

This document is a compilation of the original “Declaration”, “Exhibits” (including By-laws, and Charter), with revisions incorporated as approved by membership through 10/21/2009, and applies to all phases of Cedar Falls. This is not a legal document. For “legal” verification, please review the duly recorded documents. Not responsible for typographical or other errors or omissions.

Cedar Falls

Declaration of Covenants and Restrictions

WITNESSETH

WHEREAS, Developer is the owner of the real property described in Article 2 of this Declaration and desire to create thereon a residential log home community for permanent residents and nightly rental, with uniform covenants and restrictions; and

WHEREAS, Developer desires to provide for the preservation and values in the said subdivision and to this end desires to subject the real property described in Article 2 together with such additions as may hereinafter be made thereto (as provided in Article 2) to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof;

NOW, THEREFORE, the Association declares that the real property described herein and described in those instruments of record in Book 1798, Page 787, Book 1975, Page 312 and Book 2124, Page 329 in the Register of Deed’s Office for Sevier County, Tennessee shall be held, transferred, sold, conveyed, and occupied subject to the Covenants, Restrictions, easements, charges and liens and conditions hereafter set forth.

Article 1

DEFINITIONS

1. The following words when used in this Declaration shall have the following meanings:

(a) The “property or “properties” shall mean and refer to all property in all phases of the Cedar Falls Development, inclusive of the property described in

the instruments identified in the preamble above.

(b) "Lot" shall mean and refer to any part of land shown upon any recorded subdivision map of the property.

(c) "Owner" shall mean and refer to the owner of the fee simple title to any lot situated upon the property but, notwithstanding any applicable theory of the mortgage, shall not mean or refer to the mortgagee unless and until such mortgagee has acquired title pursuant to foreclosure or any proceeding in lieu of foreclosure. Where a lot is owned by multiple persons or entities such persons or entities shall collectively constitute a single owner.

(d) "Advisory Committee" shall mean and refer to Gary L. Fields, and any other individual or individuals that he may at any time appoint to act as a member of the Advisory Committee. Effective immediately and continuing through December 31, 2012 , the Advisory Committee shall be composed of the Developer and any other individual or individuals that may be appointed by him at any time to act as a member.

Article 1.1.(d). Effective January 1, 2013 and continuing thereafter the Advisory Committee shall be elected to serve an annual term by the Board of Directors.

(e) "Common Area" shall mean and refer to all property owned by the Association or as designated as a "Common Area" on the above-referenced subdivision map of Cedar Falls.

(f) "Developer" shall mean and refer to Gary L.. Fields and any future, their heirs, successors and assigns.

(g) "Member" shall mean and refer to those persons entitled to membership in the Association.

(h) "Association" shall mean and refer to Cedar Falls Homeowners Association, Inc., its successors and assigns. its Articles of Incorporation are of recorded in Volume 1498 page 426, Register's Office, Sevier County, Tennessee, and attached hereto as Exhibit "A", and a copy of the By-Laws are attached hereto as Exhibit "B".

Article 2

PROPERTY SUBJECT TO THIS DECLARATION; EXCEPTIONS AND ADDITIONS

1. EXISTING PROPERTY. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Sevier County, Tennessee and is more particularly described in Large Book LM4, Page 79, Register of Deed's Office, Sevier County, Tennessee and all property described and referenced by map books within the Declaration of Covenants and Restrictions for Cedar Falls Phase II, Cedar Falls Phase III and Cedar Falls Phase IV identified in the preamble above.

2. EXCEPTIONS.

3. ADDITIONS. Additional lots or adjacent land may become subject to this Declaration by recordation of additional declarations adopting and incorporating this Declaration by specific reference at the sole discretion of the Developer.

Article 3

COVENANTS RUNNING WITH THE LAND

All provisions, covenants and restrictions of this Declaration shall be construed to be running with the land, including without limitation every lot, unless specifically exempted, and the appurtenances thereto, and every owner, its heirs, administrators, legal representatives, successors and assigns shall be bound by all of the provisions of this Declaration.

Article 4

TERM

This Declaration shall run with the land and be binding upon the owners, their heirs, successors and assigns and all others taking or utilizing the subject property by or through them. The covenants, restrictions, terms and conditions provided herein shall continue until such time as they may be amended or terminated as provided herein. This Declaration may be amended in whole or in

part, at any time, by approval of at least two-thirds of the votes in the Association. For purposes of determining the total number of available votes and the number representing the two-thirds requirement, owners not in good standing with the Association shall not be counted. Any amendment shall be attested to by the appropriate officer of the Association and recorded in the Register's Office for Sevier County, Tennessee.

Article 5

ENFORCEMENT

Any owner shall have the right to enforce, as herein provided for, or any owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by any owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. It is further provided that should any owner have to employ counsel to enforce any of the restrictions, conditions, covenants, reservations, liens or charges found in the Declaration, all costs incurred as to such enforcement, including a reasonable fee for counsel, shall be paid by the party violating or attempting to violate the covenants herein.

The Advisory Committee and/or Developer shall have the right to assert a lien for reimbursement of all costs and expenses including attorney's fees incurred due to noncompliance with Article 11.5 and 11.8; Articles 18; 19; 20; 25.

The lien provided herein shall be subordinate to the lien of any first deed of trust or mortgage.

Article 6

SEVERABILITY

If any provision herein set forth is declared to be invalid in court, the invalidity of such restriction shall not affect the validity of the remaining restrictions hereof, and for the purposes hereof all restrictions as contained herein shall be deemed severable each from the other without qualification.

Article 7

ADVISORY COMMITTEE

No construction, reconstruction, remodeling, alteration or addition to any structure, building, fence, wall, driveway, or other improvement shall be constructed or undertaken without obtaining the prior written approval of the Advisory Committee as to the intended location of the same and as to its plans and specifications.

The Advisory Committee shall have full authority to review and act upon request for approval of such a request. As a prerequisite to consideration for such approval, and prior to the beginning of the contemplated work, the applicant must submit a complete and final set of plans and specifications with the written request for their approval. The plans and specifications shall show size, design, color, texture, materials to be used and the proposed location of the structure on the lot. The Advisory Committee shall be the sole arbiter of the same and may withhold approval for any reason including truly aesthetic considerations. In the event the said committee fails to approve or disapprove the plan for design, specifications and location within 20 days after they have been submitted, said plan for the design, specifications and location shall be deemed approved.

In the event that the Committee rejects plans for design, specifications, and location submitted for approval, the party submitting may make the necessary alterations to the said plans for design, specifications and location with a written request for approval of such plans, specifications and location.

The word "structure" as used herein shall mean any and all buildings, walls, fences, in ground swimming pools, mailboxes and mailbox post, landscaping, changes and grades of land and any and all other improvements or changes of a permanent nature other than the usual and customary maintenance and refurbishing of the property. A building permit shall be obtained from the proper governmental authority prior to any additions or alterations to building.

The Advisory Committee shall have no liability to owners that have

submitted plans and specifications for approval or have requested approvals provided for in these restrictive covenants or to other owners of property in the subdivision as a result of their approval or non-approval of the same. The Committee has no expertise in the engineering and does not undertake any duty to determine suitability of soil, soundness of the proposed structure, or appropriateness of any engineering or architectural feature except for the purpose of determining whether the design of the proposed structure and the proposed structure itself is in harmony as to the exterior design, location, and appearance in relation to the surroundings, structures, and topography and overall expectations of the community. Although the Committee undertakes no duty to determine suitability of soil or other matters as described above, it has the authority to disapprove of plans in the event that it has concerns about these particular matters.

The determination of the Committee is subjective and discretionary and is not subject to review by any court or other judicial body, or by any owner or other authority. Neither the Advisory Committee nor any of its members or the Developer shall be liable to any person for damages or otherwise resulting from the performance of its duties hereunder and the exercise of the authority and discretion granted to it herein.

Any determination by the Advisory Committee is final and binding on all present or future owners of all, or a part of, the property.

The Advisory Committee shall have the sole and exclusive right to at any time, and from time to time to transfer and assign to and to withdraw from, such person, firm or corporation as it shall select, and any or all rights, powers, privileges, authorities and reservations given to or reserved by it by any part or paragraph of these covenants and restrictions.

The Advisory Committee shall collect and control expenditures of the annual fees and assessments and shall act in place of and on behalf of the Owner's Association until such time as Developer has sold 75 percent of the lots in the development, or until January 1, 2013. Developer shall be exempt from the payment of individual Lot annual or special assessments until January 1, 2103.

Developer shall pay a lump sum amount per year in lieu of all assessments in the amount of \$2,500.00 for calendar years 2003 through 2005 and nothing thereafter until 2013.

Article 8

SETBACK REQUIREMENTS

No building shall be located on any lot nearer to the front lot lines, side yards, and rear yards than the minimum building setback lines as shown on map of record in Large Map Book LM4, page 79, Register of deeds Office, Sevier County, Tennessee.

Eaves, steps, open porches, terraces, decks, garages, and roofed porches shall be considered as part of the building. Nothing can encroach on the setbacks.

Article 9

LAND USE, BUILDING TYPE AND RENTAL

1. All the lots in said subdivision shall be known and designated as residential lots.

2. Guest or second dwelling homes shall only be on lots 15,16,31,33, 35, 48, 59, 102, 105 and 111. Developer, at its discretion, reserves the right to declare other lots in Phase II and/or Phase III or any future properties as development occurs. These lots shall be added to covenants prior to offering future lots for sale to the public. The minimum size on all guest homes shall be 576 square feet. Guest homes shall have same roofing material and color as primary home. Exterior stain shall also be same color match. Guest home exterior must be log, log siding, wood, or stone.

3. No structures, other than guest homes approved on lots above, shall be erected, altered, placed, or permitted to remain on any of the said lots other than one detached single family dwelling, not to exceed three stories in height, with private garage or garages.

4. (Deleted)

Article 10

BUILDING AND IMPROVEMENT RESTRICTIONS

1. DWELLING SIZE. no building shall be erected, placed, altered or permitted to remain on any lot in the subdivision having a floor area of less square footage than as set out below. In computing said floor area, measurements will be made from the exterior walls and will include only finished and heated living areas, but will not include carports, or garage. The Advisory Committee reserves the right, in their sole and absolute discretion, to modify these minimum square footage requirements in certain situations where hardship, for example, lot size or grade of land can be shown by the lot owner. Dwelling size on all lots shall be as follows:

Category A Lots	2,200 sq. ft.
Category B Lots	1,800 sq. ft.
Category C Lots	1,400 sq. ft.
Category D Lots	720 sq. ft.

2. ROOF LINES. All roof pitches shall be approved in advance by the Advisory Committee and shall conform to the type of architecture of the proposed dwelling or outbuilding. Each dwelling shall have a minimum of two breaks in the roof line, visible from the street, or as otherwise approved by the Advisory Committee.

3. WINDOWS. All windows and related trim shall be wood or wood with vinyl or metal clad construction. All exterior doors must be consistent in color with the trim, roof or garage color scheme.

4. EXTERIOR WALLS. All dwellings shall be constructed of solid commercial grade log, or log siding , or stone, or antique logs, subject to the approval of the Advisory Committee.

5. FOUNDATION WALLS. All above ground exterior foundation or basement walls shall be veneered with stone (mountain or cultured), or such stucco materials as may be approved by the Advisory Committee.

6. CHIMNEYS. All chimneys are to be faced with stone, or such other materials as may be approved by the Advisory Committee, so as to be compatible with foundation and exterior walls of the dwelling.

7. UNDERGROUND WIRING. All electric, telephone, and any other utilities, including television cables, lines or connections between main utility lines and the dwelling and/or other buildings on any lot or part of the properties shall be placed underground. There shall be no overhead wiring of any type permitted other than temporary, as approved by the Advisory Committee.

Any lot owner requiring an original or additional electric service shall be responsible to complete the same at the owner's expense. Any secondary electric service conduits, wires, conductors or other facilities from the point of applicable transformer to the buildings on the lot shall be at the owner's expense. Any such secondary conduits, wires, conductors, and any other facility shall be and remain the property of the owner who adds them. Such owner shall be responsible for all maintenance and upkeep of any secondary electrical system.

8. ROOFING. The exterior roof surface of any dwelling or outbuilding shall be composed of slate, cedar shakes, wooden shingles, dimensional asphalt shingles, or appropriate modern metal roofing. No tab shingles shall be permitted. All roof colors shall be subject to the approval of the Advisory Committee, and no home shall have the same color roof as those on either side.

9. MAILBOXES. Only one mailbox shall be located on any lot. Residents requiring a mailbox shall purchase same from the CFHOA. This shall be the only approved mailbox, and the price will be based on the Association's cost.

10. ABOVE GROUND TANKS. There shall be no exposed above ground tanks for the keeping or storage of any type of fuel, gas, water or any other substance. Any tank shall be buried, or concealed behind a privacy fence or hedge, subject to the approval of the Advisory Committee.

11. ANTENNAE & SATELLITE DISHES. Subject to applicable federal regulations, no outside radio transmission towers, antennae, television antennae, satellite antennae or dishes in excess of eighteen (18) inches, or any solar

panels or communication towers or dishes may be installed or used except such as may be approved in advance by the Advisory Committee.

12. VENTS. No plumbing vent or heating vent shall be placed on the front side of any roof of any dwelling or accessory structure, and such vent shall be painted the same color as the roof on which it is placed. Any foundation vents shall be made of material approved by the Developer and shall be of a color which is compatible with the color scheme of the dwelling or building in which they are placed.

13. HEATING & AIR CONDITIONING UNITS. No heating or air conditioning unit, solar collector panel, or related equipment or fixtures may be located in or on any part of the front side of any dwelling or accessory building or structure. All heating and air conditioning units and fixtures shall be ground mounted and shall be hidden or screened by the structure and/or by fencing or planting of a density or height which will hide any such unit and/or fixtures and equipment effectively. Any screening fence, or planting shall be approved in advance by the Advisory Committee. No window mounted air conditioner unit shall be used on any building.

14. SCREENS. Any screens used in any windows or in any porches of any dwelling or accessory structure shall be a dark colored screen material and no white, silver, or bright color finish screens may be used.

15. GARAGES & DRIVEWAYS. All dwellings are approved for attached garages and may have an additional detached garage as set forth in Paragraph 18. All garages shall have doors which will completely hide the interior of such garages and are compatible with the dwelling house in style and design, and are not visible from the street. Attached garages shall be capable of accommodating at least two full-sized automobiles parked side by side.

Carports, whether attached or separate from the dwelling, or other similar structures are subject to Advisory Committee approval.

Driveways, parking areas and turn-a-rounds must have proper drainage and must also be approved the Advisory Committee.

16. RECREATIONAL & COMMERCIAL VEHICLES. No one shall be permitted to store or park travel or house trailers, campers, trailers, trucks over three-quarter ton, buses, motor homes, recreational or off-road vehicles, or boats on any lot, unless same are stored or parked inside the garage. In no event shall any vehicle, trailer, camper, bus, motor home, pleasure or fishing boat mentioned in this Article be parked in any other place on the lot. No automobiles or any other vehicles of any kind which are inoperable or being stored shall be parked, kept, repaired, or maintained on the street, driveway or lawn of any lot, unless approved otherwise by the Advisory Committee.

No commercial vehicles of any size or type, semi's, or tractor trailers are allowed to be parked on any lot overnight. Semi's, tractor trailers, commercial moving vans, etc... shall have special approval to enter development and must enter after 8:00 am and depart by 6:00 pm.

17. SWIMMING POOLS. All swimming pools should be constructed below the ground surface, and shall be fenced and maintained in a manner consistent with Sevier County Health Department regulations and with those of all other appropriate governmental agencies. Plans and specifications, including any fencing, must be submitted to and approved by the Advisory Committee before construction may commence.

18. OUTBUILDINGS No outbuildings such as pool houses and detached garages shall be built unless the same are in substantial conformity with architectural design materials used for the main dwelling. Said outbuilding must have been approved by the Advisory Committee as provided in Article 7.

19. MAINTENANCE EQUIPMENT. All yard maintenance equipment and other similar items shall be stored out of view of other lot owners.

20. TREES. All tree removal must be approved by the Advisory Committee as part of the site plan. Tree removal at any time (seven inch diameter or greater) require approval of the Advisory Committee.

Article 11

GENERAL PROTECTIVE COVENANTS

1. RESIDENTIAL PURPOSES. RESIDENTIAL PURPOSES. All lots are and shall be restricted exclusively to single family residential use; and for nightly rental or written annual lease. Monthly rental of any residence is strictly prohibited.

2. LIMITATION ON STRUCTURES & MOBILE PROPERTY. No trailer, mobile home, motor home, basement, tent, camper, shack, garage, barn, shed or other outbuilding shall be erected, put, or placed on any lot at any time and be used as a residence either temporarily or permanently.

3. OCCUPANCY. There shall be no occupancy permitted of any dwelling until such time as the dwelling is complete and the yard and landscaping are completed as that term is defined in the mechanics and material men's lien laws of the State of Tennessee, except with prior, written permission of the Developer.

4. NUISANCE & COMMERCIAL ACTIVITY. No illegal, noxious, or offensive activities shall be permitted or carried on, on any part of the property. Nor shall anything be permitted or done therein which is or may become a nuisance or source of embarrassment, discomfort, or annoyance to the neighborhood. No commercial activity of any kind may be conducted from a dwelling. No trash, garbage, rubbish, debris, waste material or any other residue shall be deposited or allowed to accumulate or remain on any part of the property, nor upon any land or lands contiguous thereto.

5. COMMISSION OF WASTE & UNSIGHTLINESS. At no time shall any lawn or parcel be stripped of its top soil, trees, or allowed to go to waste or waste away by being neglected, excavated, or having refuse or trash thrown, dropped, or dumped upon. No lumber, brick, stones, cinder block, concrete block, or other materials used for building purposes shall be stored upon a lot more than a reasonable time for the completion of construction in which they are to be used. Before or after construction, no person shall place or leave on any lot any refuse, stumps, cut rocks, concrete blocks, dirt, debris or building materials or other undesirable materials.

6. TREES. No trees, shrubs, or other plants shall be placed in any

location that may impair the view from any other lot.

7. MAINTENANCE. Each individual owner is required to maintain their lot.

8. FIREARMS. No weapons, firearms or handguns such as pistols, rifles and shotguns shall be fired for recreational purposes and no hunting shall be allowed on the property.

9. NOISE POLLUTION. Auto exhaust systems and stereo equipment should be maintained and used in such a manner so as not to cause a public disturbance

10. COMMON AREAS. No trees, shrubs, or flowering plants may be removed or transplanted from the common areas.

11. OFF-ROAD & SPORTS VEHICLES. No ATV's, dirt bikes, 3 or 4 wheelers, go-carts, snow mobiles, or any type of gasoline powered sport vehicles, etc. may be driven on the property. Electric powered golf carts are permitted. All such vehicles must remain out of view when not in use.

12. PRIVATE STREET LIGHTING. No private street lights shall be permitted, and no free standing light poles shall be allowed on the property other than those planned and approved by advisory committee.

Article 12

RE-SUBDIVISION

No lot may be further subdivided in size by any device, voluntary alienation, partition, judicial sale, or other proceeds or process of any kind, except for the purpose of increasing the size of another lot. In the event two or more adjacent and contiguous lots are purchased by the same person, these lots may be combined to form one lot subject to the approval of the Advisory Committee and the approval of the governmental authority. The lot owner shall bear the cost of surveying or any fees related to the consummation of this transaction.

An approved combined lot shall be assessed as one lot, providing the

recorded deed, plat, or other instrument reflecting the combining specifically recites that the owner, his heirs, successors and assigns shall be obligated to treat the combined lot as one, singular Cedar Falls lot, subject to all the provisions, conditions and restrictions of this instrument including but not limited to, the limitation of one residence and no reversion to two lots or other subdivision of the combined lot.

Article 13

SIGNS & FLAGS

No sign shall be erected or maintained on any lot, except one professionally made sign indicating ownership and/or name of cabin and shall not exceed 18" x 36" in size. Temporary realtor signs or sign of the owner advertising the residence and lot for sale shall be professional in appearance. Such signs shall not be more than two feet square in size, or the standard realtor's sign size whichever is less. The Developer is excluded from this restriction until all lots are sold.

No flags other than one America Flag per home may be displayed outside at any time.

Article 14

LIVESTOCK, POULTRY & PETS

No animals, livestock, poultry or fowl of any kind shall be raised, bred, or kept on any lot, except that pets such as dogs, cats or other household pets may be kept or maintained provided that they are not kept, bred, or maintained for commercial purposes or resale. No dog, cat, or other household pet shall be allowed to become a nuisance in the neighborhood, to include noise.

The owner of any pet shall keep the pet confined to the lot at which said pet owner resides. Pets shall not be allowed to roam free or at large. Dogs shall be leashed when outside of their lot. The owners may utilize electric invisible fencing or other forms of restraint or enclosure, provided they are in compliance with other provisions of these Covenants and Restrictions and approved, as may be required. If, at any time, the Board of Directors determines that a pet has

become a nuisance as a result of excessive or recurrent noise, damage to real property, the deposit of bodily waste outside the lot at which the pet owner resides, aggressive behavior or otherwise, the Association is entitled to a mandatory injunction in a court of appropriate jurisdiction requiring the pet owner to remove the offending pet from the Cedar Falls Development. Any and all costs incurred by the Association to enforce this provision, including a reasonable attorney's fee, shall be recovered from the offending lot owner or occupant.

Article 15

TRASH CONTAINERS

Trash, garbage, or other waste shall not be kept, except in sanitary containers. All equipment for the storage of such materials should be kept in a clean and sanitary condition and shall be concealed or placed in such a position as to be screened from view by neighbors or members of the public. Garbage containers shall not be left at the street except for the time for garbage pick-up, if applicable. All trash removal is the responsibility of the Owner.

Article 16

FENCING & WALLS

No fencing, walls, or hedge rows shall be erected, put placed or altered on any lot or parcel unless approved by the Advisory Committee.

Article 17

HOBBIES & OTHER ACTIVITIES

The pursuit of any hobby or other activity including, without limitation by reference, the assembly or disassembly of vehicles, boats, mechanical devices, which pursuit or activity may or might tend to cause disorderly, unsightly, or unkempt conditions, is not permitted and shall not be undertaken on any lot or in any driveway, garage, or other place where such activity is visible from any street. All playground equipment and items shall be located in the rear yard and be accommodating in color or galvanized. Children toys, bikes, etc. shall not be left outside.

Article 18

OWNER'S RESPONSIBILITY DURING CONSTRUCTION

1. SILT CONTROL DEVICES. Owners and/or their builders are responsible for providing silt control devices on each lot and are responsible for dirt and debris coming into subdivision streets during construction activity.

2. CONSTRUCTION SITE. During the construction of any structure upon any portion of the property, owner and builder shall be required to maintain a clean and neat construction site at all times. The owner and builder shall be required to periodically clean the street as needed to keep a neat appearance.

3. CUTS & ROADS. It shall be the responsibility of the owner to cut for driveways and to repair any roadway that is damaged during construction of the dwelling. Any curb cuts require prior approval and must meet specifications of the Advisory Committee.

4. COMPLETION OF CONSTRUCTION. The main residence and accessory structures as shown and approved by the Advisory Committee must be completed in accordance with said plans and specifications within six (6) months after the start of the first construction is rendered, unless such completion is rendered impossible as the direct result of fires, national emergency or natural calamities. Ten (10) months shall be allowed on homes exceeding 4000 sq. ft.

5. UNDERGROUND UTILITIES. It shall be the responsibility of the owner and builder to immediately repair any damage to the underground utilities that may occur during the course of construction.

Article 19

ENTRYWAY & DRAINAGE SYSTEM

All lot owners and their respective successors and assigns shall be responsible for paying their pro-rata share of the expense incurred by the Developer or by the Advisory Committee in connection with the care and maintenance of the entrance and adjoining right-of-way areas and the drainage

system. The expenses shall be pro-rated based upon the number of lots in the subdivision. The expenses shall include, but not be limited to, the cost of mowing grass, pruning, replacing shrubbery, repair or replacement of signs, general landscaping, creek bank maintenance, and related items.

Article 20

SURFACE WATER RUN OFF

All lot owners and their respective successors and assigns shall comply with all laws and legal duties, whether statutory or otherwise, and all regulations of any government entity with respect to the control of surface water run off. Additionally, each lot owner shall take such steps at their expense as may be required by Developer and/or Advisory Committee to control surface water run off. Each lot owner shall indemnify Developer and/or Advisory Committee from any and all costs incurred by it including payment of any judgment or settlement of any claim, as a result of any claims made against Developer due to failure of the owner of any lot to properly control surface water run off or to take actions required by the Developer or the Advisory Committee in connection with the control of surface water run off.

Article 21

EASEMENTS

Easements for installations and maintenance of utilities and drainage facilities are reserved as shown on the recorded subdivision map. Within these easements, no structure, planting or other materials shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities or which may change direction of flow of drainage channels in the easements or which may obstruct or retard the flow of water through drainage channels in the easements. Exceptions shall be made for the building of driveways required for normal access to each subdivision lot. No easement, right-of-way, roads or rights of access shall be deemed, granted, or in any way given to any person or company through or across any lot in the subdivision to any adjoining lands.

Article 22 (Deleted)

Article 23

PROPERTY RIGHTS

SECTION 1. OWNERS' EASEMENTS OF ENJOYMENT. Every owner shall have the right of ingress and egress over the thirty foot right-of-way known as Cedar Falls Way and each and every other common roadway within the various phases of the Development. Additionally, every owner shall have a right of enjoyment of the common areas and amenities as may exist or be created in the future for the benefit and enjoyment of the owners.

Article 24

MEMBERSHIP & VOTING RIGHTS

SECTION 1. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

SECTION 2. The Association shall have voting members. Members shall be all Owners and shall be entitled to one (1) vote for each Lot owned. The vote for such a Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot. Absentee or voting by mail is permitted. Voting may be in person or by proxy. The Board of Directors is authorized to adopt rules, regulations and provisions for determining designated or eligible voters for each lot as well as the form, content and delivery of proxies. Voting rights and other privileges of membership may be suspended if an owner is not in good standing with the Association.

SECTION 3. When formed, the Association shall be organized and shall thereafter conduct its business in accordance with Roberts Rules of Order and/or the By-Laws of the Association.

SECTION 4. All notices to members as required herein or in the By-Laws of the Association shall be deemed sufficient if mailed to the current address on file with the Office of Sevier County Tax Assessor for mailing of tax notices.

Article 25

COVENANT FOR MAINTENANCE ASSESSMENTS

SECTION 1. CREATION OF THE LIEN AND PERSONAL OBLIGATION OF ASSESSMENTS. The Developer, for each platted and improved Lot owned within the properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefore, whether improved or not and whether or not it shall be so expressed in such a deed, is deemed to covenant and agrees to pay the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall pass to his successors in title.

SECTION 2. PURPOSE OF ASSESSMENTS The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Properties and for the improvement and maintenance of the Common Area, including, but not limited to costs of maintaining the streets and roadways, mowing grass, maintenance of landscaping, repairs and maintenance, replacement, and additions to Common Areas, management, taxes assessed against the Common Areas, and insurance maintained in accordance with the by-laws and employment of professionals to represent the Association when necessary or when the need arises.

SECTION 3. MAXIMUM ANNUAL ASSESSMENT. until December 31, 2003, the maximum annual assessment shall be \$600.00 per year per Lot.

(a) From and after January 1, 2003, the maximum annual assessment may be increased each year, without a vote of the members, if such increase is not in excess of the increase in the consumer price index as established by the Department of Labor and published in July preceding the increase.

(b) From and after January 1, 2003, the maximum assessment may be increased each year above that established by the consumer price index by the vote of the members, by a two-thirds (2/3) majority vote of members who are voting in person or by proxy, at a meeting duly called for this purpose as provided in Section 5 herein.

(c) The Board of Directors may fix the annual assessment at an amount not in the excess of the maximum subject to the provisions of Section 6 and 7 herein.

SECTION 4. SPECIAL ASSESSMENTS FOR CAPITAL IMPROVEMENTS In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and may be collected monthly.

SECTION 5. (reserved)

SECTION 6. UNIFORM RATE OF ASSESSMENT. Both annual and special assessments may be fixed at a rate for all Lots and may be collected on a monthly, quarterly, or annual basis.

SECTION 7. DATE OF COMMENCEMENT OF ANNUAL ASSESSMENTS AND DUE DATES.

January 1 of each year shall be the annual due date for payment of the annual assessments. The annual assessments provided for herein shall commence as to all Lots on the date of closing on a pro-rata basis. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment

period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of its date of issuance.

SECTION 8. EFFECT OF NON-PAYMENT OF ASSOCIATION AND REMEDIES OF THE ASSOCIATION. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of ten percent (10%) per annum; and shall also incur a "late fee" of \$75 if not paid within 60 days from the due date. The Association may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. In addition to the amounts due, plus interest, the Association may add reasonable attorney's fees for collection of any unpaid assessments. Said attorney's fees become a lien upon the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

SECTION 9. SUBORDINATION OF THE LIEN TO MORTGAGES. The lien of assessment provided for herein shall be subordinate to the lien of any bonafide first mortgage or deed of trust holder against such lot, provided such mortgage or deed of trust shall have been properly recorded prior to the time the assessment became delinquent. Nothing provided herein shall be deemed to relieve any owner from personal liability for assessments and other charges provided for above.

SECTION 10. EXEMPT PROPERTY. All property dedicated to, and accepted by a local public authority and all properties owned by charitable and non-profit organizations exempt from taxation by the laws of the State of Tennessee and the United States Internal Revenue service, shall be exempt from assessments herein; provided, however, in no event shall any land or improvements devoted to dwelling use be exempt from said assessments even

though owned by a charitable or non-profit organization.

Cedar Falls

Exhibit A

To the Declaration of Covenants and Restrictions

Charter of Cedar Falls Homeowners Association, Inc.

Pursuant to the provisions of section 48-52-102 of the Tennessee Non-Profit Corporation Act, the undersigned hereby submits its Charter and states as follows:

Article 1

The name of the corporation is Cedar Falls Homeowners Association, Inc.

Article 2

This corporation is a mutual benefit corporation.

Article 3

The address of the registered office of the corporation in Sevier County, Tennessee is:
P.O. Box 354, Pigeon Forge, Tennessee

Article 4

The registered agent for the corporation office is: Samuel F. King

Article 5

The street address of the principal office of the corporation is: P.O. Box 354, Pigeon Forge, Tennessee 37868

Article 6

The corporation is not for profit.

Article 7

The duration of the corporation is perpetual.

Article 8

PURPOSE AND POWERS OF THE ASSOCIATION

The purpose or purposes for which the corporation is organized are:

(a) To establish an association of homeowners to provide for maintenance, preservation and architectural control of the residence Lots and common Area with Cedar Falls, a subdivision located in Sevier County, Tennessee, and, to promote the health, safety and

welfare of the residents within the development.

(b) The corporation is irrevocably dedicated to an operated for non-profit purposes; and no part of the income or assets of the corporation shall be distributed to nor enure to the benefit of any individual.

(c) the corporation is organized exclusively for such trade and activities as may be engaged in by exempt organizations under § 528 of the Internal revenue Code of 19986 (or the corresponding provision of any future United States Internal Revenue Law).

(d) Exercise all powers and privileges and to perform all duties and obligations of the Association as set forth in the Declaration of Covenants and restrictions applicable to the property and any amendments thereto, said declaration being incorporated herein as if set forth verbatim.

Article 9

Except as otherwise provided for herein, the corporation shall have all powers conferred to a Tennessee non-profit corporation under the provisions of Title 48 of the Tennessee Code Annotated, subject to the following limitations:

(i) In the event of the dissolution of the corporation or the winding up of its affairs or liquidation of its assets, the corporation's property shall not be conveyed to any organization created or operated for profit or to any individual for less than the market value of such property, and all assets remaining after the payment of the corporation's debts shall be conveyed or distributed only to an organization or organizations created and operated for on-profit purposes similar to those of the corporation, other than one created for religious purposes;

(ii) No part of the net earnings of the corporation shall enure to the benefit of, or be distributable to its members, Trustees, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions In furtherance of the purposes set forth in this article, no substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participation, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any activities not permitted to be carried on (a) by a corporation exempt from

Federal Income Tax under § 528 of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law);

(iii) Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all the liabilities of the corporation, dispose of all of the assets of the corporation exclusively for the purposes of the corporation in such a manner, or to such organization or organizations organized and operated exclusively for charitable, educational, or scientific purposes as shall at the time qualify as an exempt organization or organizations under § 528 of the Internal Revenue law, as the board of Directors shall determine.

Article 10

The provisions of this charter that relate to Members and Directors are as follows:

(a) the corporation shall have Members; the manner of election, appointment, qualifications, and rights of Members, including voting rights, are as to be provided in the By-Laws of the corporation and the Declaration of Covenants and Restrictions for Cedar Falls.

(b) the corporation shall have a Board of Directors who shall be elected as provided in the By-Laws.

(c) The Directors shall serve without compensation. Directors shall serve terms as set forth in the By-Laws of the corporation.

(d) The Officers of the corporation, as provided by the By-laws of the corporation, shall be elected by the Board of Directors of the corporation, in the manner therein set out and shall serve until their successors are elected and have qualified. The Board of Directors shall elect the regular Officers of the corporation at the annual meeting for terms of one (1) year. The annual meeting shall be held on a date as determined by the Board of Directors. The Officers of the corporation shall serve without compensation.

Article 11

By-laws of the corporation may be adopted or amended as provided in the By-Laws of the Corporation, so long as they are not inconsistent with the provisions herein.

Article 12

To the fullest extent permitted by Tennessee Non-Profit Corporation Act, a director of the corporation shall not be liable to the corporation for monetary damages for

breach of fiduciary duty as a director, if the Tennessee Non-Profit Corporation Act is amended after the date hereof to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted by the Tennessee Non-profit Corporation Act, as so amended from time to time. Any repeal or modification of this Article 12 by the directors of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification or with respect to events occurring prior to such time.

Cedar Falls

Exhibit B

To the Declaration of Covenants and Restrictions

BY-LAWS OF THE CEDAR FALLS HOMEOWNERS ASSOCIATION, INC.

Article 1

NAME AND LOCATION

The name of the corporation is Cedar Falls Homeowners Association, Inc., hereinafter referred to as the "Association". The initial principal office of the corporation shall be located at P.O. Box 354, Pigeon Forge, Tennessee, 37868, but meetings of members and directors may be held at such places within Sevier County, Tennessee, as may be designated by the Board of Directors which may further relocate and re-designate the principal office of the corporation.

Article 2

DEFINITIONS

SECTION 1. "ASSOCIATION" shall mean and refer to the Cedar Falls Homeowners Association, Inc., its successors and assigns.

SECTION 2. "PROPERTIES" shall mean and refer to that certain real property described in the Declaration of Covenants and restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

SECTION 3. "COMMON AREA" shall mean all real property including improvements thereto owned by the Association for the use and enjoyment of the Owners as shown on map of record in Large Map Book __, page __, Register's Office, Sevier County, Tennessee, or as designated as a "common area" on the recorded subdivision. The roads and streets in the subdivision are private roads and are to be maintained by the Association.

SECTION 4. "LOT" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area and any dedicated street or streets.

SECTION 5. "OWNER" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot which is part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

SECTION 6. "DEVELOPER" shall mean and refer to Gary L. Fields, his successors and assigns if such successors or assigns should acquire more than one undeveloped Lot from the Developer for the purpose of development.

SECTION 7. "DECLARATION" shall mean and refer to the Declaration of Covenants and Restrictions Applicable to the Properties recorded in the Office of the Register of Deeds of Sevier County, Tennessee.

SECTION 8. "MEMBER" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Article 3

MEETING OF MEMBERS

SECTION 1. ANNUAL MEETINGS. The annual meeting of the members shall be held at such place and time as designated by the Board of Directors. Unless otherwise provided herein, notice of the annual meeting shall be provided to the members by a

mailing to the address provided by the member and mailed 30 days in advance of the scheduled meeting.

SECTION 2. SPECIAL MEETING. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote, one-half (1/2) of all of the votes of the membership.

SECTION 3. NOTICE OF MEETINGS. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such a member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting. Notice shall be deemed to have been given three (3) business days following mailing of such notice with the US Postal Service.

SECTION 4. QUORUM. The presence at the meeting of members entitled to cast. or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If however, such a quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

SECTION 5. PROXIES. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot. Provided however, a proxy may be transmitted to the Secretary by facsimile transmission.

Article 4

BOARD OF DIRECTORS: SELECTION; TERM OF OFFICE

SECTION 1. (deleted)

SECTION 2. NUMBER. The affairs of this Association shall be managed by a Board of

three (3) directors, who need not be members of the Association. Further, there can only be 1 Director from the same household at any one time.

SECTION 3. TERM OF OFFICE. At the first annual meeting the members shall elect one (1) director for a term of one (1) year, one (1) director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter the members shall elect one (1) director for a term of three (3) years.

SECTION 4. REMOVAL. Any director may be removed from the board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

SECTION 5. COMPENSATION. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

SECTION 6. ACTION TAKEN WITHOUT MEETING. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Article 5

NOMINATION AND ELECTION OF DIRECTORS

SECTION 1. NOMINATION. Nomination for election to the Board of Directors may be made by a nominating committee appointed by the Board from the floor at the Annual meeting. If the Board of Directors elects to utilize a nominating committee, the committee's report shall be made at the annual meeting and thereafter the floor shall be open for additional nominations.

SECTION 2. ELECTION. Election of the Board of Directors shall be by secret written ballot. At such election, the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the declaration, the persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Article 6

MEETINGS OF DIRECTORS

SECTION 1. REGULAR MEETINGS. Regular meetings of the Board of Directors shall be held monthly without notice, at such a place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday then that meeting shall be held at the same time on the next day which is not a legal holiday.

SECTION 2. SPECIAL MEETINGS, Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

SECTION 3. QUORUM. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Article 7

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

SECTION 1. POWERS. The Board of Directors shall have the power to:

(a) adopt and publish rules and regulations governing use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities, if any, of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association.

Article 8

OFFICERS AND THEIR DUTIES

SECTION 1. ENUMERATION OF OFFICERS. The officers of this Association shall be a President and Vice President, a Secretary, and a Treasurer (or in the alternative, one person who shall serve as Secretary/Treasurer) and such other officers as the Board may from time to time by resolution create-.

SECTION 2. ELECTION OF OFFICERS. The election of Officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

SECTION 3. TERM. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless they shall sooner resign, or shall be removed, or otherwise disqualify to serve.

SECTION 4. SPECIAL APPOINTMENTS. The Board may elect such officers as the affairs of the Association may require, each of whom shall hold office for such period, have authority, and perform such duties as the Board may, from time to time determine.

SECTION 5. RESIGNATION AND REMOVAL. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

SECTION 6. VACANCIES. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such a vacancy shall serve for the remainder of the term of the officer he replaces.

SECTION 7. MULTIPLE OFFICES. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

SECTIONS. DUTIES. The duties of the officers are as follows:

PRESIDENT

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

VICE PRESIDENT

(b) The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the Board.

SECRETARY

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of the meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses; and shall perform such other duties as required by the Board.

TREASURER

(d) The Treasurer shall receive and deposit in appropriate bank account all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditure to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

Article 9

COMMITTEES

The Association shall appoint an Advisory Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

Article 10

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall be available for inspection by any

member at the principal office of the Association, where copies may be purchased at reasonable cost.

Article 11

ASSESSMENTS

As more fully provided for in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at a rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment, no owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

Article 12

CORPORATE SEAL

The Association may elect to have a seal in circular form having within its circumference the words:

Cedar Falls Homeowners Association, Inc.

Article 13

AMENDMENTS

SECTION 1. These By-Laws may be amended at a regular or special meeting of the members by an affirmative vote of two-thirds of the eligible votes at the meeting, in person or by proxy.

SECTION 2. in the case of any conflict between the articles of incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws, the declaration shall control.

Article 14

MISCELLANEOUS

The fiscal year of the Association shall begin on the first (1st) day of January and end on

the thirty-first (31st) day of December every year, except that the first fiscal year shall begin on the date of incorporation.