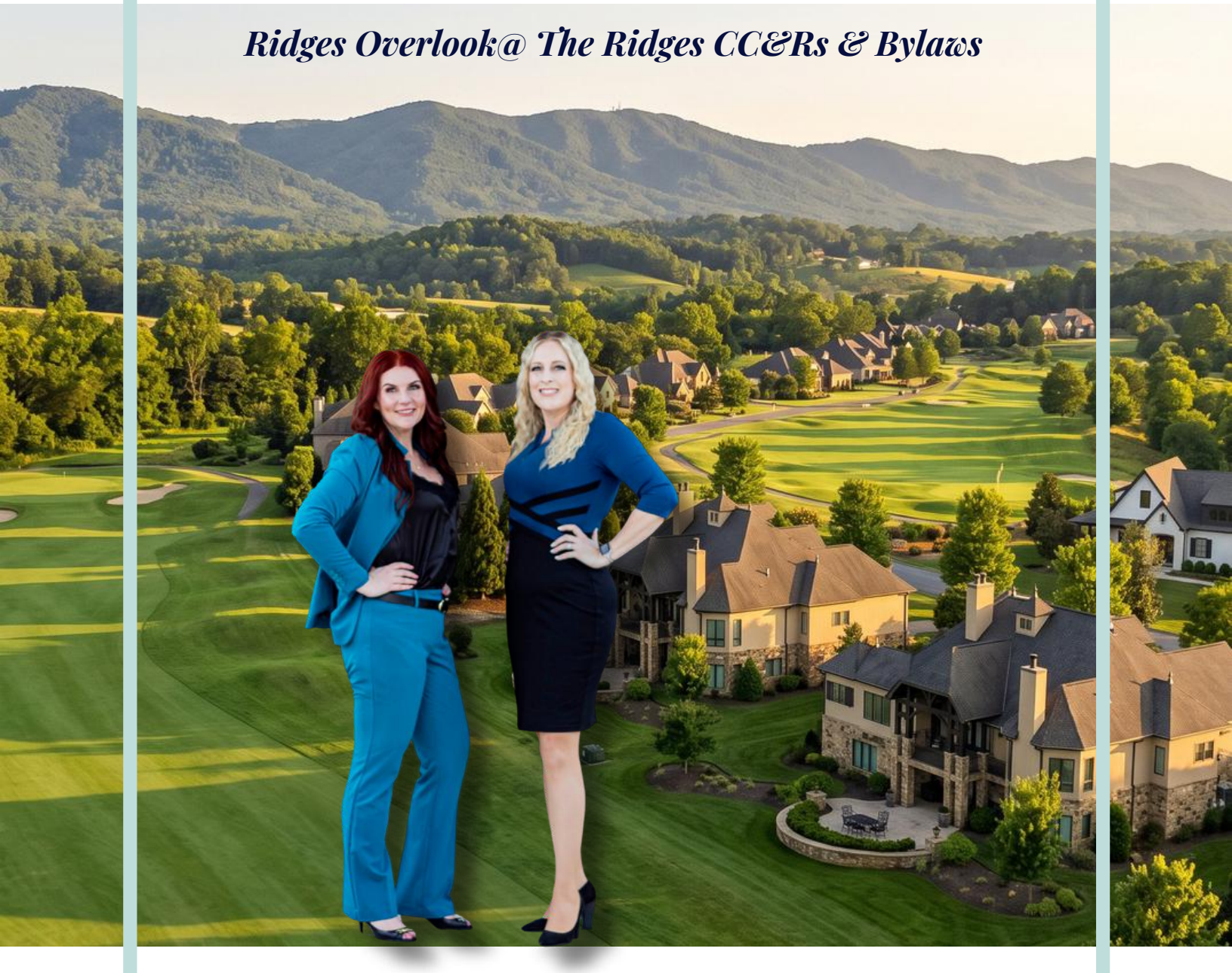
The Ridges HOA & CC&Rs Guide

Ridges Overlook@ The Ridges CC&Rs & Bylaws



Taylor Heritage Homes

A Legacy of Excellence. A Tradition of Trust.

HOAs and CC&Rs

Understanding Community Governance

Homeowners Association (HOA) & Covenants, Conditions, and Restrictions (CC&Rs)

HOA What it is:

A Homeowners Association is a formal governing entity established to manage, maintain, and protect a residential community, condominium complex, or planned development.

HOA What it does:

The HOA handles the upkeep of shared infrastructure and amenities—such as neighborhood roads, landscaping, swimming pools, entry gates, and clubhouses—while collecting periodic dues from residents to fund operating expenses and long-term capital reserves.

HOA Why it matters:

Joining an HOA means entering a shared community structure where individual property decisions are balanced with collective standards to preserve neighborhood quality and property values.

CC&Rs What they are:

The CC&Rs are the legally binding rules and land-use restrictions recorded against the property deed that dictate how you can use and modify your home and land.

CC&Rs What they cover:

These restrictions govern property aesthetics and resident conduct, including exterior paint colors, roofing materials, fence heights, architectural modifications, pet policies, parking limits, and rental restrictions.

CC&Rs How the HOA enforces them:

The HOA board serves as the regulatory authority responsible for monitoring compliance. If a homeowner violates the CC&Rs, the board has the legal authority and obligation to issue formal notices, impose monetary fines, revoke access to common amenities, or place a financial lien on the property if unpaid fines or assessments accumulate.

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HOA Operations & Property Value

Understanding Governance & Financial Value

Bylaws: Community Operations

While community rules dictate day-to-day living standards, understanding how an association manages its business operations and protects long-term property values is just as essential. This section breaks down the administrative structure of HOA Bylaws and highlights the financial advantage of owning a home within a managed community.

Bylaws What they are:

While CC&Rs regulate property and owner behavior, the Bylaws serve as the corporate operations manual that governs how the HOA itself functions as an organization.

Bylaws What they cover:

Bylaws outline the administrative rules of the association, detailing board election procedures, term limits, meeting frequency, voting rights, quorum requirements, and protocols for passing budgets or levying special assessments.

Bylaws Why they matter:

Reviewing the Bylaws shows buyers how transparently the community operates, how much voice individual owners have in decision-making, and how financial management is structured.

The HOA Value Premium: Financial Impact

Data cited by the National Association of Realtors (NAR) and independent housing studies show that homes located within an HOA community sell for 5% to 6% more on average than comparable non-HOA properties. This is the reason it's imperative an HOA enforces the CC&Rs.

The HOA Value Premium: Protecting Property Value:

This added value stems from uniform maintenance standards that prevent neighboring properties from falling into disrepair, alongside access to well-maintained shared amenities that boost overall market appeal.

HOA Variability & Fee Changes:

Every HOA community operates under unique rules, fee structures, and financial management practices. Monthly or annual dues are subject to change based on board decisions, inflation, and major maintenance needs. Buyers should always review the specific association's current budget, reserve study, and meeting minutes during their inspection period.

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HOA DISCLAIMER & NOTICE

Important Guidance



Disclaimers

*The information provided herein is for educational and informational purposes only and should not be construed as legal, financial, or tax advice. Real estate laws, HOA rules, CC&Rs, and dues are subject to change and differ across individual communities. Neither Taylor Heritage Homes nor its agents guarantee the completeness or accuracy of third-party association details. Buyers are strongly encouraged to carefully review all official HOA governing documents, financial disclosures, and reserve studies, and to consult with a licensed real estate attorney or legal counsel during their due diligence period.

The following governing documents were retrieved directly from the official HOA website. Document terms and amendments are managed by the association and are subject to change; buyers are encouraged to access the official community portal directly to verify the latest records.

real

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Serving East Tennessee & Northern California

The Ridges



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This Instrument Prepared By:
Brandt and Beeson, P.C.
206 Princeton Road, Suite 25
Johnson City, TN 37601

State of Tennessee, County of WASHINGT
Received for record the 03 day of
NOVEMBER 2005 at 1:55 PM. (RECH 40033
Recorded in official records
file Roll 471 Image 2211-2270
State Tax $ .00 Clerks Fee $ .00
Recording $ 302.00, Total $ 302.00
Register of Deeds GINGER B. JILTON
Deputy Register TERESA BOWMAN

ROLL 471 IMAGE 22

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

THE RIDGES OVERLOOK

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DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE RIDGES OVERLOOK

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS is made as of the date on the signature page hereof by Hunter's Lake, a Tennessee general partnership (the "Declarant").

Declarant is the owner of the real property described in Exhibit "A" which is attached and incorporated by reference. This Declaration imposes upon the Properties (as defined in Article I below) mutually beneficial restrictions under a general plan of improvement for the benefit of the owners of each portion of the Properties and establishes a flexible and reasonable procedure for the overall development, administration, maintenance and preservation of the Properties. In furtherance of such plan, this Declaration provides for the creation of The Ridges Overlook Association, Inc. to own, operate and maintain Common Areas and to administer and enforce the provisions of this Declaration, the By-Laws, and the Design Guidelines (as these terms are defined below).

Declarant hereby declares that all of the property described in Exhibit "A" shall be held, sold, used and conveyed subject to the following easements, restrictions, covenants, and conditions, which shall run with the title to the real property subjected to this Declaration. This Declaration shall be binding upon all parties having any right, title, or interest in any portion of the properties, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner of any portion of the Properties.

Declarant further declares that all of the property described in Exhibit "A" and all owners thereof shall be subject to all matters set out in Warranty Deed dated August 18, 2005 between GolfTenn, a Tennessee general partnership et al and Hunter's Lake said warranty deed being of record in the Register's Office for Washington County, Tennessee on Roll 471, Image 1560. In addition to this Declaration, the real property and all owners are subject to the Declaration of Restrictions, Easements, Covenants, Conditions, Assessments and Liens for "The Ridges" of record in said Register's Office on Roll 89, Image 2825, except for Articles VI, VII and VIII. All property and owners are subject to Second Supplement to Declaration of Restrictions, Easements, Covenants, Conditions, Assessments and Liens for "The Ridges" which is attached as Exhibit "A" to the Warranty Deed above mentioned. All owners shall be members of The Ridges Property Owners Association and subject to the By-Laws of said Association and subject to the obligations to pay the initial, annual and special assessments set out in Article V of the Declaration for "The Ridges". All owners must comply with the applicable provisions of the Declaration for "The Ridges" (and any amendments) as well as the provisions of this Declaration. In the case of any conflict, the applicable provisions of the Declaration for "The Ridges" shall control.

Article 1.
DEFINITIONS

The terms in this Declaration and the exhibits to this Declaration shall generally be given their natural, commonly accepted definitions except as otherwise specified. Capitalized terms shall be defined as set forth below.

1.1. "Area of Common Responsibility": The Common Area, together with such other areas. if any, for which the Association has or assumes responsibility pursuant to the terms of this Declaration, any Supplemental Declaration or other applicable covenant, contract, or agreement.

1.2. "Association": The Ridges Overlook Association, Inc., a Tennessee nonprofit mutual benefit corporation, its successors or assigns.

1.3. "Board of Directors" or "Board": The body responsible for administration of the Association, selected as provided in the By-Laws and generally serving the same role as the board of directors under Tennessee corporate law.

1.4. "Builder": Any Person which purchases one or more Units for the purpose of constructing improvements for later sale to consumers or purchases one or more parcels of land within the Properties for further subdivision, development, and/or resale in the ordinary course of such Person's business.

1.5. "By-Laws": The By-Laws of The Ridges Overlook Association, Inc., attached as Exhibit "B", as they may be amended.

1.6. "Charter": The Charter of The Ridges Overlook Association, Inc. as filed with the Secretary of State of the State of Tennessee.

1.7. "Class "B" Control Period": The period of time during which the Class "B" Member is entitled to appoint a Majority of the members of the Board of Directors as provided in Section 3.2.

1.8. "Common Area": All real and personal property, including easements, which the Association owns, leases or otherwise holds possessory or use rights in for the common use and enjoyment of the Owners.

1.9. "Common Expenses": The actual and estimated expenses incurred, or anticipated to be incurred, by the Association for the general benefit of all Owners and other parties as set out in 11.11, including any reasonable reserve, as the Board may find necessary and appropriate pursuant to this Declaration, the By-Laws, and the Charter. Common Expenses shall not include any expenses incurred during the Class "B" Control Period for initial development, original construction, installation of infrastructure, original capital improvements, or other original construction costs unless approved by the membership in the same manner provided in Section 8.6 for Special Assessments.

1.10. "Community-Wide Standard": The standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors and the Architectural Review Board.

1.11. "Declarant": Hunter's Lake, a Tennessee general partnership, or any successor, successor-in-title, or assign who takes title to any portion of the property described on Exhibit "A" for the purpose of development and/or sale and who is designated as the Declarant in a recorded instrument executed by the immediately preceding Declarant; provided however, there shall be only one Person entitled to exercise the rights and powers of the "Declarant" hereunder at any one time.

1.12. "Design Guidelines": The design and construction guidelines and application and review procedures applicable to the Properties promulgated and administered pursuant to Article 9.

1.13. "General Assessment": Assessments levied on all Units subject to assessment under Article 8 to fund Common Expenses for the general benefit of all Units, as more particularly described in Sections 8.1 and 8.3.

1.14. "Governing Documents": The Declaration, By-Laws, Charter, any Supplemental Declaration, the Design Guidelines and rules of the Association or any of the above, as each may be amended from time to time.

1.15. "Majority": Those votes, Owners, Members, or other group, as the context may indicate, totaling more than 50 % of the total eligible number.

1.16. "Master Plan": The land use plan or development plan for "The Ridges Overlook," as such plan may be amended from time to time, which includes the property described on Exhibit "A".

1.17. "Member": a Person subject to membership in the Association pursuant to Section 3.2.

1.18. "Mortgage": a mortgage, a deed of trust, a deed to secure debt, or any other form of security instrument affecting title to any Unit.

1.19. "Mortgagee": a beneficiary or holder of a Mortgage.

1.20. "Owner": One or more Persons who hold the record title to any Unit, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded land sales contract, and the contract specifically so provides, the purchaser (rather than the fee owner) will be considered the Owner.

1.21. "Person": a natural person, a corporation, a partnership, a trustee, or any other legal entity.

1.22. "Properties": The real property described on Exhibit "A" together with such additional property as is subjected to this Declaration in accordance with Article 7.

1.23. "Special Assessment": Assessments levied in accordance with Section 8.6.

1.24. "Specific Assessment": Assessments levied in accordance with Section 8.7.

1.25. "Supplemental Declaration": An instrument filed in the Public Records which designates Neighborhoods.

1.26. "Unit": a portion of the Properties, whether improved or unimproved, which may be independently owned and conveyed and which is intended for development, use, and occupancy as an attached or detached residence for a single family. The term shall refer to the land, if any, which is part of the Unit as well as any improvements thereon. The term shall include within its meaning, patio homes, but shall not include Common Area or property dedicated to the public.

In the case of a parcel of vacant land or land on which improvements are under construction, the parcel shall be deemed to be a single Unit until such time as a subdivision plat or condominium plat is filed of record on all or a portion of the parcel. Thereafter, the portion encompassed by such plat shall contain the number of Units determined as set forth in the preceding paragraph and any portion not encompassed by such plat shall continue to be treated in accordance with this paragraph.

Article 2.
PROPERTY RIGHTS

2.1. Common Area. Every Owner shall have a right and nonexclusive easement of use, access, and enjoyment in and to the Common Area (and the "Open Area" as set out in the Declaration for "The Ridges"), which is appurtenant to the title to each Unit. subject to:

(a) This Declaration and any other applicable covenants;

(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) The right of the Board to adopt, amend and repeal rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;

(d) The right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area pursuant to Section 4.3;

(e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;

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(b) Any restrictions or limitations contained in any deed conveying such property to the Association;

(c) The right of the Board to adopt, amend and repeal rules regulating the use and enjoyment of the Common Area, including rules limiting the number of guests who may use the Common Area;

(d) The right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area pursuant to Section 4.3;

(e) The right of the Association, acting through the Board, to dedicate or transfer all or any part of the Common Area, subject to such approval requirements as may be set forth in this Declaration;

(f) The right of the Board to impose reasonable membership requirements and charge reasonable admission or other use fees for the use of any recreational facility situated upon the Common Area;

(g) The right of the Board and the Declarant to permit use of any recreational facilities situated on the Common Area by persons other than Owners, their families, lessees and guests upon payment of reasonable use fees, if any, established by the Board;

(h) The right of the Association, acting through the Board, to mortgage, pledge, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(j) The right of the Declarant to conduct activities within the Common Area, such as tournaments, charitable events, and promotional events and to restrict Members from using the Common Area during such activities, provided such activities shall be conducted in a manner to minimize (to the extent reasonably possible) any substantial interference with the Members' use and enjoyment of the Common Area and shall not exceed seven consecutive days.

(j) The right of the Declarant and others as set out in Section 11.11.

Any Owner may extend his or her right of use and enjoyment to the members of his or her family, lessees, and social invitees, as applicable, subject to reasonable regulation by the Board. An Owner who leases his or her Unit shall be deemed to have assigned all such rights to the lessee of such Unit.

All common areas shall be designated on the subdivision plat.

2.2. No Partition. Except as permitted in this Declaration, there shall be no judicial partition of the Common Area. No Person shall seek any judicial partition unless the portion of the Common Area which is the subject of such partition action has been removed from the provisions of this Declaration. This Article shall not prohibit the Board from acquiring and disposing of tangible personal property nor from acquiring and disposing of real property which may or may not be subject to this Declaration.

2.3. Condemnation. If any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members holding at least 67 % of the total Class "A" votes in the Association and the written consent of the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to written notice of such taking or conveyance prior to disbursement of any condemnation award or proceeds from such conveyance. Such award or proceeds shall be payable to the Association to be disbursed as follows:

If the taking or conveyance involves a portion of the Common Area on which improvements have been constructed, the Association shall restore or replace such improvements on the remaining

land included in the Common Area to the extent available, unless within 60 days after such taking the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant, and Members holding at least 67% of the total Class "A" vote of the Association shall otherwise agree. Any such construction shall be in accordance with plans approved by the Board. The provisions of Section 6.1(c) regarding funds for the repair of damage or destruction shall apply.

If the taking or conveyance does not involve any improvements on the Common Area, or if a decision is made not to repair or restore, or if net funds remain after any such restoration or replacement is complete, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board shall determine.

Article 3.
MEMBERSHIP AND VOTING RIGHTS

3.1. Membership. Every Owner shall be a Member of the Association. There shall be only one membership per Unit. If a Unit is owned by more than one Person, all co-owners shall share the privileges of such membership, subject to reasonable Board regulation and the restrictions on voting set forth in Section 3.2(a) and in the By-Laws, and all such co-Owners shall be jointly and severally obligated to perform the responsibilities of Owners. The membership rights of an Owner which is not a natural person may be exercised by any officer, director, partner or trustee, or by the individual designated from time to time by the Owner in a written instrument provided to the Secretary of the Association.

3.2. Voting. The Association shall have two classes of membership, Class "A" and Class "B."

(a) Class "A". Class "A" Members shall be all Owners except the Class "B" Member, if any.

Class "A" Members shall have one equal vote for each Unit in which they hold the interest required for membership under Section 3.1; provided however, there shall be only one vote per Unit and no vote shall be exercised for any property which is exempt from assessment under Section 8.11.

In any situation where a Member is entitled personally to exercise the vote for his Unit and there is more than one Owner of such Unit, the vote for such Unit shall be exercised as the co-Owners determine among themselves and advise the Secretary of the Association in writing prior to the vote being taken. Absent such advice, the Unit's vote shall be suspended if more than one person seeks to exercise it.

(b) Class "B". The sole Class "B" Member shall be the Declarant. Class B Member shall have one equal vote for each unit owned on which it pays periodic assessments. The rights of the Class "B" Member, including the right to approve, or withhold approval of, actions proposed under this Declaration, the By-Laws and the Charter, are specified in the relevant sections of this

Declaration, the By-Laws and the Charter. The Class "B" Member may appoint a majority of the members of the Board of Directors during the Class "B" Control Period which shall continue until the first to occur of the following:

(i) when 100% of the total number of Units proposed by the Master Plan for the property described on Exhibits "A" and "B", have certificates of occupancy issued thereon and have been conveyed to Persons other than Builders;

(ii) December 31, 2015; or

(iii) when, in its discretion, the Class "B" Member so determines.

After termination of the Class "B" Control Period, the Class "B" Member shall have a right to disapprove actions of the Board and committees as provided in the By-Laws. The Class "B" membership shall terminate upon the earlier of:

(i) two years after expiration of the Class "B" Control Period; or

(ii) when, in its discretion, the Declarant so determines and declares in a recorded instrument.

Upon termination of the Class "B" membership, the Declarant shall be a Class "A" Member entitled to Class "A" votes for each Unit which it owns.

The Declarant may, by Supplemental Declaration, create additional classes of membership for the owners of Units within any additional property made subject to this Declaration pursuant to Article 7, with such rights, privileges and obligations as may be specified in such Supplemental Declaration. in recognition of the different character and intended use of the property subject to such Supplemental Declaration.

Article 4.
RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

4.1. Function of Association. The Association shall be the entity responsible for management, maintenance, operation and control of the Area of Common Responsibility and all improvements thereon. The Association shall be the primary entity responsible for enforcement of this Declaration and such reasonable rules regulating use of the Properties as the Board or the membership may adopt pursuant to Article 10. The Association shall also be responsible for administering and enforcing the architectural standards and controls set forth in this Declaration and in the Design Guidelines. The Association shall perform its functions in accordance with the Governing Documents and the laws of the State of Tennessee.

4.2. Personal Property and Real Property for Common Use. The Association, through action of its Board, may acquire, hold, and dispose of tangible and intangible personal property and real property . The Declarant and its designees may convey to the Association improved or unimproved real estate, or interests in real estate, located within the properties described in Exhibit "A", personal property and leasehold and other property interests. Such property shall be accepted

by the Association and thereafter shall be maintained by the Association at its expense for the benefit of its Members, subject to any restrictions set forth in the deed or other instrument transferring such property to the Association. Upon written request of Declarant, the Association shall reconvey to Declarant any unimproved portions of the Properties originally conveyed by Declarant to the Association for no consideration, to the extent conveyed by Declarant in error or needed by Declarant to make adjustments in property lines.

4.3. Enforcement. The Board, or the covenants committee if established, may impose sanctions for violation of this Declaration, the By-Laws, any Supplemental Declaration, or any rule or regulation. after compliance with the notice and hearing procedures set forth in Section 3.25 of the By-Laws. Such sanctions may include, without limitation:

(a) imposing reasonable monetary fines which shall constitute a lien upon the Unit of the violator (In the event that any occupant, guest or invitee of a Unit violates the Declaration, the By-Laws. the Supplemental Declaration, or any rule or regulation and a fine is imposed, the fine shall first be assessed against the occupant; provided however, if the fine is not paid by the occupant within the time period set by the Board, the Owner shall pay the fine upon notice from the Board.);

(b) suspending an Owner's right to vote;

(c) suspending any Person's right to use any recreational facilities within the Common Area; provided however, nothing herein shall authorize the Board to limit ingress or egress to or from a Unit;

(d) suspending any services provided by the Association to an Owner or the Owner's Unit if the Owner is more than 30 days delinquent in paying any assessment or other charge owed to the Association; and;

(e) levying Specific Assessments to cover costs incurred in bringing a Unit into compliance in accordance with Section 8.7(b).

In addition, the Board, or the covenants committee if established, may elect to enforce any provision of this Declaration, the By-Laws, any Supplemental Declaration, or the rules and regulations of the Association by self-help (specifically including, but not limited to, the towing of vehicles that are in violation of parking rules and the removal of pets that are in violation of pet rules) or by suit at law or in equity to enjoin any violation or to recover monetary damages or both without the necessity of compliance with the procedures set forth in the By-Laws.

All remedies set forth in this Declaration and the By-Laws shall be cumulative of any remedies available at law or in equity. In any action to enforce the provisions of this Declaration, the By-Laws, any Supplemental Declaration, or any rule or regulation, if the Association prevails, it shall be entitled to recover all costs, including, without limitation, attorneys fees and court costs, reasonably incurred in such action.

The Association shall not be obligated to take action to enforce any covenant, restriction, or rule which the Board in the exercise of its business judgment determines is, or is likely to be construed as inconsistent with applicable law, or in any case in which the Board reasonably determines that the Association's position is not strong enough to justify taking enforcement action.

Any such determination shall not be construed as a waiver of the right of the Association to enforce such provision under any circumstances or estop the Association from enforcing any other covenant, restriction or rule.

The Association, by contract or other agreement, may enforce county and city ordinances, if applicable, and permit local governments to enforce ordinances on the Properties for the benefit of the Association and its Members.

4.4. Implied Rights: Board Authority. The Association may exercise any right or privilege given to it expressly by this Declaration or the By-Laws, or reasonably implied from or reasonably necessary to effectuate any such right or privilege. Except as otherwise specifically provided in this Declaration, the By-Laws, the Charter, or by law, all rights and powers of the Association may be exercised by the Board without a vote of the membership.

4.5. Governmental Interests. For so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant, the Declarant may designate sites within the Properties for fire, police, and utility facilities, public schools and parks, streets, and other public or quasi-public facilities. The sites may include Common Areas, in which case the Association shall take whatever action is required with respect to such site to permit such use, including conveyance of the site, if so directed by Declarant. The sites may include other property not owned by Declarant provided the owner consents.

4.6. Indemnification. The Association shall indemnify every officer, director, and committee member against all damages and expenses, including attorneys fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer. director, or committee member, except that such obligation to indemnify shall be limited to those actions for which liability is limited under this Section, the Charter and Tennessee law.

The officers, directors, and committee members shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made or action taken in good faith on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association). The Association shall indemnify and forever hold each such officer, director and committee member harmless from any and all liability to others on account of any such contract or action. This right to indemnification shall not be exclusive of any other rights to which any present or former officer, director, or committee member may be entitled. The Association shall, as a Common Expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

4.7. Dedication of Common Area. The Association may dedicate portions of the Common Area to Johnson City, Washington County, the State of Tennessee, or to any other local, state, or federal governmental or quasi-governmental entity.

4.8. Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise

might be. Neither the Association, the original Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Properties, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken. No representation or warranty is made that any security measures, including any mechanism or system for limiting access to the Properties, can not be compromised or circumvented, nor that any such measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants and all occupants of its Unit that the Association, its Board of Directors and committees, Declarant, and any successor Declarant are not insurers and that each Person using the Properties assumes all risks of personal injury and loss or damage to property, including Units and the contents of Units, resulting from acts of third parties.

Article 5.
MAINTENANCE

5.1. Association's Responsibility.

(a) The Association shall maintain and keep in good condition, order and repair the Area of Common Responsibility, which may include, but need not be limited to:

(i). Common Area;

(ii) all landscaping and other flora, parks, structures, and improvements, sidewalks, bike and pedestrian pathways/trails, situated upon the Common Area;

(iii) all furnishings, equipment and other personal property of the Association;

(iv) landscaping and other flora, parks, pedestrian pathways/trails, sidewalks, structures and improvements within public rights-of-way within or abutting the Properties or upon such other public land adjacent to the Properties as deemed necessary in the discretion of the Board;

(v) such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or any contract or agreement for maintenance thereof entered into by the Association;

(vi) any property and facilities owned by the Declarant and made available, on temporary or permanent basis, for the primary use and enjoyment of the Association and its Members, such property and facilities to be identified by written notice from the Declarant to the Association and to remain a part of the Area of Common Responsibility and be maintained by the Association until such time as Declarant revokes such privilege of use and enjoyment by written notice to the Association.

(vii) The landscaping of each Unit as provided by Declarant or its successors in the initial construction contract.

The Association may, as a Common Expense, maintain other property which it does not own, including, without limitation, property dedicated to the public, or provide maintenance or services

related to such property over and above the level being provided by the property owner, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Community-Wide Standard.

(b) The Association shall maintain the facilities and equipment within the Area of Common responsibility in continuous operation, except for any periods necessary, as determined in the sole discretion of the Board, to perform required maintenance or repairs. unless Members holding 67% of the class "A" votes in the Association and the Class "B" Member, if any, agree in writing to discontinue such operation.

Except as provided above, the Area of Common Responsibility shall not be reduced by amendment of this Declaration or any other means except with the written consent of the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected) this Declaration by the Declarant.

(c) Except as otherwise specifically provided herein, all costs associated with maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Units as part of the General Assessment, without prejudice to the right of the Association to seek reimbursement from the owner(s) of, or other Persons responsible for, certain portions of the Area of Common Responsibility pursuant to this Declaration, other recorded covenants, or agreements with the owner(s) thereof.

5.2. Owner's Responsibility. Each Owner shall maintain his or her Unit, and all structures, parking areas, landscaping, and other improvements comprising the Unit in any manner consistent with the Community-Wide Standard and all applicable covenants, unless such maintenance responsibility is otherwise assumed by or assigned to the Association. In addition to any other enforcement rights, if an Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner in accordance with Section 8.7. The Association shall afford the Owner reasonable notice and an opportunity to cure the problem prior to entry, except when entry is required due to an emergency situation.

5.3. Standard of Performance. Unless otherwise specifically provided herein or in other instruments creating and assigning such maintenance responsibility, responsibility for maintenance shall include responsibility for repair and replacement, as necessary, All maintenance shall be performed in a manner consistent with the Community-Wide Standard and all applicable covenants. The Association, and/or an Owner shall not be liable for any damage or injury occurring on, or arising out of the condition of, property which it does not own except to the extent that it has been negligent in the performance of its maintenance responsibilities.

Article 6.
INSURANCE AND CASUALTY LOSSES

6.1. Association Insurance.

(a) Required Coverages. The Association, acting through its Board or its duly authorized agent, shall obtain and continue in effect the following types of insurance, if reasonably available, or if not reasonably available, the most nearly equivalent coverages as are reasonably available:

(i) Blanket property insurance covering "risks of direct physical loss" on a "special form" basis (or comparable coverage by whatever name denominated) for all insurable improvements on the Common Area, if any, and on other portions of the Area of Common Responsibility to the extent that it has assumed responsibility for maintenance, repair and/or replacement in the event of a casualty. If such coverage is not generally available at reasonable cost, then "broad form" coverage may be substituted. The Association shall have the authority to and interest in insuring any property for which it has maintenance or repair responsibility, regardless of ownership. All property insurance policies obtained by the Association shall have policy limits sufficient to cover the full replacement cost of the insured improvements;

(ii) Commercial general liability insurance on the Area of Common Responsibility, insuring the Association and its Members for damage or injury caused by the negligence of the Association or any of its Members, employees, agents, or contractors while acting on its behalf. If generally available at reasonable cost, the commercial general liability coverage (including primary and any umbrella coverage) shall have a limit of at least $1,000,000.00 per occurrence with respect to bodily injury, personal injury, and property damage, provided should additional coverage and higher limits be available at reasonable cost which a reasonably prudent person would obtain, the Association shall obtain such additional coverages or limits;

(iii) Workers compensation insurance and employers liability insurance, if and to the extent required by law;

(iv) Directors and officers liability coverage;

(v) Fidelity insurance covering all Persons responsible for handling Association funds in an amount determined in the Board's best business judgment but not less than an amount equal to one-sixth of the annual General Assessments on all Units plus reserves on hand. Fidelity insurance policies shall contain a waiver of all defenses based upon the exclusion of Persons serving without compensation: and

(vi) Such additional insurance as the Board, in its best business judgment, determines advisable, which may include, without limitation, flood insurance, boiler and machinery insurance, and building ordinance coverage.

In the event that any portion of the Common Area is or shall become located in an area identified by the Federal Emergency Management Agency (FEMA) as an area having special flood hazards, a "blanket" policy of flood insurance on the Common Area must be maintained in the

amount of 100% of current "replacement cost" of all effected improvements and other insurance property or the maximum limit of coverage available, whichever is less.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses and shall be included in the General Assessment.

(b) Policy Requirements. The Association shall arrange for an annual review of the sufficiency of insurance coverage by one or more qualified Persons, at least one of whom must be familiar with insurable replacement costs in the Johnson City, Tennessee area.

All Association policies shall provide for a certificate of insurance to be furnished to each Member insured and to the Association.

The policies may contain a reasonable deductible and the amount thereof shall not be subtracted from the face amount of the policy in determining whether the policy limits satisfy the requirements of Section 6.1(a). In the event of an insured loss, the deductible shall be treated as a Common Expense in the same manner as the premiums for the applicable insurance coverage. However, if the Board reasonably determines, after notice and an opportunity to be heard in accordance with the By-Laws, that the loss is the result of the negligence or willful misconduct of one or more Owners, their guests, invitees, or lessees, then the Board may specifically assess the full amount of such deductible against such Owner(s) and their Units pursuant to Section 8.7.

All insurance coverage obtained by the Board shall:

(i) be written with a company authorized to do business in the State of Tennessee which satisfies the requirements of the Federal National Mortgage Association, or such other secondary mortgage market agencies or federal agencies as the Board deems appropriate;

(ii) be written in the name of the Association as trustee for the benefitted parties. Policies on the Common Areas shall be for the benefit of the Association and its Members;

(iii) not be brought into contribution with insurance purchased by Owners, occupants, or their Mortgagees individually;

(iv) contain an inflation guard endorsement; and

(v) include an agreed amount endorsement, if the policy contains a co-insurance clause.

In addition, the Board shall use reasonable efforts to secure insurance policies which list the Owners as additional insureds and provide:

(i) a waiver of subrogation as to any claims against the Association' s Board, officers, employees, and its manager, the Owners and their tenants, servants, agents, and guests;

(ii) a waiver of the insurer's rights to repair and reconstruct instead of paying cash;

(iii) an endorsement precluding cancellation, invalidation, suspension, or non-renewal by the insurer on account of anyone or more individual Owners, or on account of any curable defect or violation without prior written demand to the Association to cure the defect or violation and allowance of a reasonable time to cure;

(iv) an endorsement excluding Owners' individual policies from consideration under any "other insurance" clause;

(v) an endorsement requiring at least 30 days' prior written notice to the Association of any cancellation, substantial modification, or non-renewal;

(vi) a cross liability provision; and

(vii) a provision vesting in the Board exclusive authority to adjust losses; provided however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related to the loss.

(c) Damage and Destruction. Immediately after damage or destruction to all or any part of the Properties covered by insurance written in the name of the Association, the Board or its duly authorized agent shall file and adjust all insurance claims and obtain reliable and detailed estimates of the cost of repair or reconstruction. Repair or reconstruction, as used in this paragraph, means repairing or restoring the property to substantially the condition in which it existed prior to the damage, allowing for changes or improvements necessitated by changes in applicable building codes.

Any damage to or destruction of the Common Area shall be repaired or reconstructed unless Members holding at least 67 % of the total Class "A" votes in the Association, and the Class "B" Member. if any, decide within 60 days after the loss not to repair or reconstruct.

If either the insurance proceeds or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not available to the Association within such 60-day period, then the period shall be extended until such funds or information are available. However, such extension shall not exceed 60 additional days. No mortgagee shall have the right to participate in the determination of whether the damage or destruction to the Common Area shall be repaired or reconstructed.

If determined in the manner described above that the damage or destruction to the Common Area shall not be repaired or reconstructed and no alternative improvements are authorized, the affected property shall be cleared of all debris and ruins and thereafter shall be maintained by the Association in a neat and attractive, landscaped condition consistent with the Community-Wide Standard.

Any insurance proceeds remaining after paying the costs of repair or reconstruction, or after such settlement as is necessary and appropriate, shall be retained by and for the benefit of the Association and placed in a capital improvements account. This is a covenant for the benefit of Mortgagees and may be enforced by the Mortgagee of any affected Unit.

If insurance proceeds are insufficient to cover the costs of repair or reconstruction, the Board of Directors may, without a vote of the Members, levy Special Assessments to cover the shortfall against those Owners responsible for the premiums for the applicable insurance coverage under Section 6.1(a).

6.2. Owners' Insurance. By virtue of taking title to a Unit, each Owner covenants and agrees with all other Owners and with the Association to carry property insurance for the full replacement cost of all insurable improvements on his or her Unit, less a reasonable deductible. If the Association assumes responsibility for obtaining any insurance coverage on behalf of Owners, the premiums for such insurance shall be levied as a Specific Assessment against the benefitted Unit and the Owner thereof pursuant to Section 8.7.

Each Owner further covenants and agrees that in the event of damage to or destruction of structures on or comprising his Unit, the Owner shall proceed promptly to repair or to reconstruct in a manner consistent with the original construction or such other plans and specifications as are approved in accordance with Article 9. Alternatively, the Owner shall clear the Unit of all debris and ruins and maintain the Unit in a neat and attractive, landscaped condition consistent with the Community-Wide Standard. The Owner shall pay any costs which are not covered by insurance proceeds.

Article 7.
WITHDRAWAL OF PROPERTY

7.1. Withdrawal of Property. The Declarant reserves the right to amend this Declaration for the purpose of removing any portion of the Property from the coverage of this Declaration, provided such withdrawal is not contrary to the overall, uniform scheme of development for the Properties. Such amendment shall not require the consent of any Person other than the Owner of the property to be withdrawn, if not the Declarant. If the property is Common Area, the Association shall consent to such withdrawal.

7.2. Amendment. This Article shall not be amended without the prior written consent of Declarant so long as the Declarant owns any property which is subject to this Declaration.

Article 8.
ASSESSMENTS

8.1. Creation of Assessments. There are hereby created assessments for Association expenses as the Board may specifically authorize from time to time. There shall be four types of assessments: (a) General Assessments to fund Common Expenses for the general benefit of all Units; (b) Special Assessments as described in Section 8.6; and (c) Specific Assessments as described in Section 8.7. **Each Owner, by the acceptance of a deed for any of the Property described in Exhibit "A" covenants and agrees to pay these assessments as well as the assessments of The Ridges Property Owners Association.**

All assessments, together with interest, late charges, costs of collection, and reasonable attorneys fees, shall be a charge and continuing lien upon each Unit against which the assessment

is made until paid, as more particularly provided in Section 8.8. Each such assessment, together with interest, late charges, costs, and reasonable attorneys fees, also shall be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose. Upon a transfer of title to a Unit, the grantee shall be jointly and severally liable for any assessments and other charges due at the time of conveyance. However, no first Mortgagee who obtains title to a Unit by exercising the remedies provided in its Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon request, furnish to any Owner liable for any type of assessment a written statement signed by an Association officer setting forth whether such assessment has been paid. Such statement shall be conclusive evidence of payment. The Association may require the advance payment of a reasonable processing fee for the issuance of such statement.

Assessments shall be paid in such manner and on such dates as the Board may establish, which may include discounts for early payment or similar time/price differentials. The Board may require advance payment of assessments at closing of the transfer of title to a Unit and impose special requirements for Owners with a history of delinquent payment. If the Board so elects, assessments may be paid in two or more installments. Unless the Board otherwise provides, the General Assessment shall be due and payable in advance on the first day of each fiscal year. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may require any unpaid installments of all outstanding assessments to be paid in full immediately. Any assessment or installment thereof shall be considered delinquent on the 15th day following the due date unless otherwise specified by Board resolution.

No Owner may exempt himself from liability for assessments by non-use of Common Area, abandonment of his Unit, or any other means. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessments or set-off shall be claimed or allowed for any alleged failure of the Association or Board to take some action or perform some function required of it, or for inconvenience or discomfort arising from the making of repairs or improvements, or from any other action it takes.

The Association is specifically authorized to enter into subsidy contracts or contracts for "in kind" contribution of services, materials. or a combination of services and materials with the Declarant or other entities for payment of Common Expenses.

8.2. Declarant's Obligation for Assessments. So long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant. Declarant may annually elect either to pay an amount equal to regular assessments on all of its unsold Units or to pay the difference between the amount of assessments levied on all other Units subject to assessment and the amount of actual expenditures by the Association during the fiscal year. Unless the Declarant otherwise notifies the Board in writing at least 60 days before the beginning of each fiscal year, the Declarant shall be deemed to have elected to continue paying on the same basis as during the immediately preceding fiscal year. The Declarant's obligations hereunder may be satisfied in the form of cash or by "in kind" contributions of services or materials, or by a combination of these.

8.3. Computation of General Assessment. At least 30 days before the beginning of each fiscal year, the Board shall prepare a budget covering the estimated Common Expenses during the

coming year, including a capital contribution to establish a reserve fund in accordance with a budget separately prepared as provided in Section 8.5.

General Assessments shall be levied equally against all Units subject to assessment and shall be set at a level which is reasonably expected to produce total income for the Association equal to the total budgeted Common Expenses, including reserves. In determining the total funds to be generated through the levy of General Assessments, the Board, in its discretion, may consider other sources of funds available to the Association, including any surplus from prior years and any assessment income expected to be generated from any additional Units reasonably anticipated to become subject to assessment during the fiscal year.

So long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant, the Declarant may, but shall not be obligated to, reduce the General Assessment for any fiscal year by payment of a subsidy and/or contributions of services and materials (in addition to any amounts paid by Declarant under Section 8.2), which may be treated as either a contribution or an advance against future sums due from the Declarant, or a loan, in the Declarant's discretion. Any such anticipated payment or contribution by the Declarant shall be disclosed as a line item in the Common Expense budget. Payments by the Declarant in any year shall under no circumstances obligate the Declarant to continue such payments in future years unless otherwise provided in a written agreement between the Association and the Declarant.

The Board shall send a copy of the budget and notice of the amount of the General Assessment for the following year to each Owner at least 30 days prior to the beginning of the fiscal year for which it is to be effective. Such budget and assessment shall become effective unless disapproved at a meeting by Members holding at least 67 % of the total Class "A" votes in the Association and by the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in Section 2.4 of the By-Laws, which petition must be presented to the Board within 20 days after delivery of the notice of assessments. If a meeting is requested, assessments pursuant to such proposed budget shall not become effective until after such meeting is held, provided such assessments shall be retroactive to the original effective date of the budget if the budget is not disapproved at such meeting.

If the proposed budget is disapproved or the Board fails for any reason to determine the budget for any year, then until such time as a budget is determined, the budget in effect for the immediately preceding year shall continue for the current year. The Board shall send a copy of the revised budget to each Owner at least 30 days prior to its becoming effective. The revised budget shall become effective unless disapproved in accordance with the above procedure.

8.4. Reserve Budget and Capital Contribution. The Board shall annually prepare reserve budgets for general purposes which take into account the number and nature of replaceable assets within the Area of Common Responsibility, the expected life of each asset, and the expected repair or replacement cost. The Board shall set the required capital contribution in an amount sufficient to permit meeting the projected needs of the Association, as shown on the budget, with respect to amount and timing by annual General Assessments as appropriate, over the budget period.

8.5. Special Assessments. In addition to other authorized assessments, the Association may levy Special Assessments from time to time to cover unbudgeted expenses or expenses in excess of those budgeted. Any such Special Assessment may be levied against the entire membership, if such Special Assessment is for Common Expenses. Special Assessments shall be allocated equally among all Units subject to such Special Assessment. Any Special Assessment shall become effective unless disapproved at a meeting by Members holding at least 67 % of the total Class "A" votes allocated to Units which will be subject to such Special Assessment and by the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant. There shall be no obligation to call a meeting for the purpose of considering any Special Assessment except on petition of the Members as provided for special meetings in Section 2.4 of the By-Laws, which petition must be presented to the Board within 20 days after delivery of the notice of such Special Assessment. Special Assessments shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved.

8.6. Specific Assessments. The Association shall have the power to levy Specific Assessments against a particular Unit or Units as follows:

(a) to cover the costs, including overhead and administrative costs, of providing benefits, items, or services to the Unit(s) or occupants thereof upon request of the Owner pursuant to a menu of special services which the Board may from time to time authorize to be offered to Owners and occupants (which might include, without limitation, landscape maintenance, janitorial service, pest control, etc.), which assessments may be levied in advance of the provision of the requested benefit, item or service as a deposit against charges to be incurred by the Owner; and

(b) to cover costs incurred in bringing the Unit(s) into compliance with the terms of this Declaration, any applicable Supplemental Declaration, the By-Laws or rules, or costs incurred as a consequence of the conduct of the Owner or occupants of the Unit, their agents, contractors, employees, licensees, invitees, or guests; provided however, the Board shall give the Unit Owner prior written notice and an opportunity for a hearing, in accordance with the By-Laws, before levying any Specific Assessment under this subsection (b).

8.7. Lien for Assessments. The Association shall have a lien against each Unit to secure payment of delinquent assessments, as well as interest at a rate to be set by the Board (subject to the maximum interest rate limitations of Tennessee law), late charges in such amount as the Board may establish (subject to the limitations of Tennessee law), costs of collection and reasonable attorneys fees. Such lien shall be superior to all other liens, except (a) the liens of all taxes, bonds, assessments, and other levies which by law would be superior, and (b) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value. Such lien, when delinquent, may be enforced by suit, judgment, and judicial or non-judicial foreclosure.

The Association may bid for the Unit, at the foreclosure sale and acquire, hold, lease, mortgage, and convey the Unit. While a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association. The

Association may sue for unpaid assessments and other charges authorized hereunder without foreclosing or waiving the lien securing the same.

The sale or transfer of any Unit shall not affect the assessment lien or relieve such Unit from the lien for any subsequent assessments. However, the sale or transfer of any Unit pursuant to foreclosure of the first Mortgage shall extinguish the lien as to any installments of such assessments due prior to such sale or transfer. A Mortgagee or other purchaser of a Unit who obtains title pursuant to foreclosure of the Mortgage shall not be personally liable for assessments on such Unit due prior to such acquisition of title. Such unpaid assessments shall be deemed to be Common Expenses collectible from Owners of all Units subject to assessment under Section 8.9, including such acquirer, its successors and assigns.

8.8. Date of Commencement of Assessments. The obligation to pay assessments shall commence as to each Unit on the first day of the month following: (a) the month in which the Unit is conveyed to a Person other than a Builder or Declarant; or (b) the month in which the Board first determines a budget and levies assessments pursuant to this Article, whichever is later. The first annual General Assessment levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year at the time assessments commence on the Unit.

8.9. Failure to Assess. Failure of the Board to fix assessment amounts or rates or to deliver or mail each Owner an assessment notice shall not be deemed a waiver, modification, or a release of any Owner from the obligation to pay assessments. In such event, each Owner shall continue to pay General Assessments on the same basis as during the last year for which an assessment was made, if any, until a new assessment is levied, at which time the Association may retroactively assess any shortfalls in collections.

8.10. Exempt Properties. The following property shall be exempt from payment of General Assessments, Neighborhood Assessments, and Special Assessments:

(a) All Common Area and such portions of the property owned by the Declarant as are included in the Area of Common Responsibility pursuant to Section 5.1;

(b) Any property dedicated to and accepted by any governmental authority or public utility; and

8.11. Capitalization of Association. Upon acquisition of record title to a Unit by the first Owner thereof other than the Declarant or a Builder, a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth of the annual General Assessment per Unit for that year. This amount shall be in addition to, not in lieu of, the annual General Assessment and shall not be considered an advance payment of such assessment. This amount shall be collected and disbursed to the Association at closing of the purchase and sale of the Unit for use in covering operating expenses and other expenses incurred by the Association pursuant to this Declaration and the By-Laws, or in establishing or contributing to reserves.

Article 9.
ARCHITECTURAL STANDARDS

9.1. General. No structure shall be placed, erected, or installed upon any Unit or adjacent to any Unit where the purpose of the structure is to service such Unit, and no improvements (including staking, clearing, excavation, grading and other site work, exterior alteration of existing improvements, and planting or removal of landscaping materials) shall take place except in compliance with this Article, and approval of the appropriate committee under Section 9.2, unless exempted from the application and approval requirements pursuant to Section 9.3.

Any Owner may remodel, paint or redecorate the interior of structures on his Unit without approval. However, modifications to the interior of screened porches, patios, and similar portions of a Unit visible from outside the structures on the Unit shall be subject to approval.

All dwellings constructed on any portion of the Properties shall be designed by and built in accordance with the plans and specifications of a licensed architect or other qualified building designer.

This Article shall not apply to the activities of the Declarant nor to improvements to the Common Area by or on behalf of the Association.

This Article may not be amended without the Declarant's written consent, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant.

This Article is specifically subject to the architectural control provisions of Article II of the Second Supplement to Declaration for "The Ridges" set out in Exhibit "A" to Warranty Deed dated August 18, 2005 from GolfTenn, a Tennessee general partnership et al to Hunter's Lake, a Tennessee general partnership of record in the Register's Office for Washington County, Tennessee on Roll 471, Image 1560.

9.2. Architectural Review. Responsibility for administration of the Design Guidelines and review of all applications for construction and modifications under this Article shall be handled by the Architectural Review Board ("ARB"), the members of which need not be Members of the Association or representatives of Members, and may, but need not, include architects, landscape architects, engineers or similar professionals, whose compensation, if any, shall be established from time to time by the ARB. The ARB may establish and charge reasonable fees for review of applications hereunder and may require such fees to be paid in full prior to review of any application. Such fees may include the reasonable costs incurred by the committees in having any application reviewed by architects, engineers or other professionals.

(a) Architectural Review Board. The ARB shall consist of one to five persons and shall have exclusive jurisdiction over all construction on any portion of the Properties. Until 100 % of the Properties have been developed and conveyed to Owners other than Builders, the Declarant retains the right to appoint all members of the ARB who shall serve at the Declarant's discretion. There shall be no surrender of this right prior to that time except in a written instrument in recordable form

executed by Declarant. Upon the expiration of such right, the Board shall appoint the member of the ARB, who shall thereafter serve and may be removed in the Board's discretion.

(b) Modifications Committee. The Board of Directors may establish a Modifications Committee ("MC") to consist of at least three and no more than five persons, all of whom shall be appointed by and shall serve at the discretion of the Board. If established, the MC shall have jurisdiction over modifications, additions or alterations made on or to existing structures on Units or containing Units and the adjacent open space. The ARB shall have the right to veto any action taken by the MC which the ARB determines, in its sole discretion, to be inconsistent with the guidelines promulgated by the ARB. Upon expiration of the Declarant's right to appoint the members of the ARB, the MC may be eliminated and its duties assumed by the ARB.

9.3. Guidelines and Procedures.

(a) Design Guidelines. The Declarant shall prepare the initial Design Guidelines for the Properties. The Design Guidelines may contain general provisions applicable to all of the Properties, as well as specific provisions which vary according to land use and from one portion of the Properties to another depending upon the location, unique characteristics, and intended use. The Design Guidelines are intended to provide guidance to Owners and Builders regarding matters of particular concern to the committees in considering applications hereunder. The Design Guidelines are not the exclusive basis for decisions of the committees and compliance with the Design Guidelines does not guarantee approval of any application.

The ARB shall adopt such Design Guidelines at its initial organizational meeting and thereafter shall have sole and full authority to amend them. Any amendments to the Design Guidelines shall be prospective only and shall not apply to require modifications to or removal of structures previously approved once the approved construction or modification has commenced. There shall be no limitation on the scope of amendments to the Design Guidelines; the ARB is expressly authorized to amend the Design Guidelines to remove requirements previously imposed or otherwise to make the Design Guidelines less restrictive.

The ARB shall make the Design Guidelines available to Owners and Builders who seek to engage in development or construction within the Properties. In the Declarant's discretion, such Design Guidelines may be recorded in the Public Records, in which event the recorded version, as it may unilaterally be amended from time to time, shall control in the event of any dispute as to which version of the Design Guidelines was in effect at any particular time.

The MC may promulgate detailed procedures and standards governing its area of responsibility, consistent with those set forth in the Design Guidelines and subject to review and approval or disapproval by the ARB. Any architectural guidelines and standards adopted by the MC may be more restrictive than the Design Guidelines, but under no circumstances shall they be inconsistent with the Design Guidelines.

(b) Procedures. Plans and specifications showing the nature, kind, shape, color, size. materials, and location of all proposed structures and improvements shall be submitted to the appropriate committee for review and approval (or disapproval). In addition, information concerning irrigation systems, drainage, lighting, landscaping and other features of proposed construction shall be submitted as applicable and as required by the Design Guidelines. In reviewing each submission,

the committees may consider the quality of workmanship and design, harmony of external design with existing structures, and location in relation to surrounding structures, topography, and finish grade elevation, among other things. Decisions of the committees may be based on purely aesthetic considerations. Each Owner acknowledges that opinions on aesthetic matters are subjective and may vary as committee members change over time.

In the event that the ARB or MC fails to approve or to disapprove any application within 45 days after submission of all information and materials reasonably requested, the application shall be deemed approved. However, no approval, whether expressly granted or deemed granted pursuant to the foregoing, shall be inconsistent with the Design Guidelines unless a variance has been granted in writing by the ARB pursuant to Section 9.5.

Notwithstanding the above, the ARB by resolution may exempt certain activities from the application and approval requirements of this Article, provided such activities are undertaken in strict compliance with the requirements of such resolution.

9.4. No Waiver of Future Approvals. Approval of proposals, plans and specifications, or drawings for any work done or proposed, or in connection with any other matter requiring approval, shall not be deemed to constitute a waiver of the right to withhold approval as to any similar proposals, plans and specifications, drawings, or other matters subsequently or additionally submitted for approval.

9.5. Variance. The ARB may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, or aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing; (b) be contrary to this Declaration; or (c) estop the ARB from denying a variance in other circumstances. For purposes of this Section, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

9.6. Limitation of Liability. Review and approval of any application pursuant to this Article is made on the basis of aesthetic considerations only and neither the ARB nor the MC shall bear any responsibility for ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither the Declarant, the Association, the Board, any committee, or member of any of the foregoing shall be held liable for any injury, damages, or loss arising out of the manner or quality of approved construction on or modifications to any Unit. In all matters, the committees and their members shall be defended and indemnified by the Association as provided in Section 4.6.

9.7. Enforcement. Any structure or improvement placed or made in violation of this Article shall be deemed to be nonconforming. Upon written request from the ARB or MC, Owners shall, at their own cost and expense, remove such structure or improvement and restore the property to substantially the same condition as existed prior to the nonconforming work. Should an Owner fail to remove and restore as required, the ARB or MC shall have the right to enter the property, remove the violation, and restore the property to substantially the same condition as previously existed. All costs, together with the interest at the maximum rate then allowed by law, may be assessed against the benefitted Unit and collected as a Specific Assessment.

Unless otherwise specified in writing by the committee granting approval, all approvals granted hereunder shall be deemed conditioned upon completion of all elements of the approved work and all work previously approved with respect to the same Unit, unless approval to modify any application has been obtained. In the event that any Person fails to commence and diligently pursue to completion all approved work, the Association shall be authorized, after notice to the Owner of the Unit and an opportunity to be heard in accordance with the By-Laws, to enter upon the Unit and remove or complete any incomplete work and to assess all costs incurred against the Unit and the Owner thereof as a Specific Assessment.

Neither the ARB, MC or any member of the foregoing nor the Association, the Declarant, or their officers or directors shall be held liable to any Person for exercising the rights granted by this Article. Any contractor, subcontractor, agent, employee, or other invitee of an Owner who fails to comply with the terms and provisions of this Article or the Design Guidelines may be excluded by the ARB from the Properties, subject to the notice and hearing procedures contained in the By-Laws.

In addition to the foregoing, the Association shall have the authority and standing to pursue all legal and equitable remedies available to enforce the provisions of this Article and the decisions of the ARB and MC.

Article 10.
USE RESTRICTIONS AND RULES

10.1. General. This Article sets out certain use restrictions which must be complied with by all Owners and occupants of any Unit. The Board may, from time to time, without consent of the Members, promulgate, modify, or delete use restrictions and rules and regulations applicable to the Properties. Such use restrictions and rules shall be distributed to all Owners and occupants prior to the date that they are to become effective and shall thereafter be binding upon all Owners and occupants until and unless overruled, canceled, or modified in a regular or special meeting by a Majority of the Members, and the written consent of the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant.

The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, model homes, an information center and/or a sales office for any real estate broker retained by the Declarant to assist in the sale of property described on Exhibits "A" or "B", offices for any property manager retained by the Association, or business offices for the Declarant or the Association) consistent with this Declaration and any Supplemental Declaration.

10.2. Residential Use. All Units shall be used exclusively for residential purposes of a single family. No business, trade, garage sale, moving sale, rummage sale, or similar activity shall be conducted upon a Unit or any Common Area assigned to a Unit without the prior written consent of the Board. An Owner or occupant residing in a Unit may conduct business activities within the Unit so long as: (i) the existence or operation of the business activity is not apparent or detectable by sight, sound, or smell from outside the Unit; (ii) the business activity conforms to all zoning requirements for the Properties; (iii) the business activity does not involve regular visitation of the Unit by clients, customers, suppliers, or other business invitees or door-to-door solicitation of

residents of the Properties; and (iv) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

The terms "business" and "trade," as used in this provision, shall be construed to have their ordinary, generally accepted meanings and shall include, without limitation, any occupation, work, or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time, (ii) such activity is intended to or does generate a profit, or (iii) a license is required.

The leasing of a Unit shall not be considered a business or trade within the meaning of this subsection. This subsection shall not apply to any activity conducted by the Declarant or a Builder approved by the Declarant with respect to its development and sale of the Properties or its use of the Common Areas or any Units which it owns within the Properties, including the operation of a timeshare or similar program.

10.3. Signs. No sign of any kind shall be erected by an Owner or occupant without the prior Written consent of the ARB or MC, as applicable, except:

(a) such signs as may be required by legal proceedings; and

(b) not more than one professional security sign of such size deemed reasonable by the ARB in its sole discretion.

(c) one standard real estate for sale sign with metal frame, of such size deemed reasonable by the ARB in its sole discretion.

Unless in compliance with this Section, no signs shall be posted or erected by any Owner or occupant within any portion of the Properties.

The ARB reserves the right to restrict the color, lettering and placement of all signs. This provision shall not apply to entry, directional, or other signs installed by the Declarant.

10.4. Vehicles.

(a) Automobiles and non-commercial trucks and vans shall be parked only in the garages or in the driveways, if any, serving the Units unless otherwise approved by the ARB; provided however, the Declarant and/or the Association may designate certain parking areas for visitors or guests subject to reasonable rules. No automobile or non-commercial truck or van may be left upon any portion of the Properties, except in a garage, if it is unlicensed or if it is in a condition such that it is incapable of being operated upon the public highways. Such vehicle shall be considered a nuisance and may be removed from the Properties. No motorized vehicles shall be permitted on pathways or unpaved Common Area except for public safety or maintenance vehicles authorized by the Board. No commercial vehicles shall be placed upon any portion of the Properties by any Unit Owner.

(b) Recreational vehicles of Owners shall be parked only in the garages, if any, serving the Units and shall not be visible from the street. "Visibility" shall be determined by the ARB in its sole discretion. The term "recreational vehicles, as used herein, shall include, without limitation, motor homes, mobile homes, boats, trailers, other towed vehicles, motorcycles, minibikes, scooters, go- carts, campers, buses, commercial trucks and vans. Any recreational vehicle parked or stored in violation of this provision in excess of two days shall be considered a nuisance and may be removed from the Properties. Trucks with mounted campers which are an Owner's or occupant's primary means of transportation shall not be considered recreational vehicles, provided they are used on a regular basis for transportation and the camper is stored in the garage area. All golf carts must be parked only in the garages.

(c) All vehicles including guest vehicles shall be subject to such reasonable rules and regulations as the Board of Directors may adopt. In no event shall any unit be entitled to more than four (4) vehicles upon the private or common elements belonging to household members.

10.5. Leasing. Units may be leased for residential purposes only. All leases shall require, without limitation, that the tenant acknowledge receipt of a copy of the Declaration, By-Laws, use restrictions, and rules and regulations of the Association. The lease shall also obligate the tenant to comply with the foregoing. The Board may require notice of any lease together with such additional information deemed necessary by the Board.

10.6. Occupants Bound. All provisions of the Declaration, By-Laws, and of any rules and regulations, use restrictions or Design Guidelines governing the conduct of Owners and establishing sanctions against Owners shall also apply to all occupants even though occupants are not specifically mentioned. Fines may be levied against Owners or occupants. If a fine is first levied against an occupant and is not paid timely, the fine may then be levied against the Owner.

10.7. Animals and Pets. No animals, livestock, or poultry of any kind may be raised, bred, kept, or permitted within the Properties, with the exception of dogs, cats, or other usual and common household pets in reasonable number and size, as determined by the Board. Each Unit Owner may have one(1) dog weighing up to 75 pounds. In the alternative, a Unit Owner may have two(2) dogs each of which weighing no more than 30 pounds. All pets shall be sheltered inside of a dwelling, and no animal shelters, houses or pens shall be permitted outside of any dwelling. All pets shall be reasonably controlled by the owner and remain on a leash whenever outside a dwelling and shall be kept in such a manner as to not become a nuisance by barking or other acts. The owners of the pet shall be responsible for all of the pet's actions. Owners are responsible for immediately cleaning up after pets in all lawn and landscape areas. The Board may impose fines and penalties for the violation of this section and any other covenants and regulations. Pets shall not be permitted in any lake. If, in the sole opinion of the Board, any animal becomes dangerous or an annoyance or nuisance in the Properties or to nearby property or destructive of wildlife, they shall be removed from the Properties. By way of explanation and not limitation, this Section may be enforced by exercising self-help rights provided in the By-Laws.

10.8. Nuisance. It shall be the responsibility of each Owner and occupant to prevent the development of any unclean, unhealthy, unsightly, or unkempt condition on his or her Unit or Exclusive Common Areas, if any. No property within the Properties shall be used, in whole or in part, for the storage of any property or thing that will cause the Properties to appear to be in an unclean or untidy condition or that will be obnoxious to the eye; nor shall any substance, thing, or

material be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No noxious or offensive activity shall be carried on within the Properties, nor shall anything be done tending to cause embarrassment, discomfort, annoyance, or nuisance to any Person using any property within the Properties. There shall not be maintained any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties. Without limiting the generality of the foregoing, no speaker, horn, whistle, siren, bell, amplifier or other sound device, except such devices as may be used exclusively for security purposes or as approved by the ARB, shall be located, installed or maintained upon the exterior of any Unit unless required by law.

10.9. Exterior Structures. No exterior structure of any kind nor any artificial vegetation or sculpture shall be constructed, erected or placed on the outside portion of the Unit, whether such portion is improved or unimproved, or any Exclusive Common Area assigned to a Unit except in strict compliance with Article 9. This shall include without limitation, mailboxes, basketball hoops, swing sets and similar sports and play equipment, clotheslines, garbage cans, wood piles, service yard fences or barriers, swimming pools, window air-conditioning units, hot tubs (unless approved by the ARB), antennas, satellite dishes (except as provided below), or any other apparatus for the transmission or reception of television, radio, satellite, or other signals of any kind, and hedges, walls, dog runs, animal pens, or visible fences of any kind. Satellite receiving dishes 32" in diameter or less may be placed on a unit. The color of the satellite receiving dish and its location upon the unit shall be subject to the approval of the ARB.

10.10. Prohibited Conditions. The following conditions, structures, or activities are prohibited within the Properties unless prior approval in writing is obtained from the ARB by the Owner or occupant:

(a) Tree Removal. No trees that are more than 8 inches in diameter at a point 2 feet above the ground shall be removed without the prior written consent of the ARB; provided however, any trees, regardless of their diameter, that are located within 10 feet of a drainage area or any diseased or dead trees needing to be removed to promote the growth of other trees or for safety reasons;

(b) Lighting. Exterior lighting visible from the street shall not be permitted except for: (i) approved lighting as originally installed on a Unit; (ii) city street lights in conformity with an established street lighting program for the Properties; (iii) seasonal decorative lights during the usual and common season as per established association rules; or (iv) front house illumination of homes approved by the ARB; and

(c) Utility Lines. No overhead utility lines, including lines for cable television, shall be permitted within the Properties, except for temporary lines as required during construction and lines installed by or at the request of Declarant.

10.11. Drainage and Grading. Catch basins and drainage areas are for the purpose of natural flow of water only. No obstructions or debris shall be placed in these areas. No Owner or occupant may obstruct or rechannel the drainage flows after location and installation of drainage swales, storm sewers, or storm drains.

No Person shall alter the grading of any Unit or any Exclusive Common Area without prior approval pursuant to Article 9 of this Declaration. The Declarant hereby reserves for itself and the Association a perpetual easement across the Properties for the purpose of altering drainage and water flow. However, the exercise of such an easement shall not materially diminish the value of or unreasonably interfere with the use of any Unit or any Exclusive Common Area assigned to such Unit without the Owner's consent.

10.12. Sight Distance at Intersections. All property located at street intersections or driveways shall be landscaped so as to permit safe sight across such areas.

10.13. Garbage, Dumping, Etc. All garbage cans shall be located inside garages so as to be concealed from view of neighboring streets and property except for the garbage can servicing the clubhouse which may be screened. All rubbish, trash, and garbage shall be regularly removed and shall not be allowed to accumulate. There shall be no dumping of grass clippings, leaves or other debris; rubbish, trash or garbage; petroleum products, fertilizers, or other potentially hazardous or toxic substances in any drainage ditch, stream, pond, or lake within the Properties, except that fertilizers may be applied to landscaping on the Properties provided care is taken to minimize runoff. Declarant and Builders may dump and bury rocks and trees removed from a building site on such building site. Owners and occupants may burn or bury biodegradable trash, leaves, debris or other materials in accordance with rules established by the Board.

10.14. Subdivision of Unit. No Unit shall be subdivided or its boundary lines changed after a subdivision plat including such Unit has been approved and filed in the Public Records. Declarant, however, hereby expressly reserves the right to replat any Unit or Units which it or any Builder owns, with the written prior consent of the owner of the Unit or Units affected. Any such division, boundary line change, or replatting shall not be in violation of the applicable subdivision and zoning regulations, if any.

10.15. Guns. The discharge of firearms on the Properties is prohibited. The term "firearms" includes without limitation "B-B" guns, pellet guns, and firearms of all types. The Board shall have no obligation to take action to prevent or stop such discharge.

10.16. Combustible Liquid. There shall be no storage of gasoline, heating or other fuels, except for a reasonable amount of fuel that may be stored on each Unit for emergency purposes and operation of lawn mowers and similar tools or equipment, and the Association shall be permitted to store fuel for operation of maintenance vehicles, generators and similar equipment. This provision shall not apply to any underground fuel tank approved by the ARB.

10.17. Occupancy of Unfinished Units. No dwelling erected upon any Unit shall be occupied in any manner before commencement of construction or while in the course of construction, nor at any time prior to the dwelling being fully completed. For the purposes of this Section, commencement of construction shall mean that (i) all plans for such construction have been approved by the ARB; (ii) a building permit has been issued for the Unit by the appropriate jurisdiction; and (iii) construction of a residential dwelling on the Unit has physically commenced beyond site preparation. Completion of a dwelling shall mean that a certificate of occupancy has been issued by the appropriate jurisdiction for the Unit.

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10.18. Temporary Structures. Except as may be permitted by the Declarant during initial construction, no temporary house, dwelling, garage or out building shall be placed or erected on any portion of the Properties. No mobile home, trailer home, travel trailer, camper or vehicle commonly known as a "recreational vehicle" shall be stored, parked or otherwise allowed to be placed on any portion of the Properties as a temporary or permanent dwelling.

10.19. Window Treatments. Unless otherwise approved in writing by the ARB, all windows on any structure or dwelling shall have window treatments, and any portion thereof visible from outside such structure or dwelling shall be white or off-white in color.

Article 11.
EASEMENTS

11.1. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any permitted encroachment, between adjacent Units and between each Unit and any adjacent Common Area due to the unintentional placement or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three feet, as measured from any point on the common boundary along a line perpendicular to such boundary. However, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing conduct on the part of, or with the knowledge and consent of, the Person claiming the benefit of such easement.

11.2. Easements for Utilities, Etc.

(a) There are hereby reserved to the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant, the Association, and the designees of each (which may include, without limitation, any governmental or quasi-governmental entity and any utility company) perpetual non-exclusive easements upon, across, over, and under all of the Properties to the extent reasonably necessary for the purpose of installing, constructing, monitoring, replacing, repairing, maintaining, operating and removing cable television systems, master television antenna systems, and other devices for sending or receiving data and/or other electronic signals; security and similar systems; roads, walkways, pathways and trails; irrigation, and drainage systems; street lights and signage; and all utilities, including, but not limited to, water, sewers, telephone, gas, and electricity, and utility meters; and an easement for access of vehicular and pedestrian traffic over, across, and through the Properties, as necessary, to exercise the easements described above.

Declarant specifically grants to the local water supplier, electric company, telephone company, and natural gas supplier easements across the Properties for ingress, egress, installation, reading, replacing, repairing, and maintaining utility lines, meters and boxes, as applicable.

(b) There is hereby reserved to the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant, the non-exclusive right and power to grant such specific easements as may be

necessary, in the sole discretion of Declarant, in connection with the orderly development of any property described on Exhibits "A" or "B".

(c) Any damage to a Unit resulting from the exercise of the easements described in subsections (a) and (b) of this Section shall promptly be repaired by, and at the expense of, the Person exercising the easement. The exercise of these easements shall not extend to permitting entry into the structures on any Unit, nor shall it unreasonably interfere with the use of any Unit and, except in an emergency, entry onto any Unit shall be made only after reasonable notice to the Owner or occupant.

(d) Declarant reserves unto itself the right, in the exercise of its sole discretion, upon the request of any Person holding, or intending to hold, an interest in the Properties, or at any other time, (i) to release all or any portion of the Properties from the burden, effect, and encumbrance of any of the easements granted or reserved under this Section, or (ii) to define the limits of any such easements.

11.3. Easement for Slope Control, Drainage and Waterway Maintenance. The Declarant, for itself and the Association, and their respective representatives, successors and assigns, contractors and agents, hereby establishes and reserves a permanent and perpetual non-exclusive easement appurtenant over, across, under, through and upon each Unit for the purposes of:

(a) controlling soil erosion, including grading and planting with vegetation any areas of any Unit which are or may be subject to soil erosion;

(b) performing general landscaping and maintenance;

(c) drainage of natural or man-made water flow and water areas from any portion of the Properties;

(d) changing, modifying or altering the natural flow of water, water courses or waterways on or adjacent to any Unit; and

(e) installing such pipes, lines, conduits or other equipment as may be necessary for slope control, drainage and waterway maintenance of any portion of the Properties.

11.4. Easements to Serve Additional Property. The Declarant hereby reserves for itself and its duly authorized agents, representatives, and employees, successors, assigns, licensees, and mortgagees, an easement over the Common Area for the purposes of enjoyment, use, access, and development of the property described in Exhibit "A" whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Area for construction of roads and for connecting and installing utilities on such property. Declarant agrees that it and its successors or assigns shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of such property. Declarant further agrees that if the easement is exercised for permanent access to such property and such property or any portion thereof benefitting from such easement is not made subject to this Declaration, the Declarant, its successors or assigns shall enter into a reasonable

agreement with the Association to share the cost of any maintenance which the Association provides to or along any roadway providing access to such property .

11.5. Easement for Entry. The Association shall have the right, but not the obligation, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Unit, for emergency, security, and safety reasons. Such right may be exercised by the authorized agents, employees and managers of the Association, any member of its Board or committees, and its officers, and by all police officers, fire fighters, ambulance personnel, and similar emergency personnel in the performance of their duties. Except in emergencies, entry onto a Unit shall be only during reasonable hours and after notice to and permission from the Owner. This easement includes the right to enter any Unit to cure any condition which may increase the risk of fire, slope erosion or other hazard if an Owner fails or refuses to cure the condition within a reasonable time after request by the Board, but shall not authorize entry into any dwelling without 'permission of the Owner, except by emergency personnel acting in their official capacities.

11.6. Easements for Maintenance and Enforcement. Authorized agents of the Association shall have the right, and a perpetual easement is hereby granted to the Association, to enter all portions of the Properties, including each Unit to (a) perform its maintenance responsibilities under Article 5, and (b) make inspections to ensure compliance with this Declaration, any Supplemental Declaration, By-Laws, Design Guidelines and rules. Except in emergencies, entry onto a Unit shall be only during reasonable hours. This easement shall be exercised with a minimum of interference to the quiet enjoyment to Owners' property, and any damage shall be repaired by the Association at its expense.

The Association also may enter a Unit to abate or remove, using such measures as may be reasonably necessary, any structure, thing or condition which violates the Declaration, any Supplemental Declaration, the By-Laws, the Design Guidelines, or the rules. All costs incurred, including reasonable attorneys fees, may be assessed against the violator as a Specific Assessment.

11.7. Lateral Support. Every portion of the Common Area, every Unit, and any improvement which contributes to the lateral support of another portion of the Common Area or of another Unit shall be burdened with an easement for lateral support, and each shall also have the right to lateral support which shall be appurtenant to and pass with title to such property.

11.8. Liability for Use of Easements. No Owner shall have a claim or cause of action against the Declarant, its successors or assigns, arising out of the exercise or non-exercise of any easement reserved hereunder or shown on any subdivision plat for the Properties, except in cases of willful or wanton misconduct.

11.9. Easement for Special Events. Declarant hereby reserves for itself, its successors, assigns and designees a perpetual, non-exclusive easement over the Common Area for the purpose of conducting educational, cultural, entertainment, or sporting events, and other activities of general community interest at such locations and times as Declarant, in its sole discretion, deems appropriate. Each Owner, by accepting a deed or other instrument conveying any interest in a Unit, acknowledges and agrees that the exercise of this easement may result in a temporary increase in traffic, noise, gathering of crowds, and related inconveniences, and each Owner agrees on behalf of

itself and the occupants of its Unit to take no action, legal or otherwise, which would interfere with the exercise of such easement or to recover damages for or as the result of any such activities.

Article 12.
MORTGAGEE PROVISIONS

The following provisions are for the benefit of holders, insurers and guarantors of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the By-Laws, notwithstanding any other provisions contained therein.

12.1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides a written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the street address of the Unit to which its Mortgage relates, thereby becoming an "Eligible Holder"), will be entitled to timely written notice of:

(a) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such Eligible Holder;

(b) Any delinquency in the payment of assessments or charges owed by a Unit subject to the Mortgage of such Eligible Holder, where such delinquency has continued for a period of 60 days, or any other violation of the Declaration or By-Laws relating to such Unit or the Owner or Occupant which is not cured within 60 days;

(c) Any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) Any proposed action which would require the consent of a specified percentage of Eligible Holders.

12.2. No Priority. No provision of this Declaration or the By-Laws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds of condemnation awards for losses to or a taking of the Common Area.

12.3. Notice to Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

12.4. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have approved such action if the Association does not receive a written response from the Mortgagee within 30 days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

12.5. Construction of Article 12. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, By-Laws, or Tennessee law for any of the acts set out in this Article.

Article 13.
DECLARANT'S RIGHTS

Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the By-Laws may be transferred in whole or in part to the Association or to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that which the Declarant has under this Declaration or the By-Laws. No such transfer or assignment shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Public Records.

The Declarant and Builders authorized by Declarant may maintain and carry on upon portions of the Properties such facilities and activities as, in the sole opinion of the Declarant, may be reasonably required, convenient, or incidental to the development of the Properties and/or the construction or sale of Units, including, but not limited to, business offices, signs, model units, and sales offices. The Declarant and authorized Builders shall have easements for access to and use of such facilities.

The Declarant and its employees, agents and designees shall also have a right and easement over and upon all of the Common Area for the purpose of making, constructing and installing such improvements to the Common Area as it deems appropriate in its sole discretion.

No Person shall record any declaration of covenants, conditions and restrictions. or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent. Any attempted recordation without such consent shall result in such instrument being void and of no force and effect unless subsequently approved by written consent signed by the Declarant and recorded in the Public Records.

Notwithstanding any contrary provision of this Declaration, no amendment to or modification of any use restrictions and rules or Design Guidelines made after termination of the Class "B" Control Period shall be effective without prior notice to and the written consent of the Declarant, so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant.

This Article may not be amended without the written consent of the Declarant. The rights contained in this Article shall terminate upon the earlier of (a) 20 years from the date this Declaration is recorded, or (b) upon recording by Declarant of a written statement that all sales activity has ceased.

Article 14.
GENERAL PROVISIONS

14.1. Duration.

(a) Unless terminated as provided in Section 14.1(b), this Declaration shall have perpetual duration. If Tennessee law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of 10 years each, unless terminated as provided herein. Notwithstanding the above, if any of the covenants, conditions, restrictions, or other provisions of this Declaration shall be unlawful, void, or voidable for violation of the rule against perpetuities, then such provisions shall continue only until 21 years after the death of the last survivor of the now living descendants of Elizabeth II, Queen of England.

(b) Unless otherwise provided by Tennessee law, in which case such law shall control, this Declaration may not be terminated within 30 years of the date of recording without the consent of all Owners. Thereafter, it may be terminated only by an instrument signed by Owners of at least 90 % of the total Units within the Properties and by the Declarant, if the Declarant owns any portion of the Properties, which instrument is recorded in the Public Records. Nothing in this Section shall be construed to permit termination of any easement created in this Declaration without the consent of the holder of such easement.

14.2. Amendment.

(a) By Declarant. Until termination of the Class "B" membership, Declarant may unilaterally amend this Declaration for any purpose. Thereafter, the Declarant may unilaterally amend this Declaration at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent in writing. In addition, so long as the Declarant owns property which is subject to this Declaration or which may be unilaterally subjected to the Declaration by the Declarant, it may unilaterally amend this Declaration for any other purpose, provided the amendment has no material adverse effect upon any right of any Owner.

(b) By Members. Except as otherwise specifically provided above and elsewhere in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof of Members holding 67 % of the total Class "A" votes in the Association and the written consent of the Declarant. so long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subjected to this Declaration by the Declarant.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date. Any amendment to the Declaration shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of this Declaration. No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant, the Class "B" Member, or the assignee of such right or privilege.

If an Owner consents to any amendment to this Declaration or the By-Laws, it will be conclusively presumed that such Owner has the authority to consent, and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

14.3. Severability. Invalidation of any provision of this Declaration, in whole or in part, or any application of a provision of this Declaration by judgment or court order shall in no way affect other provisions or applications.

14.4. Alternative Dispute Resolution. It is the intent of the Association and the Declarant to encourage the amicable resolution of disputes involving the Properties and to avoid the emotional and financial costs of litigation if at all possible. Accordingly, the Association, the Declarant and each Owner covenants and agrees that it shall attempt to resolve all claims, grievances or disputes involving the Properties, including, without limitation, claims, grievances or disputes arising out of or relating to the interpretation, application or enforcement of this Declaration, the By-Laws, the Association rules, or the Charter through alternative dispute resolution methods, such as mediation and arbitration. To foster the amicable resolution of disputes, the Board may adopt alternative dispute resolution procedures.

Participation in alternative dispute resolution procedures shall be voluntary and confidential. Should either party conclude that such discussions have become unproductive or unwarranted, then the parties may proceed with litigation.

14.5. Litigation. Except as provided below, no judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of Members holding 75% of the total Class "A" votes in the Association. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens); (b) the imposition and collection of assessments as provided in Article 8; (c) proceedings involving challenges to ad valorem taxation; (d) counter-claims brought by the Association in proceedings instituted against it or (e) actions brought by the Association against any contractor, vendor, or supplier of goods and services arising out of a contract for services or supplies. This Section shall not be amended unless such amendment is approved by the percentage of votes, and pursuant to the same procedures, necessary to institute proceedings as provided above.

14.6. Cumulative Effect: Conflict. The provisions of this Declaration shall be cumulative with any additional covenants, restrictions, and declarations applicable to any Neighborhood, and the Association may, but shall not be required to, enforce the covenants, conditions, and provisions applicable to any Neighborhood; provided however, in the event of a conflict between or among this Declaration and such covenants or restrictions, and/or the provisions of any charter, by-laws, rules and regulations, policies, or practices adopted or carried out pursuant thereto, this Declaration, the By-Laws, Charter, and use restrictions and rules of the Association shall prevail over those of any Neighborhood. The foregoing priorities shall apply, but not be limited to, the lien for assessments created in favor of the Association. Nothing in this Section shall preclude any Supplemental Declaration or other recorded declaration, covenants and restrictions applicable to any portion of the Properties from containing additional restrictions or provisions which are more restrictive than the provisions of this Declaration, and the Association shall have the standing and authority to enforce the same.

14.7. Use of the Words "The Ridges Overlook". No Person shall use the words "The Ridges Overlook" or any derivative in any printed or promotional material without the Declarant's prior written consent. However, Owners may use the term "The Ridges Overlook" in printed or promotional matter where such term is used solely to specify that particular property is located within The Ridges Overlook and the Association and any other community association located in The Ridges Overlook shall be entitled to use the words "The Ridges Overlook" in its name.

14.8. Compliance. Every Owner and occupant of any Unit shall comply with the Governing Documents. Failure to comply shall be grounds for an action by the Declarant, the Association or by any aggrieved Owner(s) to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, in addition to those enforcement powers granted to the Association in Section 4.3.

14.9. Notice of Sale or Transfer of Title. Any Owner desiring to sell or otherwise transfer title to his or her Unit shall give the Board at least seven days' prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Unit, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

14.10. Exhibits. Exhibits "A" and "B" attached to this Declaration are incorporated by this reference and amendment of such exhibits shall be governed by the provisions of Section 14.2. All other exhibits are attached for informational purposes and may be amended as provided therein or in the provisions of this Declaration which refer to such exhibits.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration this the 2 day of November, 2005.

HUNTER'S LAKE, a Tennessee General Partnership

BY: _____
Tracy Fleenor, General Partner

STATE OF TENNESSEE
COUNTY OF WASHINGTON

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared Tracy Fleenor, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged herself to be the General Partner of Hunter's Lake, the within named bargainer, a partnership, and that she as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the Partnership by herself as the General Partner.

IN TESTIMONY WHEREOF, witness my hand and official seal at office in the aforesaid State and County, on this the 2 day of November, 2005.

Lisa S. Davis
Notary Public

My Commission Expires: 5-27-08

LISA S. DAVIS
STATE OF TENNESSEE NOTARY PUBLIC
UNICOI COUNTY

DEVELOPER REVIEW AND CONSENT

Pursuant to Article X, Section 10.07 of Declaration for "The Ridges" GolfTenn, a Tennessee general partnership, as Developer, joins in the execution of this Declaration for The Ridges Overlook for the sole purpose of signifying its review and written consent to the recordation of this Declaration for The Ridges Overlook and all exhibits thereto.

GOLFTENN, a Tennessee general partnership

By: _____
Robert T. Summers, General Partner

STATE OF TENNESSEE
COUNTY OF WASHINGTON

Before me, the undersigned authority, a Notary Public in and for the State and County aforesaid, personally appeared Robert T. Summers, 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 of GolfTenn, the within named bargainer, a partnership, and that he as such officer, executed the foregoing instrument for the purpose therein contained, by signing the name of the Partnership by himself as the General Partner.

IN TESTIMONY WHEREOF, witness my hand and official seal at office in the aforesaid State and County, on this the 1 day of November, 2005.

LOUISE STEVENS NOTARY PUBLIC AT LARGE CARTER COUNTY, TN

_____
Notary Public

My Commission Expires: March 31, 2008

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BY-LAWS

OF

THE RIDGES OVERLOOK ASSOCIATION, INC.

Article 1.

Name. Principal Office. and Definitions

1.1. Name. The name of the corporation is The Ridges Overlook Association, Inc. (the Association), a Tennessee nonprofit mutual benefit corporation.

1.2. Principal Office. The principal office of the Association shall be located in Johnson City, Tennessee. The Association may have such other offices, either within or outside the State of Tennessee as the Board of Directors may determine or as the affairs of the Association may require.

1.3. Definitions. The words used in these By-Laws shall be given their normal, commonly understood definition. Capitalized terms shall have the same meaning as set forth in that certain Declaration of Covenants, Conditions, and Restrictions for The Ridges Overlook filed in the Public Records as it may be amended (the "Declaration"), unless the context indicates otherwise.

Article 2.

Association: Membership. Meetings. Quorum. Voting. Proxies

2.1. Membership. The Association shall have two classes of membership, Class "A" and Class "B," as more fully set forth in the Declaration, the terms of which pertaining to membership are incorporated by this reference.

2.2. Place of Meetings. Meetings of the Association shall be held at the principal office of the Association or at such other suitable place convenient to the Members as the Board may designate, either within the Properties or as convenient as possible and practical.

2.3. Annual Meetings. The first meeting of the Association, whether a regular or special meeting, shall be held within one year from the date of incorporation of the Association. Meetings shall be of the Members. Subsequent regular annual meetings shall be set by the Board so as to occur during the fourth quarter of the Association's fiscal year on a date and at a time set by the Board.

2.4. Special Meetings. The President may call special meetings. In addition, it shall be the duty of the President to call a special meeting if so directed by resolution of the Board or upon a petition signed by Members holding at least 10% of the total Class "A" votes of the Association.

2.5. Notice of Meetings. Written notice stating the place, day, and time of any meeting of the Members shall be delivered, either personally or by mail, to each Member, not less than 10 and no more than 50 days before the date of such meeting, by or at the direction of the President or the Secretary or the officers or persons calling the meeting.

In the case of a special meeting or when otherwise required by statute or these By-Laws, the purpose or purposes for which the meeting is called shall be stated in the notice. No business shall be transacted at a special meeting except as stated in the notice.

If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the Member at his or her address as it appears on the records of the Association, with postage prepaid.

2.6. Waiver of Notice. Waiver of notice of a meeting of the Members shall be deemed the equivalent of proper notice. Any Member may, in writing, waive notice of any meeting of the Members, either before or after such meeting. Attendance at a meeting by a Member shall be deemed a waiver by such Member of any objection as to notice of the time, date, and place thereof, unless such Member specifically objects to lack of proper notice at the time the meeting is called to order. Attendance at a special meeting also shall be deemed waiver of notice of all business transacted at such meeting unless an objection on the basis of lack of proper notice is raised before the business is put to a vote.

2.7. Adjournment of Meetings. If any meeting of the Association cannot be held because a quorum is not present, a Majority of the Members who are present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the time the original meeting was called. At the reconvened meeting, if a quorum is present, any business may be transacted which might have been transacted at the meeting originally called. If a time and place for reconvening the meeting is not fixed by those in attendance at the original meeting or if for any reason a new date is fixed for reconvening the meeting after adjournment, notice of the time and place for reconvening the meeting shall be given to Members in the manner prescribed for regular meetings.

2.8. Voting. The voting rights of the Members shall be as set forth in the Declaration and in these By-Laws, and such voting rights provisions are specifically incorporated by this reference.

2.9. List for Voting. After fixing a record date for notice of a meeting, the Board shall prepare an alphabetical list of the names of the Members entitled to notice of such meeting. The list shall show the address of the Members and the number of votes each is entitled to vote at the meeting. The list for voting shall be made available for inspection in accordance with Tennessee law.

2.10. Proxies. At all meetings of Members, each Member may vote in person (if a corporation, partnership or trust, through any officer, director, partner or trustee duly authorized to act on behalf of the Member) or by proxy, subject to the limitations of Tennessee law relating to use of general proxies and subject to any specific provision to the contrary in the Declaration or these By-Laws. Every proxy shall be in writing specifying the Unit for which it is given, signed by the Member or his or her duly authorized attorney-in-fact, dated, and filed with the Secretary of the Association prior to the meeting for which it is to be effective. Unless otherwise specifically

provided in the proxy, a proxy shall be presumed to cover all votes which the Member giving such proxy is entitled to cast, and in the event of any conflict between two or more proxies purporting to cover the same voting rights, the later dated proxy shall prevail, or if dated as of the same date, both shall be deemed invalid. Every proxy shall be revocable and shall automatically cease upon conveyance of any Unit for which it was given, upon receipt by the Secretary of written notice of revocation of the proxy or of the death or judicially declared incompetence of a Member who is a natural person, or 11 months from the date of the proxy, unless a shorter period is specified in the proxy.

2.11. Quorum. Except as otherwise provided in these By-Laws or in the Declaration, the presence of Members holding 25% of the total Class "A" votes in the Association shall constitute a quorum at all meetings of the Association.

The Members present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum, provided that any action taken is approved by at least a Majority of the votes required to constitute a quorum.

2.12. Conduct of Meetings. The President shall preside over all meetings of the Association, and the Secretary shall keep the minutes of the meetings and record in a minute book all resolutions adopted and all other transactions occurring at such meetings.

2.13. Action Without a Meeting. Any action required or permitted by law to be taken at a meeting of the Members may be taken without a meeting, without prior notice and without a vote if written consent specifically authorizing the proposed action is signed by all Members entitled to vote on such matter. Such consents shall be signed within 60 days after receipt of the earliest dated consent, dated and delivered to the Association at its principal place of business in the State of Tennessee. Such consents shall be filed with the minutes of the Association and shall have the same force and effect as a vote of the Members at a meeting.

Article 3.

Board of Directors: Number. Powers. Meetings

A. Composition and Selection.

3.1. Governing Body; Composition. The affairs of the Association shall be governed by a Board of Directors, each of whom shall have one equal vote. Except with respect to directors appointed by the Class "B" Member, the directors shall be eligible Members or residents; provided however, no Owner and resident representing the same Unit may serve on the Board at the same time. No Owner or resident shall be eligible to serve as a director if any assessment for such Owner's or resident's Unit is delinquent. A "resident" shall be any natural person 18 years of age or older whose principal residence is a Unit within the Properties. In the case of a Member which is not a natural person, any officer, director, partner or trust officer of such Member shall be eligible to serve as a director unless otherwise specified by written notice to the Association signed by such Member, provided no Member may have more than one such representative on the Board at a time, except in the case of directors appointed by the Class "B" Member.

3.2. Number of Directors. The Board shall consist of three directors, as provided in Sections 3.3 and 3.5 below. The initial Board shall consist of three directors and shall be appointed as provided in Section 3.3.

3.3. Directors During Class "B" Control Period. Subject to the provisions of Section 3.5, the directors shall be selected by the Class "B" Member acting in its sole discretion and shall serve at the pleasure of the Class "B" Member during the Class "B" Control Period. Directors appointed by the Class "B" Member shall not be subject to the qualifications for directors set forth in Section 3.1.

3.4. Nomination and Election Procedures.

(a) Nomination of Director. Except with respect to directors selected by the Class "B" Member, nominations for election to the Board of Directors shall be made by a Nominating Committee. The Nominating Committee shall consist of a chairperson, who shall be a member of the Board of Directors, and three or more Members or representatives of Members. The Nominating Committee shall be appointed by the Board of Directors not less than 30 days prior to each election to serve a term of one year or until their successors are appointed, and such appointment shall be announced at each such election. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but in no event less than the number of positions to be filled as provided in Section 3.5 below. Nominations shall also be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the Members and to solicit votes.

(b) Election Procedures. Each Member may cast the entire vote assigned to his or her Unit for each position to be filled. There shall be no cumulative voting. That number of candidates equal to the number of positions to be filled receiving the greatest number of votes shall be elected. Directors may be elected to serve any number of consecutive terms.

3.5. Election and Term of Office. Notwithstanding any other provision of these By-Laws:

(a) Within 30 days after the time that Class "A" Members other than Declarant own 12 Units for which certificates of occupancy have been issued, or whenever the Class "B" Member earlier determines, the Association shall hold an election at which the Class "A" Members shall elect one of the three directors, who shall be an at-large director and shall serve a term of two years or until the occurrence of the event described in subsection (b), whichever is shorter. If such director's term expires prior to the occurrence of the event described in subsection (b), a successor shall be elected for a like term. The remaining two directors shall be appointees of the Class "B" Member.

(b) Within 30 days after the time that Class "A" Members other than Builders own 16 Units for which certificates of occupancy have been issued, or whenever the Class "B" Member earlier determines, the Association shall hold an election at which the Class "A" Members shall be entitled to elect all three of the directors.

3.6. Removal of Directors and Vacancies. Any director elected by the Class "A" Members may be removed, with or without cause, by the vote of Class "A" Members holding a Majority of the votes entitled to be cast for the election of such director, but shall not be subject to removal solely by the Class "B" Member. Any director whose removal is sought shall be given notice prior

to any meeting called for that purpose. Upon removal of a director, a successor shall be elected by the Class "A" Members to fill the vacancy for the remainder of the term of such director.

Any director elected by the Class "A" Members who has three consecutive unexcused absences from Board meetings, or who is more than 30 days delinquent (or is the resident of a Unit that is delinquent or is an officer, director, partner or trust officer of a Member who is delinquent) in the payment of any assessment or other charge due the Association, may be removed by a Majority of the directors, and the Board may appoint a successor to fill the vacancy until the next annual meeting, at which time the Class " A" Members entitled to fill such directorship may elect a successor for the remainder of the term.

In the event of the death, disability, or resignation of a director, the Board may declare a vacancy and appoint a successor to fill the vacancy until the next annual meeting, at which time the Class "A" Members may elect a successor for the remainder of the term.

This Section shall not apply to directors appointed by the Class "B" Member nor to any director serving as a representative of the Declarant. The Class "B" Member or the Declarant shall be entitled to appoint a successor to fill any vacancy on the Board resulting from the death, disability or resignation of a director appointed by or elected as a representative of the Class "B" Member or the Declarant.

B. Meetings.

3.7. Organizational Meetings. The Board shall hold its first meeting within 10 days following each annual meeting of the membership at such time and place as the Board shall fix.

3.8. Regular Meetings. Regular meetings of the Board may be held at such time and place as a Majority of the directors shall determine, but at least two such meetings shall be held during each calendar year.

3.9. Special Meetings. Special meetings of the Board shall be held when called by written notice signed by the President or by any two directors.

3.10. Notice. Notice of the time and place of a regular meeting shall be communicated to directors not less than four calendar days prior to the meeting. Notice of the time and place of a special meeting shall be communicated to directors not less than 72 hours prior to the meeting. No notice need be given to any director who has signed a waiver of notice or a written consent to holding of the meeting. The notice shall specify the time and place of the meeting and, in the case of a special meeting, the nature of any special business to be considered. Notices shall be given to each director by: (i) personal delivery; (ii) first class mail, postage prepaid; (iii) telephone communication, either directly to the director or to a person at the director's office or home who would reasonably be expected to communicate such notice promptly to the director; (iv) telecopier transmission to the director's home or office, with confirmation of receipt by the receiving telecopier; or (v) telegram, charges prepaid. All such notices shall be given at the director's telephone or telecopier number or sent to the director's address as shown on the records of the Association. Notices sent by first class mail shall be deemed communicated when deposited into a United States mailbox. Notices given by personal delivery, telephone, telecopier or telegraph shall be deemed communicated when delivered, telephoned, telecopied or given to the telegraph company.

3.11. Waiver of Notice. The transaction of any meeting of the Board, however called and noticed or wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting also shall be deemed given to any director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

3.12. Telephonic Participation in Meetings. Members of the Board or any committee designated by the Board may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear each other. Participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

3.13. Quorum of Board of Directors. At all meetings of the Board, a Majority of the directors shall constitute a quorum for the transaction of business, and the votes of a Majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board, unless otherwise specifically provided in these By-Laws or the Declaration. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of directors, if any action taken is approved by at least a Majority of the required quorum for that meeting. If any meeting of the Board cannot be held because a quorum is not present, a Majority of the directors present at such meeting may adjourn the meeting to a time not less than five nor more than 30 days from the date of the original meeting. At the reconvened meeting, if a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

3.14. Compensation. Directors shall not receive any compensation from the Association for acting as such unless approved by Members holding a Majority of the total Class"A" votes in the Association at a regular or special meeting of the Association. Any director may be reimbursed for expenses incurred on behalf of the Association upon approval of a Majority of the other directors. Nothing herein shall prohibit the Association from compensating a director, or any entity with which a director is affiliated, for services or supplies furnished to the Association in a capacity other than as a director pursuant to a contract or agreement with the Association, provided that such director's interest was made known to the Board prior to entering into such contract and such contract was approved by a Majority of the Board of Directors, excluding the interested director.

3.15. Conduct of Meetings. The President shall preside over all meetings of the Board, and the Secretary shall keep a minute book of Board meetings, recording all Board resolutions and all transactions and proceedings occurring at such meetings.

3.16. Open Meetings. Subject to the provisions of Sections 3.11 and 3.17, all meetings of the Board shall be open to all Members, but attendees other than directors may not participate in any discussion or deliberation unless permission to speak is requested on their behalf by a director. In such case, the President may limit the time any such individual may speak. Notwithstanding the above, the President may adjourn any meeting of the Board, reconvene in executive session and exclude persons other than directors, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc.

3.17. Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a

meeting if a consent in writing, setting forth the action so taken, is signed by all of the directors, and such consent shall have the same force and effect as a unanimous vote.

C. Powers and Duties.

3.18. Powers. The Board of Directors shall have all of the powers and duties necessary for the administration of the Association's affairs and for performing all responsibilities and exercising all rights of the Association as set forth in the Declaration, these By-Laws, the Charter, and as provided by law. The Board may do or cause to be done all acts and things which the Declaration, the Charter, these By-Laws, or Tennessee law do not direct to be done and exercised exclusively by the membership generally.

3.19. Duties. The duties of the Board shall include, without limitation:

(a) preparing and adopting, in accordance with the Declaration, an annual budget establishing each Owner's share of the Common Expenses;

(b) levying and collecting such assessments from the Owners;

(c) providing for the operation, care, upkeep, and maintenance of the Area of Common Responsibility;

(d) designating, hiring, and dismissing the personnel necessary to carry out the rights and responsibilities of the Association and where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

(e) depositing all funds received on behalf of the Association in a bank depository which it shall approve, and using such funds to operate the Association, provided any reserve funds may be deposited, in the directors' best business judgment, in depositories other than banks;

(f) making and amending use restrictions and rules in accordance with the Declaration;

(g) opening of bank accounts on behalf of the Association and designating the signatories required;

(h) making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Area in accordance with the Declaration and these By-Laws;

(i) enforcing by legal means the provisions of the Declaration, these By-Laws, and the rules adopted by it and bringing any proceedings which may be instituted on behalf of or against the Owners concerning the Association;

(j) obtaining and carrying property and liability insurance and fidelity bonds, as provided in the Declaration, paying the cost thereof, and filing and adjusting claims, as appropriate;

(k) paying the cost of all services rendered to the Association;

(l) keeping books with detailed accounts of the receipts and expenditures of the Association;

(m) making available to any prospective purchaser of a Unit, any Owner, and the holders, insurers, and guarantors of any Mortgage on any Unit, current copies of the Declaration, the Charter, the By-Laws, rules and all other books, records, and financial statements of the Association as provided in Section 6.4;

(n) permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the Properties;

(o) indemnifying a director, officer or committee member, or former director, officer or committee member of the Association to the extent such indemnity is required by Tennessee law, the Charter or the Declaration; and

(p) assisting in the resolution of disputes between owners and others without litigation, as set forth in the Declaration.

3.20. Right of Class "B" Member to Disapprove Action. So long as the Class "B" membership exists, the Class "B" Member shall have a right to disapprove any action, policy or program of the Association, the Board and any committee which, in the sole judgment of the Class "B" Member, would tend to impair rights of the Declarant or Builders under the Declaration or these By-Laws, or interfere with development or construction of any portion of the Properties, or diminish the level of services being provided by the Association.

(a) The Class "B" Member shall be given written notice of all meetings and proposed actions approved at meetings (or by written consent in lieu of a meeting) of the Association, the Board or any committee. Such notice shall be given by certified mail, return receipt requested, or by personal delivery at the address it has registered with the Secretary of the Association, which notice complies with Section 3.10 and which notice shall, except in the case of the regular meetings held pursuant to the By-Laws, set forth with reasonable particularity the agenda to be followed at such meeting. The Class "B" Member may waive its right to receive notice in the same manner as provided in Section 3 .11; and

(b) The Class "B" Member shall be given the opportunity at any such meeting to join in or to have its representatives or agents join in discussion from the floor of any prospective action, policy, or program which would be subject to the right of disapproval set forth herein.

No action, policy or program subject to the right of disapproval set forth herein shall become effective or be implemented until and unless the requirements of subsections (a) and (b) above have been met.

The Class "B" Member, its representatives or agents shall make its concerns, thoughts, and suggestions known to the Board and/or the members of the subject committee. The Class "B" Member, acting through any officer or director, agent or authorized representative, may exercise its right to disapprove at any time within 10 days following the meeting at which such action was proposed or, in the case of any action taken by written consent in lieu of a meeting, at any time within 10 days following receipt of written notice of the proposed action. This right to disapprove may be used to block proposed actions but shall not include a right to require any action or counteraction on behalf of any committee, or the Board or the Association. The Class "B" Member shall not use its right to disapprove to reduce the level of services which the Association is obligated

to provide or to prevent capital repairs or any expenditure required to comply with applicable laws and regulations.

3.21. Management. The Board of Directors may employ for the Association a professional management agent or agents at such compensation as the Board may establish, to perform such duties and services as the Board shall authorize. The Board of Directors may delegate such powers as are necessary to perform the manager's assigned duties, but shall not delegate policy making authority or those duties set forth in Sections 3.19(a), 3.19(b), 3.19(f), 3.19(g) and 3.19(i). The Declarant or an affiliate of the Declarant may be employed as managing agent or manager.

The Board of Directors may delegate to one of its members the authority to act on behalf of the Board on all matters relating to the duties of the managing agent or manager, if any, which might arise between meetings of the Board.

3.22. Accounts and Reports. The following management standards of performance shall be followed unless the Board by resolution specifically determines otherwise:

(a) accrual accounting, as defined by generally accepted accounting principles, shall be employed;

(b) accounting and controls should conform to generally accepted accounting principles;

(c) cash accounts of the Association shall not be commingled with any other accounts;

(d) no remuneration shall be accepted by the managing agent from vendors, independent contractors, or others providing goods or services to the Association, whether in the form of commissions, finder's fees, service fees, prizes, gifts, or otherwise; any thing of value received shall benefit the Association;

(e) any financial or other interest which the managing agent may have in any firm providing goods or services to the Association shall be disclosed promptly to the Board of Directors;

(f) commencing at the end of the quarter in which the first Unit is sold and closed, financial reports shall be prepared for the Association at least quarterly (such financial statements shall include an income statement reflecting all income and expense activity for the preceding period on an accrual basis and may include such other reports as deemed necessary by the Board); and

(g) an annual financial report shall be made available to all Members within 120 days after the close of the fiscal year. Such annual report may be prepared on an audited, reviewed, or compiled basis, as the Board determines; provided however, upon written request of any holder, guarantor, or insurer of any first Mortgage on a Unit, the Association shall provide an audited financial statement.

3.23. Borrowing. The Association shall have the power to borrow money for any legal purpose; provided however, the Board shall obtain membership approval in the same manner provided in Section 8.6 of the Declaration for Special Assessments if the proposed borrowing is for the purpose of making discretionary capital improvements and the total amount of such borrowing,

together with all other debt incurred within the previous 12-month period, exceeds or would exceed 10% of the budgeted gross expenses of the Association for that fiscal year.

3.24. Right to Contract. The Association shall have the right to contract with any Person for the performance of various duties and functions. This right shall include, without limitation, the right to enter into common management, operational, or other agreements with trusts, condominiums, cooperatives, or Neighborhood and other owners or residents associations, within and outside the Properties; provided however, any common management agreement shall require the consent of a Majority of the total number of directors of the Association.

3.25. Enforcement.

(a) Notice. Prior to imposition of any sanction requiring compliance with these procedures as provided in the Declaration, the Board or its delegate shall serve the alleged violator with written notice including (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator may present a written request for a hearing to the Board or the covenants committee, if one has been appointed pursuant to Article 5, within 15 days of the notice; and (iv) a statement that the proposed sanction shall be imposed as contained in the notice unless a request for a hearing is received within 15 days of the notice. If a timely request is not received, the sanction stated in the notice shall be imposed; provided however, the Board or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the 15-day period. Such suspension shall not constitute a waiver of the right to sanction future violations of the same or other provisions and rules by any Person. In the event of a continuing violation, each day the violation continues beyond the 15-day period constitutes a separate offense, and fines may be imposed on a per diem basis without further notice to the violator. In the event of a violation which recurs within one year from the date of any notice hereunder, the Board or covenants committee may impose a sanction without notice to the violator.

(b) Hearing. If a hearing is requested within the allotted 15-day period, the hearing shall be held before the covenants committee, or if none has been appointed, then before the Board in executive session. The alleged violator shall be afforded a reasonable opportunity to be heard. Prior to the effectiveness of any sanction hereunder, proof of proper notice shall be placed in the minutes of the meeting. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative appears at the meeting. The minutes of the meeting shall contain a written statement of the results of the hearing and the sanction, if any, imposed.

(c) Appeal. If a hearing is held before a covenants committee, the violator shall have the right to appeal the decision to the Board. To exercise this right, a written notice of appeal must be received by the manager, President, or Secretary of the Association within 15 days after the hearing date.

Article 4.

Officers

4.1. Officers. The officers of the Association shall be a President, Secretary, and Treasurer. The President and Secretary shall be elected from among the members of the Board; other officers may, but need not be members of the Board. Any two or more offices may be held by the same person, except the offices of President and Secretary.

4.2. Election and Term of Office. The Board shall elect the officers of the Association at the first meeting of the Board following each annual meeting of the Members, to serve until their successors are elected.

4.3. Removal and Vacancies. The Board may remove any officer whenever in its judgment the best interests of the Association will be served, and may fill any vacancy in any office arising because of death, resignation, removal, or otherwise, for the unexpired portion of the term.

4.4. Powers and Duties. The officers of the Association shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as may specifically be conferred or imposed by the Board of Directors. The President shall be the chief executive officer of the Association. The Treasurer shall have primary responsibility for the preparation of the budget as provided for in the Declaration and may delegate all or part of the preparation and notification duties to a finance committee, management agent, or both. The Secretary shall be responsible for preparing minutes of meetings of the Members and the Board and for authenticating records of the Association.

4.5. Resignation. Any officer may resign at any time by giving written notice to the Board of Directors, the President, or the Secretary. Such resignation shall take effect on the date of the receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4.6. Agreements, Contracts, Deeds, Leases, Checks, Etc. All agreements, contracts, deeds, leases, checks, and other instruments of the Association shall be executed by at least two officers or by such other person or persons as may be designated by Board resolution.

4.7. Compensation. Compensation of officers shall be subject to the same limitations as compensation of directors under Section 3.14.

Article 5.

Committees

5.1. General. The Board may appoint such committees as it deems appropriate to perform such tasks and to serve for such periods as the Board may designate by resolution. Each committee shall operate in accordance with the terms of such resolution.

5.2. Covenants Committee. In addition to any other committees which the Board may establish pursuant to Section 5.1, the Board may appoint a covenants committee consisting of at least three and no more than seven Members. Acting in accordance with the provisions of the Declaration, these By-Laws. and resolutions the Board may adopt, the covenants committee, if established, shall be the hearing tribunal of the Association and shall conduct all hearings held pursuant to Section 3.25 of these By-Laws.

Article 6.

Miscellaneous

6.1. Fiscal Year. The fiscal year of the Association shall be the calendar year unless the Board establishes a different fiscal year by resolution.

6.2. Parliamentary Rules. Except as may be modified by Board resolution, Robert's Rules of Order Newly Revised (current edition) shall govern the conduct of Association proceedings when not in conflict with Tennessee law, the Charter, the Declaration, or these By-Laws.

6.3. Conflicts. If there are conflicts between the provisions of Tennessee law, the Charter, the Declaration, and these By-Laws, the provisions of Tennessee law, the Declaration, the Charter, and the By-Laws (in that order) shall prevail.

6.4. Books and Records.

(a) Inspection by Members and Mortgagees. The Board shall make available for inspection and copying by any holder, insurer or guarantor of a first Mortgage on a Unit, any Member, or the duly appointed representative of any of the foregoing at any reasonable time and for a purpose reasonably related to his or her interest in a Unit: the Declaration, By-Laws, and Charter, including any amendments, the rules of the Association and the minutes of meetings of the Members, the Board, and committees. The Board shall provide for such inspection to take place at the office of the Association or at such other place within the Properties as the Board shall designate.

(b) Rules for Inspection. The Board shall establish rules with respect to:

(i) notice to be given to the custodian of the records;

(ii) hours and days of the week when such an inspection may be made; and

(iii) payment of the cost of reproducing documents requested.

(c) Inspection by Directors. Every director shall have the absolute right at any reasonable time to inspect all books, records, and documents of the Association and the physical properties owned or controlled by the Association. The right of inspection by a director includes the right to make a copy of relevant documents at the expense of the Association.

6.5. Notices. Except as otherwise provided in the Declaration or these By-Laws, all notices, demands, bills, statements, or other communications under the Declaration or these By-Laws shall be in writing and shall be deemed to have been duly given if delivered personally or if sent by United States mail, first class postage prepaid:

(a) if to a Member, at the address which the Member has designated in writing and filed with the Secretary or, if no such address has been designated, at the address of the Unit of such Member; or

(b) if to the Association, the Board, or the managing agent, at the principal office of the Association or the managing agent or at such other address as shall be designated by notice in writing to the Members pursuant to this Section.

6.6. Amendment.

(a) By Declarant. Until termination of the Class "B" membership, Declarant may unilaterally amend these By-Laws for any purpose. Thereafter, the Declarant may unilaterally amend these By-Laws at any time and from time to time if such amendment is necessary (i) to bring any provision into compliance with any applicable governmental statute, rule, regulation, or judicial determination; (ii) to enable any reputable title insurance company to issue title insurance coverage on the Units; (iii) to enable any institutional or governmental lender, purchaser, insurer or guarantor of Mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to make, purchase, insure or guarantee Mortgage loans on the Units; or (iv) to satisfy the requirements of any local, state, or federal governmental agency. However, any such amendment shall not adversely affect the title to any Unit unless the Owner shall consent thereto in writing. In addition, so long as the Declarant owns any property which is subject to the Declaration or which may be unilaterally subjected to the Declaration by the Declarant, it may unilaterally amend these By-Laws for any other purpose, provided the amendment has no material adverse effect upon any right of any Member.

(b) By Members. Except as provided above, these By-Laws may be amended only by the affirmative vote or written consent, or any combination thereof, of Members holding 67% of the total Class "A" votes in the Association and the written consent of the Declarant, so long as the Declarant owns any property which is subject to the Declaration.

Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

(c) Validity and Effective Date. Any amendment to these By-Laws shall become effective upon recordation in the Public Records, unless a later effective date is specified in the amendment. Any procedural challenge to an amendment must be made within six months of its recordation or such amendment shall be presumed to have been validly adopted. In no event shall a change of conditions or circumstances operate to amend any provisions of these By-Laws.

No amendment may remove, revoke, or modify any right or privilege of the Declarant or the Class "B" Member without the written consent of the Declarant, the Class "B" Member, or the assignee of such right or privilege.

Article 7.
Applicable Provisions

Applicable Provisions. These By-Laws and the Declaration for The Ridges Overlook are subject to the Declaration for the "The Ridges" of record on Roll 89, Image 2825, as amended in Roll 192, Image 1834, and as further amended by Second Supplement to Declaration of "The Ridges" and all other matters set out in Warranty Deed dated August 18, 2005 between GolfTenn, a Tennessee general partnership and Hunter's Lake, a Tennessee general partnership of record in said Register's Office in Roll 471, Image 1560. All Members of The Ridges Overlook Association, Inc. are members of The Ridges Property Owners Association as well and subject to its assessment powers and its By-Laws.

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of The Ridges Overlook Association, Inc., a Tennessee nonprofit mutual benefit corporation;

That the foregoing By-Laws constitute the original By-Laws of said Association, as duly adopted at a meeting of the Board of Directors thereof held on the ____day of _____, 2005.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this ____day of _____,2005.

_____[SEAL]
Secretary

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FILED

CHARTER

of

THE RIDGES OVERLOOK ASSOCIATION, INC.

D. R. Beeson, III, acting as the incorporator of this corporation under the Tennessee Nonprofit Corporation Act, Title 48, Chapters 51-68, Tennessee Code Annotated, ("TCA"), and pursuant to TCA §48-52-101 adopts the following statements, as required by TCA §48-52-102, as the Charter for such corporation:

1. The name of the corporation, which satisfies the requirements of TCA §48-54-101 is THE RIDGES OVERLOOK ASSOCIATION, INC.

2. This corporation is a mutual benefit corporation.

3. This corporation is not a religious organization.

4. The street address and zip code of the corporation's initial registered office, the county in which the office is located and the name of the initial registered agent at that office is:

REGISTERED AGENT: J. M. COX, JR.

REGISTERED OFFICE: 801 Sunset Drive, Building D-1
Johnson City, TN 37604
Washington County, Tennessee

5. The name, address and zip code of the incorporator is:

D. R. BEESON, III
206 PRINCETON ROAD, SUITE 25
JOHNSON CITY, TN 37601

6. The street address and zip code of the principal office of the corporation is:

801 Sunset Drive, Building D-1
Johnson City, TN 37604

7. The corporation is not for profit.

8. The corporation shall have members. The members of the corporation shall be the owners of units of the development known as THE RIDGES OVERLOOK ASSOCIATION INC. Upon the conveyance or transfer of the ownership interest in a unit of the development, the new owner or owners shall succeed to the former unit owner's or owners' membership, and the membership of the former unit owner or owners shall terminate.

9. A Director shall not be personally liable to the corporation for monetary damage from breach of fiduciary duty except for:

   A) breach of the director's duty of loyalty to the corporation,
   B) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or
   C) participation in unlawful distributions per TCA §48-48-304.

10. The purposes for which the corporation is organized are:

   D) to provide for the acquisition, construction, management, maintenance and care of association property of THE RIDGES OVERLOOK ASSOCIATION, INC and,

   E) to enforce the restrictions pursuant to the powers given to it by the Master Deed establishing THE RIDGES OVERLOOK ASSOCIATION. INC

11. The corporation shall not engage in any activity or fail to perform any act which would prevent the corporation from being, or maintaining its status as, a homeowners association as defined by Section 528(c)(1) of the Internal Revenue Code of 1986, 26 U.S.C. §528(c)(1).

12. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, members or other private individuals or persons, except that the corporation shall be authorized and empowered to:

   A) pay reasonable compensation for goods received and services rendered, (including to members who may have provided such goods and services).

   B) rebate to members excess membership dues, fees or assessments, and

   C) make all necessary and reasonable payments in furtherance of its purposes.

13. Upon dissolution, which shall be effectuated in accordance with TCA §48-64-101 et seq., after all creditors have been paid, the assets owned by the corporation shall be distributed, pro-rata, to the members.

DATED this 1st day of September, 2005.

D. R. Beeson III

D. R. BEESON, III
Incorporator

State of Tennessee, County of WASHINGTON
Received for record the 13 day of
SEPTEMBER 2005 at 9:30 AM. (RECH 395629)
Recorded in official records
film Roll 463 Image 868- 870
State Tax $ .00 Clerks Fee $ .00,
Recording $ 7.00, Total $ 7.00,
Register of Deeds GINGER B. JILTON
Deputy Register JACKIE THOMPSON

RIDGES OVERLOOK OWNER'S ASSOCIATION, INC. RULES AND POLICIES October 26, 2005

Please refer to Master Covenants and By-Laws and Architectural Review (ARB) Guidelines for specific rules and information. These listed items summarize policies for the most frequent concerns/questions only.

The Ridges Association Rules, Policies, Covenants and By-Laws as well as The Ridges Overlook documents govern all aspects of The Ridges Overlook.

EXTERIOR BUILDING FINISHES:

REQUEST FORM: A request form must be completed by an Overlook owner and submitted to the development office or to the ARB chairperson describing the requested changes to the exterior of the home. ARB will make every effort to respond to the request in a timely manner. Additional information may be requested from the owner by ARB in addition to the completion of the form

1. ALL exterior finishes and ANY additions/changes to the EXTERIOR of all Overlook homes including shutters, lighting, awnings, decks, sunrooms etc. must be approved in advance by the Architectural Review Board(ARB). Exterior paint colors are to remain the same as those specified for the entire Overlook Committee. Forms are available at Mitch Cox Development Office which are to be completed by homeowner describing the requested changes and are to be submitted to the ARB prior to their monthly meeting.

2. Mailboxes are a required, standard style throughout the community. Replacements may be purchased through Henley Construction Inc. (952-0081). Owners are responsible for the maintenance and repair of their individually owned mailboxes.

3. Deck railings, posts and pickets etc. on homes are to be stained a solid stain, not painted. The stain color is to blend with the siding and/or window trim and the color must be approved in advance by ARB.

4 Home storm doors are optional and if desired, are to be Full View Glass doors as specified by the Developer (color/model number/trim.) Security doors and window bars are not permitted at The Overlook. Installed Full View glass storm doors may be purchased through Henley Construction

5. Solar panels or skylights shall not be added to the roof line where they will be visible from the street. Refer to the Architectural Review Guidelines for specifics. ARB approval is required.

6. Retractable awnings may be approved by the ARB on the back of homes where installation is possible. Location on the home, color and style must be approved in advance of any installation. Contact Mitch Cox Development for supplier and approved colors. Also 3M or similar glass coating is available and may be approved by ARB for window application. Reflective glass coatings will not be approved.

7. Any exterior lighting other than the decorative light fixtures that are included in the construction of a home must have prior Architectural Review Board approval.

LANDSCAPING

1 . Additional or enlarged landscape beds and additional trees/plantings require ARB approval prior to installation. Removal of existing trees from the property requires ARB approval in advance of removal. Adding a reasonable number of flowers or plants in an existing plant bed does not require ARB approval.

2. When additional landscape beds and plantings are approved by ARB and added in a yard at the owner's request, the owner assumes responsibility for the additional cost of extra maintenance such as mulch, pruning, watering, weeding, replacement and agrees to pay additional reasonable landscape fees for that maintenance if required or do the maintenance work in a quality and timely manner individually. Buyers of re-sale homes assume responsibility for extra landscaping installed by previous owners.

3. If the owner should fail to maintain the additional landscaping in a way consistent with other Overlook landscaping, the Association will have the maintenance work performed and bill the homeowner for that cost.

4. The Overlook has a centrally controlled irrigation system for the community. Irrigation expense for water usage, winterization/spring start-up and repairs/adjustments are in addition to the Association monthly fees of each owner. Irrigation maintenance and repairs will be billed separately by the management office to the owners.

PARKING/VEHICLES

1. All boats, golf carts, recreational vehicles and utility trailers are to be kept in the owner's garage or stored off The Overlook premises. No temporary storage parking is permitted. Loading of recreational vehicle is limited to only a few hours and vehicles cannot be left on the property overnight. Cleaning of recreational vehicle is to be done away from The Overlook property.

2. Garage doors are to be kept closed except when in use to provide a neater street curb appearance.

3. Owners who have more than 2 vehicles or frequent guests with extra vehicles must use their driveway or garage for extra parking. Non- operable or non-tagged vehicles are not allowed at The Overlook on the exterior of the home.

4. Vehicles must not be parked in the landscaped areas (grass/plant beds) or on the curbs/sidewalks.

5. Vehicles that are parked in the driveway or garage should not extend out over the city sidewalk/curb areas to prevent blocking pedestrian sidewalk usage. Conversion vans which do not fit in the garage but are used for regular transportation may be permitted but require Overlook Board approval.

5. Out of town visitors of residents who have recreational vehicles must make arrangements for off-premises parking.

PETS

1. Pets may not be fastened to the exterior home or to decks/patios. Pet housing such as dog houses/shelters are not allowed on the exterior of the home.

2. Invisible pet containment systems may be installed only in the back lawns of Overlook homes.

3. Dogs must be walked on a leash outside of the owners immediate lawn area and be under complete owner control (See City Ordinance regarding pets). Dogs and cats must not be allowed to run freely in adjacent yards or common areas.

4. Homeowners accept responsibility for promptly cleaning up their pet's droppings in all lawn, finished landscape/mowed areas and plant beds. Failure to promptly clean any soiled landscaped area will result in the pet owner being made aware of the problem. After that notification, should there be additional instances of prompt failure to clean, the Association will have the landscape area cleaned and bill the pet owner $50 for the second offense and $100 for the third offense. These fines if not paid in a timely manner may result in a lien being filed on The Overlook property owner's unit.

5. Pets must not be allowed to swim in the lakes or disturb the wildlife.

6. Owners are responsible for their pet(s) creating no noise or safety nuisance for their neighbors.

7. A property owner may keep no more than 2 dogs at The Overlook. The maximum size of dogs will be as follows: a) Two dogs with a maximum size of up to 30 lbs. each or b) one dog with a maximum size of 75 lbs.

8. Additional lawn maintenance such as overseeding and dirt repairs may be needed to repair damaged areas by pet(s). This expense will be the responsibility of the owner of the pet(s).

WILDLIFE/LAKE USAGE

1. Feeding of the wildlife in lawn and other landscaped areas is prohibited except for yard bird feeders. Homeowners are expected to regularly clean the area around the feeders in their yards to discourage geese from grazing in the yard area. Owners should receive approval from ARB to permanently mount a bird house on a yard post or any free standing structure. Bird feeders are limited in size and number in lawn areas.

2. The Ridges Association restricts use of the community lake. No fishing, swimming, boating or other use is allowed.

GENERAL

1. No visible fencing is approved for individual home sites.

2. Spas or hot tubs may be approved for homes with approved screening. Color, size of tub, privacy screening and sound control will be considered among other issues by ARB when evaluating a request. Owners accept responsibility for providing the necessary support to their deck or patio to support the extra weight of the tub or spa. To be considered for approval, hot tubs and spas are to be located on patio or deck only, not in the lawn or landscaped areas. Owners must consider their neighbors regarding hours of use and sound transmittal if the hot tub or spa is approved by ARB.

3. Yard/porch/deck exterior decorations including decorative flags, sculptures and ceramics in plant beds are subject to ARB approval, are to be limited in number and must be quickly removed by owner if ARB determines they are excessive or are not in keeping with the general appearance of The Overlook. Owner should make a written request to ARB for prior approval for placement of these items. The American Flag may be displayed in an appropriate manner in a wall-mount pole bracket. Other flags or signs such as seasonal or special school support signs are not approved on the exterior of the home or lawn area.

4. The Association approves specific Christmas holiday decoration themes. Trees, shrubbery may be illuminated with white lights, garland, ribbons. Yard and building sculptures, figurines and colored lights or lights outlining the shape of the home are not permitted on the exterior. All Christmas/ holiday decorations must be removed by January 5th.

5. Areas under decks and steps are not to be used for storage except for neatly stored water hose and patio furniture. Seasonal pots, plant care items, and other items are not to be stored under the deck or on the lower patio of the basement homes. The rear elevation of the homes is visible from the golf course and other common areas and must be maintained in an attractive manner.

6. Window treatments: The exterior of all drapes and blinds is to be white or neutral colored. Windows are to have window treatment. Sunrooms or sun porch windows are optional for window treatment.

7. Satellite dishes 32" or under in diameter may be installed at the Ridges Overlook but require advance Architectural Review Board approval for location, required screening, dish color and other specifics. Each home is limited to only one dish. No freestanding pole mounts are approved. See the Architectural Review Guidelines for more information.

8. Trash containers must be stored in the garage.

9. Bicycles, skate boards and roller skating are prohibited on lawns or landscaped areas.

11. The Association Covenants and By-laws prohibit the use of homes for office usage where frequent employees, guest/client traffic, deliveries, etc. would occur. Overlook homes should not be listed as an office address in any publication or advertisement.

IRRIGATION SYSTEM OPERATION

RIDGES OVERLOOK OWNERS ASSOCIATION

A community wide, in-ground irrigation system for the watering maintenance of your home's lawn and plant beds and landscaped common areas is included in the price of your home.

This system has been determined by the Developer and the Ridges Overlook Owners Association to be needed to solve potential maintenance problems in watering lawns.

All homeowners want beautiful lush lawns and especially new lawn and plant development needs sufficient water for grass to grow.

The Ridges Overlook Owners Association will maintain scheduling and maintenance responsibilities for the irrigation system. Homeowners will be billed monthly by the Association for the irrigation service and water used on a prorata basis. This irrigation expense will be in addition to the monthly Association fee and is estimated to be $ 25.00 per month per home at this time. At the end of the calendar year, the total cost of water used from the common irrigation meter will be reviewed and owners will share any credit or pay any overage on a prorata basis within 20 days receipt of an invoice from the Association.

Homeowner Acceptance Agreement _____ date_____
Signature

_____ date_____
Ridges Overlook Owners Association Representative

6/10/06