

**COVE HOLLOW BAY HOMEOWNERS' ASSOCIATION
IMPROVEMENT, SETBACK AND USE RESTRICTIONS
APRIL 2004**

IMPROVEMENT, SETBACK AND USE RESTRICTIONS

1. Improvement Restrictions. In addition to the requirements of Article V of the Declaration of Covenants, Conditions and Restrictions concerning compliance with the architectural review authority of the Committee, compliance with the General Notes and Septic Notes on the Plat and compliance with all other applicable laws, ordinances, and regulations of governmental agencies, the following restrictions apply to Improvements:
 - a. Combination of Lots and Resubdivision. If one or more contiguous Lots are owned by the same Owner, they may be combined upon the consent of the Developer for the purpose of placing approved Improvements thereon, but they shall retain their status as individual Lots for purposes of voting and Impositions. Individual Lots may not be resubdivided to create a smaller area than originally deeded to an Owner and/or as shown on the Plat.
 - b. Setback Lines. Minimum setback requirements on the Plat shall be observed, but are not intended to create uniformity of appearance, but rather to avoid overcrowding and monotony. Therefore, to the extent possible, it is intended that the setbacks of Improvements be staggered and be used to preserve trees and assure vistas of open areas. The Committee reserves the right to approve the location of each residence upon the Lot within the setback lines and/or building areas established by the Plat, in such manner as it shall deem, in its sole discretion, to be in the best interest of the Development and in furtherance of the goals set forth herein.
 - c. Grading. No Owner shall excavate earth from any of the Lots for any business or commercial purpose and no elevation changes will be permitted which could materially affect the surface grade of the Lot without the consent of the Committee, which must also approve the nature of the earthwork and the manner and methods of installation.

- d. Floor Area of Residence. The total floor area of the main residential structure upon each Lot, exclusive of open porches, patios, breezeways, and attached garages shall contain a minimum of 1,000 square feet of finished living space with a minimum size on the first floor of 700 square feet, excluding garages, carports, storage areas, decks and porches.
- e. Other Structures. No detached garages, carports, barns, storage sheds, swimming pools, tennis courts, guest houses, or other outbuildings shall be constructed or situated on a Lot.
- f. Driveways and Driveway Entrances. The Committee shall approve the location, construction, and types of materials for all driveways and driveway entrances located upon Lots.
- g. Fences and Walls. Fences and walls constructed of materials permitted by the Design Guidelines may be erected along Lot boundaries or within individual Lots for enclosure of yard areas so long as they are at heights and locations approved by the Committee. No boundary wall or patio or courtyard wall shall extend to a height greater than six (6) feet from the ground level unless the Committee so consents. No walls other than retaining walls may be constructed along the street on the front of any Lot unless approved by the Committee, and no retaining wall shall extend to a height greater than three (3) feet above the earth being retained. All retaining walls must be of materials approved by the Committee.
- h. Clotheslines. There shall be no outside clotheslines, clothes hanging devices or the like upon any Lot.
- i. Lighting. No building-mounted floodlights shall be permitted on the front or sides of any Improvement facing a street, and there shall be no exterior lighting visible from any street within the Development (other than porch lights or eave lights), unless otherwise approved by the Committee. Decorative postlights shall be installed only with the prior approval of the Committee. Any walkway, driveway, or landscape lighting shall be of low intensity with light sources concealed from view from any street within the Development. Seasonal decorative lighting shall be permitted only during the holiday season (between Thanksgiving and the following January 7 of each year). Lights installed on the sides and rears of any Improvement must be adjusted so that the rays of any beam or floodlight shall not interfere with the neighboring Lots.

- j. Watercraft, RVs, Motorcycles. Watercraft and RVs must be stored only in side and rear yard areas or garages and must not be visible from neighboring Lots, streets or Common Areas. No motorcycle, motorbike, motorscooter or recreational all-terrain vehicles shall be permitted to be operated within the Development, except for motorcycles licensed for transportation on public thoroughfares while traveling directly between the Lot where stored or garaged and such public thoroughfares. Such motorcycles may be operated only on the street and must not utilize a muffler system other than manufacturer's stock except to decrease the noise level of the motorcycle.
- k. Codes. Each Owner shall observe all governmental building codes, health restrictions, zoning restrictions and other regulations applicable to his Lot. In the event of any conflict between any provision of such governmental code, regulation or restriction and any provision of this Declaration, the more restrictive provision shall apply.
- l. Speed Limit. Any vehicle moving in excess of 25 miles per hour on any street within the Development shall be considered as speeding and the owner or operator thereof shall be subject to any fine levied by the Association.
- m. Dangerous Activities. The pursuit of hobbies or other inherently dangerous activities including without limitation, the assembly and disassembly of motor vehicles or other mechanical devices, the shooting of firearms (including, without limitation, "B-B" guns, air rifles, pellet guns, and small firearms of all types), fireworks or other pyrotechnic devices of any type or size, bow hunting, and other such activities shall not be allowed upon any Lot or within the Common Areas.

- n. Dock Facilities. Center Hill Marina has commercial boat mooring slips available at the marina and the slips can be accessed from Bay Drive. Access to these slips shall be by electric golf cart or by legally licensed vehicle designed for roadways in Tennessee and then walking or driving an electric golf cart along the service road to the slips from the parking areas. No motorized carts, four wheelers, etc. are permitted on roadways. Only Lot Owners and their guests are permitted to travel the private roadways within the subdivision with an electric golf cart. Lot Owners agree to hold the Developer, Association, and the Board, Center Hill Marina and Yacht Club, LLC harmless of any liability or injury from use of the golf carts along roadways and dock area.

- o. Access to Dock by Non-Residents. Rental customers and their Guests utilizing the boat slips that do not have a residence in Cove Hollow Bay shall have access to the parking lot at the end of Bay Drive. Center Hill Marina maintenance vehicles shall also have access to the parking lot.

- p. Rules and Regulations. The Directors may establish rules and regulations governing the conduct of Owners as well as their respective families invitees, agents, servants and contractors on the Lots or the Common Areas of the Development to assure that the conduct of such persons meets an acceptable standard and meets acceptable public safety requirements. Such rules and regulations shall be binding following notice of the adoption thereof to Owners.

- j. Mail Boxes. The Association reserves the right to establish a uniform mailbox location system and to provide a uniform mailbox for each Lot. Owners of Lots shall be required to reimburse the Association for its actual cost of such mailboxes and installation cost. (This section will not be applicable to Cove Hollow Bay since there will be a central mailbox system.)
- k. Screening of Mechanical and Storage Areas. Excepting the initial construction period, any and all equipment, air conditioner condensers, propane tanks, garbage cans, woodpiles, refuse or storage piles of any Lot, whether temporary or permanent, shall be screened to conceal the same from the view of the neighboring Lots, roads, or Common Areas, with the plans for any screening fences and/or landscaping being approved by the Committee. Incinerators for garbage, trash or other refuse shall not be used or permitted to be erected on any Lot. Refuse shall not be placed even temporarily along the roadside adjacent to any Lot but must be stored in the above described manner while awaiting pickup.
- l. Landscaping: No trees shall be removed from a Lot without the prior approval of the Committee.
- m. Outside Recreation Equipment: Outside recreation equipment may be placed upon any Lot so long as (i) the equipment is located within the rear yard area, (ii) such equipment is not visible for any street within the Development, and (iii) the design and location is approved by the Committee prior to installation. It is understood that the Committee may, without limitation, require screening with landscaping, fences or walls. For the purpose of this paragraph, outside recreation equipment shall include swings, slides, trampolines, playhouses, basketball goals and similar equipment or structures.
- n. Signs. No sign, billboard or poster of any kind of a permanent nature shall be erected, exhibited, maintained or placed upon any Lot. Temporary signs of wood or metal construction, not exceeding a maximum face area of three (3) square feet, such as "For Sale" signs, shall be permitted so long as (i) there shall be no more than one (1) sign per Lot, (ii) no such sign shall be placed outside of the Lot within any street right-of-way, common open space or Lot owned by other persons, and (iii) signs comply with such regulations that may be adopted by the Committee from time to time. The Association shall have the right to erect reasonable and appropriate signs for its own use and the use of other parties engaged in the construction and sale of Improvements on Lots within the Development.

- o. Antennae. No transmitting or receiving equipment (antennas or dishes) for radio, television or communications may be located on the exterior of any Improvement or on the Lot without the consent of the Committee, and in no event may such equipment be in the front of any Lot or be visible from the roads. The specific location and color of such equipment must be approved by the Committee.
- p. Setbacks. No structure other than a fence may be built within fifteen (15) feet of any side Lot line. A front building setback of fifteen (15) feet on Bay View Drive and twenty (20) feet on all other streets must be observed. All fencing must be placed outside of the roadway and utility easements as shown on the Plat. Setback limits may be adjusted or waived at the discretion of the Committee.
- q. Easements: Easements for installation and maintenance of utilities and drainage facilities are reserved fifteen (15) feet in width along side Lot lines and along Lot lines joining any road or street in the Association. In addition, all lots are subject to such easements, setbacks and road rights-of-way as shown on the Plat.
- r. Ingress/Egress. No Lot shall be used for ingress and egress to any properties not part of this Development. The Association reserves unto itself the right to use any Lot prior to being sold to a third party for ingress and egress to any other adjoining property.
- s. Paired Lots. Lots that are sold in pairs to provide approved primary and duplicate SSD system in addition to the primary building Lot must remain in pairs until such time that a sewage treatment plant or approved disposal system is provided for lots that are not suitable for a disposal system.
- t. Sewage Lines. Sewage pumping lines shall be installed from the Lot to the primary and duplicate sewage disposal Lot. However, Lot Owners shall be responsible for the maintenance and upkeep of these lines once they are installed. In the event of a leak in the pumping lines where several lines are installed in one trench, the leak shall be investigated and the ditch opened to determine the source of the leak by the Association. All lines are color-coded to identify the lines belonging to individual lots and the lines that have the leak shall be repaired at the expense of the Association if there is a leak in the line installed by the Developer or the Association. If a leak occurs in an area or length of line that has been installed by the Lot Owner or contractor/agent of the Lot Owner, the cost of the repair shall be the Lot Owner's sole responsibility.

- u. Rights-of-way. The rights-of-way for all roads as shown on the Plat are deemed important to the beauty and substantial development of the Development, and the use and full width of the right-a-way is encouraged so as to continue the development of a broad and open thoroughfare. Owners are hereby restricted and prohibited from placing within this easement/right-a-way any fence, post of any other obstruction to the clear and free mowing and other uses, in the same manner as any other public road right-a-way. Further, it is reserved to the Association the right to remove from the easement/right-a-way by their own action and initiative any such obstruction that may exist now or in the future, whether natural growth or installation.

- v. Lake Side Lots. The property which lies between the lake side property of Lots and Center Hill Lake is owned by the U.S. Army Corps of Engineers, and said property is designated as an area to be undisturbed and shall be left and continued in such condition as complies with the pre-existing condition and neither the Association nor any Owner, including owners of the lake view Lots, shall take any action contrary to such preserved status.

2. Use Restrictions.

- (a) Residential Use. Each Lot shall be used only for private, single-family residential purposes consistent with the Declaration of Covenants, Conditions and Restrictions, and not otherwise. The Development is not a campground. No camping in any form will be permitted in the Development.

- (b) Nuisance. Each Owner shall refrain from any act or use of his Lot that could reasonably cause embarrassment, discomfort or annoyance to the neighborhood or create a nuisance. No noxious, offensive or illegal activity shall be carried out upon any Lot. No Owner shall commit waste upon any Lot within the Development.

- (c) Prohibited Structures. There shall be no single wide mobile homes/manufactured homes, no double wide homes/manufactured homes, no modular homes/buildings or buses or any RV with kitchen or bath facilities situated on any Lot as a residence or for storage, either temporarily or permanently.

- (d) Damaged Improvements. In case of complete or partial destruction of any structure by fire, windstorm or other cause, said structure must be rebuilt and the debris removed from the premises within six (6) months of the occurrence.
- (e) Vehicles. No motorized vehicle or equipment of any nature shall be situated upon this property except in enclosed storage unless such is a vehicle that is currently licensed and maintained in proper condition for lawful operation upon the highways of the State of Tennessee. All vehicles must be parked in garages or driveway areas and may not be parked on grass or yard areas, except when entertaining. No wrecked vehicle or vehicles in a non-functional condition or vehicles without proper registration shall be parked on any Lot or upon any of the Common Areas. No Owner shall permit any vehicle (operable or inoperable) owned by such Owner or by any person occupying his Improvements or by any guest or invitee of such Owner to remain parked on any street with the Development for a period of more than twenty-four (24) consecutive hours. Any vehicle which remains parked on the street in violation of the foregoing covenant, or in violation of any other rules and regulations now or hereafter adopted by the Board, may be towed at the expense of the Owner of such vehicle or the Lot Owner of the adjacent to which such vehicle was parked. Neither the Association, nor the Board shall be liable to the owner of such vehicle for trespass, conversion, or otherwise, not be guilty of any criminal act by reason of such towing, and neither the removal nor the failure of the owner of such vehicle to receive any notice of said violation shall be grounds for relief of any kind. The term "vehicle" is used herein, shall include, without limitation, motorhomes, watercraft, trailers, motorcycles, scooters, trucks, all terrain vehicles, campers, buses and automobiles.

- f. Animals. No horses, cows, pigs, sheep, goats or other such farm animals shall be permitted within the Development. Household pets shall be permitted to the extent they do not become a nuisance to neighboring Owners. No pets shall be permitted outside the boundaries of the Owner's Lot unless accompanied by their owners and/or on a leash. The Board, or any individual resident, may take appropriate measures to insure compliance with this provision, including without limitation, having the animal picked up by the appropriate governmental authorities.
- g. Noise. No Owner shall cause or allow any use of his Lot that results in noise which disturbs the peace and quiet of the Development. This restriction includes, without limitation, dogs whose loud and frequent barking, whining or howling disturbs other Lot Owners, exterior music systems or public address systems, and other noise sources which disturb other Owners' ability to peacefully possess and enjoy their Lot.
- h. Burning. No Owner shall permit or cause the escape of such quantities of dense smoke, soot, cinders, noxious acids, fumes, dust or gasses as to interfere with the use and enjoyment by other Owners of their lots. Burning of leaves or refuse shall not be permitted within the Development without approval of local governing authorities.
- i. Home Businesses. No house or other structure on any Lot other than the Developer's sales office, shall be used for any business purpose that involves employment of personnel other than residents of the Improvements or in-person, on-Lot sales involving non-residents. A home based Internet business may be conducted within a residence, provided that deliveries to the residence do not exceed two (2) UPS, Federal Express or similar express carries per day. No advertisement of any kind will be permitted on any Lot for a home-based business. No Lot or residence shall be used for a public meeting facility for a club, church, sports exhibition, etc., whether for profit or nonprofit, provided, however, this restriction is not intended to prevent an Owners from using his property for social, religious, or sporting activities that are normal and usual in private dwellings.