

THE HIGHLANDS at BIG SOUTH FORK

Declaration of Reservations and Restrictive Covenants

Phases I, II, & III As Amended March 2008 (Phase IV follows below)

This declaration made and published this 12th day of March, 2008, by Allardt Land Company, Inc., P. O. Box 69, Allardt, Tennessee 38504, (hereafter Declarant), amends the Declaration of Reservations and Restrictive Covenants for Highlands at Big South Fork filed in Book 37, page 274-281 in the Register's Office of Fentress County, Tennessee. The Declarant is the owner of the real property described in Article I of this declaration and is desirous of subjecting it to protective covenants for the benefit of such property and each owner, which covenants shall run with the property, and each Lot or parcel within it, and shall bind the successors in interest of any owner. Now, Therefore, the Declarant hereby declares that the real property described in Article I shall be held, transferred, sold and conveyed subject to the protective covenants set forth below.

Article I

DESCRIPTION OF PROPERTY

1.1 The real property is more particularly described as follows: Only Lots of The Highlands at Big South Fork as shown on the plats of Phase I filed in Plat Book 4, Page 42, Phase II filed in Plat Book 4, Page 41, Phase III filed in Plat Book 4, Page 99 and such future plats of Lots in The Highlands at Big South Fork filed in the Register's Office of Fentress County, Tennessee, which may be sold from time to time and contain a provision in the deeds that such Lots are subject to this Declaration of Reservations and Restrictive Covenants. No property other than that described above shall be subject to this Declaration until specific notice is given otherwise. In the future, other phases may have similar restrictive covenants but may have different Property Owners' Associations to control them where they are geographically separated from the other phases in the development. However, all Phases will be part of the overall "Property Owners' Association" (hereafter "POA") in reference to Lot dues, common areas, trails, ponds, etc. Other restrictions may be placed on common areas

such as trails, ponds, gazebos, etc. by the Declarant or by the POA once they are turned over to the POA by the Declarant.

Article II

PURPOSE OF COVENANTS AND RESTRICTIONS

2.1 The real property described in Article I (hereafter Lot or Lots) is subject to the following protective covenants and restrictions to provide enforceable standards of improvement and so aesthetics, living conditions, and property values may be enhanced.

Article III

RESIDENTIAL USE

3.1 Lots shall be used for single family residential and recreational purposes, except as specified in Article VI.

Article IV

PERMITTED ANIMALS

4.1 No animals shall be raised, kept or bred on any Lot, and except for household pets, such as dogs and cats, which may be kept, provided they do not create a nuisance such as by menacing behavior or annoying barking.

Article V

BUILDING RESTRICTIONS AND REQUIREMENTS

5.1 All improvements shall be subject to approval by the Architectural Control Committee (hereinafter "ACC"), as set forth in Article XV; and all other provisions of this Declaration shall not be deemed to limit the authority of the ACC in any way.

5.2 No residence shall be constructed, maintained, used, or permitted to remain on any Lot other than one single family dwelling of not less than 1600 square feet on bluff line Lots in Phases I, II, & III; and 1200 square feet on all other Lots in Phases I, II, & III. All residential exterior construction must be completed within one (1) year of Commencement of that construction.

5.3 Tree removal from any Lot of trees over eight (8) inches diameter at breast height must be approved by the ACC prior to the clearing of any timber, except that completely dead trees which pose a threat to safety may be removed by the lot owner. Any live tree cut in violation of this section shall be replaced at the lot owner's expense with a tree of similar species, and the lot owner shall further be subject to fines by the ACC for such unauthorized cutting.

5.4 No more than one outbuilding may be constructed on any Lot. It shall be only for the purposes of housing boats, cars, RVs, as well as lawn and garden equipment. This building must be enclosed on at least three sides and the top, with some sort of door which would thus close in all four sides of the building. Guest quarters are permitted within this building. However this outbuilding/garage may not be used as temporary living space by an owner or guest prior to or during construction of the residence.

5.5 There shall be no single-wide mobile homes/manufactured homes, no double-wide mobile homes/manufactured homes, no modular homes/buildings or buses situated on any Lot as a residence or for storage, either temporarily or permanently.

5.6 In the case of complete or partial destruction of any structure by fire, windstorm, or other cause, said structure must be rebuilt or the debris removed from the premises within six (6) months of the occurrence.

5.7 It is the responsibility of the Lot owner to prevent unclean, unsightly, or unkept conditions on any building, the grounds, or any pasture areas on the Lot. Once a dwelling has been constructed on a Lot, the owner shall not permit underbrush or weeds to grow so as to be offensive to adjoining properties. Grassed areas shall be mowed at least twice per year. The Lot owner shall not permit garbage, refuse, or debris on his Lot. A violation of this restriction shall be treated as a violation of the ACC standards.

Article VI

RESTRICTIONS ON USE

6.1 No trade, commerce, or other activity which may be considered a nuisance to the neighborhood may be carried on upon any Lot. It is permissible to operate a home-based business, provided that deliveries to the home do not exceed two (2) UPS, Federal Express, or similar express carriers per day. Lot owners shall be permitted to lease their properties. Lessees must comply with all the rules of the subdivision. No trade materials or inventories may be stored upon any Lot, and no tractor trailer type trucks and/or trailers, house trailers, or mobile homes may be stored or regularly parked on any Lot. Home-based internet businesses shall be allowed to store small inventories within the residence or an enclosed outbuilding situated on the Lot. No advertisements of any kind will be permitted on any Lot for home-based businesses.

6.2 The Declarant reserves the right to erect signs. No other person or persons shall erect any signs until the formation of the Property Owners' Association at which time signs shall be limited to "For Sale" signs, address signs, posted signs, and security signs. Signs are not to exceed three (3) feet by three (3) feet in size. Signs must be neat, clean, and must be made of metal or wood material. Any exceptions to this covenant must be approved by a majority vote of the Board of Directors.

Article VII

SUBDIVIDING LOTS

7.1 No Lot or Lots shall be subdivided.

Article VIII

SETBACKS FOR STRUCTURES

8.1 No structure, other than a fence, may be built within ten (10) feet of any side property line nor within 30 feet from the road front property lines; structures must be no closer than 50 feet from the edge of the bluffs. All fencing must be placed outside of the roadway and utility easements as shown on the recorded plat. Fences must be approved by the ACC.

Article IX

EASEMENTS FOR UTILITIES

9.1 Easements for installation and maintenance of utilities and drainage facilities are reserved ten (10) feet in width over all side Lot lines and Lot lines along any road in said subdivision. In addition, the property described in Article I is subject to such easements, setbacks, and road rights-of-way as shown on the recorded plat. Declarant reserves unto itself, its successors and assigns, the right to erect and maintain any utility lines and electric lines and to grant easements or rights-of-way, together with the right of ingress and egress for the purpose of installing and maintaining them.

Article X

LIMITATIONS ON INGRESS AND EGRESS

10.1 No lot shall be used for ingress and egress to any properties not part of this subdivision. Declarant hereby reserves unto itself the right to use any Lot prior to selling it to a third party for ingress and egress to any other adjoining property.

Article XI

ROADWAYS

11.1 The roadways and rights-of-way constructed throughout the subdivision are for the common use of the Declarant, Lot owners, and their respective heirs, successors, assigns, and guests. Declarant reserves the right to dedicate them for the use of the general public.

Article XII

CAMPING

12.1 This development is not a campground. No camping in any form will be permitted on Lots purchased. However, the Declarant may construct campsites isolated from the developed lots for temporary use as determined by the Declarant.

Article XIII

HUNTING, FIREARMS, FIREWORKS

13.1 There shall be no hunting from any roadway or other designated easement for ingress and egress or for drainage. The display or shooting of firearms, fireworks, or firecrackers is expressly forbidden.

Article XIV

PROPERTY OWNERS ASSOCIATION

14.1 The record owner or owners of each Lot become a member of The Highlands at Big South Fork Property Owners Association, Inc. (hereinafter, "Association"), a Tennessee Non-Profit Corporation. Upon the first sale of a Lot by the Declarant, \$1,000.00 shall be allocated from the proceeds of the sale to a fund to develop the greenway areas in the subdivision. All property owners shall be subject to the jurisdiction of the Association and the terms and conditions of this Declaration as amended from time to time. The Association shall be created for the purpose of enforcing this Declaration, administering the Architectural Control Committee, and holding and administering such funds assessed annually for each Lot. The annual assessment for each Lot shall be the sum of \$100.00 per Lot per year. The funds shall be known as the "Property Owners' Association Fund." The Declarant shall be exempt from any and all assessments for any Lot owned by it, either now or in the future.

The annual assessment may be increased or decreased at any time by an affirmative vote of their owners (one vote per Lot) of 75% of lots, including Declarant. The Property Owners' Association Fund shall be owned jointly by all the Lot owners of the Property in the subdivision and shall be used only for administrative costs, including attorney's fees, for the setup and perpetual continuation of the Property Owners' Association, for maintenance of the subdivision sign, for electricity for the sign, landscaping, for mowing and snow removal throughout the subdivision, and for any other reasonably necessary expenditures based on a majority vote of the Board of Directors.

14.2 Each member shall be entitled to cast one (1) vote per each Lot in the affairs of the Association for each Lot owned (one vote per Lot), but the Declarant shall be entitled to cast two (2) votes for each Lot owned. All decisions that are to be made by the Association as a whole shall be decided by a majority vote, except that a 75% majority shall be necessary for the levy of increased annual or special assessments as set out above. A majority shall be determined by the number of Lots, rather than the number of owners. The Association shall organize, elect officers to the Board of Directors, adopt by-laws, and operate freely within the restrictions contained in this Declaration. Declarant, either through its employees, agents, assigns, will administer the Association and enforce this Declaration until the initial organizational meeting of the Association is held. As soon as practical and convenient to Declarant, following the sale of 75% of the Lots, Declarant shall give reasonable notice to all Lot owners regarding when the initial organizations meeting will be held. The number of Lot owners who attend the initial organizational meeting shall be deemed a quorum for that meeting only.

14.3 Annual assessments shall be paid by the owner of record on December 31 of a given year, and shall be due by the following March 31st. For new sales by the Declarant or his successor or assigns, the annual assessment shall be prorated as of the date of closing. If any assessment levied by the Association is not paid within the due date, then the entire assessment (together with interest, expenses, and reasonable attorney fees) shall become delinquent and shall constitute a lien on said Lot. However, any such lien for assessments shall be subordinate to the lien of any first mortgage. If any assessment is not paid within 30 days of the due date, the assessment shall bear interest at the rate of 1% per month, and the Association may bring action at law against the owner or foreclose on the lien against the property, or both. The Association may add to the amount of the assessment the cost and reasonable attorney fees as fixed by the Court, should a judgment be obtained. Nonuse of the common areas shall not waive assessment. Further, Lot owner shall forfeit the right to vote on POA matters until the Association assessment is paid.

Article XV

ARCHITECTURAL CONTROL COMMITTEE

15.1 With this Declaration there is hereby established an Architectural Control Committee (hereinafter "ACC"), which shall be appointed by the Declarant. ACC will consist of three (3) members to be appointed by the Declarant. When the Association has been organized and a Board of Directors elected in accordance with Article XIV, Declarant, shall relinquish control of the ACC to the Association.

15.2 No improvements shall be erected, placed, altered, maintained, or permitted to remain on any Lot, nor shall any construction be commenced thereon until plans for such improvements have been approved by action of the ACC in accordance with the provisions herein; provided, however, that improvements and alterations completely within the interior of a building may be completed without approval. The term "improvements" shall mean and include structures and construction of any kind,

whether above or below the land surface, such as, but not limited to, buildings, outbuildings, water lines, sewers, electric and gas distribution facilities, parking area, walkways, walls, fences, and landscaping, including extensions, alterations, additions, modifications, or repairs (except as repairs which restore the improvement to substantially the same condition).

15.3 The Declarant, an agent of the Declarant, the ACC, or the POA may, at reasonable times, enter upon and observe any Lot or any Lot improvements for the purpose of determining compliance with the provisions of these restrictions, and no such person shall be considered to have committed a trespass or other wrongful act by such entry and inspection.

15.4 Approval of proposed improvements shall be based on the best judgment of the ACC in its sole discretion, to see that all improvements conform and harmonize with all proposed and/or existing improvements on the property as to external design, quality and type of construction, materials, color, sizing, height, grade, and finished ground elevation, and conformity of the proposed improvements to the general plan and intent of this Declaration.

15.5 The ACC shall prepare and maintain a "Manual of Standards" which summarizes the construction standards to be used as criteria for the approval of proposed improvements. When the Manual of Standards is prepared, it shall include, without limitations, statements with respect to architecture, landscaping, parking, enclosure of external equipment, building materials, lighting, access, etc. The ACC, or the Declarant, shall have the power to modify, alter, supplement, or amend the Manual of Standards at any time, but such change shall not be effective as to improvements which have previously been approved. The Manual of Standards shall be available for inspection during normal business hours at the Declarant's place of business or at the office of the Association, as applicable. The actions of the ACC through its approval or disapproval of plans, and other information submitted pursuant hereto, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

15.6 All communications and submittals shall be addressed to the ACC, c/o Allardt Land Company, Inc., P. O. Box 69, Allardt, TN 38504, or to any other address as the ACC designates in writing. The ACC shall reply to all plan submittals made within fifteen (15) days of receipt. If the ACC fails either to approve or disapprove such plans and specifications within fifteen (15) days after the receipt, it shall be presumed that they have been approved. There shall be no fee charged for the ACC's review of plans, including preliminary and final designs reviews.

15.7 Neither the ACC, nor any of its members, employees, or agents shall be liable to any owner of a Lot or to anyone submitting plans for approval, or to any other interested party by reason of mistake in judgment, negligence, or nonfeasance in connection with the approval, disapproval, or failure to approve any such plans or for any other action in connection with its or their duties hereunder. Likewise, anyone who submits plans to the ACC for approval agrees not to bring any action of suit to recover any damages against the Declarant, the ACC, or any partner, member, employee, or agent of the Declarant or the ACC.

15.8 In order to approve plans, the ACC shall hold a conference. At the conference, Lot owners and/or their designated representatives shall be prepared to present and discuss their initial development concept, including, but not limited to, the following items: site controls, including setback requirements for buildings, parking areas, tree removal and other surface improvements; proposed building design and materials for construction thereof; total surface land coverage of the proposed improvements; driveways, and other improvements for vehicular use; and general

outdoor lighting plan. Schematic drawings shall be submitted which outline the proposed improvements.

15.9 All submissions for the Conference shall be made in duplicate. Any other information as may be required shall be submitted to the ACC in order to ensure compliance with requirements contained herein.

15.10 A Certificate of Compliance shall be issued by the ACC to each owner upon completion of construction to assure the owner that the ACC's design objectives have been fulfilled and improvements have been built according to plans which comply with the Protective Covenants and conditions of the development. When owners desire a Certificate of Compliance, they will make such a request to the ACC. Where landscaping cannot be installed before occupancy, a future completion date will be mutually agreed upon, but in no event shall more than one (1) full planting season elapse before said completion date.

15.11 Notwithstanding anything to the contrary contained herein, after the expiration of one (1) year from the date of a request for a Certificate of Compliance, said improvements shall be deemed to be in compliance with all provisions of this article unless actual Notice of Noncompliance, executed by the ACC, shall have been delivered to the owner or unless legal proceedings have been instituted to enforce compliance or completion.

15.12 If the ACC determines that an owner has failed to comply with its requirements, the ACC shall give the Lot owner written notice of such violation, or shall post such written notice on the Lot. The Lot owner shall take reasonable steps to correct the violation within 30 days of such notice. If the Lot owner has not taken reasonable steps to correct the violation within 30 days, the ACC may levy a fine of not less than \$100.00 per day for the violation, with such fines being payable to the Property Owners Association Fund. If, after 90 days of posting the written notice of violation, the Lot owner has failed to remedy the violation or take reasonable steps towards removal or termination of the violation, the Declarant or the ACC shall have the right to enter upon the Lot and take such steps as may be necessary to correct the violation. The costs thereof shall be a binding personal obligation on the owner of the Lot as well as a lien upon the Lot, and such costs shall be in addition to the fines, which shall continue until the violation has been brought into compliance.

15.13 The ACC may make exceptions to the provisions herein, when, in its sole discretion, such exceptions would not be in conflict with the intended character of the property subject to this Declaration when fully developed and occupied in accordance with the developer's plans and objectives.

Article XVI

EQUINE REGULATIONS, COGGINS

16.1 In accordance with the Regulations of the Department of Agriculture, State of Tennessee, no equine shall be allowed within the development without the owner first filing a copy of the equine's or equines' current negative Coggins test papers with the Declarant (Allardt Land Company, Inc., P. O. Box 69, Allardt, TN 36504) or the Property Owners' Association which ever is applicable.

Article XVII

CHANGING AND ENFORCING COVENANTS

17.1 These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until January 1, 2027, at which time said covenants shall be automatically extended for successive periods of ten (10) years unless by vote cast by their owner or owners (one vote per Lot) of 75% of the Lots described herein, it is agreed to change said covenants in whole or in part, except as follows: horses shall not be prohibited in the designated areas in the development unless by vote cast by their owner or owners (one vote per lot) of 100% of the Lots described herein. If the parties hereto, or any of them, or their heirs, successors or assigns shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning Lots described herein to prosecute at law or in equity the person or persons violating or attempting to violate such covenant, to prevent them from so doing and to recover damages or other dues for violations. Declarant or the Association reserves the right to recover reasonable attorney's fees and expenses in addition to damages.

Article XVIII

DECLARANT AMENDMENTS AND VARIANCES, MISCELLANEOUS

18.1 Invalidation of these covenants or any part of them by judgments or court order shall in no way effect any of the other provisions which shall remain in full force and effect, and the failure of any person or persons to take action to restrain the violation of these covenants and restrictions shall not be construed as a waiver of any enforcement rights and shall not prevent the enforcement of such covenant or covenants in the future. Notwithstanding any other provision contained herein, the Declarant reserves the right to change, delete, amend, or grant variances which it, in its sole discretion, deems just and appropriate as long as such changes comply with the spirit and intent of the original covenants. This right will be subsequently assumed by the Property Owners' Association when it is formed. Titles for Articles are organizational only and shall not be construed to limit the applicability of any requirements in a given Article.

Allardt Land Company, Inc. has caused this instrument to be executed in its name by Rebecca G. Day, Vice President by authority of a Resolution by its Board of Directors, this 12th day of March 2008. ALLARDT LAND COMPANY, INC. BY: Rebecca G. Day, Vice President

★ Declaration of Reservations and Restrictive Covenants for The Highlands at Big South Fork

Phase IV

This declaration made and published this 12 day of March, 2008, by Allardt Land Company, Inc., P. O. Box 69, Allardt, Tennessee, 38504, hereafter called "Declarant". The Declarant is the owner of the real property described in Article I of this declaration and is desirous of subjecting it to protective covenants for the benefit of such property and each owner, which covenants shall run with the property, and each Lot or parcel within it, and shall bind the successors in interest of any owner. Now, Therefore, the Declarant hereby declares that the real property described in Article I shall be held, transferred, sold, and conveyed subject to the protective covenants set forth below.

Article I

DESCRIPTION OF PROPERTY

1.1 The real property is more particularly described as follows: Only Lots of The Highlands at Big South Fork as shown on the plat of Phase IV in Plat Book P5, Page 197, recorded on 3/4/2008 in the Register's Office of Fentress County, Tennessee, which may be sold from time to time and contain a

provision in the deeds that such Lots are subject to this Declaration of Reservations and Restrictive Covenants. No property other than that described above shall be subject to this Declaration until specific notice is given otherwise. In the future, other phases may have similar restrictive covenants but may have different Property Owners Associations to control them where they are geographically separated from the other phases in the development. However, all Phases will be part of the overall "Property Owners Association" (hereafter "POA") in reference to Lot dues, common areas, trails, ponds, etc. Further restrictions may be placed on common areas such as trails, ponds, gazebos, etc. by the Declarant or by the Property Owners Association once they are turned over to the POA by the Declarant.

Article II

PURPOSE OF COVENANTS AND RESTRICTIONS

2.1 The real property described in Article I (hereafter "Lot" or "Lots") is subject to the following protective covenants and restrictions to provide enforceable standards of improvement and so aesthetics, living conditions, and property values may be enhanced.

Article III

RESIDENTIAL USE

3.1 Lots shall be used for single family residential and recreational purposes, except as specified in Article VI.

Article IV

ANIMALS

4.1 No animals (other than equines on Paddock Lots 73-79) shall be raised, kept, or bred on any Lot, except for household pets, such as dogs and cats, which may be kept, provided they do not create a nuisance such as by menacing behavior or annoying barking.

Article V

BUILDING RESTRICTIONS AND REQUIREMENTS

5.1 All improvements shall be subject to approval by the Architectural Control Committee (hereinafter "ACC"), as set forth in Article XV; and all other provisions of this Declaration shall not be deemed to limit the authority of the ACC in any way.

5.2 No residence shall be constructed, maintained, used, or permitted to remain on any Lot other than one single family dwelling of not less than 1200 square feet on or above the first floor level. No basement residences are permitted. All residences must be connected to the sewer system provided by the Declarant when available. All residential exterior construction must be completed within one (1) year of the commencement of that construction.

5.3 No Cabarns (Cabin/Barn combinations) may be constructed, used, or permitted. No barn may be used as a living space either temporarily while a residence is under construction, temporarily by an owner or guest, or permanently by an owner or guest.

5.4 View Lots 67-72 share in the benefits pertaining to the common areas and greenways for The Highlands at Big South Fork recorded in Book 37, Page 282, in the Registrar's Office of Fentress

County, Tennessee except that no provisions that barn stalls, barn storage, or pasturage for animals owned by the grantees be provided in the common areas. Any fees related to those amenities are waived for owners of View Lots 67-72. If these owner(s) wish to have equines on site, an additional fee will be paid for the use of two stalls and storage area in an Owners? Barn. Rotational turn-outs may be made available on a fee-per-use basis. The location and duration of use shall be determined by the Declarant or the Property Owners? Association management, whichever is applicable.

5.5 On View Lots 67-72 only one outbuilding may be constructed for the purposes of housing boats, cars, RVs, as well as lawn and garden equipment. Guest quarters are permitted within this building provided all waste fixtures are connected to the sewer system. However this outbuilding/garage may not be used as temporary living space by an owner or guest prior to or during construction of the residence. This building must be enclosed on at least three sides and the top, with some sort of door which would thus close in all four sides of the building.

5.6 Paddock Lots 73-79 share in the benefits pertaining to the common areas and greenways for The Highlands at Big South Fork recorded in Book 37, Page 282, in the Registrar?s Office of Fentress County, Tennessee. A residence must be built coincidental (at the same time or within one building season) with the construction of barns and/or run-in structures. Outbuildings may include the owners? choice of run-in sheds or barn with stalls, tack room, and storage. All barns or run-in structures and fencing shall be in accordance with the Manual of Standards. A second separate building for storage of trailer, boats, cars, RVs, as well as lawn and garden equipment is permitted. Guest quarters are permitted within this building provided all waste fixtures are connected to the sewer system. However this outbuilding/garage may not be used as temporary living space by an owner or guest prior to or during construction of the residence. This building must be enclosed on at least three sides and the top, with some sort of door which would thus close in all four sides of the building.

5.7 Tree removal from any Lot of trees over eight (8) inches diameter at breast height must be approved by the ACC prior to the clearing of any timber, except that completely dead trees which pose a threat to safety may be removed by the lot owner. Any live tree cut in violation of this section shall be replaced at the lot owner?s expense with a tree of similar species, and the lot owner shall further be subject to fines by the ACC for such unauthorized cutting.

5.8 There shall be no single-wide mobile homes/manufactured homes, no double-wide mobile homes/manufactured homes, no modular homes/buildings or buses situated on any Lot as a residence or for storage, either temporarily or permanently.

5.9 In the case of complete or partial destruction of any structure by fire, windstorm, or other cause, said structure must be rebuilt or the debris removed from the premises within six (6) months of the occurrence.

5.10 It is the responsibility of the Lot owner to prevent unclean, unsightly, or unkept conditions on any building, the grounds, or any pasture areas on the Lot. Once a dwelling has been constructed on a Lot, the owner shall not permit underbrush or weeds to grow so as to be offensive to adjoining properties. Grassed areas shall be mowed at least twice per year. The Lot owner shall not permit garbage, refuse, or debris on his Lot. A violation of this restriction shall be treated as a violation of the ACC standards.

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6.1 No trade, commerce, or other activity which may be considered a nuisance to the neighborhood may be carried on upon any Lot. It is permissible to operate a home-based business, provided that deliveries to the home do not exceed two (2) UPS, Federal Express, or similar express carriers per day. Lot owners shall be permitted to lease their properties. Lessees must comply with all the rules of the subdivision. No trade materials or inventories may be stored upon any Lot, and no tractor trailer type trucks and/or trailers, house trailers, or mobile homes may be stored or regularly parked on any Lot. Home-based internet businesses shall be allowed to store small inventories within the residence or an enclosed outbuilding situated on the Lot. No advertisements of any kind will be permitted on any Lot for home-based businesses.

6.2 The Declarant reserves the right to erect signs. No other person or persons shall erect any signs until the formation of the Property Owners Association at which time signs shall be limited to "For Sale" signs, address signs, posted signs, and security signs. Signs are not to exceed three (3) feet by three (3) feet in size. Signs must be neat, clean, and must be made of metal or wood material. Any exceptions of this covenant must be approved by a majority vote of the Board of Directors of the POA.

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8.1 No structure, other than a fence, may be built within ten (10) feet of any side property line nor within 30 feet from the road front property lines; structures must be no closer than 50 feet from the edge of the bluffs. All fencing must be placed outside of the roadway and utility easements as shown on the recorded plat. Fences must be approved by the ACC.

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EASEMENTS FOR UTILITIES

9.1 Easements for installation and maintenance of utilities and drainage facilities are reserved ten (10) feet in width over all side Lot lines and Lot lines along any road in said subdivision. In addition, the property described in Article I is subject to such easements, setbacks, and road rights-of-way as shown on the recorded plat. Declarant reserves unto itself and its successors and assigns the right to erect and maintain any utility lines and electric lines and to grant easements or rights-of-way, together with the right of ingress and egress for the purpose of installing and maintaining them.

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10.1 No lot shall be used for ingress and egress to any properties not part of this subdivision. Declarant hereby reserves unto itself the right to use any Lot prior to selling it to a third party for ingress and egress to any other adjoining property.

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ROADWAYS

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Article XII**CAMPING**

12.1 This development is not a campground. No camping in any form will be permitted on any Lot. However, the Declarant may construct campsites isolated from the developed lots for temporary use as determined by the Declarant:

Article XIII**HUNTING, FIREARMS, FIREWORKS**

13.1 There shall be no hunting from any roadway or other designated easement for ingress and egress or for drainage. The display or shooting of firearms, fireworks, or firecrackers is expressly forbidden.

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14.1 The record owner or owners of each Lot become a member of The Highlands at Big South Fork Property Owners Association, Inc. (hereinafter, "Association"), a Tennessee Non-Profit Corporation. Upon the first sale of a Lot by the Declarant, \$1,000.00 shall be allocated from the proceeds of the sale to a fund to develop the greenway areas in the subdivision. All property owners shall be subject to the jurisdiction of the Association and the terms and conditions of this Declaration as amended from time to time. The Association shall be created for the purpose of enforcing this Declaration, administering the Architectural Control Committee, and holding and administering such funds assessed annually for each Lot. The annual assessment for each Lot shall be the sum of \$100.00 per Lot per year. The funds shall be known as the "Property Owners' Association Fund". The Declarant shall be exempt from any and all assessments for any Lot owned by it, either now or in the future. The annual assessment may be increased or decreased at any time by an affirmative vote of their owners (one vote per Lot) of 75% of lots, including Declarant. The Property Owners' Association Fund shall be owned jointly by all the Lot owners of the Property in the subdivision and shall be used only for administrative costs, including attorney's fees, for the setup and perpetual continuation of the Property Owners' Association, for maintenance of the subdivision sign, for electricity for the sign, landscaping, for mowing and snow removal throughout the subdivision, and for any other reasonably necessary expenditures based on a majority vote of the Board of Directors.

14.2 Each member shall be entitled to cast one (1) vote per each Lot in the affairs of the Association for each Lot owned (one vote per Lot), but the Declarant shall be entitled to cast two (2) votes for each Lot owned. All decisions that are to be made by the Association as a whole shall be decided by a majority vote, except that a 75% majority shall be necessary for the levy of increased annual or special assessments as set out above. A majority shall be determined by the number of Lots, rather than the number of owners. The Association shall organize, elect officers to the Board of Directors, adopt by-laws, and operate freely within the restrictions contained in this Declaration.

Declarant, either through its employees, agents, assigns, will administer the Association and enforce this Declaration until the initial organizational meeting of the Association is held. As soon as practical and convenient to Declarant, following the sale of 75% of the Lots, Declarant shall give reasonable notice to all Lot owners regarding when the initial organizational meeting will be held. The number of Lot owners who attend the initial organizational meeting shall be deemed a quorum for that meeting only.

14.3 Annual assessments shall be paid by the owner of record on December 31 of a given year, and shall be due by the following March 31st. For new sales by the Declarant or his successor or assigns, the annual assessment shall be prorated as of the date of closing. If any assessment levied by the Association is not paid within the due date, then the entire assessment (together with interest, expenses, and reasonable attorney fees) shall become delinquent and shall constitute a lien on said Lot. However, any such lien for assessments shall be subordinate to the lien of any first mortgage. If any assessment is not paid within 30 days of the due date, the assessment shall bear interest at the rate of 1% per month, and the Association may bring action at law against the owner or foreclose on the lien against the property, or both. The Association may add to the amount of the assessment the cost and reasonable attorney fees as fixed by the Court, should a judgment be obtained. Nonuse of the common areas shall not waive assessment. Further, Lot owner shall forfeit the right to vote on POA matters until the Association assessment is paid.

Article XV

ARCHITECTURAL CONTROL COMMITTEE

15.1 With this Declaration there is hereby established an Architectural Control Committee (hereinafter "ACC"), which shall be appointed by the Declarant. ACC will consist of three (3) members to be appointed by the Declarant. When the Association has been organized and a Board of Directors elected in accordance with Article XIV, Declarant, shall relinquish control of the ACC to the Association.

15.2 No improvements shall be erected, placed, altered, maintained, or permitted to remain on any Lot, nor shall any construction be commenced thereon until plans for such improvements have been approved by action of the ACC in accordance with the provisions herein; provided, however, that improvements and alterations completely within the interior of a building may be completed without approval. The term "improvements" shall mean and include structures and construction of any kind, whether above or below the land surface, such as, but not limited to, buildings, outbuildings, water lines, sewers, electric and gas distribution facilities, parking area, walkways, walls, fences, and landscaping, including extensions, alterations, additions, modifications, or repairs (except as repairs which restore the improvement to substantially the same condition).

15.3 The Declarant, an agent of the Declarant, the ACC, or the POA may, at reasonable times, enter upon and observe any Lot or any Lot improvements for the purpose of determining compliance with the provisions of these restrictions, and no such person shall be considered to have committed a trespass or other wrongful act by such entry and inspection.

15.4 Approval of proposed improvements shall be based on the best judgment of the ACC in its sole discretion, to see that all improvements conform and harmonize with all proposed and/or existing improvements on the property as to external design, quality and type of construction, materials, color, sizing, height, grade, and finished ground elevation, and conformity of the proposed improvements to the general plan and intent of this Declaration.

15.5 The ACC shall prepare and maintain a "Manual of Standards" which summarizes the construction standards to be used as criteria for the approval of proposed improvements. When the Manual of Standards is prepared, it shall include, without limitations, statements with respect to architecture, landscaping, parking, enclosure of external equipment, building materials, lighting, access, etc. The ACC, or the Declarant, shall have the power to modify, alter, supplement, or amend the Manual of Standards at any time, but such change shall not be effective as to improvements which have previously been approved. The Manual of Standards shall be available for inspection during normal business hours at the Declarant's place of business or at the office of the Association, as applicable. The actions of the ACC through its approval or disapproval of plans, and other information submitted pursuant hereto, or with respect to any other matter before it, shall be conclusive and binding on all interested parties.

15.6 All communications and submittals shall be addressed to the ACC, c/o Allardt Land Company, Inc., P. O. Box 69, Allardt, TN 38504, or to any other address as the ACC designates in writing. The ACC shall reply to all plan submittals made within fifteen (15) days of receipt. If the ACC fails either to approve or disapprove such plans and specifications within fifteen (15) days after the receipt, it shall be presumed that they have been approved. There shall be no fee charged for the ACC's review of plans, including preliminary and final designs reviews.

15.7 Neither the ACC, nor any of its members, employees, or agents shall be liable to any owner of a Lot or to anyone submitting plans for approval, or to any other interested party by reason of mistake in judgment, negligence, or nonfeasance in connection with the approval, disapproval, or failure to approve any such plans or for any other action in connection with its or their duties hereunder. Likewise, anyone who submits plans to the ACC for approval agrees not to bring any action of suit to recover any damages against the Declarant, the ACC, or any partner, member, employee, or agent of the Declarant or the ACC.

15.8 In order to approve plans, the ACC shall hold a conference. At the conference, Lot owners and/or their designated representatives shall be prepared to present and discuss their initial development concept, including, but not limited to, the following items: site controls, including setback requirements for buildings, parking areas, tree removal and other surface improvements; proposed building design and materials for construction thereof; total surface land coverage of the proposed improvements; driveways, and other improvements for vehicular use; and general outdoor lighting plan. Schematic drawings shall be submitted which outline the proposed improvements.

15.9 All submissions for the Conference shall be made in duplicate. Any other information as may be required shall be submitted to the ACC in order to ensure compliance with requirements contained herein.

15.10 A Certificate of Compliance shall be issued by the ACC to each owner upon completion of construction to assure the owner that the ACC's design objectives have been fulfilled and improvements have been built according to plans which comply with the Protective Covenants and conditions of the development. When owners desire a Certificate of Compliance, they will make such a request to the ACC. Where landscaping cannot be installed before occupancy, a future completion date will be mutually agreed upon, but in no event shall more than one (1) full planting season elapse before said completion date.

15.11 Notwithstanding anything to the contrary contained herein, after the expiration of one (1) year from the date of a request for a Certificate of Compliance, said improvements shall be deemed

to be in compliance with all provisions of this article unless actual Notice of Noncompliance, executed by the ACC, shall have been delivered to the owner or unless legal proceedings have been instituted to enforce compliance or completion.

15.12 If the ACC determines that an owner has failed to comply with its requirements, the ACC shall give the Lot owner written notice of such violation, or shall post such written notice on the Lot. The Lot owner shall take reasonable steps to correct the violation within 30 days of such notice. If the Lot owner has not taken reasonable steps to correct the violation within 30 days, the ACC may levy a fine of not less than \$100.00 per day for the violation, with such fines being payable to the Property Owners Association Fund. If, after 90 days of posting the written notice of violation, the Lot owner has failed to remedy the violation or take reasonable steps towards removal or termination of the violation, the Declarant or the ACC shall have the right to enter upon the Lot and take such steps as may be necessary to correct the violation. The costs thereof shall be a binding personal obligation on the owner of the Lot as well as a lien upon the Lot, and such costs shall be in addition to the fines, which shall continue until the violation has been brought into compliance.

15.13 The ACC may make exceptions to the provisions herein, when, in its sole discretion, such exceptions would not be in conflict with the intended character of the property subject to this Declaration when fully developed and occupied in accordance with the developer's plans and objectives.

Article XVI

EQUINE REGULATIONS, COGGINS

16.1 In accordance with the Regulations of the Department of Agriculture, State of Tennessee, no equine shall be allowed within the development without the owner first filing a copy of the equine's or equines' current negative Coggins test papers with the Declarant (Allardt Land Company, Inc., P. O. Box 69, Allardt, TN 36504) or the Property Owners' Association which ever is applicable.

Article XVII

CHANGING AND ENFORCING COVENANTS

17.1 These covenants are to run with the land and shall be binding on all parties and all persons claiming under them until January 1, 2027, at which time said covenants shall be automatically extended for successive periods of ten (10) years unless by vote cast by their owner or owners (one vote per Lot) of 75% of the Lots described herein, it is agreed to change said covenants in whole or in part, except as follows: horses shall not be prohibited in the designated areas in the development unless by vote cast by their owner or owners (one vote per lot) of 100% of the Lots described herein. If the parties hereto, or any of them, or their heirs, successors or assigns shall violate or attempt to violate any of the covenants herein, it shall be lawful for any other person or persons owning Lots described herein to prosecute at law or in equity the person or persons violating or attempting to violate such covenant, to prevent them from so doing and to recover damages or other dues for violations. Declarant or the Association reserves the right to recover reasonable attorney's fees and expenses in addition to damages.

Article XVIII

DECLARANT AMENDMENTS AND VARIANCES, MISCELLANEOUS

18.1 Invalidation of these covenants or any part of them by judgments or court order shall in no way effect any of the other provisions which shall remain in full force and effect, and the failure of any person or persons to take action to restrain the violation of these covenants and restrictions shall not be construed as a waiver of any enforcement rights and shall not prevent the enforcement of such covenant or covenants in the future. Notwithstanding any other provision contained herein, the Declarant reserves the right to change, delete, amend, or grant variances which it, in its sole discretion, deems just and appropriate as long as such changes comply with the spirit and intent of the original covenants. This right will be subsequently assumed by the Property Owners' Association when it is formed. Titles for Articles are organizational only and shall not be construed to limit the applicability of any requirements in a given Article.

Allardt Land Company, Inc. has caused this instrument to be executed in its name by Rebecca G. Day, Vice President, by authority of a Resolution by its Board of Directors, this 12th day of March, 2008. ALLARDT LAND COMPANY, INC. BY: Rebecca G. Day, Vice President

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