

**DECLARATION OF RESTRICTIONS
FALCON RIDGE**

WHEREAS, the undersigned, **ALFRED P. FRANKE AND WITH JUDITH E. FRANKE**, are the Owners of that certain parcel of land described as **FALCON RIDGE** of record in **Large Map Book 7, Page 162, and Warranty Book 2463, Page 156** in the Register's Office for Sevier County, Tennessee; and,

WHEREAS, it is for the interest, benefit and advantage of the Owners, the Developer and each and every person or entity that shall hereafter acquire any lot or any portion of any lot in the Subdivision, or any resubdivision thereof, (all such lots being collectively referred to as the "**Lots**" and individually referred to as a "**Lot**") that certain restrictive covenants governing and regulating the use and occupancy of the same be established, set forth and declared to be covenants running with the land.

NOW, THEREFORE, for and in consideration of the premises and of the benefits to be derived by the Owners, the Developer and each and every subsequent owner of any of the Lots or portions of said Lots in the Subdivision, the Owners do hereby set up, establish, promulgate and declare the following protective covenants to apply to the Property and to all of said Lots and portions of said Lots, and to all persons owning any of said Lots or portions thereof, hereafter.

WHEREAS, the Owners do hereby commit the said property for use subject to the following Declaration of Restrictions:

1. TERM. These covenants are to take effect immediately upon recording and shall be binding upon all persons and entities claiming title under and through them until December 31, 2026, at which time the covenants shall be automatically extended for successive periods of ten (10) years unless a majority of the then owners of the lots agree in writing, such writing being placed of record in the Register's Office for Sevier County, Tennessee, to alter, amend or terminate the covenants in whole or in part.

2. LAND USE. All lots shall be used exclusively for single family residential purposes only, and no duplexes, multiple family or group homes are allowed. No mobile homes, manufactured homes, doublewides, modular homes, trailers, shacks or tents shall be erected on or moved onto any Lot, or used as a residence, temporarily or permanently, nor shall any residence of a temporary character be permitted. No lot or any building erected thereon shall at any time be used for the purpose of any trade, business, profession, commercial enterprise or enterprises of any kind, other than an in-house office or business which is otherwise invisible and does not generate any commercial traffic or activity of any kind that would be noticeable or disruptive in a residential setting.

3. RE-SUBDIVISION OF LOTS. Re-subdivision of any Lot shall fully comply with Planning Commission and Health Department rules and regulations, and shall meet or exceed restrictions and building requirements for Falcon Ridge.

4. ARCHITECTURAL REVIEW BOARD. In order to maintain the subdivision's aesthetics, property value, general plan, and design layout within the subdivision must be in strict conformity with the Architectural Review Board. The Architectural Review Board, hereinafter referred to as the "Review Board", will initially consist of five members. One permanent position of the Review Board will be held by a representative of the developer of Falcon Ridge Subdivision. Two positions on the Review Board shall permanently be held by builders which the developer shall appoint and replace as need be. The developer shall appoint the two remaining members of the Review Board to serve for a period of two (2) years at which time

those members of the Review Board shall be replaced by Two (2) members of the Home Owner's Association appointed by the Home Owner's Association. The Home Owner members of the Review Board shall have two (2) year terms and may be replaced at the end of the two (2) years by the Home Owner's Association.

No house, residence, building, fence, wall, or other structure shall be commenced, erected, or maintained upon the properties, nor shall any exterior addition to, change, or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the same shall have been submitted to and approved in writing as to the harmony of external design and location in relation to surrounding structures and topography by the Architectural Review Board.

5. BUILDING TYPE. (a) No more than one (1) dwelling shall be erected on each lot; provided, however, that in the event a swimming pool is built on a lot in conformance with the restrictions herein, one pool house of a design and construction similar to that of the main residence shall be permitted if it consists of the same construction quality as hereinafter set forth as said main residence. All structures shall be constructed so as to meet or exceed local zoning and building codes.

(b) All structures shall be constructed on solid non-combustible foundations, except porches and decks may be on isolated piers. Outside finish shall be a minimum of seventy-five (75%) percent brick, stone, stucco or logs. No exposed common concrete block or cinder block allowed. All building materials shall equal or exceed FHA standards.

(c) All roofs shall have a 25-year rating or better. Seventy Five (75%) percent of all the roof structures shall have a minimum of 8/12 pitch with three dimensional architectural shingles, corrugated metal roof of not less than 18 gage with factory paint finish, or better.

(d) One out-building of a design and construction similar to that of the main dwelling shall be allowed.

(e) All driveways shall be paved with concrete, asphalt, or better.

6. DWELLING OR BUILDING SIZE. No residence shall be erected, altered, or permitted to remain on any lot unless the dwelling has a minimum of eighteen hundred (1,800) square feet of indoor heated living space for one-level construction, exclusive of basements, open porches, garages or storage rooms; provided, however, in the event of multi-level construction, the ground floor shall contain a minimum of twelve hundred (1,200) square feet and the upper floor shall contain a minimum of six hundred (600) square feet. A minimum of a two (2) car attached or detached, enclosed garage is required.

7. SETBACK. No structures shall be located nearer than twenty (20) feet from the front road property line, ten (10) feet from any side lot line or ten (10) feet from any rear lot line; provided, however, any out buildings must be located at least seventy-five (75) feet from the front road property line. It is the intent of the Owners that the actual property line and not the paved road surface boundary be used as the point of reference for determining setbacks.

8. TEMPORARY STRUCTURES. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other out buildings shall be used on any lot at any time as a residence, either temporarily or permanently; provided, however, that this shall not apply for the shelters used by the contractor during the construction of the main building, it being clearly understood that these latter temporary shelters may not be used at any time as residences or be permitted to remain on the lot after the completion of construction. *All trailers, mobile homes, manufactured homes, and modular homes are expressly prohibited.*

9. NUISANCES. No obnoxious or offensive activity shall be carried on or upon any lot, nor shall anything be done thereon which may become an annoyance to the neighborhood.

10. ANIMALS. Except as allowed below, no animals, livestock, swine or poultry of any kind shall be raised, bred or kept on any lot, except that dogs, cats, and other domestic household pets may be kept provided that they are not kept, bred or maintained for any commercial purposes. In no case shall ponies, horses, cattle, swine, poultry, reptiles or zoo type animals be considered household pets, nor shall pit bulldogs, vicious or trained guard dogs be allowed.

11. WASTE OR UNSIGHTLINESS. (a) No lot shall be used or maintained as a dumping ground for rubbish, trash or other waste. All trash, garbage and other waste shall be kept in sanitary containers and, except during pickup if required to be placed at the curb, all containers shall be kept at the rear of all dwellings out of sight from the road.

(b) Once a lot has been sold, the same, whether improved or not, shall be maintained in good appearance and free from rubbish.

(c) All open areas must be seeded or sodded with grass. All open areas of vacant lots that can be safely mowed shall be mowed a minimum of two (2) times during the growing season. All improved lots shall be mowed at regular intervals to maintain a neat appearance. It is required that, within nine (9) months of occupancy, sufficient shrubbery and landscaping shall be added to landscape the house and cover at least 30% of the foundation in front of the house; provided, however, no planting or landscaping shall be placed in such a manner as to obstruct or obscure visibility of traffic.

12. FENCE. All fencing shall be in the rear of the residence.

13. INOPERATIVE VEHICLES/PARKED VEHICLES. (a) No inoperative cars, trucks, trailers, boats, campers or other types of vehicles shall be allowed to remain either on or adjacent to any lot for a period in excess of forty-eight (48) hours, provided, however, this provision shall not apply to any such vehicles being kept in an enclosed garage.

(b) Operative vehicles including boats, campers, jet skis, motor homes and trailers must be stored to the rear of the dwelling and shall be kept so that they do not become a nuisance to any neighboring tracts.

(c) There shall be no routine on road parking allowed.

(d) There shall be no major repair performed on any motor vehicle on or adjacent to any lot unless performed inside an enclosed garage.

14. CONSTRUCTION. All construction shall be continuous and shall be completed within one (1) year of initiation. No person may occupy an unfinished structure, nor shall any house or building be left unfinished for any extended length of time. Builders shall maintain lot and construction sites in a clean manner during construction. Mud or debris on the street caused by new construction shall be cleaned with reasonable promptness.

15. EASEMENTS. Easements of seven and one half (7.5) feet in width are reserved along all interior lot lines and fifteen (15) feet on all exterior lot lines for the installation and maintenance of utilities and for drainage, together with such easements as are displayed upon the plat of record.

16. MAIL BOXES AND OUTSIDE LIGHTS. Mail boxes and posts shall be of high quality and subject to the Architectural Review Board. All outside lights shall be so placed and of an intensity so as not to be an annoyance to any neighbor.

17. PROPANE OR FUEL TANKS. Propane tanks or fuel tanks shall be buried or located and screened so they are not visible from the front road.

18. SIGNS. No business or commercial signs are allowed on any lot other than signs advertising premises for rent or for sale and shall be limited to a maximum size of 24 inches by 24 inches.

19. SATELLITE DISHES. Exterior satellite dishes shall be allowed provided such dishes do not exceed 18 inches in diameter and are attached to the main dwelling.

20. SWIMMING POOLS. No above ground swimming pools are permitted, whether metal, redwood or otherwise. All pools must be located in the rear of the residence only. All pools and pool areas shall be secured in such a manner as to protect and promote the safety of any and all small children.

21. ROADS. During the construction phase, at no time shall any contractor or his operator expose the surface of the road to track machines or any other type of equipment which causes surface damage. Any and all road damage will be the responsibility of the landowner for which the contractor is working.

22. AMENDMENTS TO COVENANTS. The Developer reserves and shall have the right (a) to amend these covenants, but all such amendments shall conform to the general purposes and standards of the restrictions herein contained; (b) to amend these covenants for the purpose of curing any ambiguity in or any inconsistency between the provisions contained herein.

23. PROPERTY OWNERS ASSOCIATION. By accepting a deed conveying a lot or lots of Falcon Ridge Subdivision the lot owner IS acknowledging joint responsibility for the maintenance and repair of the common elements. An Owners Association will be established on or before February 1, 2007. The Association shall have an elected President and Secretary/Treasurer. The Association shall have at least one meeting of the membership per year. The Association's responsibilities shall include the maintenance and repair of the common area. The Association may periodically set maintenance fees to be assessed to each member of the Association. Further the Association is empowered to collect these fees, the cost of collecting including attorney fees and to pursue any legal rights for nonpayment of the

fees including the filing of a lien against any lot. Each lot shall be entitled to one vote. The fees shall be set at Two Hundred (\$200.00) Dollars for the first year. The Property Owner's Association may change the fee at the 2008 annual association meeting. The developer shall be exempt from fees until the 2008 annual Property Owner's meeting.

24. STORM WATER MANAGEMENT POST CONSTRUCTION REQUIREMENTS. In order to enable the County of Sevier to comply with the National Pollution Discharge Elimination System permit (NPDES) and applicable Federal Regulations as set out in 40 CFR 122.26 regarding storm water discharges and to allow the County of Sevier to exercise the powers granted in 68-221-1105, Tenn. Code Ann., which provides that, among other powers counties have with respect to storm water facilities, is the power by ordinance or resolution to exercise general regulation over the planning, location, construction and operation and maintenance of storm water facilities in Sevier County, Tennessee whether owned or operated by county or individually. The subdivision has been constructed in compliance with the Sevier County Storm Water Resolution and the property owner or owners (including an established Homeowner's Association) have the responsibility of maintaining a storm water facility which shall provide the minimum maintenance and repairs needs which include, but are not limited to, the removal of silt, litter and other debris, the cutting of grass, grass cuttings and vegetation removal, and replacement of landscape vegetation, in detention and retention basins, inlets and drainage pipes, open drainage ditches or swales, and any other storm water facilities not part of a right of way accepted by the Sevier County highway department. The owner shall be responsible for any maintenance or repair to the storm water facility that maybe required to ensure the proper operation and function of the facility based on the original design standards for the storm water facility. Therefore, the responsibility of maintaining the storm water facility of the subdivision are assigned to the homeowner's association which shall comply with the Storm Water Resolution of the County of Sevier, Tennessee and if the homeowner's association does not comply, the right to collect the assessments for the maintenance of the storm water facility shall be assigned to the County of Sevier and said county shall be authorized to assess the homeowners' and the subdivision for any amounts necessary to maintain it's storm water facility.

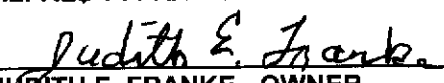
25. ENFORCEMENT. Enforcement of these covenants shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation or to recover damages. It is expressly understood and agreed that all costs, including reasonable attorney's fees, incurred by any moving party in any legal proceedings which result in a successful enforcement of any covenant or restriction contained in this document shall be borne in full by the defendant in such proceeding.

If any person, firm or corporation, or other entity shall violate or attempt to violate any of these covenants, it shall be lawful for the Owner or any person or persons owning any lot in the Falcon Ridge (a) to prosecute proceedings at law for the recovery of damages against those so violating or attempting to violate any such restrictions, (b) to maintain a proceeding in equity against those so violating or attempting to violate any such restrictions for the purpose of preventing or enjoining all or any such violations or attempted violations. The remedies in this paragraph shall be construed as cumulative of all other remedies now or hereinafter provided by law. The failure of the Owner, their successors or assigns, to enforce any covenant or any obligation, right, power, privilege, authority or reservation herein contained, however long continued, shall in no event be deemed as a waiver of the right to enforce the same thereafter as to the same breach or violation thereof occurring prior to or subsequent thereto. Lot owners found in violation of these covenants shall be obliged to pay attorney' s fees to the successful plaintiff within all actions seeking to prevent, correct or enjoin such violations or in damages suits thereon. All covenants herein contained shall be deemed several and independent, the invalidity of one or more of any part of one shall in no way impair the validity of the remaining covenants or a part thereof and shall run with the land and shall be binding in all parties and persons claiming under them.

26. SEVERABILITY. Invalidation of any of these restrictions by Judgment or Court Order shall in no way affect any of the other provisions.

IN WITNESS WHEREOF, we have set our hands this the 14th day of December, 2006.


ALFRED P. FRANKE - OWNER

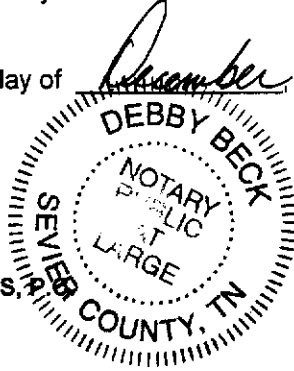

JUDITH E. FRANKE - OWNER

STATE OF TENNESSEE
COUNTY OF SEVIER

Personally appeared before me, the undersigned authority, a Notary Public **ALFRED P. FRANKE AND WIFE JUDITH E. FRANKE**, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who acknowledged that they executed the within instrument for the purposes therein contained.

WITNESS my hand, at office, this 4th day of December 2006.

Debby Beck
NOTARY PUBLIC
My Commission Expires: 2/19/08



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VALUE	0.00
MTG TAX	0.00
TRN TAX	0.00
REC FEE	25.00
DP FEE	2.00
REG FEE	0.00
TOTAL	27.00

STATE OF TENNESSEE, SEVIER COUNTY
SHERRY ROBERTSON HUSKEY
REGISTER OF DEEDS