

DECLARATION OF COVENANTS AND RESTRICTIONS

REVISED JULY 10, 2006

Rockhouse Ranch

at

The Big South Fork

FENTRESS COUNTY

TENNESSEE

**Prepared by ASETZ
1550 Lovell Road
Knoxville, TN 37932**

DECLARATION OF COVENANTS AND RESTRICTIONS

ROCKHOUSE RANCH AT THE BIG SOUTH FORK – REVISED JULY 10, 2006

KNOW ALL MEN BY THESE PRESENTS, that this Declaration of Covenants and Restrictions made and entered into this 10th day of July 2006, by ASETZ, a Tennessee General Partnership (hereinafter referred to as “ASETZ”);

WITNESSETH:

WHEREAS, ASETZ is the owner of the real property described in Article I of this Declaration and desires to create thereon a residential community with common facilities for the benefit of the said community; and

WHEREAS, ASETZ desires to provide for the preservation of the values and amenities in said community and for the maintenance of said other common facilities; and, to this end, desires to subject the real property described in Article I together with such additions as may hereinafter be made 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; and

WHEREAS, ASETZ has deemed it desirable, for the efficient preservation of the values and amenities in said community, to create an agency to which should be delegated and assigned the powers of maintaining and administering the community properties and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created; and

WHEREAS, ASETZ has caused to be incorporated under the laws of the State of Tennessee a non-profit corporation, ROCKHOUSE RANCH AT THE BIG SOUTH FORK HOMEOWNERS ASSOCIATION, INC. for the purpose of exercising the functions aforesaid;

NOW, THEREFORE, ASETZ declares that the real property described in Article I is and shall be held, transferred, sold, conveyed and occupied subject to the covenants, restrictions, easements, charges and liens (sometimes referred to as "covenants and restrictions") hereinafter set forth.

ARTICLE I

DEFINITIONS

Section 1. "Architectural Control Committee" shall mean and refer to ASETZ or other such individuals or entities as Developer may appoint, until all Lots in ROCKHOUSE RANCH AT THE BIG SOUTH FORK shall have been fully developed and permanent improvements constructed thereon and sold to permanent residents; at which time such term shall mean and refer to those persons appointed annually by the Board in compliance with the By-Laws of the Association to serve as members of said committee.

Section 2. "Association" shall mean and refer to ROCKHOUSE RANCH AT THE BIG SOUTH FORK HOMEOWNERS ASSOCIATION, INC., its successors and assigns.

Section 3. "Board" shall mean and refer to the Board of Directors of the Association.

Section 4. "Common Area" shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners, including but not limited to all joint permanent access easements, roadways, trails, trail easements, and entrance features. Specifically, Rockhouse Pass, Bearpen Fork, Charit Trail, Highland Way, Crooked Branch Circle, Laurel Trace, and Rome Crest are designed and intended to be private roadways within a joint permanent access easement.

Section 5. "Common Expenses" shall mean and refer to the actual and estimated expenses of operating the Association, including any reasonable reserve, as may be found to be necessary and appropriate by the Board pursuant to this Declaration and Articles of Incorporation of the Association.

Section 6. "Declaration" shall mean the covenants, conditions, restrictions and easements and all other provisions herein set forth in this entire document, as may from time to time be amended.

Section 7. "Developer" shall mean and refer to ASETZ, or its successors or assigns, provided that in the instrument of conveyance to any such successor or assignee, such successor or assignee is expressly designated as the "Developer" hereunder by the grantor of such conveyance, which grantor shall be the Developer at the time of such conveyance.

Section 8. "Lot" shall mean and refer to any parcel of land shown upon the Plat of the Property upon which one single-family residence may be constructed. No Lot(s) shall be re-subdivided without the prior written approval of the ACC. Any re-subdivision of Lot(s) shall be subject to the provisions of Article VIII, Section 19 of this Declaration.

Section 9. "Owner" shall mean and refer to the recorded owner, whether one or more Persons, of the fee simple title to any Lot which is a part of the Property, but excluding those having such interest merely as security for the performance of any obligation.

Section 10. "Person" shall mean and refer to a natural person, corporation, partnership, association, trust or other legal entity, or any combination thereof.

Section 11. "Plat" shall mean and refer to that certain Final Subdivision Plat for ROCKHOUSE RANCH AT THE BIG SOUTH FORK recorded in Plat Book 3, page 181, in the Register's Office for Fentress County, Tennessee, and any future revisions thereof.

Section 12. "Property" shall mean and refer to that certain real property described in the Plat and by reference made a part hereof, together with such additional real property as may by subsequent amendment be added to and subjected to this Declaration.

Section 13. "Structure" shall mean and refer to: (i) any thing or object, the placement of which upon any Lot may affect the appearance of such Lot, including by way of illustration and not limitation, any building or part thereof, garage, porch, gazebo, shed, greenhouse or bathhouse, coop, or cage, covered or uncovered patio, swimming pool, tennis court, boat, fence, curbing, paving, wall, tree, shrub, sign, signboard, mailbox, window dressing, driveway, temporary or permanent living quarters (including any house trailer or any other temporary or permanent improvement to such Lot); (ii) any excavation, grading, fill ditch, diversion dam, or other thing object or device which alters the natural flow of any waters in any natural or artificial creek, stream, wash or drainage channel, upon or across any Lot; and (iii) any change in grade at any point on a Lot of more than twelve (12) inches, whether or not subsection (ii) of this Section 13 applies to such change.

ARTICLE II

Architectural Control Committee (ACC)

Section 1. Purpose, Powers and Duties of the Architectural Control Committee. The purpose of the Architectural Control Committee, hereinafter referred to as "ACC", is to assure that the installation, construction or alteration of any Structure on any Lot (i) is in conformity and harmony of external design and general quality with the existing standards of the neighborhood and with the standards of the development of the Property; and (ii) is appropriately located with respect to topography, finished ground elevation and surrounding Structures. To the extent necessary to carry out such purpose, the ACC shall have all of the powers and duties to do each and every thing necessary, suitable, convenient or proper for, or in connection with or incidental to, the accomplishment of such purpose, including, without being limited to, the power and duty to approve or disapprove plans and specifications for any installation, construction or alteration of any Structure on any Lot.

Section 2. Developer's Obligation. The Developer shall abide by this Declaration and any amendments hereto but not withstanding anything stated herein to the contrary, the Developer shall be exempt from any requirements, directives, or orders set forth by the Board of Directors or any committee appointed by the Board of Directors including, but not limited to, the ACC.

Section 3. Construction Bond. On all Structures, the Owner shall submit to the ACC a Construction Bond of three thousand dollars (\$3,000.00) in cash per unit to be held in escrow by the ACC until the improvements are complete and the ACC performs its final inspection. The Developer shall be exempt from this requirement. The Construction Bond shall be used to offset any costs incurred by the Association or the ACC as a result of or to:

- (a) Repair damage to any roadways or streets or any property caused by the builder or Owner or their subcontractors, suppliers and representatives during construction;
- (b) The expenditure of legal fees and other costs incurred by the ACC in order to correct any construction or alteration not performed in substantial compliance with the plans receiving final approval; and
- (c) Pay for any fines or penalties imposed by the ACC or the Association for violations of any rules of conduct or regulations governing use of property within ROCKHOUSE RANCH AT THE BIG SOUTH FORK.

Section 4. Submission of Plans and Specifications. No Structure shall be commenced, erected, placed, moved onto or permitted to remain on any Lot, nor shall any existing Structure upon any Lot be altered in any way which materially changes the exterior appearance of the Structure or Lot, unless plans and specifications therefor shall have been first submitted in duplicate to the ACC and approved in writing by the ACC. Such plans and specifications shall be in such form and shall contain such information as may be reasonably required by the ACC, including, without being limited to:

- (a) a site plan showing the location and topographic elevation of all proposed and existing Structures on the Lot, including building setbacks, open space, driveways, walkways and parking spaces including the number thereof;
- (b) floor plans and roof plans;
- (c) exterior elevations of all proposed Structures and alterations to existing Structures, as such Structures will appear after all back-filling and landscaping are completed;
- (d) specifications showing the nature, kind, shape, height, materials, basic exterior finishes and colors of all proposed Structures and alterations to existing Structures, and also showing front, side and rear elevations;
- (e) plans for landscaping and grading;
- (f) samples of building and paint materials to be used.
- (g) drain field permit

Section 5. Approval of Builders and Landscapers. Any builder must be bonded for residential construction in the State of Tennessee. Any builder or landscaper, prior to performing any work on any Lot on the Property, must first be approved by the ACC as to financial stability, building or landscaping experience and ability to build or landscape Structures or grounds of the class and type of those which are to be built on the Property. Such approval shall be within the sole discretion of the ACC. No Person shall be approved as a builder or landscaper unless such Person obtains income primarily from construction or landscaping of the type which builder or landscaper is to perform upon the Property. No Owner will be permitted to act as his own builder or contractor except where such Owner obtains income primarily from the construction of the type of Structures to be constructed on the Property and otherwise meets the qualifications hereinabove set forth.

Section 6. Approval and Disapproval of Plans and Specifications.

(a) The ACC shall have the right to approve or disapprove any plans and specifications submitted to it in its sole and uncontrolled discretion, which approval or disapproval may be based upon any grounds, including purely aesthetic considerations which shall be deemed sufficient.

(b) Upon approval by the ACC of any plans and specifications submitted pursuant to this Declaration, a copy of such plans and specifications, as approved, shall be deposited for permanent record with the ACC and a copy of such plans and specifications bearing such approval, in writing, shall be returned to the applicant submitting the same. Approval of any plans and specifications for use in connection with any Lot or Structure shall not be deemed a waiver of the ACC's right, in its sole discretion, to disapprove similar plans and specifications or any of the features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use in connection with other Lots or Structures. Approval of any such plans and specifications relating to any Lot or Structure, however, shall be final as to that Lot or Structure and such approval may not be revoked or rescinded thereafter, provided that there has been adherence to, and compliance with, such plans and specifications, as approved, and any conditions attached to any such approval.

(c) Neither Developer, nor any member of the ACC shall be responsible or liable in any way for any defects in any plans or specifications approved by the ACC, for any structural defects in any work done according to such plans and specifications approved by the ACC. Further, approval of plans and specifications by the ACC shall not be deemed to represent or warrant to any Person the quality, function or operation of the Structure or of any construction, workmanship, engineering, materials or equipment. Neither Developer, nor any member of the ACC shall be liable in damages or in any other respect to anyone submitting plans or specifications for approval under this Article, or to any Owner, or to any other Person having an interest in any of the Property by reason of mistake in judgment, negligence, misfeasance or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any such plans or specifications. By submission of such plans and specifications to the ACC, every Owner of any Lot releases and agrees to hold harmless and to defend Developer, and any member of the ACC from any such alleged liability, claim and/or damage.

Section 7. Obligation to Act. The ACC shall take action on any plans and specifications submitted as herein provided within thirty (30) days after receipt thereof. Approval by the ACC, if granted, together with any conditions imposed by the ACC, shall be placed in writing on the plans and specifications and shall be returned to the applicant. Failure by the ACC to take action within thirty (30) days of the receipt of plans and specifications submitted for approval shall be deemed approval of such plans and specifications.

Section 8. Right of Inspection. The ACC, its agents and representatives, shall have the right during reasonable hours to enter upon and inspect any Lot and Structure thereon for the purpose of ascertaining whether the installation, construction, alteration or maintenance of any Structure or the use of any Lot or Structure is in compliance with the provisions of this Declaration; and the ACC shall not be deemed to have committed a trespass or other wrongful act solely by reason of such entry or inspection.

Section 9. Violations.

(a) If any Structure shall be erected, placed, maintained or altered upon any Lot, otherwise than in accordance with the plans and specifications approved by the ACC pursuant to the provisions of this Article, such erection, placement, maintenance or alteration shall be deemed to have been undertaken in violation of this Article and without the approval required herein. If in the opinion of the ACC such violation shall have occurred, the ACC shall be entitled and empowered to enjoin or remove any such construction. Any costs and expenses incurred by the ACC in enjoining and/or removing any construction or improvements shall be added to and become a part of the assessment to which the Owner and his Lot are subject.

(b) The ACC shall provide written notice to the Owner, delivered either in person or by certified mail, setting forth in reasonable detail the nature of the violation and the specific action or actions required to remedy the violation. If the Owner shall not have taken reasonable steps toward the required remedial action within twenty (20) days after the delivery of the aforesaid notice of violation, then the ACC shall have the right of abatement as provided in Section 1(b) of Article X hereof. In addition to the right of abatement, the Board, upon being informed of such violation by the ACC, shall be entitled to seek equitable relief to enjoin such construction.

Section 10. Conduct. All builders and Owners shall be held responsible for the acts of their employees, sub-contractors, suppliers and other persons or parties involved in construction or alteration of a Lot. In this regard, a builder or Owner shall be responsible for the following:

- (a) Ensuring that the construction site is kept clean and free of debris and waste materials, and that stockpiles of unused materials are kept in a neat and orderly fashion.
- (b) Prohibiting the consumption of alcoholic beverages, illegal drugs or other intoxicants that could hamper the safety or well-being of other personnel on the site or affect the quality of workmanship.
- (c) Assuring that the aforementioned are properly insured.
- (d) Assuring that the aforementioned do not commit any violation of the rules and regulations of ROCKHOUSE RANCH AT THE BIG SOUTH FORK.
- (e) Ensuring that all driveways on the construction site are sufficiently graveled, a portable toilet is available and used by the construction workers and any mud or any debris caused by the construction are removed from the adjoining roadways by the end of every workday. Further, silt fences shall be installed as required to keep silt, mud, and other debris off of the street and adjoining lots.

Section 11. Government Regulations. Nothing contained herein abrogates, modifies, or changes the applicability of any ordinances, statutes, codes, rules and regulations of Fentress County, Tennessee or other governmental units as applicable and the necessity of obtaining a building permit, inspection or otherwise complying with applicable provisions of governmental codes, statutes, ordinances, rules and regulations.

ARTICLE III

Membership and Voting Rights

Section 1. Membership. Every Owner of a Lot shall be a mandatory member of the Association. The foregoing is not intended to include Persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to this Declaration and shall pass automatically to an Owner's successor-in-title to the Lot.

Section 2. Voting Rights. All Owners shall be entitled to one vote for each Lot owned. When more than one Person holds an interest in any Lot, all such Persons shall be members. The vote for such 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.

Section 3. Initiation Fee. Every Person who purchases a Lot in ROCKHOUSE RANCH AT THE BIG SOUTH FORK shall pay to the Association an initiation fee of \$1,000.00 per Lot at the time of purchase of the Lot; provided, however, said initiation fee shall be due only from the Person who first purchases the Lot for use as a residence. The \$1,000.00 initiation fee is a permanent amount and cannot be raised or lowered, notwithstanding anything to the contrary contained herein.

ARTICLE IV

Property Rights

Section 1. Member's Easement of Enjoyment. Subject to the provisions herein, every member of the Association shall have a right and easement of use and enjoyment in and to the Common Area subject to the following:

- (a) the right of the Association to adopt and publish rules and regulations governing the use of the Common Area.
- (b) the right of the Association to suspend an Owner's voting rights and rights to use any recreational facilities within the Common Area for any period during which any assessment of the Association against said Owner's Lot remains unpaid.
- (c) the right of the Association to borrow money for the purpose of improving the Common Area or any portion thereof, or constructing, repairing or improving any facilities located or to be located thereon and, upon the assent of two-thirds (2/3) of the votes of the members of the Association, to give as security a mortgage conveying all or any portion of the Common Area. The lien and encumbrance of any such mortgage, however, shall be subject and subordinate to all rights, interests, easements and privileges herein reserved or established for the benefit of Developer, any Owner, or the holder of any mortgage, irrespective of when executed, given by Developer or any Owner.
- (d) the right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of the votes of the members of the Association, agreeing to such dedication or transfer, has been recorded.
- (e) the easements reserved in Article VII of this Declaration.

Section 2. Delegation of Use. Any Owner may delegate, in accordance with this Declaration, his right of use and enjoyment in and to the Common Area and the improvements thereon, if any, to the members of his family, his tenants, guests and invitees, subject to such regulation as may be established from time to time by the Association.

Section 3. Title to Common Area. Developer may from time to time convey to the Association, at no expense to the Association, real and personal property for the common use and enjoyment of the Owners. Developer may also from time to time convey ownership of the Common Area along and about Rockhouse Pass, Bearpen Fork, Charit Trail, Highland Way, Crooked Branch Circle, Laurel Trace, Rome Crest, and trail easements to the Association, or may convey an undivided interest in or an easement upon the Common Area along and about Rockhouse Pass, Bearpen Fork, Charit Trail, Highland Way, Crooked Branch Circle, Laurel Trace, Rome Crest, and trail easements to the Association, to other owners of real property who gain access to State Highway 297 via Rockhouse Pass or to future homeowners associations of future developments whose members gain access to State Highway 297 via Rockhouse Pass. The Association hereby covenants and agrees to accept from Developer all such conveyances of real and personal property.

Notwithstanding any legal presumption to the contrary, the fee simple title to such real and personal property designated as Common Area or for public use, together with all rights therein, shall be reserved to Developer until such time as such real and/or personal property is conveyed to the Association or to any municipality or other governmental body, agency or authority.

Section 4. No Partition. There shall be no judicial partition of the Property or any part thereof, nor shall any Person acquiring any interest in the Property or any part thereof seek any such judicial partition.

Section 5. Roads. In the event that certain Lots, as determined by Developer, fronting on Bearpen Fork or Highland Way or Crooked Branch Circle or Laurel Trace or Rome Crest are owned by the same Owner(s), then such Owner(s) shall have the option to close the respective road(s) on which they front and obtain fee simple interest in said road(s) from the Association or the Developer, and all rights and obligations of the Association or the Developer shall be terminated with respect to such road(s).

ARTICLE V

Covenant for Maintenance and Capital

Improvement Assessments

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each Owner of a Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments which may or shall be levied by the Association, and (2) special assessments, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest thereon and costs of collection thereof, as hereinafter provided, including reasonable attorney's fees, shall be a charge and continuing lien running with the land upon the Lot against which each such assessment is made. Each such assessment, together with interest thereon and costs of collection thereof, including reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors-in-title unless expressly assumed by them.

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 ROCKHOUSE RANCH AT THE BIG SOUTH FORK; to pay Common Expenses, including, but not limited to, the cost of the improvement and maintenance of the Common Area including management fees to others to make such repairs as the Association may deem necessary; to pay ad valorem taxes and other charges for services provided by the Association assessed against the Association Property; to pay insurance premiums; to pay for electricity and water for exterior lighting and irrigation in the Common Area; to pay for the installation of water, electricity and other utilities along and within the joint permanent access easements, and for such other purposes as the Board may determine. In addition, the Assessments shall include amounts necessary to establish an adequate reserve fund for routine and normal preventative maintenance, repairs and replacement of those portions of the Common Area that must be replaced on a periodic basis. Such reserve fund shall be included in the annual Assessment and shall be payable in periodic installments rather than by special assessment.

Section 3. Determination of Annual Assessments. If the Association incurs ongoing Common Expenses, it shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated Common Expenses of operating the Association for the coming year, such budget shall include a capital contribution or reserve account in accordance with the capital needs of the Association. The budget and the proposed annual assessments to be levied against each Lot shall be delivered to each Owner no later than ten (10) days prior to such annual meeting. The budget and the annual assessments shall become effective unless disapproved at the annual meeting by either (i) Developer; or (ii) a majority of the votes cast in person or by proxy at such meeting. In the event the proposed budget is not approved or the Board fails for any reason to determine the budget for the succeeding year, then until a budget has been determined as provided herein, the budget and annual assessments in effect for the then current year shall continue for the succeeding year. If any budget at any time proves inadequate for any reason, the Board may call a meeting of the Association for the approval of a special assessment. For the purpose of allocating the annual assessments, these expenses shall be shared on a per lot basis by any other owners of real property who gain access to State Highway 297 via Rockhouse Pass or with future homeowners associations of future developments whose members gain access to State Highway 297 via Rockhouse Pass, provided, however, any such lots owned by Developer shall be exempt from annual assessments.

Section 4. Special Assessments. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, special assessments on each Lot 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 the installation of utilities, fixtures and personal property related thereto, provided that any such assessment shall have the assent of at least a simple majority of the votes of the members of the Association, voting in person or by proxy at a meeting duly called for such purpose. Special assessments may also be levied by the Association if for any reason the annual assessments prove inadequate to defray the expenses of the Association in fulfilling its duties and obligations hereunder, subject to the consent of the members as set forth above.

Section 5. Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 above shall be sent to all members not less than ten (10) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast fifty percent (50%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 6. Rate of Assessments. Annual and special assessments must be fixed at a uniform rate for all Lots. Annual assessments will be collected on a semi-annual basis. Provided however, Lots owned by ASETZ or Developer shall not be subject to annual or special assessments.

Section 7. Fiscal Year, Membership and Annual Assessments. The fiscal year for the ROCKHOUSE RANCH AT THE BIG SOUTH FORK Homeowners' Association shall begin on January 1 and end on December 31. The Association's first fiscal year shall begin on January 1, 2001. A pro-rated portion of the semi-annual payments shall be due and membership shall begin on the day that ownership in ROCKHOUSE RANCH AT THE BIG SOUTH FORK begins. Upon a person or entity's ceasing to be a Member of the Association, such Member shall not be entitled to any refund of his annual assessment.

Section 8. Effect of Nonpayment of Assessments; Remedies of the Association. 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 the maximum legal rate per annum. In such case, the Association may accelerate, at its option, the entire unpaid balance of the assessment and may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against such Owner's Lot, and interest, costs and reasonable attorney's fees or any such action shall be added to the amount of such assessment. Each such Owner, by his acceptance of a deed to a Lot, hereby expressly vests in the Association, or its agents, the right and power to bring all actions against such Owner personally for the collection of such charges as a debt and to enforce the aforesaid lien by all methods available for the enforcement of the liens against real property, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage foreclosure on real property, and such Owner hereby expressly grants to the Association a power of sale in connection with the foreclosure of said lien. The lien provided for in this Section shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid for the interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area, abandonment of his Lot or by renunciation of membership in the Association. An Owner may give to the Association, nevertheless, subject to acceptance thereof by the Association, a deed in lieu of foreclosure.

Section 9. Subordination of the Lien to First Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage, first purchase money security deed, or security deed representing a first lien on said property. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to foreclosure of a first mortgage or any proceeding in lieu thereof shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 10. Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein: (a) all properties to the extent of any easement or other interest therein dedicated and accepted by the local public authority and devoted to public use; (b) all Common Area; (c) all properties exempted from taxation by state or local governments upon the terms and to the extent of such legal exemption. Notwithstanding any provisions herein, no land or improvements devoted to dwelling use shall be exempt from said assessments, charges or liens.

ARTICLE VI **Maintenance**

Section 1. Association's Responsibility. Except as otherwise provided for herein, the Association shall maintain and keep in good repair all portions of the Common Area and improvements thereon, if any. The Association's responsibility with respect to the Common Area shall be deemed to include the maintenance, repair and replacement of (i) all roads, signs, trails, lights, driveways, walks, parking areas and buildings and other improvements, if any, situated within the Common Area; (ii) such utility lines, pipes, plumbing, wires, conduits and systems which are a part of the Common Area; and (iii) all lawns, trees, shrubs, hedges, grass and other landscaping situated within or upon the Common Area. With respect to the portion of the Common Area along and about Rockhouse Pass, these responsibilities shall be shared with all owners of real property who gain access to State Highway 297 via Rockhouse Pass as set forth in Article V Section 3.

Section 2. Owner's Responsibilities. Each Owner of a Lot, whether vacant or occupied, shall keep and maintain his Lot and the exterior of any and all improvements located thereon in a neat, attractive and safe condition. Such maintenance shall include, but shall not be limited to, painting, repairing, replacing and care for roofs, gutters, down spouts, building surfaces, trees, shrubs, grass, walks and other exterior improvements. Should any Owner of a Lot fail to maintain such Lot or improvements thereon as set forth hereinabove, the ACC, its agents and representatives, may, after thirty (30) days written notice to the Owner of such Lot, enter upon the Lot for the purpose of removing garbage or trash, or for performing such exterior maintenance as the ACC, in the exercise of its sole discretion, deems necessary or advisable. Such Owner shall be personally liable to the ACC and the Association for the direct and indirect cost of such maintenance, which costs shall be added to and become a part of the assessment to which such Owner and his Lot are subject. Although notice given herein provided shall be sufficient to give the ACC, its agents and representatives, the right to enter upon such Lot and perform such maintenance, entry for such purpose shall be only between the hours of 9:00 a.m. and 5:00 p.m. on any day except Sunday. The provisions hereof shall not be construed, however, as an obligation on the part of the ACC to provide garbage or trash removal service, or to perform such exterior maintenance.

ARTICLE VII

Easements

Section 1. Utility Easements. There is hereby created in favor of the Association and any governmental unit, utility, or service provider an easement upon, across, over, through and under all of the Property for ingress, egress, installation, replacement, repair and maintenance of all utility and service lines and systems, including but not limited to, water, sewers, gas, telephones, electricity, television, cable or communication lines and systems (hereinafter sometimes referred to as "Utilities"). All Utilities shall be constructed underground. An easement is further granted to the Association, its officers, agents, employees and any management company retained by the Association, to enter in or to cross over the Common Area and the Lots, to inspect and to perform the duties of maintenance and repair of the Common Area and the Lots, as provided for herein. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Property except as initially programmed and approved by the Developer or thereafter approved by Developer or the Board or as otherwise provided by law. Should any utility furnishing a service covered by this general easement herein request a specific easement to be recorded in a separate document, Developer or the Association shall have the right to grant such easement on the Common Area.

Section 2. Easements for Developer. Developer hereby reserves for itself, its successors and assigns, the following easements and rights-of-way in, on, over, under and through any part of the Property, the Common Area, and any other easements of ASETZ :

- (a) For the erection, installation, construction and maintenance of wires, lines and conduits, and necessary or proper attachments in connection with the transmission of electricity, gas, water, telephone, community antenna, television cables and other utilities;
- (b) For the construction and maintenance of improvements on the Lots including but not limited to trails;
- (c) For the installation, construction and maintenance of storm-water drains, public and private sewers, and for any other public or quasi-public utility facility;
- (d) For the use of the Common Area and any sales offices, model units and parking spaces in connection with its efforts to market Lots; and
- (e) For the construction or maintenance of such other facilities and equipment as in the sole discretion of Developer may be reasonably required, convenient or incidental to the completion, improvement and sale of Lots.

Section 3. Easements for Association. There shall be a general right and easement for the benefit of the Association, its directors, officers, agents and employees, including any management company retained by the Association, to enter upon the Common Area, Lots, trails and trail easements to perform their respective duties, including but not limited to any repair, maintenance, installation, or replacement of any lighting fixtures, lighting structures, guard rails, drainage structures, trails, landscaping or other amenity, infrastructure, or safety features that may be installed by the Developer or by the Association either within the Common Area or upon any Lot.

Section 4. Easements for Owners. Developer hereby grants and conveys unto the Association and the Owners, and their successors, heirs and assigns, a perpetual, non-exclusive easement for purposes of vehicular, equestrian and pedestrian ingress and egress over and across those joint permanent access easements shown and designated as Rockhouse Pass, Bearpen Fork, Charit Trail, Highland Way, Crooked Branch Circle, Laurel Trace, and Rome Crest on the recorded Final Subdivision Plat of ROCKHOUSE RANCH AT THE BIG SOUTH FORK. Additionally, Developer hereby grants and conveys unto the Owners, a non-exclusive easement for pedestrian use, equestrian use, and non-motorized bicycles over and across the trails and trail easements.

Section 5. Easements for Other Owners. Any owner(s) of real estate who may gain regular access to State Highway 297 via Rockhouse Pass shall be granted a perpetual, non-exclusive easement for purposes of vehicular, equestrian and pedestrian ingress and egress over and across the joint permanent access easement designated as Rockhouse Pass, Bearpen Fork, Charit Trail, Highland Way, Crooked Branch Circle, Laurel Trace, and Rome Crest on the recorded Final Subdivision Plat of ROCKHOUSE RANCH AT THE BIG SOUTH FORK. With respect to the portion of the Common Area along and about Rockhouse Pass, the easements granted in Section 3 of this Article shall also be granted to any future homeowners associations of future developments whose members gain access to State Highway 297 via Rockhouse Pass. Additionally, Developer may grant and convey unto any future owners of real property who gain regular access to State Highway 297 via Rockhouse Pass, a non-exclusive easement for pedestrian use, equestrian use, and non-motorized bicycles over and across the trails and trail easements.

ARTICLE VIII

General Covenants and Restrictions

The following covenants and restrictions shall apply to all Lots and to all Structures erected or placed thereon:

Section 1. Residential Use. All Lots shall be restricted exclusively to single-family residential use. No Lot, or any portion thereof, shall at any time be used for any commercial, public, business or professional purpose; provided, however, that nothing herein shall be construed to prohibit or prevent Developer or any builder of residences in ROCKHOUSE RANCH AT THE BIG SOUTH FORK from using any Lot owned by Developer or such builder for the purpose of carrying on business related to the development, improvement and sale of Lots in ROCKHOUSE RANCH AT THE BIG SOUTH FORK.

Section 2. Common Area. No portion of the Common Area shall at any time be used for any commercial, public, business or professional purpose. The Common Area shall be used only by the Owners and their agents, servants, tenants, family members, and invitees for the purposes set forth herein, and for such other purposes as may be authorized by the Association.

Section 3. Nuisances.

(a) No unlawful, noxious or offensive activities shall be carried on in any Lot, or upon the Common Area, nor shall anything be done therein or thereon which, in the judgment of the Board, constitutes a nuisance, causes unreasonable noise or disturbance to others or unreasonably interferes with other Owners' use of their Lots and/or the Common Area.

(b) No rubbish, garbage or debris of any kind shall be dumped, placed or permitted to accumulate upon any portion of an Owner's Lot so as to render the same unsanitary, unsightly or offensive. No nuisance shall be permitted to exist upon any portion of the Property. Without limiting the generality of any of the foregoing, no exterior speakers, horns, whistles, bells or other sound devices, except security devices used exclusively for security purposes, shall be located, used or placed on the Property or any portion thereof.

(c) All alarms or security systems with a siren, bell or other auditory warning device shall have an automatic device to stop the siren, bell or other device from sounding after a five (5) minute period of time.

Section 4. Erosion Control. No activity which may create erosion or siltation problems shall be undertaken on any Lot without the prior written approval of the ACC of plans and specifications for the prevention and control of such erosion and siltation. The ACC may, as a condition of approval of such plans and specifications, require the use of certain means of preventing and controlling such erosion or siltation. Such means may include (by way of example and not of limitation) physical devices for controlling the run-off and drainage of water, special precautions in grading and otherwise changing the natural landscape and other landscaping as provided for in Section 5.

Section 5. Landscaping. No installation or alteration of any landscaping on any Lot shall take place without prior written approval by the ACC of plans and specifications such landscaping.

Section 6. Temporary Buildings. No temporary building, trailer, garage or building under construction shall be used, temporarily or permanently, as a residence on any Lot except as temporary sleeping or living quarters required or desirable for security purposes, in accordance with plans and specifications therefore approved by the ACC. No contractor or builder shall erect on any Lot an temporary building or shed for use in connection with the construction on such Lot without the prior written consent of the ACC.

Section 7. Signs.

(a) No signs whatsoever (including but not limited to commercial and similar signs) shall, without the ACC's prior written approval of plans and specifications therefore, be installed, altered or maintained on any Lot, or on any portion of a Structure visible from the exterior thereof, except:

- (i) such signs as may be required by legal proceedings;
- (ii) a sign indicating the builder of the residence on the Lot;
- (iii) a sign designating the number of the Lot;
- (iv) a "For Sale" sign to be no larger than four (4) square feet in area for the sale of the property by the Developer, builder, or Owner;

- (v) directional signs for vehicular or pedestrian safety in accordance with plans and specifications approved by the ACC.

(b) Following the consummation of the sale of any Lot, the "For Sale" sign and the builder's sign located thereon, if any, shall be removed immediately. "Sold" signs no larger than four (4) square feet may be posted on the Lot after the "For Sale" sign is removed and until the home is occupied by the new Owner.

Section 8. Setbacks. No building of any kind shall be placed or constructed within one hundred (100) feet from any Lot line. In addition, for all Lots with frontage on Highway 297, all buildings of any kind shall be placed or constructed within the woodlands of that Lot and shall not be constructed in any part of the pasture land fronting on Highway 297. Notwithstanding the foregoing, buildings placement and setback variances may be granted at the discretion of the ACC.

Section 9. Fences and Walls. No fence or wall over six (6) feet in height shall be permitted. No fence shall extend forward of the rear corners of the home. No fence or wall shall be constructed within fifty (50) feet of any Lot or Common Area property boundary. No fence or wall of any kind shall be erected, maintained, or altered on any Lot without the prior written approval of the ACC of plans and specifications for such fences and walls. Notwithstanding the foregoing, the ACC may grant variances for the construction and location of fences and walls.

Section 10. Roads and Driveways. No road or driveway shall be constructed or altered on any Lot without written approval of the ACC of plans and specifications for such roads and driveways. Any driveway or roadway which extends into or across the drainage ways or ditches within the joint permanent access easement shall have adequate drainage structures and culverts to ensure that storm water flows freely beneath the driveway or roadway and in no case is impounded or allowed to encroach onto the streets. In addition, for all Lots fronting on Highway 297 (except for Lot 29), all driveways of any kind shall be constructed within the woodlands of that Lot and shall not be constructed in any part of the pasture land fronting on Highway 297.

Section 11. Antenna. In no event shall free-standing transmission or receiving towers be permitted on any Lot. For the reception of television signals, satellite dish(es) not exceeding twenty-four (24) inches in diameter will be permitted on each Lot.

Section 12. Vehicles, Recreational Vehicles, Trailers and Mobile Homes. No vehicle, trailer, trailer house, boat, or recreational vehicle shall be parked on any portion of any joint permanent access easement or Common Area or on any Lot so as to be visible from the streets or any other Lot. Notwithstanding the foregoing, no vehicle, trailer, trailer house, boat, or recreational vehicle shall be parked on any portion of any joint permanent access easement or Common Area or any Lot for a period of more than twenty-four (24) hours unless a permanent residence has been constructed on the Lot. Vehicles not currently licensed shall not be permitted on any Lot unless parked in a closed garage. No commercial type vehicles shall be stored or parked on any Lot at any time unless parked in a closed garage, nor parked on any street unless engaged in delivering to or from a Lot. Any repair or maintenance work on any vehicle shall not be permitted on any Lot. All motorcycles, all-terrain vehicles(ATV's), and bicycles shall be parked in an orderly fashion so as not to be visible from the street. No single, double or triple section mobile homes or HUD code homes or recreational vehicles are permitted as a residence on any Lot.

Section 13. Accessory Structures. The ACC shall have the right to approve or disapprove the plans and specifications for any accessory structure to be erected on any Lot, and construction of an accessory structure may not be commenced until complete final plans and specifications shall have been submitted to and approved by the Association in accordance with the provisions of this Declaration.

Section 14. Improvement of Lots. All construction of dwellings, accessory structures and all other improvements in ROCKHOUSE RANCH AT THE BIG SOUTH FORK shall be undertaken and completed in accordance with the following conditions:

- (a) All construction shall be carried out in compliance with the laws, code rules, regulations and orders of all applicable governmental agencies and authorities.
- (b) Concrete or concrete block or cinder block shall not be used as a building material for exposed exterior surface of any dwelling or accessory structure constructed or placed on any Lot.
- (c) No lumber, bricks, stones, cinder blocks, scaffolding, mechanical devices, or any other materials or devices used for building purposes shall be stored on any Lot except for purposes of construction of a dwelling or accessory structure on such Lot, nor shall any such building materials or devices be stored on any Lot for longer than the length of time reasonably necessary for the construction in which such materials or devices are to be used.
- (d) No exposed, above ground tanks for the storage of fuel, sewage, or water or any other substance shall be located on any Lot. Any such tanks shall be concealed by screening material identical to that of the dwelling or by adequate landscaping.
- (e) Adequate off-street parking shall be provided for each Lot.

(f) Any construction on a Lot shall be at the risk of the Owner of such Lot and the Owner of such Lot shall be responsible for any damage to any street, or other property resulting from construction on such Lot. Repairs of such damage must be made as soon as reasonably possible but in no event not more than thirty (30) days after completion of such construction.

(g) For all Lots, the enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk-storage and basement) of one-story dwellings shall contain not less than 1,300 square feet, and the enclosed, heated living area (exclusive of garages, carports, porches, terraces, bulk-storage and basement) of all one and one-half story, two-story, and two and one-half story dwellings shall contain not less than 1,600 square feet. No dwelling shall be constructed exceeding two and one-half stories in height on any Lot, excluding basements.

(h) Refuse and Storage Areas. Garbage and refuse shall be placed in containers and shall be capped and contained in such a manner that they are inaccessible to animals. The containers shall be concealed within buildings or be concealed by means of a screening wall of material identical with that of the building or by adequate landscaping.

(i) Utility Service. No lines, wires or other devices for communications purposes, including telephone, television, data and radio signals, or for transmission of electric current or energy, shall be constructed or placed on any Lot unless the same shall be in or by conduits or cables constructed, placed and maintained underground or concealed in, under or on buildings, or the approved Structure. Nothing herein shall be deemed to forbid the erection and use of temporary power or telephone services incident to the construction of approved Structures.

Section 15. Animals. No animals, including birds, insects and reptiles, may be kept on any Lot unless kept thereon solely as household pets and not for commercial purposes. No cows or sheep may be kept on any Lot. Notwithstanding the foregoing, horses may be kept on any Lot, unless otherwise prohibited herein, for the enjoyment of the Owner of such Lot, but not for any commercial purpose. Notwithstanding the foregoing, no horses shall be allowed on the following Lots or any subdivision thereof: 18, 19, 20, 21, 22, 23A, 23B, 24, 25, or 26. No horse trailers shall be allowed to cross the culvert located on Rockhouse Pass at the foot of the hill adjacent to Lots 18 and 25. No animal shall be allowed to become a nuisance. All pets shall be kept on the Lot except when being walked with a leash. Any structure for the care, housing or confinement of any animal shall be constructed, placed or altered on any Lot in such a manner so as to be concealed from view from any point on any joint permanent access easement within ROCKHOUSE RANCH AT THE BIG SOUTH FORK.

Section 16. Trees and Shrubs. No trees measuring ten (10) inches or more in diameter at a point two (2) feet above ground level on any Lot may be removed without the prior approval of the ACC unless located within thirty (30) feet of the approved site for a building or within ten (10) feet of approved driveways or walkways. Excepted herefrom shall be damaged or dead trees and trees which must be removed due to an emergency.

Section 17. Building Construction Standards.

(a) Exterior Materials. Finish building materials shall be applied consistently to all sides of the exterior of the buildings. Exterior materials shall be stone, masonry stucco, horizontal wood siding, wood shingles, board and batten wood siding, logs, or other materials which simulate these natural materials. Metal roofs shall be allowed, subject to the approval of the ACC.

(b) Exterior Colors. Finish colors shall be applied consistently to all sides of the buildings. Color selections shall be harmonious with each other and with natural materials, and shall be compatible with colors of the natural surrounding and other adjacent property. All exterior colors shall be a natural earth tone and blend with the natural surroundings.

(c) Exterior Trim and Decoration. Exterior window and door trim and similar decorations shall all be of the same color and materials, unless otherwise approved, and shall be either of the same material as exterior walls or directly compatible. Facia, gutters and down spouts shall blend in and be directly compatible with the architectural detail of the exterior walls. Reflective glass is prohibited.

(d) Roofs: Roof pitches for the main roof structure shall be 8/12 or higher.

(e) Exterior Metal: All flashing and all minor roof elements and architectural elements that are appropriate for sheet metal shall be of a color that blends with the roofing and/or other exterior materials or of a dark color that is inconspicuous. All copper shall be uncoated.

Section 18. Limited Access. There shall be no access to any Lot on the perimeter of ROCKHOUSE RANCH AT THE BIG SOUTH FORK except from designated joint permanent access easements as shown on the Plat. Notwithstanding the foregoing, Lot number 29 shall be accessed directly from Highway 297. There shall be no access from any Lot on the perimeter of ROCKHOUSE RANCH AT THE BIG SOUTH FORK to any lands adjacent to such perimeter Lot and no Owner may grant a right-of-way through Owner's Lot for the purpose of affording access to

property not within ROCKHOUSE RANCH AT THE BIG SOUTH FORK. This provision shall not apply to Developer or its successors or assigns.

Section 19. Re-subdivision of Lots. No Lot(s) shall be re-subdivided without the prior written approval of the ACC. Any re-subdivided Lot(s) will be subject to each and every provision in this Declaration, including but not limited to all assessments and initiation fees. Notwithstanding the foregoing: (1) no Lot(s) shall be re-subdivided unless each resulting Lot(s) exceed 10 acres, and (2) none of the lots fronting on Highway 297 shall be re-subdivided unless the average acreage of the resulting Lot(s) is increased by the re-subdivision.

Section 20. Hunting. No hunting, trapping, or discharge of firearms shall be permitted within ROCKHOUSE RANCH AT THE BIG SOUTH FORK.

Section 21. Mining. No mining, quarrying or earth borrow operations of any kind shall be permitted on any Lot.

ARTICLE IX

Insurance

The Board, or its duly authorized agent, shall obtain such insurance policies upon the Common Area as the Board deems necessary or desirable in its sole discretion. The Association shall be a named insured on all insurance policies. In addition, the Board may obtain other appropriate insurance to protect members of the Board and any committees appointed by the Board.

ARTICLE X

General Provisions

Section 1. Enforcement.

(a) The Association, the ACC, or any Owner, shall have the right to enforce, by and proceeding at law or in equity, all restrictions, conditions, covenants, reservations, easements, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, the ACC, or 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.

(b) The ACC shall have the right of abatement in all cases where an Owner of a Lot shall fail to take reasonable steps to remedy a violation or breach of any restriction contained in this Declaration within twenty (20) days after the delivery of written notice of such violation or breach as provided in Article II, Section 9(b). The right of abatement means the right of the ACC, through its agents and employees, to enter at all reasonable times upon any Lot or Structure as to which a violation or breach exists, and to take such action or actions specified in the notice to the Owner to abate, extinguish, remove or repair such violation or breach, all without being deemed to have committed a trespass or wrongful act by reason of such entry or such actions. Further, the ACC, the Association, the Developer or any Owner may: (1) prosecute proceeding at law for the recovery of damages against those violating or attempting to violate the declaration of covenants and restrictions, and, or (2) maintain a proceeding in equity against those so violating or attempting to violate any covenants or restrictions, for the purpose of preventing or enjoining all of any such violations or attempted violations, and/or to have any such violation removed from the Lot or cured.

(c) The remedies contained in this section shall be construed as cumulative of all other remedies now or hereafter provided by law. If the Association, the Board or any other Person or Persons owning a Lot shall successfully prosecute in law or equity an action pursuant to this or any other enforcement section of these covenants or restrictions, then that party shall be entitled to receive its reasonable attorney's fees and the costs reasonably necessary to prosecute the case against the party violating the covenants and restrictions herein.

Section 2. Severability. If any provision of the Declaration, or any paragraph, subparagraph, article, section, sentence, clause, phrase, word or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration and the application of any such provision, paragraph, subparagraph, article, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Declaration shall be construed as if such invalid part was never included therein.

Section 3. Headings. The headings of articles and sections in this Declaration are for convenience of reference only and shall not in any way limit or define the content or substance of such articles and sections.

Section 4. Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a period of twenty (20) years from the date this Declaration is recorded, at the end of which period such covenants and restrictions shall be automatically extended for the successive periods of ten (10) years each, unless at least two-thirds (2/3) of the Owners at the time of the expiration of the initial period, or of any extension period, shall sign an instrument in which said covenants and restrictions are modified in whole or in part, which instrument is filed of record in the appropriate county.

Section 5. Rights and Obligations. Each grantee of the Developer , by the acceptance of a deed of conveyance, accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land and shall bind any Person having at any time any interest or estate in the Property or any portion thereof, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

Section 6. Notices. Notices provided for in this Declaration shall be in writing and shall be addressed to the Owner at the address of the Owners Lot or at such other address as hereinafter provided. Any Owner may designate a different address for notices to him by giving written notice to the Association. All notices to Owners shall be deemed delivered upon mailing by United States registered or certified mail, return receipt requested, or when delivered in person.

Section 7. Construction. Without written approval from the Developer to the contrary, the Owner of any Lot shall be required to complete construction in compliance with approved plans and pass final inspection of the ACC within eighteen (18) months of the time that the ACC granted approval of said plans. If the Owner fails to complete construction within eighteen (18) months after the ACC approves the plans, the Owner will forfeit the \$3000.00 construction bond to the Association. This paragraph shall not prevent the Owner of the Lot from selling or transferring the Lot to another person or entity. Any such transfer shall not increase the time for construction to be completed.

Section 8. Waiver and Modification.

(a) Developer is hereby granted the right, subject to Section 8(b) below, in its absolute discretion at any time to annul, waive, change or modify any of the restricting conditions or covenants contained herein as to any part of ROCKHOUSE RANCH AT THE BIG SOUTH FORK, and shall have further the right before a sale to change the size of or locate or relocate any of the Lots, parcels, streets, easements, Common Areas or roads shown on the Plat of ROCKHOUSE RANCH AT THE BIG SOUTH FORK. Further, the Developer may amend these covenants and restrictions for the purpose of curing any ambiguity or inconsistency between the provisions contained herein.

(b) Declaration. Further, this Declaration may be amended at any time and from time to time by the Developer if the Developer is the owner of any real property then subject to this Declaration or by an agreement signed by at least seventy-five percent (75%) of the Owners of Lots; provided, however, such amendment by the Owners shall not be effective unless also signed by Developer, or unless all Lots have a permanent residence constructed thereon. Any such amendment shall not become effective until the instrument evidencing such change has been filed of record. Every purchaser or grantee of any interest in any real property made subject to this Declaration, by acceptance of a deed or other conveyance thereof, thereby agrees that this Declaration may be amended as provided in this Section.

Section 9. Assignment or Transfer. Any or all of the rights and powers, titles, easements and estates granted to Developer in this Declaration may be assigned to any one or more corporations or assigns which will agree to assume said rights, powers, duties and obligations and carry out and perform the same. Any such assignment or transfer shall be made by appropriate instrument in writing in which the assignee or transferee shall join for the purpose of evidencing its acceptance of such rights and powers, and such assignee or transferee shall thereupon have the same rights and powers and be subject to the same obligations and duties as are herein given to and assumed by Developer and Developer shall thereupon be released therefrom.

Section 10. Additional Lots. Developer is hereby granted the right to add additional Lots to ROCKHOUSE RANCH AT THE BIG SOUTH FORK. The Developer reserves the right to change the Plat of ROCKHOUSE RANCH AT THE BIG SOUTH FORK Subdivision to annex additional Lots into the subdivision. Any Lots annexed into ROCKHOUSE RANCH AT THE BIG SOUTH FORK Subdivision shall be bound by this Declaration of Covenants and Restrictions and shall have all rights and responsibilities under this Declaration of Covenants and Restrictions.

IN WITNESS WHEREOF, ASETZ, has caused this instrument to be executed and acknowledged before a notary this 10th day of July, 2006.

ASETZ

By: _____
Name: Hal H Bibee
Title: Partner

By: _____
Name: Segal Edward Drummond, Jr.
Title: Partner

