

The Bluffs at Boone Lake Home Owners Association Summary

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 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 an 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.

(b) Class "B". Class "B" The sole Class "B" Member shall be the Declarant. 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 occur of the following:

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 of 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 Owners 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).

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 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, patio, 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 so long as the Declarant owns any property which is subject to this Declaration of which may be unilaterally subjected to this Declaration by the Declarant.

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 Committee ("ARC"), the members of which need not be Members of the Association or representatives of Members, and may include architects landscape architects, engineers or similar professionals, whose compensation; if any, shall be established from time to time by the ARC. The ARC may establish and charge reasonable fees for review of applications hereunder and may require 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.

(i) Architectural Review Committee. The ARC 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 ARC 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 members of the ARC, who shall thereafter serve and may be removed with the Board's discretion.

(ii) 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 MC may delegate its authority as to a particular Neighborhood to the Neighborhood Association, if any, so long as the MC has determined that such Neighborhood Association has in force review and enforcement practices, procedures and appropriate standards at least equal to those of the MC. Such delegation may be revoked and jurisdiction reassumed at any time by written notice. The ARC shall have the right to veto any action taken by the MC or a Neighborhood Association which the ARC determines in its sole discretion, to be inconsistent with the ARC, the MC may be eliminated and its duties assumed by the ARC.

9.3 Guidelines and Procedures

(a) Exterior Materials. The exterior of all homes shall be constructed of brick, natural stone, natural wood, a stucco finish such as Dryvit®, Hardy Plank or siding which is equal to or similarly approved by the Architectural Review Committee. No aluminum, no vinyl or similar siding which is approved by the ARC shall be used on any house on a Lot "except" for soffit, fascia or other such trim work. No house shall be constructed of logs or log type timbers. All mailboxes shall conform to the standard plans and specifications adopted by the Architectural Review Committee.

(b) 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. The ARC must approve all temporary structures.

(c) 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 the ARC. This shall include without limitation, mailboxes; basketball hoops, swing sets, and similar sport and play equipment; clotheslines; garbage cans; wood piles; service yard fences or barriers; swimming pools; docks, seawalls, bulkheads, piers, boathouses, boat slips or wharf's; wells; window air conditioning units; hot tubs, antennas; satellite dishes or any other apparatus for the

transmission or reception television, radio satellite or other signals of any kind; and hedges, walls, dog runs, animal pens or fences of any kind.

(d) Dwelling Size- Architectural Review Committee will be reviewing each house plan including square footage. Patio homes will have standard plans. The square footage requirements shall be a minimum of 1,500 heated square feet on the first floor or as by ARC exception.

(e) Relocated Housing. No relocated housing including mobile homes, modular homes or log cabins, trailers, etc. will be permitted in The Bluffs at Boone Lake. No previously existing houses may be placed or erected on any lot.

(f) Lakeside houses.- Architectural design of structures on lots with the lake frontage must be approved by the Architectural Review Committee. In addition, the front building setback line for lots with lake frontage must be approved. In general, said front building setback lines are to be a minimum of 100 feet. However, the ARC may approve setbacks or less than 100 feet if said lesser setback is consistent with the plan and development and does not detract from the general appearance and beauty of the subdivision, it is harmonious with the surroundings, and results in displaying a uniformity of development.

(g) Repeat House Design-Repeat house designs will be discouraged unless enough material and elevation designs occur except for Patio Homes.

(h) Incomplete structures-Homes must be completed in a reasonable amount of time.

(i) Color/Paint/Roof- The Architectural Review Committee must approve all roofing materials, style and colors.

(j) 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.

(k) Subdivision of Units-No Unit shall be subdivided or its boundary lines changed after a Neighborhood 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 Neighborhood and Zoning Regulations if any.

(l) Sight Distance at Intersections- All property located at street intersections or driveways shall be landscaped so as to permit safe sight across such areas. On corner lots adjoining two streets, no fence, wall, hedge, planting or opaque structure exceeding a height of two and one-half feet above the elevation of the centerline at the intersection of the street shall be erected, placed or maintained within the triangular area formed by the lot lines abutting such street and a straight line joining such lot lines at points that are forty feet distant from the intersection of such lot lines. In the cases of a rounded corner at intersecting streets such measurement shall be made from the point of intersection to the tangents of the curve constituting the rounded corner.

(m) Landscaping-There will be a minimum requirement of landscaping. All must be approved with the Architectural Review Committee.

(n) Garages-Any unattached structures must be built out of the same materials as house and buffered from adjoining lots. The Architectural Review Committee must approve all unattached structures.

(o) Fences- No wire or chain link fences. Fences must be 6 foot in height unless otherwise approved by the Architectural Review Committee. The Architectural Review Committee must approve all styles of fencing.

(p) Remodeling-Any Lot Owner may remodel paint or redecorate the interior of structures on his/her lot without approval; however modifications to the interior of screen porches, decks and similar portions of a structure visible from outside the structure on the Lot shall be subject to approval. No approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild in accordance with originally approved plans and specification, excluding lakeside dock and decks, which are to be individually approved.

(q) Driveways- Concrete only. All driveways shall be finished within 180 days of the date of occupancy. Loose gravel driveways are not permitted. Maintenance shall be the sole responsibility of the Owner and meet Community-Wide Standards.

(r) Setback Lines- Setback lines must conform to community wide standards and be approved by the ARC. All setbacks must comply with applicable zoning codes.

(s) Decks and Patios- The ARC must approve all decks and patios.

Article 10 USE RESTRICTIONS AND RULES

10.1 General. This article sets out certain use restrictions that 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 so canceled, or modified in a regular or special meeting by a Majority of the Members and the written consent of the Declarant, as long as the Declarant owns any property which is subject to this Declaration or which may be unilaterally subject to this Declaration by the Declarant.

The Properties shall be used only for residential, recreations and related purposes which may include without limitation, model homes, and information center and/or sales office for any real estate broker retained by the Declarant to assist in the sale of the 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 Lot Use. Developer has established a general plan of development for the Property as a master planned Community to enhance all lot Owners the quality of life and collective interests, the aesthetics and environment within the Property and the vitality of and sense of Community within the property, all subject to the Associations and its Members ability to respond to changes and circumstances, conditions needs and desires within the Community and to regulate and control the Open area. The Property is subject to the land development, architectural and design provisions set forth in this article. The other provisions of this Declaration governing individual conduct and uses of or actions upon the Property and the guidelines, rules and restrictions, promulgated pursuant to this Declaration or the Associations bylaws and all of which establish affirmative and negative covenants, easements and restrictions on the property.

All provisions of this Declaration and the Association's bylaws and rules shall apply to all lot Owners, Occupants, tenants, guest and invitees of any lot. If the lot is leased, the lessee and all Occupants of the leased lot shall be bound by the terms of this Declaration and the Associations, bylaws and rules.

10.3 Land Use and Building Type. Initial use restrictions applicable to all lots are described below in accordance with the Boards duty to exercise sound business judgment and reasonableness on behalf of the Association and its Members. The Board may adopt rules which further limit the use of Lots. The Board shall send notice by mail to all lot Owners concerning any such proposed action at least ten business days prior to the Board meeting at which such action is to be considered. Association Members shall have a reasonable opportunity to be heard at a Board meeting prior to such action being taken. The Board may regulate and restrict leases including the term.

At least thirty days prior to the effective date of any action taken under this Section the Board shall send a copy of the rule(s) adopted to each lot Owner. The Association shall provide, without cost, a copy of these use restrictions then in effect to any requesting lot Owner, Association Member or any personal holding a deed of trust mortgage or their security instrument in any lot or Unit.

10.4 Residential. All units shall be used exclusively for residential purposes of a single family.

10.5 Signage. No sign of any kind shall be erected by an Owner or Occupant without the prior written consent of the ARC, as applicable, except:

- (a) such signs may be required by legal proceedings; and
- (b) Not more than one professional security sign of such size deemed reasonable by the ARC in its sole discretion.
- (c) Real Estate Signs.

Front entries-No pointer signs shall be placed by anyone other than the Declarant.

10.6 Vehicles/Parking/Storage/Maintenance/Auto Service. Boats and extra cars-No currently unlicensed motor vehicle may be kept on any Lot. Moreover, no Lot Owner shall permit any motor vehicles (operable or inoperable) owned by such Lot Owner, or by any person occupying a dwelling, or by any person on the premises as guest or invitee, to remain parked on the public streets in the Neighborhood for more than 48 hours. No recreational vehicles (watercraft, RV's, etc...) may be stored in yards, driveways or streets. These vehicles can only be stored in designated areas. No boat, jet ski, mobile homes, trailer, motorcycle automotive parts, building materials, garden or lawn equipment or other items determined by the Architectural Review Committee to be unsightly may be kept on any lot "except" in a garage,

Any motor driven vehicle and automobiles may not be assembled, disassembled or serviced in view on any Lot

10.7 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. Minimum of 1 year term with exceptions for special events.

10.8 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.

10.9 Pets (a) Dogs, cats or other household pets may be kept provided they are confined to the Lots of their Owners by leash or fence (to be approved by ARC). They may not be kept for commercial purpose or kept in such numbers as to become a nuisance. Owners will be required to clean up after their pets especially in Common Areas. (b) Livestock, Poultry, Pig Farms-No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot.

10.10 Nuisances. 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 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 materials be kept that will emit foul or obnoxious odors or that will cause any noise or other condition that will or might disturb 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, and 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 ARC, shall be located, installed or maintained upon the exterior of any Unit unless required by law.

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

10.12 Lighting. Exterior lighting visible from the street shall not be permitted except for: (a) approved lighting as originally installed on a Unit; (b) 1 decorative post light, (c) street lights in conformity with an established street lighting program for the Properties; (d) seasonal decorative lights during the usual and common season; or (c) front house illumination of model homes;

10.13 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 re-channel the drainage flows after location and installation of drainage swales, storm, sewer, or storm drains. No person shall after the grading of any Unit or any Exclusive Common Area without prior approval pursuant Article of this Declaration. The Declarant hereby 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.

10.14 Garbage and Containers. All garbage cans must be city issued containers and shall be located or screened so as to be concealed from view of neighboring streets and property. Visually screened service yards shall be required as provided in the Design Guidelines. 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 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 accordance with the rules established by the Board.

10.15 Guns. The discharge off 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 present or stop such discharge.

10.16 Combustible Liquid. There shall be no storage of gasoline, heating or other fuels, except for a reasonable amount or 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 ARC.

10.17. Holiday Decorations. Decorations exhibited on the lawn or on the outside of any house, such as Christmas decorations, shall not be allowed to remain for an unreasonably long time, nor shall the number, extent or size of such decorations be unreasonably large so as to constitute a nuisance or irritant to neighbors. In the sole opinion of the Architectural Review Committee, should the Architectural Review Committee direct an Owner to remove decorations, failure to do so shall constitute a separate violation of these Restrictions each day they remain.

10.18 Cleanliness of Yard/Required Maintenance. Lots shall be kept clean and mowed, and all dwellings shall be kept neatly painted and in good repair. The Association shall have the right to enter upon any Lot for the purpose of cutting grass, cleaning up such lot, or painting, repairing and maintaining, dwelling thereon, if same be reasonably required, and to charge the expense thereof as an additional annual Assessment to the Lot Owner, which Assessment shall be a lien on the Lot and bear interest at the rate of ten percent (10%) per annum from the date the expense is incurred until paid in full. This Assessment is not subject to the dollar amount limitations of annual Assessments. *Note waiver during early stages before Association takes over and tougher after Association takes over.

10.19 Lawn Maintenance. All side and back yards are the sole responsibility of the Owner. Lawn maintenance should be kept up to the Community Wide Standard.

10.20 Docks/Lakeside/Sea Walls/Maintenance. All lakeside docks and seawalls must be approved by the ARC and maintained in a manner that is acceptable as the Community Wide Standard.

10.21 Clothes Line. No clothes lines or other devices for drying clothes in the open air shall be allowed on any Lot. No clothes shall be air dried on any Lot.

10.22 Garage Doors. Lot Owners shall keep garage door closed "*except*" when open for entry and exit.

10.23 Storage of items/Firewood. The following types of Items may not be left or stored in the front of any home or structure, on the side of any home or structure: barbecue grills, vehicle tops, lawn mowers, furniture, stacked newspapers, gasoline cans,

bicycles, toys, grass clippings, etc. (Note flower planters and hoses neatly coiled and stored in an inconspicuous manner are acceptable.) Firewood may be kept only in the back yard of the home. No wood may be stored in the front yard, on the front porch, outside of the back fence, on the side of a home or structure, or any area of the common grounds.

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 Notice of Action. An institutional holder, insurer or guarantor of 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 or insurance proceeds or 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.