

This instrument was
 Prepared by:
 Robert S. DeVane, Attorney
 413 E. Unaka Ave.
 Johnson City, TN. 37601

RESTRICTION AND RESERVATIONS

THE FALLS AT HIGHLAND RIDGE SUBDIVISION

DECLARATION OF RESTRICTIONS on land embraced in The Falls at Highland Ridge Subdivision, a subdivision in Washington County, Tennessee, as shown by plat recorded in Plat Book 19 page 113 in the Office of the Register of Deeds for Washington County, Tennessee.

We, the undersigned, the owners of all the land embraced in The Falls at Highland Ridge Subdivision do hereby declare that the reservations, easements and restrictions hereinafter set out shall be, and the same are, made applicable to said property, to-wit:

RESERVATIONS AND EASEMENTS

1. Easement for installation and maintenance of all necessary or proper public utilities and drainage facilities are reserved.
2. Easement for natural drainage is reserved as natural drainage courses now exist, and no subsequent purchaser or owner shall obstruct any drainage course.
3. No tract of land laid out as a lot in The Falls at Highland Ridge Subdivision shall ever be used as a street without the written consent from the undersigned or their designees.
4. The right to enter in accordance with Paragraph 19 below.

GENERAL RESTRICTIONS

1. Use.

The lots within The Falls at Highland Ridge Subdivision (hereinafter the "Lots") are for, and shall be limited to use as, single-family residential purposes only. No residence located within the Subdivision shall ever be used for rental purposes or occupied by anyone other than the owner of the lot without the prior written approval of the Developer. There shall not exist on any lot at anytime more than one residence. No trailer, tent, shack, barn, temporary building, outbuildings, or guest house shall be erected on any of the lots in the subdivision without approval in writing from the undersigned or their designee. No garage shall be constructed except as an integral part of the residence it is intended to serve. Garages, which shall be for the use only of the occupants of the residence with which they are appurtenant, may be attached or detached from the residence, may only be used primarily for garaging automobiles, must be constructed in design and materials in a manner identical with the residence and must be approved in advance by the undersigned or their designee.

2. Structures-Materials.

Residences shall be constructed of high quality materials suited for and intended by their manufacturer to be used for the purposes for which they are incorporated into the residence. Exterior of any structure, including residences, garages and retaining walls, shall not be constructed of concrete blocks, cinder blocks or materials of similar appearance, nor shall artificial, simulated, fake or imitation materials including vinyl or aluminum siding, be used. The front facade of all residences must be a combination of stone and cedar

shake siding. The side and rear facades may include the use of brick. No mobile homes, mobile home kindred, manufactured homes, prefabricated homes or modular homes shall be erected or maintained within The Falls at Highland Ridge Subdivision. Driveways shall be constructed of concrete. All roofs shall be architectural styled fiberglass shingles rated for a 25 year life or better and shall include accents of standing seam copper. Any metal roof shall be for accent only of the standing seam style. All electric service drops to any structures are to be underground.

3. Structure-Size and Shape.

One-Story residences shall have not less than 2200 square feet of floor area devoted to living purposes, exclusive of open porches and garages. Two story and one and a half story residence shall have no less than 2300 square feet of floor area with a minimum of 1300 square feet on ground floor devoted to living purposes exclusive of open porches and garages. No residence shall be constructed with a straight line roof. Bonus Rooms or finished basement areas do not count as square footage for the above square footage requirements. All garages are to enter from side or rear unless special exception is granted in writing from the undersigned or the designees.

4. Structures-Construction.

No building material of any kind or character shall be placed or stored upon the property until the owner is ready to commence construction of improvements, and then such material shall be placed within the property lines of the lot or parcel of land upon which the improvements are to be erected, and shall not be placed in the streets or between the curb and property line unless approved by the undersigned or their designee. After construction of any structure has commenced, work thereon must be prosecuted diligently and must be completed within eight (8) months. Completion of the exterior of all improvements started on said land, including driveway, sidewalks, finish grading and landscaping shall be given priority and expedited to the maximum extent possible in order to minimize the disturbance created during the construction process. One Hundred percent (100%) of outside finish material must be stone, cedar shakes and brick with vinyl or aluminum being acceptable for soffits only. The undersigned or their designee shall have the right to accept other materials at their discretion. No residence may be in any manner occupied until complete and made to comply with the approved plans, the requirements herein, and all other covenants, conditions, reservations and restrictions herein set forth and a certificate of occupancy granted from the City of Johnson City.

5. Sod and Landscaping.

The front and side yards of each home shall be sodded and have an automatic lawn irrigation system installed. A minimum of Three Thousand Dollars (\$3000.00) shall be invested in landscaping plant material and labor.

6. Lawn and Common Area Irrigation.

In order to maintain a consistent and uniform appearance, all lawns and common areas within The Falls at Highland Ridge will be watered by means of a common irrigation system. Costs to operate and maintain this system will be shared equally among The Falls homeowners by way of a special assessment paid annually. This assessment will be in addition to the monthly fee paid to The Highland Ridge Homeowner's Association, as may be amended in the future.

7. Construction Clean-up.

Throughout the course of construction, the jobsite shall be kept in a neat and orderly condition. Excess material, trash and other debris shall not be allowed to accumulate on site. Necessary measures must be taken to prevent jobsite debris from relocating to adjoining lots. Weekly clean-up shall be performed in order to maintain a neat and orderly jobsite.

8. Approval of Plans.

(a) For the purpose of further insuring the development of The Falls at Highland Ridge Subdivision as a neighborhood of high standards, the undersigned or their designee hereby reserves the right and power to approve the homes and other improvements placed on each lot, which approval shall not be unreasonably withheld, as well as to make such exceptions to these Reservations and Restrictions as the undersigned or the designee shall deem necessary and proper. The design theme for this neighborhood is "Casual Traditional" style homes such as those designed by Frank Betz and Associates. Contemporary, European, Mediterranean, Spanish, Tudor, etc. styles are not acceptable.

(b) In order to be considered for approval, the homeowner or builder shall submit the following information: (1) complete set of Architectural Plans, (2) detailed site plan showing building setbacks, retaining walls, driveway location and existing and proposed drainage, (3) landscape plan, (4) brick and stone selections and (5) exterior color scheme.

(c) Whether or not provision therefore is specifically stated in any conveyance of a lot made by the undersigned or the successors or assigns, the owner or occupant of each and every lot, by acceptance of title thereto or by taking possession thereof, covenants and agrees, that no building, wall, fence, or other structure shall be placed upon such lot unless and until the plans and specifications therefore and site plan have been approved in writing by the undersigned or their designee. Each such building, wall, fence, or structure shall be placed on the premises only in accordance with the plans and specifications and site plan so approved. Refusal of approval of plans and specifications may be based on any reasonable ground, including purely aesthetic grounds which, in the sole discretion of the undersigned or the designee shall seem sufficient. No alteration in the exterior appearance of the buildings or structures shall be made without like approval. If the undersigned or their designee shall fail to approve or disapprove the plans and specifications within 30 days after written request therefore, then such approval will not be required; provided that no building or other structure shall be erected which violates any of the Covenants herein contained. The undersigned may appoint one or more persons as the designee for purposes of passing on matters for which the undersigned are entitled to approve or disapprove as herein provided. The developer reserves the right to convey all privileges, powers, rights and authority to approve or disapprove as provided in this restriction to a committee to be known as The Highland Ridge Subdivision Architectural Committee.

9. Approval of Contractors.

Any and all contractors seeking to construct or modify a home located in The Falls at Highland Ridge Subdivision must be approved prior to commencement of construction by a committee designated by the Developers, which committee shall have the sole authority to approve or reject any builder. In order to obtain the necessary approval of the builder, such builder and/or homeowner must submit a completed "Contractor Questionnaire" as provided by the developer.

10. Designee.

The undersigned may appoint one or more persons as the designee for purposes of passing on matters for which the undersigned are entitled to approve or disapprove as herein provided.

11. Subdivision and Addition of Lots.

Each lot as shown on the recorded plat hereinbefore referred to, constitutes a building site and no lot shall be divided into two building sites. Further, no building site shall be less in area than the area of the smallest lot shown on the recorded plat hereinbefore referred to. A single lot, together with a contiguous portion or portions of one or more lots in the same block may be used for one building site. No lot shall be subdivided except with the approval of the undersigned or their designee. The owners/developers reserve the right to add

additional land for the development of additional lots for The Highland Ridge Subdivision. Undersigned may add additional lots from adjoining properties as future phases to the subdivision. Said lots shall have rights to all amenities of the subdivision and shall be obligated to pay annual maintenance fees.

12. Setback Lines.

Setback lines shall be as required by applicable governmental regulation, but, in any event the front setback line shall be a minimum of 15 feet and side yards a minimum of 7.5 feet.

13. Fences Walls Outbuildings, Tanks, Garbage Cans and other Structures.

(a) No improvement or structure whatever, other than a single-family residence and appurtenant garage constructed in accordance with these restrictions, may be erected placed or maintained on any building site.

(b) Above or below ground storage tanks, for any use, are not allowed.

(c) All garbage cans and HVAC equipment must be landscaped sufficiently to conceal them from the view of neighboring lots, roads or streets.

(d) Antennas smaller than one meter used for the transmission or reception of satellite signals must be approved prior to installation. Television broadcast antennas, as well as any other such antennae, are not allowed.

(e) Retaining walls shall be constructed of materials identical to or complimentary to the materials on the exterior of the residence. Materials for wall construction are restricted in accordance with paragraph 2 above. No boundary line hedge or shrubbery shall be permitted with a height of more than six feet, nor are boundary walls of any height allowed.

(f) No wall of any height or for any purpose shall be constructed on any lot until after the height, type, design, and approximate location thereof shall have been approved in writing by the undersigned or their designee. The heights or elevations of any wall shall be measured from the existing elevations of the property at or along the applicable points or lines. Any question as to such heights may be completely determined by the undersigned or their designee.

(g) No fence shall be constructed on any lot unless and until the plans and material have been approved by the undersigned or the designee in writing. Fences must be complimentary to the design and materials used in constructing the residence. In no event may fences be constructed of chain fabric or wire, in any configuration, nor may fence posts or rails be of non-decorative metal or material.

(h) All driveways must be constructed of concrete.

(i) All mailboxes must conform to the pre-selected style and manufacture of the developers.

14. Native Growth, Vegetation, Landscaping.

The native growth present on the lots shall not be permitted to be destroyed or removed except as approved in writing by the undersigned or their designee. Grass and shrubbery on each lot shall be mowed and trimmed at regular intervals so as to maintain a neat and attractive appearance. Trees, shrubs, vines, and all other vegetation which die shall be promptly removed. If any lot owner shall fail to perform his/her obligations hereunder, the undersigned or their designee may cause the obligation to be performed and the owner of the lot shall be obligated to pay for the cost of such work. In the event native growth is removed or injured in violation hereof, the owner shall replace same.

15. Signs.

No billboards or advertising signs, or other advertising devices shall be erected, placed, permitted or maintained on any lot or improvement thereon, except as herein expressly permitted. One sign of not more than six (6) square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during the construction and sale period shall be permitted.

16. Nuisances.

Except as provided in Paragraph 17 below, no cattle, swine, goats, poultry, fowl or any other livestock shall be kept on any lot. No clotheslines or drying yards shall be permitted. No weeds, underbrush, or other unsightly growths shall be permitted to grow or remain upon the premises and no refuse pile or unsightly objects shall be allowed to be placed or suffered to remain anywhere thereon. In the event that any owner of any property in the Subdivision shall fail or refuse to keep such premises free from weeds, underbrush, or refuse piles or other unsightly growths or objects, then the undersigned or their designee may enter upon such lands and remove the same at the expense of the owner and such entry shall not be deemed a trespass and in the event of such a removal a lien shall arise and be created in favor of the undersigned or their designee and against such lot for the full amount chargeable to such lot and such amount shall be due and payable within 30 days after the owner is billed therefore. No trash, ashes or other refuse may be thrown or dumped on any lot (whether vacant or not), street or right-of-way in the subdivision. No thing, substance, material or activity that will emit foul or obnoxious odors, shall be allowed or kept upon any lot. Nor shall any thing, substance, material or activity be allowed or kept upon any lot that will cause any noise that will or might disturb the peace, quiet, comfort, or serenity of the occupants of surrounding property. Specifically prohibited, but without limitation thereto, is the keeping of any motor vehicle, including cars, trucks, and motorcycles, designed, intended or actually used for the off-road purposes of track racing, dirt-bike riding, motor-cross racing, or the like. This prohibition is specifically intended to prohibit dirt-bikes, race cars and trucks and loud motorcycles. This prohibition is not intended to prohibit factory standard on and off road four-wheel drive recreational vehicles. Furthermore, no boat, motor home or camper may be stored on any lot, street, or driveway.

17. Pets.

Dogs, cats or other household pets may be kept provided that they are not kept, bred, or maintained for commercial purposes. In no event shall the number of household pets exceed two (2) of any species or three (3) all together. Pets shall not be allowed to roam free but shall be contained either inside the residence or in an outside enclosure approved by the undersigned or their designee. In no event shall pets be maintained in a garage unless approved by the undersigned or their designee, which approval may be revoked without notice.

18. Water Supply.

No individual water supply systems, including wells, shall be permitted.

19. Remedies for Violations-Invalidations.

For a violation or a breach of any of these Reservations and Restrictions by any person claiming by, through, or under the undersigned or their designee, or by virtue of any judicial proceedings, the undersigned or their designee, and the lot owners, or any of them individually or severally shall have the right to proceed at law or in equity to compel compliance with the terms hereof or to prevent by injunction the violation or breach of any of them. In addition to the foregoing right, the undersigned or the designee shall have the right, whenever there shall have been built on any lot any structure which is in violation of these restrictions, to enter upon the property where such violation of these Reservations and Restrictions exists and summarily abate or remove the same at the expense of the owner, and any such entry and abatement or removal shall not be deemed a trespass. The failure promptly to enforce any of the Reservations and

Restrictions shall not bar their enforcement. The invalidation of any one or more of the Reservations and Restrictions by any Court of competent jurisdiction in no wise shall affect any of the other Reservations and Restrictions, but they shall remain in full force and effect. In the event that the undersigned or their designee incurs any expense in the prevention, abatement, or removal of any violation of these Reservations and Restrictions, and/or incurs any expense in connection with the enforcement, at law or in equity of compliance with these Reservations and Restrictions, such expense, including reasonable attorneys fees, shall be a lien in favor of the undersigned or their designee upon the Subdivision for containing the violation or breach.

20. Homeowner's Association.

For the purpose of maintaining common areas, road (other than roads maintained by the applicable governmental authority), community services, and recreational facilities, including a swimming pool and/or tennis courts, if any, every owner, in accepting a deed or contract for any lot in The Falls at Highland Ridge Subdivision, agrees to and shall be a member of and be subject to the obligations, including the obligation to pay dues, and to abide by the decisions of The Highland Ridge Subdivision Architectural Committee and the By-Laws of The Gates at Highland Ridge Homeowner's Association, a nonprofit corporation. In addition thereto, a fee may be levied for those Lot owners in The Falls for exterior maintenance, etc., separate and apart from that fee authorized by The Gates at Highland Ridge Homeowner's Association.

The undersigned may elect to convey all authority for the enforcement of the restrictive covenants to the Homeowner's Association prior to One Hundred percent (100%) of the lots having been sold, but may reserve the rights to architectural control.

21. Changes to Restrictive Covenants.

Until all of the lots have been conveyed, the undersigned reserves the right to amend the restrictive covenants or to waive or modify any restrictions for any lot in the development.

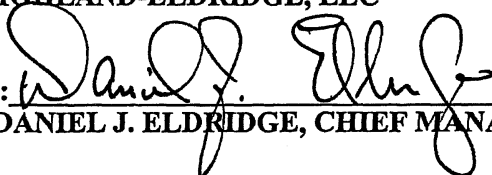
22. Effective Dates.

These restrictions shall be effective until January 1, 2034 and shall automatically be extended thereafter provided; however, that the owners of the majority of lots in The Falls at Highland Ridge Subdivision may, after January 1, 2034, and after a one year notice to all property owners therein, release any or all of the lots hereby restricted from any one or more of said restrictions, by executing and acknowledging an appropriate agreement or agreements in writing for such purpose, and filing the same for record in the Office of the Register of Deeds for Washington County, Tennessee, after January 1, 2034.

In witness whereof, the undersigned have executed this instrument on this the 29th day of July, 2005.

RDL PARTNERS, A TENNESSEE GENERAL PARTNERSHIP

HIGHLAND-ELDRIDGE, LLC

BY: 
DANIEL J. ELDRIDGE, CHIEF MANAGER

HIGHLAND FALLS, LLC

BY: Ron Gouge

RON GOUGE, MEMBER

CHECKMATE, INC. REALTORS

BY: Larry S. McClanahan

LARRY S. McCLANAHAN, PRESIDENT

STATE OF TENNESSEE
COUNTY OF WASHINGTON

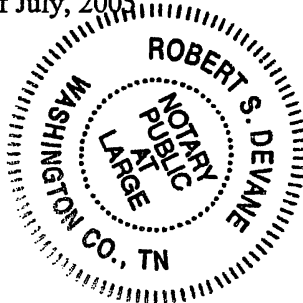
Before me, a Notary Public in and for said State and County, personally appeared **DANIEL J. ELDRIDGE**, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), who upon oath, acknowledged himself to be **Chief Manager of Highland-Eldridge, LLC**, the within named bargainor, and that he as such **Chief Manager**, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of **Highland-Eldridge, LLC** by himself as **Chief Manager**.

Witness my hand and seal on this the 29th day of July, 2005.

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Notary Public

My commission expires:

~~12/13~~ 1/30/06

STATE OF TENNESSEE
COUNTY OF WASHINGTON

Before me, a Notary Public in and for said State and County, personally appeared **RON GOUGE**, with whom I am personally acquainted, (or proved to me on the basis of satisfactory evidence), who upon oath, acknowledged himself to be **Member of Highland Falls, LLC**, the within named bargainor, and that he as such **Member**, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of **Highland Falls, LLC** by himself as **Member**.

Witness my hand and seal on this the 29th day of July, 2005.

151
Notary Public

My commission expires:

1/30/06

