

**DECLARATION OF COVENANTS AND RESTRICTIONS FOR
PINEY BAY SUBDIVISION**

THIS DECLARATION made this ____ day of ____ 2006, by TCB Properties, a Tennessee General Partnership, (herein "Developers").

WITNESSETH:

WHEREAS, Developers, as owners of certain real property located in Rhea County, Tennessee, more particularly described in Exhibit A attached hereto (herein "Property"), desires to create thereon a development known as Piney Bay Subdivision (herein "Development"); and

WHEREAS, Developers desire to provide for the preservation of the land values and home values when and as the Property is improved and desires to subject the Development to certain covenants, restrictions, easements, affirmative obligations, charges and liens, as hereinafter set forth, each and all of which are hereby declared to be for the benefit of the Development and each and every owner of any and all parts thereof.

NOW THEREFORE, the Developers subject the real property described in Exhibit A, and such additions thereto as may hereafter be made, to the terms of this Declaration and declare that the same is and shall be held, transferred, sold, conveyed, leased, occupied and used subject to the covenants, restrictions, conditions, easements, charges, assessments, affirmative obligations and liens (sometimes referred to as the "Covenants") hereinafter set forth. These Covenants shall touch and concern and run with the Property and each Lot thereof for a period of twenty-five (25) years and shall automatically renew for ten (10) year periods unless otherwise altered or amended by the lot owners of the Development, hereby stating that each lot owned equals one vote and that seventy-five percent (75%) of the lot owners must provide written consent for any amendment to these Covenants.

1. Residential Use. All of the Lots in the Development shall be known and described as residential lots, and no structure shall be erected, altered, placed or permitted to remain on any lot other than as provided in these Covenants and Restrictions and in supplements hereto, or except as provided for in a deed of conveyance from the Developers. Only one single-family residential dwelling may be constructed on a lot or parcel in the subdivision. No residence shall be designed, patterned, constructed or maintained to serve, or for the use of more than one single-family dwelling unit at any time, nor used in whole or in for any business purpose, or for trucks or other equipment inconsistent with ordinary residential uses.
2. Architectural Control. No construction of any building shall begin until the plans and specifications and a plan showing the location of the structure shall have been approved in writing by the Developer or one or more persons designated by it ("Architectural Review Committee"), if such shall have been created. IT IS CLEARLY UNDERSTOOD AND PURCHASERS OF LOTS IN THIS SUBDIVISION AGREE that the architectural control person or committee, as

applicable, may require any changes not otherwise prohibited in these protective covenants, concerning size, design, style, location, type of materials, exterior, color, etc., with regard to the building. The decision of the Developer or its successor in interest or said Architectural Review Committee shall be final.

3. Minimum Square Footage. No single-family residential dwelling shall be erected or permitted to remain on the property unless it has the number of square feet of enclosed living area measured from the exterior walls, exclusive of open porches or screened porches or garages set forth in this section. For the purposes of this section, stated square footage shall mean the minimum floor area required, and floor area shall mean the finished and heated living area contained within the residence, exclusive of open porches, garages and steps. In the case of any question as to whether a sufficient number of square feet of enclosed living area have been provided, the decision of the Developer shall be final. The minimum square feet required of any dwelling unit shall contain not less than one thousand five hundred (1,500) square feet of heated and cooled living space.
4. Set-backs. No building shall be erected on any lot nearer than twenty-five (25) feet of the front and back lot lines and ten (10) feet from the side lot lines, unless the side lot line fronts on street, in which case no building shall be erected nearer than twenty-five (25) feet to such said lot line. For the purposes of this section, driveways will not be considered buildings. No provision in this paragraph shall be construed to permit any structure to be constructed and erected upon any lot that does not conform to the zoning laws and regulations in effect thereon.
5. Rearrangement of Lot Lines. Not more than any one single-family dwelling unit may be constructed or maintained on any one lot. Except by the original Developers, lots may not be re-subdivided so as to create a smaller area than originally deeded to a lot owner and as shown on the subdivision plat. No provision in this paragraph shall prevent erection or construction of one single-family dwelling unit on more than one lot.
6. Utility Easement. A perpetual easement of fifteen (15) feet from the front and back lot lines and ten (10) feet from the side lot lines is reserved on each lot for the construction and maintenance of utilities such as electricity, gas, water, sewer, drainage, etc. All utility wires from street to building upon each lot or parcel shall be buried. There shall be no exposed service connecting wires for electricity, telephone, cable, or otherwise from streets to any structure nor from any other point to any structure.
7. Septic Filtration System. All dwelling units and approved building or structures located in the Development which have installed any running water in said building or structure must connect to the septic sand filtration system. Lot owners shall be assessed a fee(s) for the use or availability of use of this system. Failure of lot owner(s) to pay the assessed fee will result in a lien on the property for which system fee is outstanding.

8. Building Requirements. No construction of any building or structure, including swimming pools, shall begin until the plans and specifications and a plan showing the location of the structure have been approved by the Developers, their heirs or assigns as set forth in paragraph 2. It is clearly understood and purchasers of lots in this subdivision agree that the Developer may require any changes, not otherwise prohibited in these restrictions, concerning size, design, style, location, type of exterior, etc., with regard to the building. The decision of the Developers or their successors in interest shall be final.

All single-family residential dwelling units shall be constructed with a basement or on a permanent foundation containing crawl space beneath the lowest residential floor of the structure. No exposed block, concrete or plastered foundations shall be exposed to the exterior above grade level.

All structures including garages and outbuildings shall be constructed of new materials, unless of brick or rock, or of some non-fading material, the same shall be painted and maintained in a good condition at all times.

9. Roofs. At least eighty percent (80%) of the roofs of all structures shall be six (6) to twelve (12) pitch or steeper, and each roof shall have no less than two (2) roof breaks. The roofs of all structures shall be covered with metal roofing material, asphalt shingles, architectural grade or better, cedar shakes, slate or other comparable tiles.

10. Siding. Siding must be thirty percent (30%) masonry, excluding foundations. All siding must be approved by the Developers prior to construction. The Developers reserve the right to make exceptions to this paragraph's requirements.

11. Time of Completion. Once construction has begun, all residences shall be completed within one year of commencement, otherwise it shall be considered a nuisance under the terms of these restrictions. No mobile homes, double-wides, house trailers, tents, shacks, or other buildings of a temporary character shall be erected or moved onto any lot or parcel within said development. Specifically prohibited is the partial construction such as a basement of a house and moving in or occupying as a residence prior to the full completion of said house. Such structure shall be considered temporary and prohibited.

Upon commencement of construction, all driveways must be graveled. A tile shall be installed pursuant to paragraph 12 contained herein, if applicable. All lots are to be kept free of trash and debris throughout the construction period.

12. Driveways. Each dwelling unit constructed upon a lot must be served by a driveway constructed of asphalt, concrete, brick, stone, interlocking pavers, or concrete stamping. Gravel driveways shall be allowed only the prior written approval of Developer. Where the topography requires, a tile must be inserted under the driveway entrance. It shall be the requirement of all owners of lots to construct or place culverts, or other structures, or gradings, which are required by the road system of Rhea County in order that the roads or streets may not be disqualified for acceptance into the Rhea County road system.

13. Additions. Any and all additions made to any structure located on a lot in said Development require the written approval of the Developers prior to construction.
14. Signs. One sign offering the lot and/or dwelling unit for sale and one sign reflecting the name of the builder may be placed upon a lot. Such signs must not exceed five (5) square feet. No other signs shall be erected or maintained on any lot.
15. Landscaping. A landscape plan shall accompany every new home application submitted to the Developer for approval. Landscaping in accordance with the approved plan must be substantially completed within one year after the completion of the dwelling unit. Shrubbery plantings adjacent to streets or roads shall not impede the vision of vehicle operators.
16. Fences. No fences will be allowed on any lot without the prior written consent of the Developers. All proposed fences must be submitted to the Developers and include the width, height, materials, and location.
17. Swimming Pools. No above ground pools shall be constructed. All pools must be fenced, and said fencing must comply with the requirements pursuant to paragraph 16 contained herein.
18. Firearms. No firearms of any type shall be discharged from any lot, street, road, or public use area within the Development.
19. Vehicle Parking and Use. No agricultural, recreational, commercial or inoperable vehicle shall be stored outside on the premises at any time, even if not visible from the street. All of the previously mentioned vehicles must be stored in a structure constructed on the lot. Cars owned by the lot owners shall be parked only in the owner's garage or driveway. Parking any vehicle on the street or road is strictly prohibited.
20. Unsightly Conditions. All of the lots in the Development must, from the date of purchase, be maintained by the owner in a neat and orderly condition (grass being cut when needed, as well as leaves, broken limbs, dead trees, and other debris being removed when needed). Tree limbs, rocks and other debris must be kept out of the streets. All trash, garbage and debris shall be removed from the lot regularly and not allowed to accumulate.
The Developers reserve the right to remove dangerous or dead trees, briars, weeds, vines, etc., from any vacant lot so long as it is vacant, at the owner's expense, if deemed necessary by the Developers.
21. Laundry. No owner, guest, or resident, shall hang laundry from any area outside a dwelling unit or hang laundry in full public view to dry, such as on clothes lines, balcony or terrace railings. This provision may be temporarily suspended in the event

of severe power outages or shortages, or other conditions which would create extreme hardship.

22. Maintenance. Each owner shall, at all times, maintain all structures located on such lot, including driveways and permitted fences, in good repair which shall include exterior vegetation and landscaping in good and presentable condition.
23. Occupancy Before Completion. No owner, guest, or resident shall occupy any dwelling unit prior to full and final completion.
24. Drilling. No oil drilling, oil development operations or refining, quarrying, or mining operations of any kind shall be permitted upon or in any lot or parcel, nor shall oil wells, tanks, etc., be permitted upon any lot without the express written and recorded approval of the Developers, their heirs or assigns.
25. Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot or parcel in the subdivision, except that dogs, cats or other household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes. Pet owners may not allow pets to roam unattended. Pet owners are responsible for the removal of any and all pet excrement on all roads, sidewalks and public use areas. The pet owners shall also muzzle any pet which consistently barks. If the barking persists, the pet owner shall have the pet removed from the Development. If the pet owner refuses or fails to comply with any portion of this section, it shall be deemed an "offensive activity."
26. Offensive Activity. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance, discomfort, embarrassment, or nuisance to the Development. Non-removal for ninety (90) days after occupancy of a dwelling of all building material, such as block, bricks, lumber etc., from view shall be a nuisance, per se.
Any dwelling unit, which has been destroyed or damaged to any degree, which is externally visible, shall be repaired or removed within six (6) months from such destruction or damage. The failure to do so shall be a nuisance, per se.
27. Governance. These covenants and restrictions shall be governed by the laws of the State of Tennessee. The invalidation of any of these covenants or any word, phrase, or clause therein by judgment, court order, or otherwise, shall not affect any other provision, all of which shall remain in full force and effect.
28. Violation of Covenants. In the event that any one or more of the foregoing restrictive conditions be violated or attempt to be violated by any party, owner, guest or resident, it shall be lawful for the undersigned, one or more of them, their successors, heirs or assigns, or any person or persons owning any lot in said subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants or conditions; and, to prevent such violation, including reasonable attorney's fees and court costs, which shall constitute liquidated damages.

IN WITNESS WHEREOF, we have executed this instrument on the date first written hereinabove.

TCB Properties, G.P.

Terrence Christopher Conner, general partner

Terrence Patrick Conner, general partner

Jack B. Arnold, II, general partner

STATE OF TENNESSEE)
COUNTY OF RHEA)

Personally appeared before me, _____, a notary public of said county and state, Terrence Christopher Conner, Terrence Patrick Conner, and Jack B. Arnold, II, with whom I am personally acquainted or who was proved to me on the basis of satisfactory evidence and who, upon oath, acknowledged such person(s) to be the General Partners of TCB Properties, the within named bargainor, a Tennessee general partnership, and that such person as General Partners, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the partnership by such person as General Partner.

Witness my hand, at office, this _____ day of _____ 2006.

Notary Public

My Commission Expires: _____

TENNESSEE WASTEWATER SYSTEMS, INC.

P. O. Box 22771

Knoxville, TN 37933-0771

Phone: 865-405-5014

Fax: 865-966-1762

PINEY BAY SEWERAGE SYSTEM INFORMATION

Welcome to Tennessee Wastewater Systems, Inc. (TWSI), providing your sewerage collection, treatment, and disposal services at Piney Bay. TWSI is a public utility company that owns and operates sewerage utilities across Tennessee and is regulated by the Tennessee Regulatory Authority (TRA), the state's public service commission. Our systems are environmentally friendly and state-of-the-art. Below is some basic information on the components of the system that you will be involved with.

Sewage Collection System

Tankage

Each lot must be served by a 1,500 - 3,000 gallon concrete interceptor tank equipped with an effluent filter. Some lots will require pumps. The size of the tank depends on the size of the house. These tanks differ from most standard septic tanks by being designed and constructed to be water tight and structurally sound. The tanks are currently available from only one manufacturer in East Tennessee:

C. R. Barger and Sons, Inc.

P. O. Box 370

Kingston, TN 37763

(865) 882-5860

TWSI's Maintenance and Operations Supervisor will assist in siting the tank and will be present to inspect the installation process. The building sewer is to be connected to the tank and sealed using a rubber boot and stainless steel clamp provided. The tank must be inspected and approved prior to use.

Pumps, pump vaults, and controls must be utility approved. When the customer is ready for installation, please contact the Maintenance and Operations Supervisor for an appointment. Upon approval of the installed tank, all components (tank, pump, effluent filter, and controls) become the property of TWSI. TWSI will be responsible for all service and maintenance from that point.

Sewage Treatment and Disposal Systems

Recirculating Sand Filter

Each tank discharges into a small diameter pressure sewer system that flows to the sewage treatment unit. The sewage is recycled several times through a bed of sand and gravel where microorganisms convert the sewage into carbon dioxide, water, nutrients, and energy.

Drip Irrigation System

The high quality effluent from the sand filter is pumped to adjacent fields and injected at low rates approximately one foot deep into the root zone where the remaining nutrients are utilized by the trees and other plants. No discharge to the ground surface results from this system.

Service and Maintenance Issues

Success of the system depends on proper care of the system. This includes keeping all non-sewage materials out of the system. Non-sewage materials include diapers, paper towels, coffee grounds, egg shells, plastic, rubber or latex products, condoms, sanitary napkins, chemicals, chemical cleaners, pet or human hair, newspapers, engine oil, rags, cigarette butts, fats, grease, lard or oils of any kind, paint, etc. **ONLY NORMAL DOMESTIC WASTE WATER SHALL ENTER THE TANK!**

If at any time, the tank or equipment serving your property develops any problems or fails to perform, please contact Michael Hines or James Magill at the phone numbers listed below.

There is sufficient storage capacity built into the system to handle approximately one day's flow from your house. Upon receipt of notification of a problem, a service call will be made generally the same day and always within 24 hours.

Billing Information

As part of the TRA's Tariff Rules and Regulations governing our operation, TWSI is authorized to collect an \$84.00 annual fee from the owner of each lot not connected to the sewer system to offset the expenses of meeting state requirements for testing and reporting to the Department of Environment and Conservation. The \$84.00 will be invoiced to the owner of record as of December 1st of each year. Once connected to the system, this fee will no longer apply.

Before your house is connected to the system, you need to complete a Sewer Service Agreement which can be obtained from TWSI, at (865) 405-5014 and submit a security deposit of \$60.00 to TWSI, P. O. Box 22771, Knoxville, TN 37933-0771. Within the sewer agreement, you agree to allow TWSI to install and/or have access to the cut-off valve on your water service line and to use such valve in the event you fail to pay sewer charges. Once your house is connected to the sewer, you will be billed at the current monthly residential rate of \$35.54. If your house is, or becomes, a vacation rental unit, you will be billed at a different, commercial rate that varies with use.

Should you have any questions regarding the system or Tennessee Wastewater Systems, Inc., please contact Michael Hines, M.S., P.E. (865) 675-5917, (865) 405-5014 or James Magill, Maintenance and Operations Supervisor (865) 740-5551.

