

FOX RUN UNIT EIGHT
BLUFF CREEK
COVENANTS AND RESTRICTIONS

High Acres, Inc. (the "Developer") is the owner of the beneficial fee simple interest in Lots 179 thru 207, inclusive, Fox Run, Unit Eight, Bluff Creek, as shown by plat of record in Plat Book 84, page 122, in the Register's Office of Hamilton County, Tennessee, (with the record title thereto being vested in Milligan-Reynolds Guaranty Title Agency, Inc., Trustee);

NOW, THEREFORE, in consideration of the premises and for the purposes set forth herein Developer does hereby impose and charge ONLY upon Lots 179 thru 205 thereof for the period set forth herein, the following special covenants and restrictive conditions, to-wit:

1. Prior Approval of Plans. No building, boundary fence or wall, or other structure shall be commenced, erected, placed or altered on said land until the plans and specifications showing the nature, kind, shape, dimensions, materials, exterior color scheme and location of such structure shall have been submitted to and approved in writing by the Developer, or its duly authorized representative; provided however, that if the Developer or its duly authorized representative shall fail to approve or disapprove any proposed plans, specifications or locations within thirty (30) days after submission for approval, such plans, specifications and locations shall be conclusively deemed to have received the approval of the Developer, or its duly authorized representative. The Developer shall have the right to reject, or not approve any plans, regardless of such plans meeting the specifications set forth herein, so long as such rejection or non-approval is not arbitrary or capricious.

2. Overall Planning. The developer or its duly authorized representative shall have the right to disapprove any plans, specifications or locations which, in its opinion, are not suitable or desirable for aesthetic or other reasons; and in so passing upon such plans, specifications and locations, it shall have the right to require, at owner's expense, elevation drawings to scale together with typographic recordings of the site related to the road on which the land fronts and to take into consideration the suitability of the proposed building or other structure and of the materials of which it is to be built and of the site upon which it is to be erected, the total investment contemplated, the harmony thereof with the surroundings, and the effect of the building or other structure, as planned, on the outlook from adjacent or neighboring properties.

3. Use of Land.

(a) The Lots shall be used for private residential purposes only; no building of any kind whatsoever shall be erected or maintained on the land subject to these restrictions except:

(i) private dwelling houses having a ground area of heated living area in the main structure, exclusive of open porches, garages, eaves and steps of at least 3,000 square feet for a one-story or split-level structure; or 1,500 square feet (ground floor area) for a two-story structure; each dwelling house shall be designated for occupation by a single family; in no event shall any private dwelling house contain less than 3,000 square feet of heated living area, exclusive of open porches, garages, eaves and steps;

(ii) garages attached to the private dwelling house for the sole use of the respective owners or occupants of the building plots upon which such garages are erected; and

(iii) bath houses accessory to swimming pools.

Not more than one private dwelling house shall be erected or maintained upon any building plot. A building plot as used in this restriction shall be defined as one or more entire Lots as shown upon the plat referenced herein and a part or parts of any adjoining Lots.

(b) No residence shall be designed, patterned, constructed, or maintained to serve for the use of more than one single family, and no residence shall be used as a multiple family dwelling at any time, nor used in whole or in part for

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ATTORNEYS AT LAW
724 CHERRY STREET
CHATTANOOGA, TN
37402

any business service or activity, or for any commercial purpose; nor shall any Lot be used for business purposes, or for trucks or other equipment inconsistent with ordinary residential uses.

(c) No building shall be located on any Lot nearer to the front line than forty (40) feet or nearer to any side street line than fifteen (15) feet or nearer than twenty-five (25) feet to any rear Lot line, unless otherwise permitted by the Developer.

(d) No residence shall be allowed to remain on any Lot unless there is provided for such residence an attached garage sufficient to house at least two (2) cars, unless otherwise permitted by the Developer.

(e) No part of any Lot shall be used for residential purposes until, first, a completed dwelling house, conforming fully to the provisions of this instrument, shall have been erected thereon, the intent of this paragraph (e) being to prevent the use thereon of a garage, incomplete structure, trailer, tent, outbuilding, or other structure as temporary living quarters before or pending the erection of a permanent building. No structure of a temporary character, including trailers and similar structures, shall be erected or permitted to remain on any Lot except during the period of construction.

(f) Any residence being erected on a Lot shall be completed within twelve (12) months from when clearing of lot begins, for said residence.

(g) Adequate underground or enclosed garbage receptacles shall be provided for each residence.

(h) All driveways shall be paved with concrete or hot plant mix asphalt unless some other special surface is approved by the Developer.

(i) The majority of the trees may not be removed from any Lot except in the area of the Lot which the house and driveways are to be constructed. Excessive removal of trees will be deemed to be a nuisance to the adjoining neighbors and will be deemed to mar the beauty of the subdivision.

(j) Any damage done to street or curbing by the owner of any Lot or by a contractor employed to build a residence on any Lot shall be repaired immediately at the expense of the owner or contractor.

(k) Only quality materials and design shall be used on any structure built on any Lot and permastone and exposed asbestos shingles are specifically prohibited. No concrete blocks shall be used above the finished ground elevation of any structure unless said blocks are covered with brick veneer or stone.

(l) All of the Lots in said subdivision shall from the date of purchase be maintained by the owner in a neat and orderly condition (grass being cut when needed, as well as leaves, broken limbs and other debris being removed when needed.) In the event that an owner of a Lot in said subdivision fails of his own volition to maintain his Lot in a neat and orderly condition, the Developer or its duly authorized representative may enter upon such Lot without liability and proceed to put such Lot into an orderly condition, and the owner shall be responsible for the cost incurred by Developer in connection with such work.

(m) Whether expressly stated so or not in any Deed conveying any one or more of the Lots, each conveyance of Lots shall be subject to existing governmental zoning and subdivision ordinances or regulations in effect thereon.

(n) The Developer shall have the right to alter, change, divide or subdivide any Lot within the subdivision as it, in its sole discretion, may desire. None of the Lots shall be re-subdivided by any other owner thereof but shall remain as shown on the recorded plat except that two or more Lots may be combined as one in which event the set-back restrictions shall be construed as pertaining to the side lines of the two or more Lots as combined.

4. Severability; Non-Waiver of Covenants and Restrictions. In the event that, for any reason, any one or more of the foregoing protective covenants and restrictions shall be construed by judgment or decree of any Court of record to be invalid, such action shall in no way affect any of the other provisions, which shall remain in full force and effect, the Developer hereby declaring that said covenants and restrictions are not interdependent but severable, and any one would have been adopted even without the others. Failure to enforce any covenant or restriction herein as to any particular Lot shall not constitute a waiver of the right to enforce such covenant or restriction as to such Lot until the expiration of six (6) years from

the date of breach thereof. Failure to enforce any covenant or restriction herein as to one Lot shall not constitute a waiver of the right to enforce such covenant or restriction as to any other Lot covered by these covenants and restrictions.

5. Limited Application. It is expressly stipulated that the covenants and restrictions set forth in this instrument apply solely to the herein listed Lots, and are not intended to apply to any other lots, tracts, or parcels of land in the area or vicinity of the Lots and owned or developed by Developer. That certain Declaration of Covenants and Restrictions for Fox Run Community and Bylaws for Fox Run Property Owners Association, Inc., recorded in the Register's Office of Hamilton County, Tennessee at Book 2461, page 312-370, does not apply to the property or Lots covered hereunder.

6. Binding Effect of Covenants and Restrictions. Each and every one of the aforesaid covenants and restrictions shall attach to and run with each and every of the Lots, and all titles to, and estates therein, shall be subject thereto and the same shall be binding upon each and every owner and occupant of the same until January 1, 2015, and shall be extended automatically to apply to each of the Lots for successive periods of ten (10) years unless by action of a minimum of sixty-six and two-thirds percent (66-2/3%) of the then owners of all of the Lots, it is agreed to change said covenants and restrictions in whole or in part provided further that the instrument evidencing such action must be in writing and shall be duly recorded in the Register's Office of Hamilton County, Tennessee. Neither the Developer nor any party or parties claiming under it shall or will convey, devise, or demise any or either of the Lots or any part of same except as being subject to the said covenants and restrictions and the obligation to observe and perform the same. The said covenants and restrictions shall run with and be appurtenant to the Lots and every part thereof as fully as if expressly contained in proper and obligatory covenants or restrictions in each and every contract or conveyance of or concerning any part of the Lots or the improvements to be made thereon.

7. Surface Water Drainage. Nothing shall be done on any Lot that interferes with the natural drainage of surface water and which results in injury to other Lots or property.

8. Sanitation. Before any residence shall be occupied, the residence shall be connected to a public sewer or shall be provided with a separate septic tank sewage disposal system which shall be constructed and maintained in accordance with the Sanitation Code and specifications prescribed by any applicable governmental authority.

9. Right to Abate Violations. If any owner at any time violates or attempts to violate any of the covenants or restrictions as herein provided, the Developer or any other owner may bring proceedings at law or in equity against the owner violating or attempting to violate the covenants or restrictions to prevent such owner from so doing and the Developer or other owner may recover damages incident to such violations, including Developer's or such owner's reasonable attorneys' fees in prosecuting suit.

10. Right to Enforce. The provisions herein contained shall inure to the benefit of and shall be enforceable by: (a) the Developer, its successors and assigns; or (b) the grantees in deeds conveying Lots in said subdivision, and their respective heirs, executors, administrators, successors and assigns.

11. Right to Assign. Any or all of the rights, powers, duties and obligations which are herein assumed by or reserved or given to the Developer may be assigned and transferred to another entity or entities at such time as the Developer shall determine. Upon such assignment or transfer, the Developer shall thereupon be released from all rights, powers, duties and obligations, implied or otherwise, reserved or given to and assumed by the Developer in this instrument.

12. Right of Modification. The Developer reserves the right at any time to modify or waive the restrictions with respect to any Lot, and a statement of modification or waiver contained in any instrument duly acknowledged and recorded shall be conclusive and binding upon all parties that the restrictions contained in such instrument are controlling for that particular Lot over any contrary provisions contained in this instrument. Such modification or waiver shall be applicable only to the specific Lot or Lots designated in such instrument.

13. Signs on Lots. No sign of any kind shall be displayed to the public view on any Lot except two professional signs of not more than five square feet advertising the property for sale, or signs used by the Developer to advertise the property during the construction or sales period.

14. Interpretation. The provisions of these Covenants and Restrictions shall be liberally construed to effectuate their purpose.

15. Law Governing. These Covenants and Restrictions are made in the State of Tennessee, and any question pertaining to their validity, enforceability, construction or administration shall be determined in accordance with the laws of the State of Tennessee.

16. Effective Date. These Covenants and Restrictions shall become effective upon recording.

None of the foregoing Covenants and Restrictions shall be applicable to Community Lot 206, Fox Run, Unit Eight, Bluff Creek, nor to Community Lot 207, Fox Run, Unit Eight, Bluff Creek, as shown by plat of record in Plat Book 84, page 122, in the Register's Office of Hamilton County, Tennessee.

Alternatively, the following Covenants and Restrictions shall be applicable ONLY to Community Lot 206, Fox Run, Unit Eight, Bluff Creek, as shown by plat of record in Plat Book 84, page 122, in the Register's Office of Hamilton County, Tennessee:

Lot 206 must be maintained by HIGH ACRES, INC., a Tennessee Corporation, its successors or assigns, as a natural wilderness area consistent over time with its condition as of the date of these covenants.

The following activities are not permitted within the legal boundary of Lot 206:

- a) No hunting, fishing, killing, trapping, harassing or otherwise disturbing any species of wildlife, including but not limited to mammals, birds, fish, reptiles, amphibians and insects.
- b) No cutting, pruning, picking, transplanting, removing, harvesting, destroying, damaging or otherwise disturbing any species of plant life. This includes trees, shrubs, bushes, grasses, vines, ground covers, ferns, mosses, lichens or wild flowers.
- c) No leaving of any manmade items or objects within the legal boundary of this lot.
- d) No dumping or storing of any materials or items of any kind, natural or manmade, within the boundary of this lot.
- e) No introducing, releasing or transplanting of any item or material, plant or animal, within the boundary of this preserve that is not indigenous to this area.
- f) No open fires or burning of any kind will be allowed within the boundary of this preserve. No smoking is allowed within this area.
- g) No overnight camping will be allowed without the prior written approval of the Developer or their heirs or assigns.
- h) No firearms, bows, cross bows, or slingshots permitted.
- i) No alcoholic beverages permitted.

AND,

Alternatively, the following Covenants and Restrictions shall be applicable ONLY to Community Lot 207, Fox Run, Unit Eight, Bluff Creek, as shown by plat of record in Plat Book 84, page 122, in the Register's Office of Hamilton County, Tennessee.

Lot 207 must be maintained by HIGH ACRES, INC., a Tennessee Corporation, its successors or assigns, as a beautified entrance area consistent over time with its condition as of the date of these covenants.

By virtue of the fact that Milligan-Reynolds Guaranty Title Agency, Inc., as Trustee, is the record owner of the Lots being hereby subjected to the terms of this instrument, it hereby joins in the execution hereof, at the request and instruction of the Developer (High Acres, Inc.).

IN WITNESS WHEREOF HIGH ACRES, INC., has hereunto caused its corporate name to be signed by its duly authorized Officer, and MILLIGAN-REYNOLDS GUARANTY TITLE AGENCY, INC., TRUSTEE, has hereunto caused its corporate name to be signed, by its duly authorized officer, on this the _____ day of January, 2007.

HIGH ACRES, INC.

BY: _____
Paul John Kruesi, III
President

MILLIGAN-REYNOLDS GUARANTY TITLE AGENCY,
INC., TRUSTEE

BY: _____
GEORGE R. MCINTURFF
Executive Vice President

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

On this _____ day of January, 2007 before me personally appeared PAUL JOHN KRUESI, III, with whom I am personally acquainted, and who upon oath acknowledged himself to be the President of HIGH ACRES, INC., the within-named bargainor, and that he, as such officer being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the said bargainor, by himself as such officer.

IN WITNESS WHEREOF I have hereunto set my hand and Notarial Seal.

NOTARY PUBLIC

My commission expires:

STATE OF TENNESSEE)
COUNTY OF HAMILTON)

On this _____ day of January, 2007, before me personally appeared GEORGE R. McINTURFF, with whom I am personally acquainted, and who upon oath acknowledged himself to be the Executive Vice President of Milligan-Reynolds Guaranty Title Agency, Inc., the within-named bargainor, and that he, as such officer being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the said bargainor, by himself as such officer.

IN WITNESS WHEREOF I have hereunto set my hand and Notarial Seal.

NOTARY PUBLIC

My commission expires:
