aquatic life and/or wildlife, as a result of the discharge of wastewater to any surface or subsurface waters. Additionally, notwithstanding this Permit, it shall be the responsibility of the permittee to conduct its wastewater treatment and/or discharge activities in a manner such that public or private nuisances or health hazards will not be created.

2.4.2. Liability Under State Law

Nothing in this permit shall be construed to preclude the institution of any legal action or relieve the permittee from any responsibilities, liabilities, or penalties established pursuant to any applicable state law.

2.5. PROHIBITIVE DISCHARGE STANDARDS

1) Under no circumstances shall the permittee allow introduction of the following wastes into the waste treatment system:

a. Pollutants which create a fire or explosion hazard in the POTW;

b. Pollutants which will cause corrosive structural damage to the POTW, but in no case discharges with pH lower than 5.0 unless the works is specifically designed to accommodate such discharges;

c. Solid or viscous pollutants in amounts which will cause obstruction to the flow in the POTW resulting in interference;

d. Any pollutant, including oxygen demanding pollutants (BOD, etc.) released in a discharge at a flow rate and/or pollutant concentration which will cause interference with the POTW;

e. Heat in amounts which will inhibit biological activity in the POTW resulting in interference, but in no case heat in such quantities that the temperature at the POTW treatment plant exceeds 40° C (104° F) unless the Division, upon request of the POTW, approves alternate temperature limits;

f. Any priority pollutant in amounts that will contaminate the treatment works sludge;

g. Petroleum oil, nonbiodegradable cutting oil, or products of mineral oil origin in amounts that will cause interference or pass through;

h. Pollutants which result in the presence of toxic gases, vapors, or fumes within the POTW in a quantity that may cause acute worker health and safety problems; or

i. Any trucked or hauled pollutants except at discharge points designated by the POTW.

2) The permittee shall notify the Division of any of the following changes in user discharge to the system no later than 30 days prior to change of discharge:

a. New introductions into such works of pollutants from any source which would be a new source as defined in Section 306 of the Act if such source were discharging pollutants;

b. New introductions of pollutants into such works from a source which would be subject to Section 301 of the "Federal Water Pollution Control Act as Amended" if it were discharging such pollutants; or

c. A substantial change in volume or character of pollutants being introduced into such works by a source already discharging pollutants into such works at the time the permit is issued.

This notice will include information on the quantity and quality of the wastewater introduced by the new source into the publicly owned treatment works, and on any anticipated impact on the effluent discharged from such works.

2.6. PLACEMENT OF SIGNS

The permittee shall place and maintain a sign at each overflow/release point in the collection system. For the purposes of this requirement, any point that has had a total of five(5) or more overflows plus releases in the last year must be so posted. The sign(s) should be clearly visible to the public. The *minimum* sign size should be two feet by two feet (2' x 2') with one inch (1") letters. The sign should be made of durable material and have a white background with black letters.

Unpermitted overflow/release point:

UNTREATED WASTEWATER DISCHARGE POINT
Tellico Village Property Owners Association, Inc.
(865) 458-5408
SOP Permit NO. SOP-89079
TENNESSEE DIVISION OF WATER RESOURCES
1-888-891-8332 ENVIRONMENTAL FIELD OFFICE - Knoxville

No later than sixty (60) days from permit issuance, the permittee shall have the above sign(s) on display in the location(s) specified.

2.7. INTER-JURISDICTIONAL AGREEMENT PROGRAM

The permittee shall maintain a valid contract for service with Loudon Utilities Board and Tellico Area Services System.

This requirement will apply upon the effective date of the permit, and the quantity and quality of flows from the permittee's collection to Loudon Utilities Board and Tellico Area Services System shall be consistent with the terms of the service agreement. A copy of the service agreement shall be sent to the Division, Knoxville EFO, within 90 days of the effective date of this permit.

On each quarterly flow report submitted to the Knoxville EFO, the permittee shall itemize any/all terms of the service agreement that limit or surcharge flow quantity or wastewater quality. For each itemized term of the agreement that limits or surcharges flow quantity or quality, the permittee shall report the following: 1) the date(s) that each itemized limit was exceeded during the quarterly reporting period, 2) the reportable value and unit associated with each date of occurrence and whether the value is measured or estimated, 3) the known or suspected cause(s) of each occurrence, and 4) how each reported occurrence was, or will, be addressed by the permittee.

2.8. SPECIAL REQUIREMENTS FOR SEWERAGE SYSTEMS OWNED AND OPERATED BY NON-PUBLIC ENTITIES

Sewerage systems owned and operated by a homeowner association, a property owner association, or any other non-public association (hereinafter referred to as association) of sewer system users must meet the following requirements to demonstrate continuing financial security. Three categories of financial security shall be demonstrated:

(1) an Operating and Maintenance (O&M) Fund to address routine operation and maintenance,
(2) a Reserve Fund to address major capital expenditures, and
(3) a Bond, or equivalent financial security, to satisfy the requirements of Section 69-3-122 of the Water Quality Control Act.

The association shall grant authority to the officers of the association, via the governing documents of the association and/or its bylaws, to levy and collect sewer user fees, assessments, tap fees, or other fees in an amount to be determined by the Board of Directors of the association to fund the three categories of financial security. Each purchaser of a unit using the sewer system shall be assessed such fees. Should the levied assessments fail to meet the requirements listed below for each of the financial security categories, the association shall levy additional fees as necessary to meet the requirements as specified this permit.

2.8.1. Operating and Maintenance (O&M) Fund

The association shall properly operate and maintain the collection system in accordance with the provisions of this permit and all applicable federal and state regulations and law. Funds required to properly operate and maintain the system shall include monies to fund all routine operation, maintenance, principle and interest of debt service and other routine costs. The association shall establish an O&M Fund as follows:

O&M Fund Accounting: The O&M fund shall be separately accounted for in the financial management and accountability of the system. The O&M fund shall exist for the anticipated life of the collection and/or treatment system.

O&M Fund Reporting: The association shall maintain records of the operation and maintenance costs of the sewerage system. The association shall make all relevant information available to the Division upon request.

2.8.2. Reserve Fund

A dedicated portion of the revenue from fees and assessments of the association shall be placed in an escrow account to establish the reserve fund. Expenditures from the reserve fund shall be restricted to capital expenses and may not be applied to normal operating expenses in the ordinary course of business.

The association shall create, maintain, and use reserve funds for the purpose of capital expenditures to repair or replace portions of the sewerage system. Such repair or replacement may occur in the event of damage, destruction or other repair or replacement that is not considered to be normal maintenance. It is also the purpose of this fund to be used to replace any portion of the sewerage system that reaches the end of its useful life. The reserve funds may also be used to pay any penalties, fines, or damage assessments. In determining the adequate amount of reserve funds, the association must estimate the life expectancy of the components of the sewerage system, and the replacement cost of these components. Replacement cost estimates shall be updated at a minimum of once each five years at the time of permit renewal and shall be made available to the Division upon request.

Reserve Fund Accounting: The reserve fund shall be separately accounted for in the financial management and accountability of the system. The reserve fund shall exist for the anticipated life of the collection and/or treatment system.

2.8.3. Bond Fund

The association shall obtain, maintain, and demonstrate adequate bond or other financial security instrument to satisfy the requirements of §69-3-122 of the Water Quality Control Act (WQCA). The purpose of this bond is to provide a source of funding to the State for temporary operation of the system in the event of abandonment or noncompliance. The bond shall be established in an amount equal to the amount of the reserve fund plus 2 years of operation and maintenance costs up to the limit defined in §69-3-122(b) of the WQCA. The bond shall be maintained for a term that is not less than the anticipated life of the

collection and/or treatment system. The association may obtain a Surety Bond, Insurance and Risk Retention Group Coverage, Letter of Credit, or other financial security acceptable to the Division of Financial Assurance and Business Process Improvement (DFA) in accordance with the following conditions:

a) DFA must be notified within 30 days, should the term of the security be canceled, extended, the terms changed, or the association obtains alternative security.
b) Conditions for bond or financial security forfeiture may be caused by any of the following:
    i. Failure to properly transfer or renew the permit and/or bond;
    ii. Failure to employ a certified operator for more than 30 days;
    iii. Chronic permit violations and/or violations not corrected within 30 days of notice of such violations from the Division;
    iv. Failure to properly maintain the collection or treatment system such that the system cannot be properly operated;
    v. Operation of the collection or treatment system in such a manner as to create a public nuisance, health hazard, or violation of water quality standards;
    vi. Abandonment of the facility; or
    vii. Failure to provide sufficient funding to carry out the terms and conditions of the permit.
c) The association must notify DFA if the bond or financial security is canceled. The association shall have thirty (30) days from the notification of cancellation to obtain alternate adequate bond or financial security acceptable to the DFA.
d) Failure to submit the amount of adequate bond or financially security, failure to procure adequate bond or financial security, and failure to submit proof of adequate bond or financial security will be cause for either revocation of the permit, enforcement action, or both.

2.8.4. Funding Priority

The association, in its bylaws or on publicly recorded plats, shall identify the collection system as a common area, which will receive the highest priority for expenditures by the association except for federal, state, and local taxes and insurance.

2.8.5. Association Authority

The governing documents of the association shall grant the association the authority to obtain and execute a lien on any property where the owner fails or refuses to pay the necessary fees and assessments.

2.8.6. Dissolution

The association shall not voluntarily dissolve without providing for the proper operation and maintenance of the sewerage system and without written approval from the division. Such approval would be contingent upon proper transfer of the permit and the sewerage system to a public utility, privately owned public utility, or other entity acceptable to the Division.

2.8.7. Changes in Association Officers

The association shall submit to the Division the names, addresses and phone numbers of the association officers within thirty (30) days of the effective date of this permit. The association shall also notify the Division of any change in status of the association officers within thirty (30) days of such a change. The association must have readily available for inspection, a list of names and mailing addresses of all active members of the association.

PART 3

3. DEFINITIONS AND ACRONYMS

3.1. DEFINITIONS

For the purposes of this permit, a ***collection system*** includes septic tanks, pump tanks, and sewer lines.

A ***calendar day*** means the 24-hour period from midnight to midnight or any other 24-hour period that reasonably approximates the midnight to midnight time period.

Discharge or ***discharge of a pollutant*** refers to the addition of pollutants to waters from a source.

A ***dry weather overflow*** means a sanitary sewer overflow that is not directly related to a rainfall event.

Owner or ***operator*** means any person who owns, leases, operates, controls, or supervises a source.

Person means an individual, association, partnership, corporation, municipality, state or federal agency, or an agent or employee thereof.

Point source means any discernible, confined, and discrete conveyance, including but not limited to, any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, landfill leachate collection system, vessel, or other floating craft from which pollutants are or may be discharged. This term does not include return flows from irrigated agriculture or agricultural stormwater runoff.

Pollutant means sewage, industrial wastes, or other wastes.

Pollution means such alteration of the physical, chemical, biological, bacteriological, or radiological properties of the waters of this state including, but not limited to, changes in temperature, taste, color, turbidity, or odor of the waters that will:

(a) Result or will likely result in harm, potential harm, or detriment to the public health, safety, or welfare;

(b) Result or will likely result in harm, potential harm, or detriment to the health of animals, birds, fish, or aquatic life;

(c) Render or will likely render the waters substantially less useful for domestic, municipal, industrial, agricultural, recreational, or other reasonable uses; or

(d) Leave or likely leave the waters in such condition as to violate any standards of water quality established by the Board.

Quarter means any one of the following three-month periods: January 1 through March 31, April 1 through June 30, July 1 through September 30, and/or October 1 through December 31.

Rainfall event means any occurrence of rain, preceded by 10 hours without precipitation that results in an accumulation of 0.01 inches or more. Instances of rainfall occurring within 10 hours of each other will be considered a single rainfall event.

Release means the flow of sewage from any portion of the collection or transmission system owned or operated by a publicly owned treatment works (POTW) or a domestic wastewater treatment plant, other than through permitted outfalls, that does not reach waters. In addition, a "release" includes a backup into a building or private property that is caused by blockages, flow conditions, or other malfunctions originating in the collection or transmission system owned or operated by the permittee. A "release" does not include:

(a) Backups into a building or private property caused by blockages or other malfunctions originating in a private lateral;

(b) Events caused by vandalism;

(c) Events caused by lightning strike;

(d) Events caused by damage due to third parties working on other utilities in the right of way, e.g., cross bore from telecommunications line; or

(e) Events that are directly incidental to planned, preventative, or predictive maintenance provided the site is under the direct control of a certified operator or contractor, public access is restricted, and the site is disinfected.

Sanitary sewer overflow or ***SSO*** means an unpermitted discharge of wastewater from the collection, transmission, or treatment system other than through the permitted outfall.

Sewage means water-carried waste or discharges from human beings or animals, from residences, public or private buildings, or industrial establishments, or boats, together with such other wastes and ground, surface, storm, or other water as may be present

Sewerage system means the conduits, sewers, and all devices and appurtenances by means of which sewage and other waste is collected, pumped, treated, or disposed.

Source means any activity, operation, construction, building, structure, facility, or installation from which there is or may be the discharge of pollutants.

Stream means a surface water that is not a wet weather conveyance.

Waters means any and all water, public or private, on or beneath the surface of the ground, which are contained within, flow through, or border upon Tennessee or any portion thereof, except those bodies of water confined to and retained within the limits of private property in single ownership which do not combine or effect a junction with natural surface or underground waters.

Watercourse means a man-made or natural hydrologic feature with a defined linear channel that discretely conveys flowing water, as opposed to sheet-flow.

Wet weather conveyance means, notwithstanding any other law or rule to the contrary, man-made or natural watercourses, including natural watercourses that have been modified by channelization:

(a) That flow only in direct response to precipitation runoff in their immediate locality;

(b) Whose channels are at all times above the groundwater table;

(c) That are not suitable for drinking water supplies; and

(d) In which hydrological and biological analyses indicate that, under normal weather conditions, due to naturally occurring ephemeral or low flow there is not sufficient water to support fish, or multiple populations of obligate lotic

aquatic organisms whose life cycle includes an aquatic phase of at least two months.

Wet weather overflow means a sanitary sewer overflow that is directly related to a specific rainfall event.

Wet weather release means a release that is directly related to a specific rainfall event.

3.2. ACRONYMS AND ABBREVIATIONS

BOD_5 – five-day biochemical oxygen demand
CFR – code of federal regulations
EPA – Environmental Protection Agency
EFO – environmental field office
MGD – million gallons per day
MOR – monthly operating report
POTW – publicly owned treatment works
SSO – sanitary sewer overflow
STP – sewage treatment plant
TCA – Tennessee code annotated
TDEC – Tennessee Department of Environment and Conservation

3.3. RESOURCES, HYPERLINKS, AND WEB PAGES

Electronic Code of Federal Regulations (eCFR), Title 40 (40 CFR § 1 through § 1099)
https://www.ecfr.gov/cgi-bin/text-idx?SID=75202eb5d09974cab585afeea981220b&mc=true&tpl=/ecfrbrowse/Title40/40chapterI.tpl

MyTDEC Forms Login
https://forms.tdec.tn.gov/

MyTDEC Forms & Electronic Reporting Information
https://www.tn.gov/environment/program-areas/wr-water-resources/netdmr-and-electronic-reporting.html

Rules of the TN Department of Environment and Conservation, Chapter 0400-40
https://publications.tnsosfiles.com/rules/0400/0400-40/0400-40.htm

Tennessee Water Resources Data and Map Viewers
https://www.tn.gov/environment/program-areas/wr-water-resources/water-quality/water-resources-data-map-viewers.html

TN Department of Environment & Conservation

RATIONALE

Tellico Village Property Owners Association, Inc.
State Operating Permit No. SOP-89079
Permit Writer: Tricia Swaney
Date: Jul 26, 2023

FACILITY CONTACT INFORMATION:
Chet Pillsbury
TVPOA CEO
Phone: (865) 458-5408
cpillsbury@tvpoa.org
112 Chota Center

Activity Description: Collect and transport via grinder pumps and low pressure sewers of municipal wastewaters to the Loudon Utilities Board (LUB) and to the Tellico Area Services System (TASS)

Type of Collection System: Grinder pumps and low-pressure sewer systems

Tie-In Locations:

LUB	34’41’30’N	80’16’0’E
TASS	35’35’13’N	84’13’41’E

Permit Period: This permit will be issued for a five-year period effective from the issuance date on the cover page.

Annual Maintenance Fee: The permit annual maintenance fee is pursuant to Tennessee Rule 0400-40.11-.02, payable each fiscal year (July 1 – June 30) upon receipt of an invoice.

Collection System Certified Operator:

The collection system shall be operated under the supervision of a Grade 2 certified collection system operator in accordance with the Water Environmental Health Act of 1984.

Collection System Operation:

For the purposes of demonstrating proper operation of the collection, transmission and treatment system, the permit treats releases separately from overflows and bypass. State regulations at 0400-40-06-.05(4)(a) & 0400-40-05-.07(2) establish "standard conditions". These standard conditions include 0400-40-05-.07(2)(n) that sets forth specific language prohibiting sanitary sewer overflows (defined in the regulations as a "discharge") and standard conditions in 0400-40-05-.07(2)(l) and (m) pertaining to bypass. While the regulations prohibit sanitary sewer overflow (*i.e.*, discharges that reach or are likely to reach receiving waters) it does not prohibit "releases" that do not reach or are not likely to reach receiving waters. However, releases that do not reach receiving waters may be indicative of other problems, such as improper operation and maintenance of the sewer system. Whether another violation occurs or whether, for example, there is an unavoidable accident (see, e.g., § 69-3-114(a)), will involve case-specific evaluations. Regardless, the permit assures, without waiving rights to pursue other violations associated with a release, as applicable, that the permittee would, at a minimum be reporting and responding to releases. Any release potentially warrants permittee mitigation of human health risks via direct or indirect contact and may demonstrate a hydraulic problem in the system that warrants permittee consideration as part of proper operation and maintenance of the system.

Proper operation and maintenance of the collection system may include, but is not limited to:

1. A comprehensive collection system map showing all drainage areas, manholes, pump stations (number and size of pumps), flow meters, chronic overflow and release locations, miles of collection system, material and diameter of construction, and other relevant system elements.
2. Rainfall data at location(s) using method(s) representative of precipitation within the collection system area.
3. Flow meters at locations in the collection system that would enable drainage area analysis and prioritization based on the amount of inflow and infiltration (I/I) observed.
4. A collection system hydraulic model that predicts I/I problems in response to rainfall events and the effects of new conditions.

When determining if a location experiences chronic sanitary sewer overflows or releases, the term "event(s)" includes dry weather overflows, wet weather overflows, dry weather releases and wet weather releases.

Low Pressure System Ownership/Control:

On May 15, 2022, Tennessee Rules 0400-40-05 and 0400-40-06 became effective. In those rules, clarifying language was added regarding low pressure systems. The Board received a comment during the rulemaking process noting that the inclusion of ownership or control of low pressure systems in Tennessee Rule 0400-40-06 governing land based disposal systems should be included Tennessee Rule 0400-40-05 which governs discharging systems. The response to that comment is included below to provide direction to municipal agencies in implementing this condition of the permit.

The Board agrees, and has added the following to Rule 0400-40-05-.07(2)(c) concerning proper operation and maintenance, "Low pressure pumps, low pressure tanks, septic tank effluent pumps (STEP), STEP tanks, and septic tank effluent gravity tanks are integral to the treatment and conveyance of sewage in a low-pressure system design, and shall be owned or under control of the municipality, other body of government, public utility district, or a privately-owned public utility demonstrating lawful jurisdiction over the service area." This permit condition is not applicable to pumps and appurtenances that are service lines to other than a low-pressure public system. This condition applies to sewer projects or extensions that are approved for construction after the effective date of the permit.

While the Board encourages direct ownership of the low pressure pumps and tanks, it does recognize that in some cases, operational control without direct asset ownership may suffice. The Board acknowledges that operational control may be implemented collectively by multiple local agencies. Operational control for privately-owned low pressure pumps and appurtenances appropriately includes the following:

- *Legal mechanism e.g. local regulations, ordinance, plumbing codes, resolution etc. that provides the authority to:*
  - *Deny the use of low pressure pumps and tanks*
  - *Establish and enforce design standards*
  - *Access the site and equipment (including inspection)*
  - *Obtain remedies for non-compliance*
  - *Conduct an emergency response*
- *Plans review process to ensure compliance with the locally established design standards (including inspection of installation)*
- *Construction, inspection, and approval process*
- *Preventative and emergency maintenance program*

In addition, all components of the sewerage system must be owned by a municipality, other body of government, public utility district, or a privately-owned public utility

demonstrating lawful jurisdiction over the service area in accordance with Rule 0400-40-16-.02(8).

State of Tennessee
Department of Environment and Conservation
Knoxville Environmental Field Office
3711 Middlebrook Pike
Knoxville, Tennessee 37921-6538
Phone (865) 594-6035 Statewide 1-888-891-8332 FAX (865) 594-6105

September 18, 2024

Mr. Kevin Hamil,
TVPOA Utilities Manager
Tellico Village Property Owners Association (TVPOA)
112 Chota Center, Loudon, TN 37774

RE: Sanitary Sewer Survey (SSS) inspection
TVPOA Sanitary Sewer System
State Operating Permit (SOP) Permit No. SOP-89079
Loudon County

Dear Mr. Hamil:

On September 3, Hassan Sanaat with the Division of Water Resources started conducting a Sanitary Sewer Survey (SSS) on the TVPOA State Operating Permit (SOP) permit program. Period that covers this inspection is from February 2018 through July 2024. The following is a report of this inspection:

Overview

TVPOA Sanitary Sewer System's State Operation Permit (SOP-89079) has been effective since November 1, 2023 and expires on October 31, 2028. This SOP permit authorizes the operation of a domestic wastewater collection system.

TVPOA collection system collects domestic wastewater from its community, and discharges to the Loudon STP wastewater collection system, and Nile Ferry (TASS) STP wastewater collection system for treatment. There are almost 0.50 miles of gravity sewer line and 109 miles of force line. Collection system lines are made of Poly Vinyl Chloride (PVC), and ductile iron. Cleaning activities includes hydraulic jet cleanin*g*. There are fifteen (15) manholes and thirteen (13) pump stations in TVPOA collection system. The Tellico Village main pumping station discharges to the Loudon Utility Board (LUB) collection system while Tellico Village Kahite pumping station discharges to TASS's Niles Ferry wastewater collection system. SCADA system is utilized in the collection system. All homes are equipped with grinder pumps. The degreasers are applied in the pump stations. The collection system is not a combined sewer system. There are a total of ten (10) people working in wastewater collection system. There have been four (4) releases and six (6) overflows in past three years. There is no Sewer Overflow Response plan (SORP). The old SORP was allegedly destroyed by fire several years ago. Inspection activities include CCTV and visual manhole inspection.

Cleaning activities include only hydraulic jet cleaning. Chemical/biological grease control is added to the pump stations. There are roughly fifty (50) complaints per year which are mostly about sewage odor. Ninety percent of these complaints are resolved within twenty-four hours. There are written procedures for SSO problem evaluation/solution, procedure to clean up/ mitigate of SSO effects and finally there is a program for confined entry. The wastewater collection system staff are provided training with these procedures. The training is updated annually. There is a Capacity, Management, Operation and Maintenance (CMOM) program. There is a GIS map of the collection system. There is one satellite community, namely, Kahite, that discharges to TVPOA collection system, and pumped to TASS's Niles Ferry STP for processing. There are fifty-six hundreds (5600) residential, fifty (50) commercial, and no industrial connections in the TVPOA wastewater collection system. There are three (3) problematic areas for overflow during heavy rain events, Toqua Road lift station, Kahite lift station and Main lift station. The discharge is measured by the flow meter reading at each point of discharge to Niles Ferry STP collection system, and Loudon STP collection system. No quarterly daily flow data collected at tie-in/discharge points was ever reported to the Division during the last NPDES permit cycle (November 1, 2019 – October 31, 2023. However, quarterly reports have been submitted during the newly issued NPDES permit.

Site Visit

On Friday, September 13, 2024, Hailey Kraft and I visited TVPOA and met with you, and Mr. Marty Whitehead, collection system operator (Grade II). We discussed the collection system operation, and the permit requirement. We toured the Main pump station which pumps the collected wastewater by a twelve-inch force main to Loudon STP for processing. This pump station handles ninety percent (90%) of total collected wastewater.

Conclusion

A sewer overflow response plan (SORP) form template was emailed to you to help with development of a new Sewer Overflow Response Plan (SORP). Division would like to thank you, and Mr. Whithead, for courtesy and cooperation extended during this inspection.

Should you have any comments or questions, please do not hesitate to call me at (865) 407-9356 or email me at Hassan.Sanaat@tn.gov.

Sincerely,

Hassan A. Sanaat

Hassan A. Sanaat
Division of Water Resources

e-copy: Compliance & Enforcement, DWR, Nashville

Tellico Village Property Owners

Re: Water and Sewer Infrastructure Asset Fee (WSIAF)

At the July 17, 2024, Tellico Village Property Owner's Association (TVPOA) Board of Directors (BOD) meeting, the BOD approved the implementation of a $80 per month WSIAF for utility customers effective October 1, 2024. This fee will apply to any property receiving water and sewer utility service from TVPOA and was approved for a period of 60 months. However, the WSIAF amount will be reviewed at least annually and may be adjusted based on updated information for infrastructure project costs or the realization of other funding opportunities.

The purpose of the WSIAF is to finance five TVPOA-identified water and sewer projects that are needed to address significant risks associated with TVPOA's 35-year-old utility infrastructure. These projects are currently estimated to total approximately $36 million, but actual costs are subject to final design and bid processes. The fee is to be used solely for water and sewer infrastructure expenditures and will be accounted for separately. Information about the five projects is available on the TVPOA website and has been explained via YouTube videos on the Tellico Village Network. Each of the projects remains subject to final review and approval by both POA management and the TVPOA BOD prior to implementation. These water and sewer projects are consistent with approaches taken by other utility districts and municipalities to address similar infrastructure issues.

The TVPOA BOD approved the WSIAF in accordance with Article VI of the Declaration of Covenants and Restrictions that each property owner is bound to when purchasing property in Tellico Village. Our legal counsel reviewed and confirmed the Board's interpretation of Article VI of the Declaration to authorize the implementation of the WSIAF. Legal counsel has rendered a written legal opinion, and that document is available for review on the TVPOA website.

The volunteer TVPOA BOD members approved the WSIAF after an extensive multi-year study and review of the current risks associated with existing TVPOA water and sewer infrastructure. Each of the five water and sewer projects has been unanimously approved by the Public Services Advisory Committee (PSAC) members. The WSIAF had the unanimous support of the Finance Advisory Committee (FAC) as the optimal means to improve TVPOA's utility infrastructure based on current information and projections to finance these projects. Contractors will not bid on these multi-year projects unless the POA can demonstrate existing financial capacity to pay for project expenditures.

The PSAC and FAC members are committed fellow property owners with extensive past professional careers and relevant experience. The advisory committee members spent countless hours understanding optional approaches and challenging assumptions before making recommendations.

In order to have sufficient funds available to the POA to complete and finance the five water and sewer projects, collection of the WSIAF must start now. As a reminder, the POA has extremely limited options to obtain traditional bank financing for these projects, given restrictions in its governing documents. The POA cannot practically pledge either assets or a revenue stream as collateral for a loan. In addition, current loan rates are not favorable for significant POA borrowing.

It is recognized that some Tellico property owners disagree with TVPOA's current approach. BOD members and POA management have heard and carefully considered the concerns raised by Tellico property owners.

Recently, the TVPOA BOD members and POA management have been made aware that one or more Tellico property owners have initiated a fundraising effort to finance legal counsel and potentially initiate litigation against the TVPOA concerning the WSIAF. The TVPOA BOD certainly respects the rights of all property owners to organize and express concerns regarding any utility matters. However, the BOD urges all property owners to carefully consider the merits and viability of such litigation, along with the financial risk to the POA and all residents that may result from delaying these projects, before engaging in such fundraising effort or potential litigation.

In addition, some property owners have expressed the potential intent of not paying the $80 monthly WSIAF by short-paying their monthly water and sewer bills. Payment of the WSIAF is not optional, and any property owner not paying the fee will be subject to the discontinuation of water service under the POA policy, along with associated fees for late payment and reconnection of utility service.

The TVPOA BOD voted to implement the WSAIF and intends to initiate the water and sewer infrastructure projects as the optimal approach to maintain long-term property values for all Tellico property owners. As demonstrated in an August BOD presentation of a study conducted by the Long-Range Planning Advisory Committee, Tellico Village provides significant value to owners and residents compared to other property owners associations. Your elected BOD and POA management intend to maintain and operate TVPOA in a financially sound manner while addressing known infrastructure risks.

Thank you for supporting Tellico Village and for carefully considering the information in this letter.

Sincerely,

Board of Directors, Tellico Village Property Owners Association

TELLICO VILLAGE POA – WATER & SEWER RATES
Effective: January 1, 2025

RESIDENTIAL

WATER	SEWER
FIRST 2,000 GAL. @ 38.00 (2,000 GAL.)	FIRST 2,000 GAL. @32.00 PER 2,000
NEXT 13,000 GAL. @ 13.00 PER 1,000	NEXT 3,000 GAL. @ 9.00 PER 1,000
NEXT 15,000 GAL. @ 15.00 PER 1,000	($59.00 5,000 GAL. MAX)
OVER 30,000 GAL. @ 20.00 PER 1,000	**MAINT. FEE 20% OF SEWER ($11.80 MAX)**

COMMERCIAL

WATER	SEWER
FIRST 2,000 GAL. @ 38.00 (2,000 GAL.)	FIRST 2,000 GAL. @32.00 PER 2,000
NEXT 13,000 GAL. @ 13.00 PER 1,000	NEXT 23,000 GAL. @ 9.00 PER 1,000
	OVER 25,000 GAL. @ 0.00 PER 1,000

TAX .0900 LOUDON CO. WATER ONLY
TAX .0925 MONROE CO. WATER ONLY

MINIMUM BILL (RESIDENTIAL)

	MONROE COUNTY	LOUDON COUNTY
0-2,000 GAL.	$38.00 WATER	$38.00 WATER
	32.00 SEWER	32.00 SEWER
	6.40 SEW. MAINT.	6.40 SEW. MAINT.
	80.00 WSIAF	80.00 WSIAF
	3.52 TAX	3.42 TAX
TOTAL	$159.92	$159.82

www.tellicovillagepoa.org
112 Chota Center · Loudon, TN 37774 · 865-458-5408

TVPOA Complaint - CA Exhibit M

KM KENNERLY MONTGOMERY
Attorneys & Counselors Since 1916

March 21, 2024

Board of Directors
Tellico Village Property Owners Association, Inc.
112 Chota Center
Loudon, TN 37774

VIA EMAIL ONLY

RE: Tellico Village Property Owners Association, Inc.
Authority to Implement Water and Sewer Capital Improvement Fee

CONFIDENTIAL AND PRIVILEGED ATTORNEY WORK PRODUCT

Dear Board of Directors:

You have asked this law firm to render a legal opinion regarding the authority of the Tellico Village Property Owners' Association, Inc. ("TVPOA") to implement a water and sewer capital improvement fee for property owner customers receiving water and sewer services. Specifically, TVPOA has proposed to implement a water and sewer capital improvement fee for all property owner customers receiving water and sewer services in order to provide adequate funding for necessary maintenance, repairs, and capital improvements to the water system distribution infrastructure and sewer system collection infrastructure (collectively referred to as the "Systems").

To begin with, TVPOA's authority to operate the Systems for the use and benefit of the property owners of Tellico Village is established pursuant to the Declaration of Covenants and Restrictions for Tellico Village, Tennessee (the "Declaration"). Specifically, Article VI, Section 1 of the Declaration provides, in pertinent part, that "the water system distribution infrastructure and sewer system collection infrastructure serving the Project shall be constructed by the Developer but will be part of the Common Properties." Because the Systems are established as part of the Common Properties, TVPOA is charged with the operation thereof pursuant to Article VII Section 1 of the Declaration, which expressly designates TVPOA as "the operating entity for the Common Properties within the Project." This Section further provides that TVPOA "shall have all powers and duties set forth therefor in this Declaration, its Articles of Incorporation and Bylaws, applicable laws, statutes, ordinances and governmental rules and regulations, and all other lawful powers and duties deemed by its Board of Directors as advisable to carry out its functions", which necessarily include operation of the Systems.

KENNERLY, MONTGOMERY & FINLEY, P.C.
550 MAIN STREET, FOURTH FLOOR | KNOXVILLE, TENNESSEE 37902
P.O. BOX 442 | KNOXVILLE, TENNESSEE 37901
PH (865) 546-7311 | FX (865) 524-1773 | WWW.KMFPC.COM

As the designated operator of the Systems, TVPOA is granted broad authority under the Declaration to establish appropriate water and sewer customer rate and fee structures in order to properly fund the maintenance, repairs and capital improvements to the Systems. Specifically, Article VI, Section 1 of the Declaration provides, in pertinent part, that "the cost of the acquisition of treated water and sewer treatment from third party sources, *construction of water storage facilities* and booster chlorinators as needed, maintenance, *capital improvements*, operation, taxes and other expenses incident to *the water system and sewer system* and operation of same, *shall be paid from Assessments and from charges made to Owners* for furnishing such services at such prices as shall be fixed from time to time by the Board of Directors" (emphasis added). The use of the mandatory term "shall" in this provision makes clear that capital improvements to the Systems must necessarily be funded either through 1.) Assessments or 2.) charges made to Owners for furnishing such services. By including two authorized funding mechanisms for capital improvements to the Systems, this provision affords TVPOA reasonable latitude to determine both the appropriate manner and amount of any charges to Owners therefor.

Pursuant to the pertinent provisions of the Declaration cited above, it is evident that the Board of Directors (the "Board") is duly authorized (and in fact reasonably obligated) to charge property owner customers receiving water and sewer services sufficient rates and fees to cover the expenses associated with both maintenance and capital improvements to the Systems. Under well-established Tennessee law, "rules governing the construction of covenants imposing restrictions on the use of land are generally the same as those applicable to any contract or covenant, including the rule that where there is no ambiguity in the language used, there is no room for construction, and the plain meaning of the language governs." *Bernier v. Morrow* (Tenn. Ct. App. Apr. 26, 2013) (citing 20 Am. Jur. 2d Covenants, Etc. § 168). "Primarily, the question is one of intention, subject to the further principle that restrictive covenants are strictly construed in favor of the free use of property. *Id.* Where a matter involves the interpretation of restrictive covenants, a court "should apply well-established rules of construction and law in order to construe the terms of the covenants." *Parks v. Richardson*, 567 S.W.2d 465, 467 (Tenn. Ct. App. 1977). Thus, if the "meaning of the covenant is reasonable and unambiguous, there is no need to seek further clarification outside its language." *Shea v. Sargent*, 499 S.W.2d 871, 874 (Tenn. 1973). Therefore, based upon the plain and unambiguous provisions of the Declaration, it appears that the Board is within its designated authority to implement a water and sewer capital improvement fee as proposed.

In addition to the provisions of the Declaration expressly authorizing the Board to charge property owner customers sufficient rates and fees to cover the expenses associated with both maintenance and capital improvements to the Systems, there do not appear to be any other conflicting provisions of the Declaration which would preclude the Board from implementing a water and sewer capital improvement fee. It is noted that Article X, Section 4 of the Declaration independently authorizes TVPOA to levy special assessments providing, in pertinent part, that TVPOA "*may* levy in any assessment year a Special Assessment, applicable to that year only,…for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, *unexpected repair or replacement of the water system, sewer system* and streets within the Project…and also any desired repair, replacement or improvement of facilities of the Association

and/or the construction, of any *capital improvement* upon the Common Properties…" (emphasis added). The use of the permissive term "may" in this provision clearly indicates that a special assessment is not a mandatory funding mechanism for any desired maintenance, repairs, or capital improvements to any of the Common Properties. Accordingly, it is evident that a special assessment is a permissive funding mechanism broadly available to TVPOA in order to provide an alternative funding source for the repair, replacement or improvement of *any* Common Properties, including the Systems. This interpretation allows for the alternative funding mechanisms set forth in Article VI, Section 1 and Article X, Section 4 of the Declaration to be construed in harmony under well-established rules of contract construction. To otherwise interpret the special assessment provision of Article X, Section 4 of the Declaration as the exclusive means to fund capital improvements to the Systems would directly conflict with the express funding mechanism for capital improvements to the Systems set forth in Article VI, Section 1 and could render this provision meaningless. Thus, applying well-established rules of contract construction, it does not appear that Article X, Section 4 of the Declaration or any other provision thereof would preclude the Board from implementing a water and sewer capital improvement fee.

In addition to the foregoing analysis of the Declaration, this firm also reviewed any applicable Tennessee laws and regulations which could potentially impact the Board's proposed imposition of a water and sewer capital improvement fee. To begin with, although TVPOA is subject to certain State regulation regarding the functional operation of the Systems by the Tennessee Department of Environment and Conservation ("TDEC"), it does not appear that TVPOA is subject to any direct rate regulation by either TDEC or the Tennessee Comptroller. This is evidenced by the fact that TVPOA does not disclose its water and sewer rates for review or approval by either TDEC or the Tennessee Comptroller. Further, TVPOA is expressly exempted from rate regulation by the Tennessee Public Utility Commission pursuant to Tenn. Code Ann. § 65-4-101, as a "public utility" subject to regulation thereby does not include the following: "nonprofit homeowners associations or organizations whose membership is limited to owners of lots in residential subdivisions…which construct, operate or maintain water systems…for the exclusive use of that subdivision" and "any nonprofit corporation, as defined in § 501(c)(4) of the Internal Revenue Code, which owns and operates a wastewater system primarily for the use of the members of the corporation…" Accordingly, it does not appear that there are any applicable Tennessee laws or regulations which would subject TVPOA to direct rate regulation or would otherwise preclude the Board's proposed imposition of a water and sewer capital improvement fee.

In conjunction with its review of applicable laws and regulations, this firm also consulted directly with the Tennessee Comptroller's office regarding TVPOA's proposed imposition of a water and sewer capital improvement fee. Specifically, this firm received guidance from Ross Colona, Assistant Director of the Comptroller's office and designated manager for the Tennessee Board of Utility Regulation ("TBOUR"), which provides utility rate oversight for public utilities. Mr. Colona confirmed that because TVPOA operates the Systems as a nonprofit homeowners association for the exclusive benefit of its property owners, "there is no State regulatory body which regulates the rates and fees that are charged to residents of the community that utilize the utility." He noted that even for public utilities regulated by TBOUR, "there is no calculation in

statute for how rates must be calculated since every utility finds itself in a unique position." Accordingly, he said that the generalized rate standard for public utilities under the oversight of TBOUR is simply that "rates have to be reasonable and justifiable." For this reason, he stated that public utilities "generally contract with a 3rd party for a rate study to be performed using guidance from the AWWA M1 Manual: Principles of Water Rates, Fees, and Charges." In determining rates for public utilities, Mr. Colona emphasized that public utilities are required to "recoup funds for capital improvements" and that "the operating revenues (rates and fees) must be enough to cover everything including the cost of infrastructure improvements." From an administrative standpoint, Mr. Colona clarified that capital improvement fees are more commonly allocated as part of the minimum bill charged to each public utility customer as opposed to a separate line item on a utility invoice. However, he noted that "it is not unheard of" for public utilities to include flat fees for capital improvements as separate line items on public utility invoices. Ultimately, although there is no independent rate study requirement applicable to TVPOA as a private nonprofit homeowners association, it may be advisable in the future for TVPOA to consider conducting an independent rate study in order to continue to ensure that its rates and fees remain "reasonable and justifiable."

Finally, this firm also consulted directly with the Tennessee Association of Utility Districts ("TAUD") regarding TVPOA's proposed imposition of a water and sewer capital improvement fee. Specifically, this firm received guidance from Don Scholes, Interim Executive Director and General Counsel for TAUD. Mr. Scholes also confirmed that there do not appear to be any applicable Tennessee laws or regulations which would subject TVPOA to direct rate regulation or would otherwise preclude the Board's proposed imposition of a water and sewer capital improvement fee. Mr. Scholes expressly stated that "I see no problem with having a monthly surcharge to each customer to help finance future capital improvements." However, he noted that from a nomenclature standpoint, he would prefer to describe such fee as a "capital improvement fee" as opposed to a "surcharge". As a general matter, Mr. Scholes stated that "utility districts and utility authorities must establish rates and fees sufficient to support their utility systems" and thus, "funding capital improvements is part of being self-sufficient." He stated that "capital improvements can be financed by monthly service rates, debt, or a fee like TVPOA is considering." Accordingly, he believed that TVPOA "will have no problem defending the fee as long as it can show the anticipated amounts collected will be spent on planned capital improvements."

Based upon the foregoing analysis of TVPOA's governing documents, applicable Tennessee laws and regulations, and guidance from Tennessee regulatory authorities, it is the opinion of this law firm that TVPOA is duly authorized to impose a water and sewer capital improvement fee. In establishing the proposed water and sewer capital improvement fee, TVPOA must exercise appropriate due diligence in order to ensure that the fee is "reasonable and justifiable" in light of the ongoing costs of operating and maintaining the Systems and the expenses associated with completing necessary capital improvements thereto. From an administrative standpoint, TVPOA should ensure that it independently accounts for funds obtained through the imposition of the capital improvement fee and clearly segregates such funds for allocation directly to finance the necessary costs of capital improvements to the Systems. Please do not hesitate to

contact this law firm if you have any further questions regarding TVPOA's proposed imposition of a water and sewer capital improvement fee.

Very truly yours,

KENNERLY, MONTGOMERY & FINLEY, P.C.

By: _____
Kevin C. Stevens

Tellico Village POA Application for Utility Service

Service Location Address _____ **Lot** ☐ **Block** ☐ **Addn** ☐ **Previous Zip Code (Optional)** _____

Services Requested:
☐ Water
☐ Mailbox
Date: _____
☐ Sewer

Reading Requested Date: _____
☐ Start Service ☐ Stop Service

(Check One) ☐ **Owner** ☐ **Tenant**

(Check One) ☐ **Moving In** ☐ **Moving Out**

Last Name: _____ First Name: _____ Co-Owner: _____

Mailing address: _____ _____
(Forwarding if moving out) *(Street Address)* *(City, State, Zip Code)*

Phone: _____ Email address: _____

Owner/Tenant's Social Security: _____ DOB: _____

Co-Owner/Tenant's Social Security: _____ DOB: _____

Copy of Driver's License ☐

Deposit

All property owners/tenants are required to provide a refundable deposit.

☐ No Deposit
☐ $100.00 Residential
☐ $250.00 Residential
☐ $150.00 Commercial

Applicant signature: _____
Date: _____

- **NOTE: A deposit shall be required of any applicant before service is supplied. The amount of a deposit will be based on the applicant's credit risk factor as determined by Online Utility Exchange.**

Special Instructions: _____

For Office Use Only: **RCN:** _____ POA Job # / Builder ID # _____

Billing Cycle ☐ 01 ☐ 02 Route _____

Utility Acct. No. _____

Water Meter No. _____

Water/Sewer Rate _____ Permit No. _____

Reading _____ Date _____

Sewer Start Up _____ Date _____

Mailbox Installed _____ Date _____

POA 019 Revised 03/4/2020

Tellico Village Property Owners Association Terms of Service

1. The obligations of this Contract shall be binding upon the executors, administrators and estate of CUSTOMER, provided that no application or service contract may be assigned or transferred without the written consent of POA.
2. It is agreed that if CUSTOMER sells, subdivides or leases the property herein described, CUSTOMER will promptly notify POA in order that it may execute a new contract with the successor CUSTOMER. The transfer of any service does not relieve CUSTOMER of its existing obligations to POA.
3. It is understood and agreed that every condition of this Contract is of the essence of the Contract, and if breached, POA may cut service to the address which not be reconnected by POA until after the payment by CUSTOMER to POA of all applicable rates, charges, and reconnection fees.
4. Services provided by POA shall be supplied only to the applicant at the address named in this Contract. CUSTOMER shall not connect any other dwelling or property to the service.
5. The meter and related appurtenances serving the CUSTOMER'S property shall remain the sole property of POA.
6. POA or its agents reserve the right to make inspections of the service installation within the CUSTOMER'S premises at reasonable times. POA assumes no liability for the operation or maintenance of the CUSTOMER'S plumbing.
7. The CUSTOMER agrees to keep the property at the service address accessible and free from impediments including but not limited to fencing, trees, bushes, shrubs, and structures which restrict in any manner POA access to meter and related appurtenances. If any such impediments are not removed within such reasonable time as requested by POA, service may be disconnected. Service may be reinstated after any impediments are removed and all bills, reconnection fees and other such fees are paid by the CUSTOMER.
8. POA shall have the right to restrict, control or discontinue service at any time during emergencies or repairs. POA shall not be liable for failure to furnish service for any reason beyond its control or for any loss, injury or damage to persons, plumbing or property resulting from such service curtailment or discontinuance.
9. POA makes no guarantees, expressed or implied, as to the volume or pressure of water service.
10. All pressure regulators, valves, service lines, backflow preventers and other devices located on the CUSTOMER'S side of the meter are the sole responsibility of the CUSTOMER.
11. CUSTOMER agrees not to allow any cross-connection between POA service and a private well or spring or any other connection, either inside or outside of building, in such manner that a flow of water from such connection may potentially be introduced into the POA service lines.
12. All requests for disconnection of service should be made either in writing or in person to the POA. POA will accept telephone request for discontinuance if caller can give adequate identification.
13. The CUSTOMER shall be solely responsible for installing and maintaining a pressure regulator device and cutoff valve.
14. If POA discontinues service for non-payment or any other reason and the service is turned on without authority of POA, POA shall charge a tampering fee and penalty charge according to its Water & Sewer Rates Schedule.
15. The CUSTOMER agrees that in the event any utility property is damaged, destroyed or tampered with by the fault of the CUSTOMER or guests, it shall be repaired or replaced at the CUSTOMER'S sole expense.
16. POA shall have the right to estimate or prorate any bill when conditions beyond the control of POA prevent the normal billing procedure.
17. The receipt by POA of the application for service from CUSTOMER, regardless of whether or not accompanied by payment of fees, shall not obligate POA to render such service, if the service cannot be supplied in accordance with POA policies and procedure or applicable laws and regulations.
18. Customer agrees that this document is only an APPLICATION for service and shall not be effective as a Contract until approved by an official of POA. If the service in the opinion of POA cannot be supplied, the liability of POA to the CUSTOMER shall be limited to the return of any fees, less any project development costs as incurred by POA.
19. As a condition of service, the property owner shall provide at no cost a suitable place for the installation of the meter and related equipment and give an easement to POA for said location. If for any reason a CUSTOMER wishes to have their meter relocated (any time after the initial installation), the CUSTOMER must pay all costs incurred for the relocation. If POA at any time determines that the CUSTOMER has altered the area where the meter was initially installed the CUSTOMER must pay all costs incurred by POA to relocate the meter.
20. To the fullest extent permitted by all applicable laws and regulations, the CUSTOMER shall indemnify, defend, and hold harmless POA and its agents and employees from and against all claims, damages, losses and expenses (including but not limited to attorneys' fees), for personal injury or property damages suffered or alleged to have been suffered as a result of (a) your use or misuse of the service, (b) any conditions associated with your property (c) any breach of this Contract, or (d) your violation of any applicable laws, rules or regulations.
21. The utility bills for service monthly and bills are mailed at the US Post Office. POA cannot guarantee the delivery of its bills. Failure to receive a bill does not relieve the CUSTOMER of the responsibility of paying the bill.

By my signature, I obligate myself to obey all rules and regulations of POA and pay for all utility service at the service address in accordance with the prevailing rate schedule set by the POA in the event of non-payment. I agree that POA may terminate service and that all unpaid bills are immediately payable by me, including all costs of collection and reasonable attorney's fees. It is further understood that POA has the right and shall continue to have the right to make, amend and enforce any policies rules, or regulations that may be necessary or proper regarding any POA service. For any claim related in any way to this Contract or the service provided to CUSTOMER, CUSTOMER agrees that POA shall not be liable under any circumstances (whether in contract, tort, or other grounds) for any claim for damages that are consequential, incidental, indirect, special, or punitive. The CUSTOMER agrees to abide by all such policies, rules, or regulations.

Signature: _____ **Signature** _____ **Date:** _____

Complaint Form

Date Submitted	8/11/2024 6:18 AM
Unique Id	1110012353

Complainant Information

Complainant Name	Jan M Krusick
Age Range	60 or older
Are you an active duty service member, military dependent, or retired from active duty military services?	No
Country of Residence	United States
Complainant Address	277 Ootsima Way Loudon, Tennessee 37774
Complainant County	Loudon
Complainant Phone	(941) 225-5011
Complainant Phone-Ext	9412255011
Complainant Email	mountainview01@msn.com

Respondent Information

Respondent Name	Tellico Village Property Owners Association (POA)
Respondent Country	United States

Respondent Address	112 Chota Circle Loudon, Tennessee 37774
Respondent County	Loudon
Respondent Phone	
Respondent Phone Ext	8654585408
Respondent Email	info@tvpoa.org

About the Incident

Incident Date	8/11/2024
In which state did your purchase/transaction take place?	Tennessee
Category	29 - Real Estate/Property Owner Associations
Give a complete statement of the facts, with dates	Dear Attorney General: We are writing to you to ask for your help. We live in Tellico Village an unincorporated planned community in East Tennessee. Tellico Village is managing our water and sewer usage and billing us for the same. The board states there is a problem with water storage, which includes rain water, and sewer. They are planning on adding $80.00 to our water bill for 60 months. This $80.00 is to pay for a $36,000,000.00 updated water and sewer system. The Tellico Village board states they are in compliance with state and local regulations and not calling this an assessment. We would like to know why Tellico Village is in charge of billing us for water and sewer and not a utility company? Is this even legal? It appears the residents of Tellico Village are being charged double for water usage as compared to communities outside of of Tellico Village in Loudon County. Why is this legal or happening? Why are they allowed to add an additional $80.00 to the exorbitantly high water charge we are already paying? There have been a few meetings with the board and the community, There are multiple engineers living in our community who have offered input regarding solutions to updating the water and sewer concern and the board will not listen to them. The community has also raised questions that the

	board cannot even answer. The board states when this project is completed it may not even solve the problem. Residents are accusing the Tellico Village employees of doing "drive by" meter readings to determine usage. Other residents are complaining of paying $750.00 a month for water for a household of 2. It is reported to us that the board never even obtained multiple estimates for this large project and went directly with one company. This seems strange to us. In our opinion, this is reckless use of money. The majority of people living in Tellico Village are retirees living on fixed incomes. We are concerned this may impact home values as home sales are up 70%.
Amount involved?	36,000,000.00
How did you pay?	Check
What is the name of the finance company/lender?	
Would you like for this complaint to also potentially be provided to the finance company/lender for review?	
Was this product or service advertised?	No
When	
Where	
What would you like the business to do?	Protect the residents of Tellico Village and step in and investigate this! Don't force us to sell our homes! There are multiple residents who feel the way we do regarding this water/sewer project. We wanted to contact you so that perhaps you would address this at your visit to Tellico Village on 08/12/2024. Thank you for your consideration. John and Jan Krusick
Is this an Automobile Complaint?	No
Year	
Make	
Model	
VIN	
Have you contacted the business?	Yes

With whom did you speak?	Chet Pillsbury
When did you make contact?	Town meetings
Is there anyone else with firsthand knowledge of your complaint?	Yes
Name	Multiple Residents
Title	We are waiting for permission before we list other residents names
Phone	
Email	
Have you or the business filed a lawsuit regarding this complaint?	No
How did you hear about the Division of Consumer Affairs complaint program?	Internet search
Other	

Attestation

Attestation	By submitting this complaint, I hereby attest to the accuracy or truthfulness of the content.

Attachments

How Many Files	0

KENNERLY MONTGOMERY
Attorneys & Counselors Since 1916

kstevens@kmfpc.com

August 20, 2024

Sheila Williams
Consumer Specialist
Tennessee Division of Consumer Affairs
P.O. Box 20207
Nashville, TN 37202

VIA EMAIL & REGULAR U.S. MAIL

Re: Tellico Village Property Owners Association, Inc. – Complaint #24008420
Claimant: Jan Krusick

Dear Ms. Williams:

This law firm represents the Tellico Village Property Owners Association, Inc. ("TVPOA") regarding Complaint #24007427 (the "Complaint") filed by Jan Krusick (the "Claimant") with the Tennessee Division of Consumer Affairs (the "Division"). The Complaint generally appears to allege that TVPOA, as the operator of the private water and sewer utility system serving Tellico Village residents in Loudon and Monroe County Tennessee, is proposing to charge a monthly Water and Sewer Infrastructure Charge ("WSAIC") to its utility customers that is allegedly not authorized under TVPOA's governing documents.

By way of background, TVPOA is a non-profit 501(c)(4) property owners association that provides private water and sewer utility services to approximately 10,000 property owner members in Tellico Village. TVPOA is duly licensed as a private utility by the Tennessee Department of Environment and Conservation ("TDEC"). TVPOA currently charges monthly fees to all of its utility customers for water consumption and sewer services. TVPOA is now proposing to charge the monthly WSAIC to all TVPOA utility customers to cover the cost of the completing necessary utility capital improvement projects, including the following: new water storage tank; sewer holding tank; and pump station upgrades.

It is proposed that the WSAIC will be $80 per month to be paid by all utility customers over the course of five (5) years. All TVPOA utility invoices will clearly itemize the WSAIC charge to all utility customers. The funds from the WSAIC will be segregated by TVPOA in a separate reserve account and used exclusively for these designated capital improvement projects. TVPOA will maintain proper accounting records and will remain subject to annual audit to ensure that the WSAIC funds are properly segregated and accounted for.

Be advised that TVPOA's authority to operate its private water and sewer utility systems for the use and benefit of the property owners of Tellico Village is established pursuant to the

Declaration of Covenants and Restrictions for Tellico Village, Tennessee (the "Declaration"). Specifically, Article VI, Section 1 of the Declaration provides, in pertinent part, that "the water system distribution infrastructure and sewer system collection infrastructure serving the Project … will be part of the Common Properties." Whereas Article VII Section 1 of the Declaration expressly designates TVPOA as "the operating entity for the Common Properties."

As the designated operator of the private water and sewer utility systems for Tellico Village, TVPOA is granted broad authority under the Declaration to establish appropriate water and sewer customer rate and fee structures in order to properly fund necessary capital improvements to these utility systems. Specifically, Article VI, Section 1 of the Declaration provides, in pertinent part, that "the cost of the acquisition of treated water and sewer treatment from third party sources, *construction of water storage facilities* and booster chlorinators as needed, maintenance, *capital improvements*, operation, taxes and other expenses incident to *the water system and sewer system* and operation of same, *shall be paid from Assessments and from charges made to Owners* for furnishing such services at such prices as shall be fixed from time to time by the Board of Directors" (emphasis added).

Pursuant to the pertinent provisions of the Declaration cited above, it is evident that TVPOA is duly authorized (and in fact reasonably obligated) to charge property owner customers receiving water and sewer services sufficient rates and fees to cover the expenses associated with both maintenance and capital improvements to the utility systems. The WSAIC charge is being duly implemented by TVPOA in accordance with its obligation under the Declaration to properly fund necessary capital improvements to the water and sewer utility systems. Thus, TVPOA is clearly legally authorized under the Declaration to implement the WSAIC.

In conjunction with its proposed implementation of the WSAIC, TVPOA also consulted directly with the Tennessee Comptroller's office. Specifically, TVPOA received guidance from Ross Colona, Assistant Director of the Comptroller's office and designated manager for the Tennessee Board of Utility Regulation ("TBOUR"), which provides utility rate oversight for public utilities. Mr. Colona confirmed that because TVPOA operates its utility systems as a nonprofit homeowners association for the exclusive benefit of its property owners, "there is no State regulatory body which regulates the rates and fees that are charged to residents of the community that utilize the utility."

He noted that even for public utilities regulated by TBOUR, "there is no calculation in statute for how rates must be calculated since every utility finds itself in a unique position." Accordingly, he said that the generalized rate standard for public utilities under the oversight of TBOUR is simply that "rates have to be reasonable and justifiable." In determining rates for public utilities, Mr. Colona emphasized that public utilities are required to "recoup funds for capital improvements" and that "the operating revenues (rates and fees) must be enough to cover everything *including the cost of infrastructure improvements*."

Finally, TVPOA also consulted directly with the Tennessee Association of Utility Districts ("TAUD") regarding its proposed imposition of the WSAIC. Specifically, TVPOA received

guidance from Don Scholes, Interim Executive Director and General Counsel for TAUD. Mr. Scholes also confirmed that there do not appear to be any applicable Tennessee laws or regulations which would subject TVPOA to direct rate regulation or would otherwise preclude TVPOA's proposed imposition of the WSAIC. Mr. Scholes expressly stated that "I see no problem with having a monthly surcharge to each customer to help finance future capital improvements." As a general matter, Mr. Scholes stated that "utility districts and utility authorities must establish rates and fees sufficient to support their utility systems" and thus, "funding capital improvements is part of being self-sufficient."

Based upon the foregoing analysis of TVPOA's governing documents, applicable Tennessee laws and regulations, and guidance from Tennessee regulatory authorities, it is clear that TVPOA is duly authorized to impose the WSAIC. As a private utility service provider, TVPOA must charge appropriate rates and charges to fund necessary capital improvements to its water and sewer utility systems. The WSAIC is being properly implemented pursuant to the Declaration in accordance with TVPOA's obligation as a private utility.

In addition, the Complaint fails to include any legal citation to support the assertion that the Division is authorized to regulate the private conduct of TVPOA in establishing appropriate water and sewer utility rates and charges pursuant to the Declaration. As you are well aware, the scope of the authority of the Division, like any other agency of the State of Tennessee, is defined by the Tennessee Legislature. Specifically, every action taken by an agency of the State of Tennessee must be grounded in an express statutory grant of authority from the State Legislature or must arise by necessary implication from an express statutory grant of authority. *Tennessee Pub. Serv. Comm'n v. Southern Ry. Co.,* 554 S.W.2d 612, 613 (Tenn.1977); *Wayne County v. Tennessee Solid Waste Disposal Control Bd.,* 756 S.W.2d 274, 282 (Tenn. Ct. App. 1988). "The powers of [state agencies] must be found in the statutes. If they are not there, they are non-existent." *Tennessee–Carolina Transp., Inc. v. Pentecost,* 206 Tenn. 551, 556, 334 S.W.2d 950, 953 (Tenn. 1960). Moreover, state agencies "have only such power as is granted them by statute, and any action which is not authorized by the statutes is a nullity." *General Portland, Inc. v. Chattanooga–Hamilton County Air Pollution Control Bd.,* 560 S.W.2d 910, 913 (Tenn. Ct. App. 1976).

The applicable statutes contain no provisions whatsoever which provide the Division with any legal authority to regulate the conduct of TVPOA as a private utility in establishing appropriate water and sewer utility rates and charges pursuant to the Declaration. The Division clearly lacks authority to regulate the private conduct of TVPOA as set forth in the Complaint. Therefore, the Division must dismiss the Complaint as a matter of law.

In summary, it is regrettable that the Claimant has tried to use this forum to attempt to disparage TVPOA by making baseless and improper allegations. TVPOA has worked diligently to establish the WSAIC pursuant to the Declaration and applicable law for the benefit and protection of all property owners in Tellico Village. Please do not hesitate to contact me in the event that you need further information relative to this Response. If I do not hear from you, I will

presume that the Division has properly disregarded the Complaint and that no further Response from TVPOA is required. Thank you for your consideration.

Very truly yours,

KENNERLY, MONTGOMERY & FINLEY, P.C.

By: _____
Kevin C. Stevens

cc: Claimant
Tellico Village Property Owners Association, Inc.

efile GRAPHIC print - DO NOT PROCESS | As Filed Data - | DLN: 93493307029673

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

▶ Do not enter social security numbers on this form as it may be made public.

▶ **Go to *www.irs.gov/Form990* for instructions and the latest information.**

OMB No. 1545-0047

2022

Open to Public Inspection

A For the 2022 calendar year, or tax year beginning 01-01-2022 , and ending 12-31-2022

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Final return/terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
TELLICO VILLAGE PROPERTY OWNERS ASSOCATION INC

Doing business as

Number and street (or P.O. box if mail is not delivered to street address) | Room/suite
112 CHOTA CENTER

City or town, state or province, country, and ZIP or foreign postal code
LOUDON, TN 37774

D Employer identification number
62-1270164

E Telephone number
(865) 458-5408

G Gross receipts $ 33,183,201

F Name and address of principal officer:
MARTY INKROTT
112 CHOTA CENTER
LOUDON, TN 37774

H(a) Is this a group return for subordinates? ☐ Yes ☑ No

H(b) Are all subordinates included? ☐ Yes ☐ No
If "No," attach a list. See instructions.

H(c) Group exemption number ▶

I Tax-exempt status: ☐ 501(c)(3) ☑ 501(c) (4) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.TVPOA.ORG

K Form of organization: ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1984

M State of legal domicile: TN

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
SOCIAL WELFARE ORGANIZATION

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	**3**	7
4	Number of independent voting members of the governing body (Part VI, line 1b)	**4**	7
5	Total number of individuals employed in calendar year 2022 (Part V, line 2a)	**5**	347
6	Total number of volunteers (estimate if necessary)	**6**	620
7a	Total unrelated business revenue from Part VIII, column (C), line 12	**7a**	49,972
b	Net unrelated business taxable income from Form 990-T, Part I, line 11	**7b**	0

			Prior Year	Current Year
Revenue	**8**	Contributions and grants (Part VIII, line 1h)	0	0
	9	Program service revenue (Part VIII, line 2g)	24,595,004	26,795,351
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,178,928	711,492
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	2,393,768	4,978,697
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	28,167,700	32,485,540
Expenses	**13**	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	7,278,058	8,351,466
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶0		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	14,898,557	16,991,338
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	22,176,615	25,342,804
	19	Revenue less expenses. Subtract line 18 from line 12	5,991,085	7,142,736
			Beginning of Current Year	**End of Year**
Net Assets or Fund Balances	**20**	Total assets (Part X, line 16)	46,364,010	52,871,194
	21	Total liabilities (Part X, line 26)	17,985,302	17,349,750
	22	Net assets or fund balances. Subtract line 21 from line 20	28,378,708	35,521,444

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

****** 2023-11-03
Signature of officer Date

MARTY INKROTT PRESIDENT
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN
		2023-11-03		P00119089

Firm's name ▶ COULTER & JUSTUS PC | Firm's EIN ▶ 62-1532536

Firm's address ▶ 9717 COGDILL ROADSUITE 201
KNOXVILLE, TN 37932 | Phone no. (865) 637-4161

May the IRS discuss this return with the preparer shown above? (see instructions) ☑ Yes ☐ No

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III . . . . . ☐

1 Briefly describe the organization's mission:

SOCIAL WELFARE ORGANIZATION - SEE LINE 4A BELOW.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 23,007,652 including grants of $) (Revenue $ 32,239,775)

See Additional Data

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services (Describe in Schedule O.)

(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 23,007,652

TVPOA Complaint - CA Exhibit P

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1		No
2	Is the organization required to complete *Schedule B, Schedule of Contributors*? See instructions.	2		No
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		No
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? *If "Yes," complete Schedule C, Part III*	5	Yes	
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D,* Part I	6		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D,* Part III	8		No
9	Did the organization report an amount in Part X, line 21 for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi endowments? *If "Yes," complete Schedule D, Part V*	10		No
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D,* Part VI.	11a	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		No
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d	Yes	
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		No
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI and XII*	12a		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional*	12b	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		No
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at $100,000 or more? *If "Yes," complete Schedule F, Parts I and IV*	14b		No
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or other assistance to or for any foreign organization? *If "Yes," complete Schedule F, Parts II and IV*	15		No
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or other assistance to or for foreign individuals? *If "Yes," complete Schedule F, Parts III and IV*	16		No
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I.* See instructions.	17		No
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		No
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		No
20a	Did the organization operate one or more hospital facilities? *If "Yes," complete Schedule H*	20a		No
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?	20b		
21	Did the organization report more than $5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		No

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
22	Did the organization report more than $5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		No
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a*	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L,* Part I	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L,* Part I	25b		No
26	Did the organization report any amount on Part X, line 5 or 22 for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? *If "Yes," complete Schedule L, Part II*	26		No
27	Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? *If "Yes," complete Schedule L,*Part III	27		No
28	Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? *If "Yes," complete Schedule L, Part IV*	28a		No
b	A family member of any individual described in line 28a? *If "Yes," complete Schedule L, Part IV*	28b		No
c	A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? *If "Yes," complete Schedule L, Part IV*	28c		No
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		No
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1*	34		No
35a	Did the organization have a controlled entity within the meaning of section 512(b)(13)?	35a		No
b	If 'Yes' to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35b		
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		No
38	Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	Yes	

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response or note to any line in this Part V ☐

				Yes	No
1a	Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable	1a	119		
b	Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		Yes	

Part V **Statements Regarding Other IRS Filings and Tax Compliance** *(continued)*

2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	**2a** 347			
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to e-file. See instructions.		**2b**	Yes	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		**3a**	Yes	
b	If "Yes," has it filed a Form 990-T for this year? *If "No" to line 3b, provide an explanation in Schedule O*		**3b**	Yes	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		**4a**		No
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR).				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?		**5a**		No
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		**5b**		No
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?		**5c**		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible as charitable contributions?		**6a**		No
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		**6b**		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		**7a**		No
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		**7b**		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		**7c**		No
d	If "Yes," indicate the number of Forms 8282 filed during the year	**7d**			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		**7e**		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?		**7f**		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		**7g**		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		**7h**		
8	**Sponsoring organizations maintaining donor advised funds.** Did a donor advised fund maintained by the sponsoring organization have excess business holdings at any time during the year?		**8**		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the sponsoring organization make any taxable distributions under section 4966?		**9a**		
b	Did the sponsoring organization make a distribution to a donor, donor advisor, or related person?		**9b**		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	**10a**			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	**10b**			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	**11a**			
b	Gross income from other sources. (Do not net amounts due or paid to other sources against amounts due or received from them.)	**11b**			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		**12a**		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	**12b**			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O.		**13a**		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	**13b**			
c	Enter the amount of reserves on hand	**13c**			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		**14a**		No
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*		**14b**		
15	Is the organization subject to the section 4960 tax on payment(s) of more than $1,000,000 in remuneration or excess parachute payment(s) during the year? If "Yes," see the instructions and file Form 4720, Schedule N.		**15**		No
16	Is the organization an educational institution subject to the section 4968 excise tax on net investment income? If "Yes," complete Form 4720, Schedule O.		**16**		No
17	**Section 501(c)(21) organizations.** Did the trust, any disqualified person, or other person engage in any activities that would result in the imposition of an excise tax under section 4951, 4952, or 4953? If "Yes," complete Form 6069.		**17**		

Part VI **Governance, Management, and Disclosure.** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response or note to any line in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	7		
	If there are material differences in voting rights among members of the governing body, or if the governing body delegated broad authority to an executive committee or similar committee, explain in Schedule O.				
b	Enter the number of voting members included in line 1a, above, who are independent	1b	7		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			No
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3			No
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			No
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			No
6	Did the organization have members or stockholders?	6		Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	7a		Yes	
b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	7b		Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		Yes	
b	Each committee with authority to act on behalf of the governing body?	8b		Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			No

Section B. Policies (*This Section B requests information about policies not required by the Internal Revenue Code.*)

			Yes	No
10a	Did the organization have local chapters, branches, or affiliates?	10a		No
b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?	10b		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	11a	Yes	
b	Describe on Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Did the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	Yes	
b	Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	Yes	
c	Did the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe on Schedule O how this was done*	12c	Yes	
13	Did the organization have a written whistleblower policy?	13		No
14	Did the organization have a written document retention and destruction policy?	14	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	Yes	
b	Other officers or key employees of the organization	15b	Yes	
	If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions.			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		No
b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed▶

18 Section 6104 requires an organization to make its Form 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.

☑ Own website ☐ Another's website ☑ Upon request ☐ Other (explain in Schedule O)

19 Describe in Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.

20 State the name, address, and telephone number of the person who possesses the organization's books and records:
▶CHESTER PILLSUBRY 112 CHOTA CENTER LOUDON, TN 37774 (865) 458-5408

Part VII **Compensation of Officers, Directors,Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee or key employee) who received reportable compensation (box 5 of Form W-2, box 6 of Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, or highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

See the instructions for the order in which to list the persons above.

☑ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee): Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former	(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
(1) RICK BLOUGH MEMBER	6.00	X						0	0	0
(2) SUE ENGLISH-KOVAR VICE PRESIDENT	6.00	X		X				0	0	0
(3) STEVE SCHNEIDER TREASURER	6.00	X		X				0	0	0
(4) JAMES PAT WHITE SECRETARY	6.00	X		X				0	0	0
(5) MARTY INKROTT PRESIDENT	8.00	X		X				0	0	0
(6) JOHN ARGUELLES MEMBER	6.00	X						0	0	0
(7) BOB BRUNETTI MEMBER	6.00	X						0	0	0
(8) WINSTON BLAZER CEO	45.00				X			134,504	0	110,851
(9) MARY BETH KUBERKA MARKETING MANAGER	40.00					X		113,501	0	27,062
(10) CHRIS SYKES GOLF DIRECTOR	40.00					X		139,820	0	23,002
(11) SIMON BRADBURY DIRECTOR OF PARKS & RECREA	40.00					X		102,055	0	26,669
(12) MITZI LANE COO	40.00					X		143,310	0	31,201
(13) CLAYTON TAYLOR DIRECTOR OF PUBLIC WORKS	40.00					X		111,637	0	23,930

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
1b Sub-Total . . . . . ▶										
c Total from continuation sheets to Part VII, Section A . . . . ▶										
d Total (add lines 1b and 1c) . . . . . ▶								744,827	0	242,715

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 of reportable compensation from the organization ▶ 6

			Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	**3**		No
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	**4**	Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization?*If "Yes," complete Schedule J for such person*	**5**		No

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
TELLICO DIRT WORKS 409 DEER RUN DRIVE MARYVILLE, TN 37803	FIX WATER LINES, METERS	1,600,815
SWEETWATER VALLEY OIL PO BOX 537 SWEETWATER, TN 37874	DIESEL AND GAS SUPPLIER	850,897
AWE HOSPITALITY 100 SEQUOYAH ROAD LOUDON, TN 37774	FOOD SERVICE AND CONSULTANT	541,231
KENNERLY MONTGOMERY & FINLEY 550 MAIN STREET KNOXVILLE, TN 37902	COLLECTION SERVICES/LEGAL	375,100
BASELINE SPORTS CONSTRUCT LLC 3600 HENSON ROAD KNOXVILLE, TN 37921	CONSTRUCTION	237,222

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 of compensation from the organization ▶ 14

Part VIII Statement of Revenue

Check if Schedule O contains a response or note to any line in this Part VIII . . . . . ☐

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512 - 514
Contributions, Gifts, Grants and Other Similar Amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a - 1f:$	1g				
	h **Total.** Add lines 1a-1f ▶					
Program Service Revenue		Business Code				
	2a ASSESSMENT REVENUES	713990	12,684,944	12,684,944		
	b GREEN FEES	713910	3,624,720	3,624,720		
	c SEWER SERVICES	221000	3,324,971	3,324,971		
	d WATER SERVICES	221000	2,837,269	2,837,269		
	e UTILITY INSTALLATION	221000	1,966,235	1,966,235		
	f All other program service revenue.		2,357,212	2,357,212		
	g **Total.** Add lines 2a–2f. ▶	26,795,351				
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		195,793			195,793
	4 Income from investment of tax-exempt bond proceeds ▶					
	5 Royalties ▶					
		(i) Real	(ii) Personal			
	6a Gross rents	6a				
	b Less: rental expenses	6b				
	c Rental income or (loss)	6c				
	d Net rental income or (loss) ▶					
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	7a	710,608			
	b Less: cost or other basis and sales expenses	7b	194,909			
	c Gain or (loss)	7c	515,699			
	d Net gain or (loss) ▶		515,699	515,699		
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18	8a				
	b Less: direct expenses	8b				
	c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities. See Part IV, line 19	9a				
	b Less: direct expenses	9b				
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances	10a	552,724			
	b Less: cost of goods sold	10b	502,752			
	c Net income or (loss) from sales of inventory ▶		49,972		49,972	
	Miscellaneous Revenue	Business Code				
	11a INSURANCE PROCEEDS	900099	2,433,121	2,433,121		
	b OTHER REVENUE	900099	2,384,587	2,384,587		
	c BAD DEBT RECOVERIES	900099	111,017	111,017		
	d All other revenue					
	e **Total.** Add lines 11a–11d ▶		4,928,725			
	12 **Total revenue.** See instructions ▶		32,485,540	32,239,775	49,972	195,793

Part IX **Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☑

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	**(A)** Total expenses	**(B)** Program service expenses	**(C)** Management and general expenses	**(D)** Fundraising expenses
1 Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
2 Grants and other assistance to domestic individuals. See Part IV, line 22				
3 Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16.				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	245,355		245,355	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	6,383,899	6,015,881	368,018	
8 Pension plan accruals and contributions (include section 401 (k) and 403(b) employer contributions)	104,019	70,730	33,289	
9 Other employee benefits	1,102,798	1,013,859	88,939	
10 Payroll taxes	515,395	467,552	47,843	
11 Fees for services (non-employees):				
a Management				
b Legal	296,251	143,972	152,279	
c Accounting				
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O)	127,850	127,850		
12 Advertising and promotion	505,028	505,028		
13 Office expenses	296,522	240,900	55,622	
14 Information technology				
15 Royalties				
16 Occupancy	1,167,213	1,103,893	63,320	
17 Travel	80,850	57,246	23,604	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	26,018		26,018	
20 Interest	414,012	84,527	329,485	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	1,982,314	1,793,312	189,002	
23 Insurance	441,470	391,198	50,272	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a SEWER, WATER, WARRANTY	4,192,053	4,192,053		
b MAINTENANCE - LAND/STRE	1,149,161	1,149,161		
c FACILITY SUPPLIES	657,612	657,612		
d MAINTENANCE - WATER LIN	641,091	641,091		
e All other expenses	5,013,893	4,351,787	662,106	
25 **Total functional expenses.** Add lines 1 through 24e	25,342,804	23,007,652	2,335,152	0
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720).				

Part X Balance Sheet

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☐

				(A) Beginning of year		(B) End of year
Assets	1	Cash–non-interest-bearing		2,737,758	1	858,417
	2	Savings and temporary cash investments			2	
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		364,721	4	424,599
	5	Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons			5	
	6	Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B)			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use		670,011	8	1,022,302
	9	Prepaid expenses and deferred charges		123,508	9	130,264
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 50,513,373			
	b	Less: accumulated depreciation	10b 22,960,320	25,745,674	10c	27,553,053
	11	Investments—publicly traded securities		177,331	11	252,238
	12	Investments—other securities. See Part IV, line 11			12	
	13	Investments—program-related. See Part IV, line 11			13	
	14	Intangible assets		253,200	14	211,689
	15	Other assets. See Part IV, line 11		16,291,807	15	22,418,632
	16	**Total assets.** Add lines 1 through 15 (must equal line 33)		46,364,010	16	52,871,194
Liabilities	17	Accounts payable and accrued expenses		2,321,746	17	2,105,895
	18	Grants payable			18	
	19	Deferred revenue		4,202,252	19	4,439,821
	20	Tax-exempt bond liabilities			20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties		11,461,304	24	10,804,034
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17 - 24). Complete Part X of Schedule D			25	
	26	**Total liabilities.** Add lines 17 through 25		17,985,302	26	17,349,750
Net Assets or Fund Balances		**Organizations that follow FASB ASC 958, check here ▶ ☑ and complete lines 27, 28, 32, and 33.**				
	27	Net assets without donor restrictions		28,378,708	27	35,521,444
	28	Net assets with donor restrictions			28	
		Organizations that do not follow FASB ASC 958, check here ▶ ☐ and complete lines 29 through 33.				
	29	Capital stock or trust principal, or current funds			29	
	30	Paid-in or capital surplus, or land, building or equipment fund			30	
	31	Retained earnings, endowment, accumulated income, or other funds			31	
	32	Total net assets or fund balances		28,378,708	32	35,521,444
	33	Total liabilities and net assets/fund balances		46,364,010	33	52,871,194

Part XI Reconcilliation of Net Assets

Check if Schedule O contains a response or note to any line in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	32,485,540
2	Total expenses (must equal Part IX, column (A), line 25)	2	25,342,804
3	Revenue less expenses. Subtract line 2 from line 1	3	7,142,736
4	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	4	28,378,708
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	10	35,521,444

Part XII Financial Statements and Reporting

Check if Schedule O contains a response or note to any line in this Part XII . . . . . ☑

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		No
	If 'Yes,' check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☐ Both consolidated and separate basis			
b	Were the organization's financial statements audited by an independent accountant?	2b	Yes	
	If 'Yes,' check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
c	If "Yes," to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c	Yes	
	If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		No
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

TVPOA Complaint - CA Exhibit P

Additional Data

Software ID:

Software Version:

EIN: 62-1270164

Name: TELLICO VILLAGE PROPERTY OWNERS ASSOCATION INC

Form 990 (2022)

Form 990, Part III, Line 4a:

THE TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION (TVPOA) IS OPERATED EXCLUSIVELY FOR THE PROMOTION OF THE COMMON GOOD AND GENERAL WELFARE OF THE PEOPLE IN THE COMMUNITY FOR THEIR PERSONAL USE AND ENJOYMENT. THE ORGANIZATION SERVES GREATER THAN 8,000 DIVERSIFIED PROPERTY OWNERS. TVPOA PROVIDES MANY FITNESS AND WELLNESS PROGRAMS FOR ITS MEMBERS AS WELL AS A WIDE VARIETY OF CLUBS, RECREATIONAL AND VOLUNTEER PROGRAMS. TVPOA MAINTAINS MORE THAN 110 MILES OF ROADS AND THEIR ASSOCIATED RIGHT OF WAYS FOR THE COMMUNITY AND OPERATES ITS OWN WATER AND SEWER SYSTEMS. ALSO WITHIN THE BOUNDARIES OF THE VILLAGE ARE OVER 1,700 ACRES OF GREEN SPACE/COMMON AREAS. THE ASSOCIATION ALSO PROVIDES AND MAINTAINS THREE CHAMPIONSHIP GOLF COURSES, MARINAS, TENNIS AND PICKLEBALL COURTS FOR USE BY ITS PROPERTY OWNERS.

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SCHEDULE C
(Form 990)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶Complete if the organization is described below. ▶Attach to Form 990 or Form 990-EZ.
▶Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

If the organization answered "Yes" on Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then
- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes" on Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then
- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes" on Form 990, Part IV, Line 5 (Proxy Tax) (see separate instructions) or Form 990-EZ, Part V, line 35c (Proxy Tax) (see separate instructions), then
- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of the organization	Employer identification number
TELLICO VILLAGE PROPERTY OWNERS ASSOCATION INC	62-1270164

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV. See instructions for definition of "political campaign activities."

2 Political campaign activity expenditures. See instructions ..... ▶ $

3 Volunteer hours for political campaign activities. See instructions .....

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 ..... ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 ..... ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? ..... ☐ Yes ☐ No

4a Was a correction made? ..... ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities ..... ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities ..... ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b..... ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? ..... ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

	(a) Name	**(b)** Address	**(c)** EIN	**(d)** Amount paid from filing organization's funds. If none, enter -0-.	**(e)** Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
1					
2					
3					
4					
5					
6					

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures).

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	**(a)** Filing organization's totals	**(b)** Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-.		
i Subtract line 1f from line 1c. If zero or less, enter -0-.		

If the amount on line 1e, column (a) or (b) is:	**The lobbying nontaxable amount is:**
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ **Yes** ☐ **No**

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the separate instructions for lines 2a through 2f.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	**(a)** 2019	**(b)** 2020	**(c)** 2021	**(d)** 2022	**(e)** Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

For each "Yes" response on lines 1a through 1i below, provide in Part IV a detailed description of the lobbying activity.		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities?			
j	Total. Add lines 1c through 1i			
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	Yes	
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		No
3	Did the organization agree to carry over lobbying and political expenditures from the prior year?	3		No

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) and if either (a) BOTH Part III-A, lines 1 and 2, are answered "No" OR (b) Part III-A, line 3, is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues .	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures. See Instructions	5	

Part IV **Supplemental Information**

Provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; Part II-A (affiliated group list); Part II-A, lines 1 and 2 (see instructions), and Part II-B, line 1. Also, complete this part for any additional information.

Return Reference	Explanation

TVPOA Complaint - CA Exhibit P

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SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.
▶ Attach to Form 990.
▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization
TELLICO VILLAGE PROPERTY OWNERS ASSOCATION INC

Employer identification number
62-1270164

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate value of contributions to (during year)		
3	Aggregate value of grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Preservation of an historically important land area
☐ Protection of natural habitat
☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after July 25, 2006, and not on a historic structure listed in the National Register	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, handling of violations, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

1a If the organization elected, as permitted under FASB ASC 958, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under FASB ASC 958, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenue included on Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under FASB ASC 958 relating to these items:

a Revenue included on Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition

b ☐ Scholarly research

c ☐ Preservation for future generations

d ☐ Loan or exchange programs

e ☐ Other .....

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

5 During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?. . . ☐ Yes ☐ No

Part IV **Escrow and Custodial Arrangements.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII and complete the following table:

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability? . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII . . . . ☐

Part V **Endowment Funds.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions . . .					
c Net investment earnings, gains, and losses					
d Grants or scholarships . . .					
e Other expenditures for facilities and programs . . .					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

a Board designated or quasi-endowment ▶ .....

b Permanent endowment ▶ .....

c Term endowment ▶ .....

The percentages on lines 2a, 2b, and 2c should equal 100%.

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) Unrelated organizations . . . . . 3a(i)		
(ii) Related organizations . . . . . 3a(ii)		
b If "Yes" on 3a(ii), are the related organizations listed as required on Schedule R? 3b		

4 Describe in Part XIII the intended uses of the organization's endowment funds.

Part VI **Land, Buildings, and Equipment.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	6,713,418			6,713,418
b Buildings	19,771,255		8,112,285	11,658,970
c Leasehold improvements				
d Equipment	17,496,056		10,909,626	6,586,430
e Other	6,532,644		3,938,409	2,594,235
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* . . ▶				27,553,053

Part VII **Investments - Other Securities.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 11b.See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3)Other		
(A)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(H)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶		

Part VIII **Investments - Program Related.**
Complete if the organization answered 'Yes' on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 13.)* ▶		

Part IX **Other Assets.**
Complete if the organization answered 'Yes' on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)DESIGNATED CASH BALANCES	15,629,396
(2)RESIDENTIAL LOTS HELD FOR RESALE	217,228
(3)NET FINANCING LEASE RIGHT OF USE ASSETS	5,818,085
(4)NET OPERATING LEASE RIGHT OF USE ASSETS	753,923
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 15.)* ▶	22,418,632

Part X **Other Liabilities.**
Complete if the organization answered 'Yes' on Form 990, Part IV, line 11e or 11f.See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
Total. *(Column (b) must equal Form 990, Part X, col.(B) line 25.)* ▶	

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII ☐

Part XI **Reconciliation of Revenue per Audited Financial Statements With Revenue per Return.**
Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total revenue, gains, and other support per audited financial statements			1	32,877,275
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains (losses) on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	32,877,275
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	-391,735		
c	Add lines **4a** and **4b**			4c	-391,735
5	Total revenue. Add lines **3** and **4c.** (This must equal Form 990, Part I, line 12.)			5	32,485,540

Part XII **Reconciliation of Expenses per Audited Financial Statements With Expenses per Return.**
Complete if the organization answered 'Yes' on Form 990, Part IV, line 12a.

1	Total expenses and losses per audited financial statements			1	25,734,539
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIII.)	2d			
e	Add lines **2a** through **2d**			2e	0
3	Subtract line **2e** from line **1**			3	25,734,539
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIII.)	4b	-391,735		
c	Add lines **4a** and **4b**			4c	-391,735
5	Total expenses. Add lines **3** and **4c.** (This must equal Form 990, Part I, line 18.)			5	25,342,804

Part XIII **Supplemental Information**

Provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

Return Reference	Explanation
See Additional Data Table	

TVPOA Complaint - CA Exhibit P

Part XIII **Supplemental Information** ***(continued)***

Return Reference	Explanation

TVPOA Complaint - CA Exhibit P

Additional Data

Software ID:
Software Version:
EIN: 62-1270164
Name: TELLICO VILLAGE PROPERTY OWNERS ASSOCATION INC

Supplemental Information

Return Reference	Explanation
PART XI, LINE 4B - OTHER ADJUSTMENTS:	PART VIII, LINE 10A COST OF GOODS SOLD -502,752. PART VIII, LINE 11C BAD DEBT RECOVERIES 111,017.

TVPOA Complaint - CA Exhibit P

Supplemental Information

Return Reference	Explanation
PART XII, LINE 4B - OTHER ADJUSTMENTS:	PART VIII, LINE 10A COST OF GOODS SOLD -502,752. PART VIII, LINE 11C BAD DEBT RECOVERIES 111,017.

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Schedule J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees
▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 23.
▶ Attach to Form 990.
▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization
TELLICO VILLAGE PROPERTY OWNERS ASSOCATION INC

Employer identification number
62-1270164

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropiate box(es) if the organization provided any of the following to or for a person listed on Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax idemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)			
b	If any of the boxes on Line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all directors, trustees, officers, including the CEO/Executive Director, regarding the items checked on Line 1a?	2		
3	Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.			
	☑ Compensation committee ☐ Independent compensation consultant ☐ Form 990 of other organizations ☑ Written employment contract ☑ Compensation survey or study ☑ Approval by the board or compensation committee			
4	During the year, did any person listed on Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		No
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only 501(c)(3), 501(c)(4), and 501(c)(29) organizations must complete lines 5-9.			
5	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		No
b	Any related organization?	5b		No
	If "Yes," on line 5a or 5b, describe in Part III.			
6	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a	Yes	
b	Any related organization?	6b		No
	If "Yes," on line 6a or 6b, describe in Part III.			
7	For persons listed on Form 990, Part VII, Section A, line 1a, did the organization provide any nonfixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		No
8	Were any amounts reported on Form 990, Part VII, paid or accured pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		No
9	If "Yes" on line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported on Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

(A) Name and Title		(B) Breakdown of W-2, 1099-MISC compensation, and/or 1099-NEC			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation in column (B) reported as deferred on prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 WINSTON BLAZER CEO	(i)	119,000	11,704	3,800	96,312	14,539	245,355	0
	(ii)	0	0	0	0	0	0	0
2 MITZI LANE COO	(i)	128,823	14,487	0	8,449	22,752	174,511	0
	(ii)	0	0	0	0	0	0	0
3 CHRIS SYKES GOLF DIRECTOR	(i)	124,419	13,923	1,478	2,259	20,743	162,822	0
	(ii)	0	0	0	0	0	0	0

TVPOA Complaint - CA Exhibit P

Part III Supplemental Information

Provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

Return Reference	Explanation
SCHEDULE J, PART I, LINE 6A	A PORTION OF MR. BLAZER'S BONUS AND INCENTIVE COMPENSATION IS CONTINGENT ON THE NET EARNINGS OF THE ORGANIZATION.

TVPOA Complaint - CA Exhibit P

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SCHEDULE O
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.
▶ Go to *www.irs.gov/Form990* for the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization
TELLICO VILLAGE PROPERTY OWNERS ASSOCATION INC

Employer identification number
62-1270164

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 6	SEE RESPONSE TO PART VI, SECTION A, LINE 7B BELOW

TVPOA Complaint - CA Exhibit P

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7A	SEE RESPONSE TO PART VI, SECTION A, LINE 7B BELOW

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION A, LINE 7B	THE ORGANIZATION HAS MEMBERS WHO ENJOY THE RIGHTS AND RESPONSIBILITIES OF MEMBERSHIP AS CONTAINED IN THE GOVERNING DOCUMENTS OF THE ORGANIZATION. AMONG THOSE ARE THE RIGHT AND EASEMENT OF ENJOYMENT IN AND TO THE COMMON PROPERTIES; VOTING RIGHTS ON ISSUES AS DEFINED IN THE GOVERNING DOCUMENTS, INCLUDING THE RIGHT TO ELECT THE MEMBERS OF THE BOARD OF DIRECTORS; AND, VOTING RIGHTS WITH REGARD TO DISSOLUTION OF THE CORPORATION, WHICH MAY BE ACCOMPLISHED ONLY BY THE ASSENT GIVEN BY THE MEMBERS ENTITLED TO CAST TWO-THIRDS OF THE TOTAL VOTE.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 11B	THE FORM 990 IS PROVIDED TO THE AUDIT COMMITTEE, GENERAL MANAGER, AND ACCOUNTING DIRECTOR FOR THEIR REVIEW PRIOR TO FILING THE FORM.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 12C	THE BOARD OF DIRECTORS REGULARLY MONITORS COMPLIANCE WITH THE CONFLICT OF INTEREST POLICY

TVPOA Complaint - CA Exhibit P

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION B, LINE 15	THE BOARD OF DIRECTORS REGULARLY MONITORS THE COMPENSATION OF THE EXECUTIVE DIRECTOR AND OTHER TOP MANAGEMENT USING COMPARABILITY DATA

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART VI, SECTION C, LINE 19	DOCUMENTS ARE AVAILABLE TO THE GENERAL PUBLIC UPON REQUEST. SOME DOCUMENTS ARE AVAILABLE ON THE WEBSITE.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 24E	MAINTENANCE - COMMON DOCKS: PROGRAM SERVICE EXPENSES 561,549. MANAGEMENT AND GENERAL EXPEN SES 0. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 561,549. CONTRACT LABOR: PROGRAM SERVICE EXP ENSES 465,657. MANAGEMENT AND GENERAL EXPENSES 3,786. FUNDRAISING EXPENSES 0. TOTAL EXPENS ES 469,443. MAINTENANCE - EQUIPMENT: PROGRAM SERVICE EXPENSES 332,346. MANAGEMENT AND GENE RAL EXPENSES 91,531. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 423,877. MAINTENANCE - COMMUNI TY PROPERTY: PROGRAM SERVICE EXPENSES 400,230. MANAGEMENT AND GENERAL EXPENSES 551. FUNDRA ISING EXPENSES 0. TOTAL EXPENSES 400,781. HORTICULTURE SUPPLIES: PROGRAM SERVICE EXPENSES 349,231. MANAGEMENT AND GENERAL EXPENSES 0. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 349,231 . SMALL TOOLS/EQUIPMENT: PROGRAM SERVICE EXPENSES 241,971. MANAGEMENT AND GENERAL EXPENSES 76,113. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 318,084. MAINTENANCE - BUILDING: PROGRAM S ERVICE EXPENSES 300,469. MANAGEMENT AND GENERAL EXPENSES 14,181. FUNDRAISING EXPENSES 0. T OTAL EXPENSES 314,650. TELEPHONE: PROGRAM SERVICE EXPENSES 204,546. MANAGEMENT AND GENERAL EXPENSES 78,837. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 283,383. SEWER TANK INSTALL: PROG RAM SERVICE EXPENSES 280,801. MANAGEMENT AND GENERAL EXPENSES 0. FUNDRAISING EXPENSES 0. T OTAL EXPENSES 280,801. FUEL AND OIL: PROGRAM SERVICE EXPENSES 263,136. MANAGEMENT AND GENE RAL EXPENSES 13,228. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 276,364. TAXES AND LICENSES: P ROGRAM SERVICE EXPENSES 157,765. MANAGEMENT AND GENERAL EXPENSES 43,392. FUNDRAISING EXPEN SES 0. TOTAL EXPENSES 201,157. MAINTENANCE - SEWER LINES: PROGRAM SERVICE EXPENSES 135,252 . MANAGEMENT AND GENERAL EXPENSES 0. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 135,252. PAYRO LL & ACCOUNTING EXPENSE: PROGRAM SERVICE EXPENSES 0. MANAGEMENT AND GENERAL EXPENSES 111,2 98. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 111,298. RECRUITING AND TRAINING: PROGRAM SERVI CE EXPENSES 15,493. MANAGEMENT AND GENERAL EXPENSES 93,312. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 108,805. BANK CHARGES: PROGRAM SERVICE EXPENSES 78,956. MANAGEMENT AND GENERAL EX PENSES 25,008. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 103,964. DIESEL FUEL: PROGRAM SERVIC E EXPENSES 95,883. MANAGEMENT AND GENERAL EXPENSES 0. FUNDRAISING EXPENSES 0. TOTAL EXPENS ES 95,883. HOUSEKEEPING SUPPLIES: PROGRAM SERVICE EXPENSES 83,356. MANAGEMENT AND GENERAL EXPENSES 5,013. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 88,369. MAINTENANCE - VEHICLES: PRO GRAM SERVICE EXPENSES 75,737. MANAGEMENT AND GENERAL EXPENSES 607. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 76,344. MAINTENANCE SUPPLIES: PROGRAM SERVICE EXPENSES 66,571. MANAGEMENT AND GENERAL EXPENSES 0. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 66,571. UNIFORM EXPENSE: PR OGRAM SERVICE EXPENSES 59,044. MANAGEMENT AND GENERAL EXPENSES 567. FUNDRAISING EXPENSES 0 . TOTAL EXPENSES 59,611. MISCELLANEOUS: PROGRAM SERVICE EXPENSES 18,660. MANAGEMENT AND GE NERAL EXPENSES 35,167. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 53,827. LICENSES-PERMITS: PR OGRAM SERVICE EXPENSES 18,240.

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 990, PART IX, LINE 24E	MANAGEMENT AND GENERAL EXPENSES 27,603. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 45,843. MA INTENANCE - IRRIGATION: PROGRAM SERVICE EXPENSES 41,530. MANAGEMENT AND GENERAL EXPENSES 0 . FUNDRAISING EXPENSES 0. TOTAL EXPENSES 41,530. TRAINING AND DEVELOPMENT: PROGRAM SERVICE EXPENSES 23,567. MANAGEMENT AND GENERAL EXPENSES 15,612. FUNDRAISING EXPENSES 0. TOTAL EX PENSES 39,179. PRINTING: PROGRAM SERVICE EXPENSES 9,920. MANAGEMENT AND GENERAL EXPENSES 2 4,383. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 34,303. MEMBERSHIP DUES & PERIODICALS: PROGR AM SERVICE EXPENSES 18,152. MANAGEMENT AND GENERAL EXPENSES 1,467. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 19,619. PRO SHOP SUPPLIES: PROGRAM SERVICE EXPENSES 16,871. MANAGEMENT AND GENERAL EXPENSES 0. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 16,871. RANGE SUPPLIES: PROGRA M SERVICE EXPENSES 16,806. MANAGEMENT AND GENERAL EXPENSES 0. FUNDRAISING EXPENSES 0. TOTA L EXPENSES 16,806. SIGNS & ENTRANCE: PROGRAM SERVICE EXPENSES 12,885. MANAGEMENT AND GENER AL EXPENSES 0. FUNDRAISING EXPENSES 0. TOTAL EXPENSES 12,885. GOLF CART MAINTENANCE: PROGR AM SERVICE EXPENSES 6,414. MANAGEMENT AND GENERAL EXPENSES 0. FUNDRAISING EXPENSES 0. TOTA L EXPENSES 6,414. FREIGHT: PROGRAM SERVICE EXPENSES 749. MANAGEMENT AND GENERAL EXPENSES 2 22. FUNDRAISING EXPENSES

990 Schedule O, Supplemental Information

Return Reference	Explanation
FORM 99 - PART XII - LINE 2C	THE ORGANIZATION HAS NOT CHANGED ITS OVERSIGHT PROCESS OR SELECTION PROCESS DURING THE 2022 TAX YEAR.

TVPOA Complaint - CA Exhibit P

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 33, 34, 35b, 36, or 37.
▶ Attach to Form 990.
▶ Go to *www.irs.gov/Form990* for instructions and the latest information.

OMB No. 1545-0047

2022

Open to Public Inspection

Name of the organization
TELLICO VILLAGE PROPERTY OWNERS ASSOCATION INC

Employer identification number
62-1270164

Part I **Identification of Disregarded Entities.** Complete if the organization answered "Yes" on Form 990, Part IV, line 33.

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) CS HOLDINGS LLC 112 CHOTA CENTER LOUDON, TN 37774 48-4106822	TO HOLD & POSSIBLY SELL REPOSSESSED LOTS W/IN THE TELLICO VILLAGE COMMUNITY	TN	108,785	107,685	TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION INC
(2) TVPOA HOMES LLC 112 CHOTA CENTER LOUDON, TN 37774 47-2462299	TO BUILD SPEC HOMES ON REPOSSESSED LOTS TO ASSIST WITH SELLING THE LOTS	TN		17,258	TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION INC
(3) AKJ LLC 112 CHOTA CENTER LOUDON, TN 37774 47-3681388	TO HOLD AND POSSIBLY SELL OTHER TVPOA LOTS.	TN	264,698	76,501	TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION INC
(4) TV HOLDINGS LLC 112 CHOTA CENTER LOUDON, TN 37774 81-3335831	TO HOLD AND POSSIBLY SELL OTHER TVPOA LOTS.	TN	172,197	49,957	TELLICO VILLAGE PROPERTY OWNERS ASSOCIATION INC

Part II **Identification of Related Tax-Exempt Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	No

TVPOA Complaint - CA Exhibit P

Part III **Identification of Related Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, because it had one or more related organizations treated as a partnership during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income(related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No

TVPOA Complaint - CA Exhibit P

Part V **Transactions With Related Organizations.** Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35b, or 36.

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
1 During the tax year, did the orgranization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?			
a Receipt of **(i)** interest, **(ii)**annuities, **(iii)** royalties, or **(iv)** rent from a controlled entity	**1a**		
b Gift, grant, or capital contribution to related organization(s)	**1b**		
c Gift, grant, or capital contribution from related organization(s)	**1c**		
d Loans or loan guarantees to or for related organization(s)	**1d**		
e Loans or loan guarantees by related organization(s)	**1e**		
f Dividends from related organization(s)	**1f**		
g Sale of assets to related organization(s)	**1g**		
h Purchase of assets from related organization(s)	**1h**		
i Exchange of assets with related organization(s)	**1i**		
j Lease of facilities, equipment, or other assets to related organization(s)	**1j**		
k Lease of facilities, equipment, or other assets from related organization(s)	**1k**		
l Performance of services or membership or fundraising solicitations for related organization(s)	**1l**		
m Performance of services or membership or fundraising solicitations by related organization(s)	**1m**		
n Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)	**1n**		
o Sharing of paid employees with related organization(s)	**1o**		
p Reimbursement paid to related organization(s) for expenses	**1p**		
q Reimbursement paid by related organization(s) for expenses	**1q**		
r Other transfer of cash or property to related organization(s)	**1r**		
s Other transfer of cash or property from related organization(s)	**1s**		

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of related organization	**(b)** Transaction type (a-s)	**(c)** Amount involved	**(d)** Method of determining amount involved

TVPOA Complaint - CA Exhibit P

Part VI **Unrelated Organizations Taxable as a Partnership.** Complete if the organization answered "Yes" on Form 990, Part IV, line 37.

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(e) Are all partners section 501(c)(3) organizations?		(f) Share of total income	(g) Share of end-of-year assets	(h) Disproprtionate allocations?		(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
				Yes	No			Yes	No		Yes	No	

TVPOA Complaint - CA Exhibit P

Part VII **Supplemental Information**

Provide additional information for responses to questions on Schedule R. See instructions.

Return Reference	Explanation

TVPOA Complaint - CA Exhibit P