PUBLIC NOTICE

PERMIT APPLICATION: NRS 06-250

APPLICANT: Bernard Kaplan, Mgr.
Pigeon Falls, LLC
997 West Kennedy Blvd., Suite A25
Orlando, FL 32810
(407) 660-9542

LOCATION: 85 acres located north-northeast of the intersection of Jake Thomas Road and Teaster Lane in Pigeon Forge; West Prong Little Pigeon River, Pigeon Forge, Sevier County. lat 35.8039N - long 83.5640W

WATERSHED DESCRIPTION: Lower French Broad Watershed (HUC 06010107). West Prong Little Pigeon River. Approximately 8.1 miles of the West Prong in Sevier County is on the 303 (d) list. Subject property is vacant land with open field and woodlots. Surrounding land use is open field and woodlots to the north and heavy commercial to the south. The affected watershed has been determined to be Tier 1.

PROJECT DESCRIPTION: The applicant proposes to construct a commercial development known as Pigeon Falls Village on an 85-acre tract at the above location. The proposed development will include approximately 700,000 square feet of retail space, 7 acres of outdoor and indoor family recreation, a 12-acre year-round waterpark, 2,000 keys of condo-hotel lodging and over 8,000 parking spaces.

Pigeon Falls Village is both the primary economic engine for, and the beneficiary of, the City of Pigeon Forges Tourism Development Zone (TDZ) sales tax increment bonding, as the project's projected \$40 million in total annual sales tax generation is the dominant funding source for the City of Pigeon Forge's \$182 million bonded infrastructure development program. In fact, \$120 million is budgeted for public improvements that directly benefit Pigeon Falls Village, including a 140,000 sq. ft. civic events center, 5,000 garage and surface parking spaces, four miles of four-and six-lane roads with seven new signalized intersections and a new Central Trolley Station.

All of the proposed developments are integrated and interdependent and the location is critical because of its central location in the City and its proximity to existing and proposed road infrastructure.

Approximately 3,075 feet of impacts to two intermittent/perennial (and 272 ephemeral/wet-weather conveyance) unnamed tributaries to the West Prong Little Pigeon River is associated with the proposed development. Both tributaries are first order, originate on the property as narrow shallow channels with scattered herbaceous and hardwood riparian zones. Steam A is located on the western side of the property and measures 1,189 linear feet (297 of ephemeral and 892 of intermittent/perennial). The average width of the channel is 2-3 feet, depths of 1.5-2 feet with water depths less than 2 inches. Pools, riffles, pointbars, were not visible in the upper portions of the tributary. Macroinvertebrate observed include mayfly larvae, snails, riffle beetles,

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dragonfly larvae, caddisfly larvae and others. The upstream portion is to be impacted by the City of Pigeon Forge Road projects while 835 feet will be impacted by Pigeon Falls Village. A small pond of 0.41 acres discharges to the south into a stream channel (stream A-1) of 407 linear feet (67 on the subject site and 340 linear feet on the Teaster Lane R.O.W.). Stream B is located on the eastern side and measures 2,275 linear feet (272 feet of ephemeral and 2003 linear feet intermittent or perennial). The average width of the channel is 2-3 feet, depth is 1.5-4 feet while flow depths are less than 2 inches. Similar macroinvertebrates were found in this stream as in stream A.

In areas where fill material is to be placed over the existing channel french drains and pipe will be used in the channel to collect the subsurface seeps and springs. An impermeable layer will be obstructed over the french drain and pipe to separate the subsurface flow from the proposed development. The water collected in the french drain will be discharged in the existing channels at the property boundaries.

Efforts were made to shift the proposed development to avoid the stream channels. The applicant deemed these unacceptable for several reasons including the following:

- 1. The physical location of the streams and the manner in which they traverse the property make it impossible for the proposed development to avoid.
- 2. Due to the topography the proposed cuts and fills and the final grades necessary for development will not allow preservation of the current channel gradients.
- 3. Available acreage that meets the needs for retail/commercial development in the general vicinity is limited. Taking into consideration location, infrastructure benefits and transportation needs a comparable site is not available in the Pigeon Forge area.

Suitable mitigation sites in the area were not identified during a search by the applicant, and therefore compensatory stream mitigation for impacts to 3,075 feet of stream will consist of a payment of \$200/ linear foot to the Tennessee Stream Mitigation Program (TSMP).

In addition, the applicant will incorporate, to the extent practicable, consideration of Leadership in Energy and Environmental Design (LEED) principles. The applicant is committed to using pervious pavement in the proposed lodge parking area, Main Street Marketplace and the West Terrace Development. An important water quality feature of the proposed development will be the construction of a closed-loop, biologically filtered waterfall and stream system on the eastern side of the property. In addition to the habitat this feature will provide the stream system will be underlain by a vertically isolated collection system designed to provide treatment to and reduction of runoff volume from the site. Other onsite water quality treatment options include pervious pavement in pedestrian and vehicular traffic areas, green roofs, storm water vaults, bioswales, rain gardens, infiltration chambers, water quality structures, rain barrels and/or cisterns. (On the 4.4 million square foot site approximately 40% of the preliminary plan would be impervious buildings and paved areas which leaves available space form such options).

The division will conduct a public Hearing on this and three other projects proposed in this general vicinity of Pigeon Forge. The Hearing will be held on Thursday, June 28, 2007 at 6:00 P.M. EDT in the Council Meeting Room of the City Complex of Pigeon Forge, 225 Pine

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Mountain Road, Pigeon Forge; (865) 429-7474. A separate notice for the Public Hearing is included in this Public Notice.

USGS TOPOGRAPHIC QUADRANGLE: Pigeon Forge 156 SE

PERMIT COORDINATOR: Mike Lee

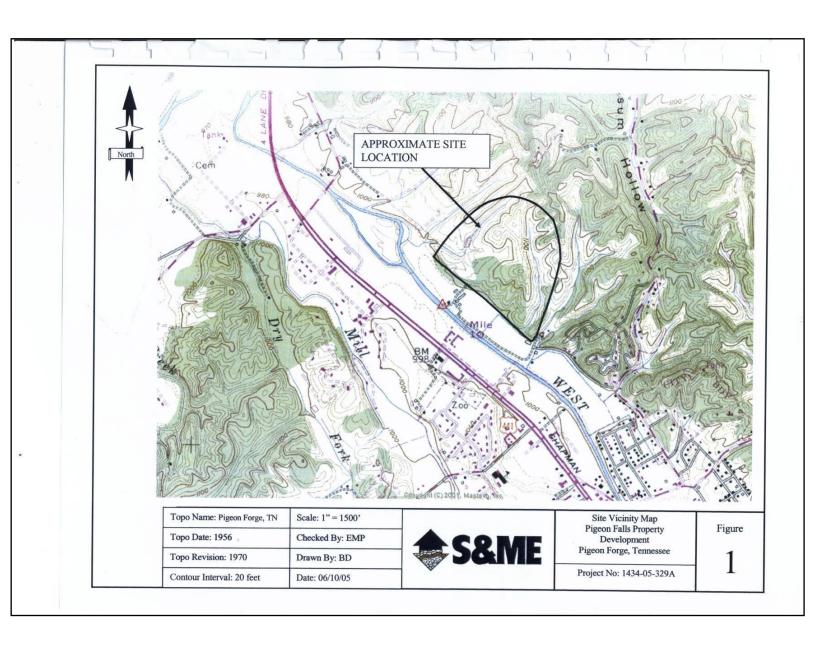
No decision has been made whether to issue or deny this permit. The purpose of this notice is to inform interested parties of this permit application and to ask for comments and information necessary to determine possible impacts to water quality. Persons wishing to comment on the proposal are invited to submit written comments to the department. Written comments must be received within **thirty days of the date that this notice is posted**. Comments will become part of the record and will be considered in the final decision. The applicant's name and permit number should be referenced.

In anticipation of public interest for the proposed development, the applicant has voluntarily elected to hold a public hearing, as referenced previously in this notice and under separate under notice.

The permit application, supporting documentation including detailed plans and maps, and related comments are available at the department's address for review and/or copying. The department's address is:

Tennessee Department of Environment & Conservation
Division of Water Pollution Control, Natural Resources Section
7th Floor L & C Annex
401 Church Street
Nashville, TN 37243

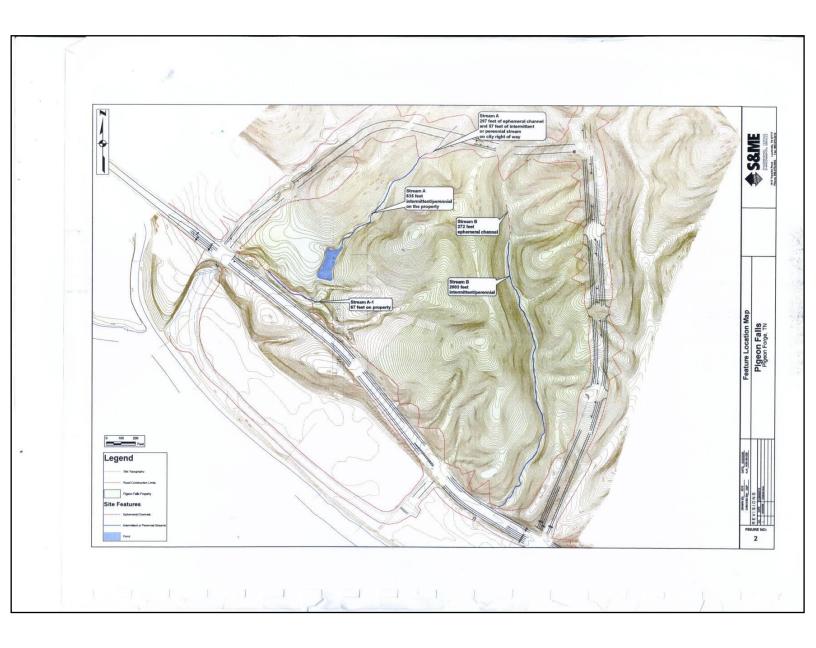
In deciding whether to issue or deny a permit, the department will consider all comments on record and the requirements of applicable federal and state laws.

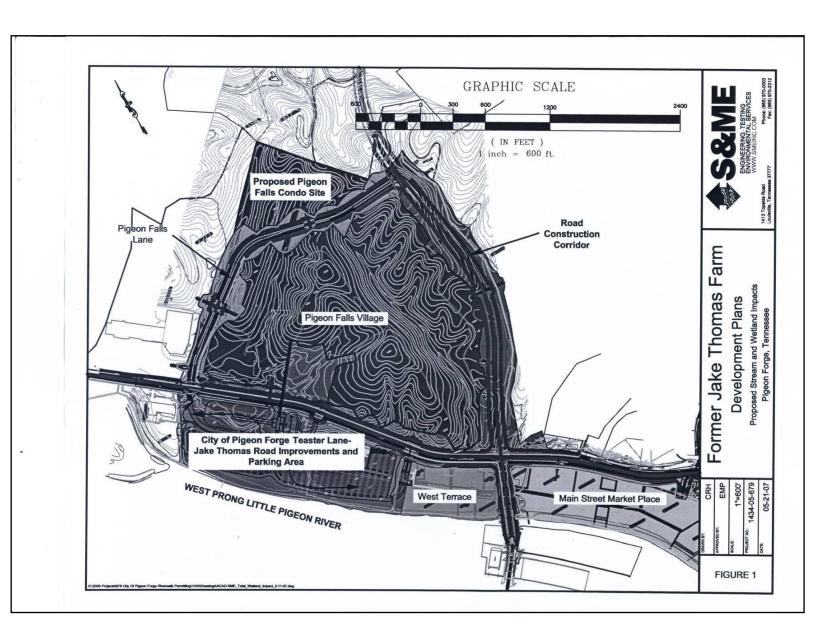


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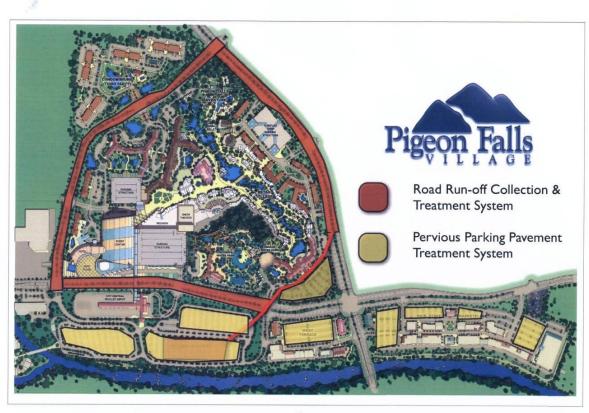


PIGEON FORGE ADDENDUM FIGURE 7





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December 6, 2006

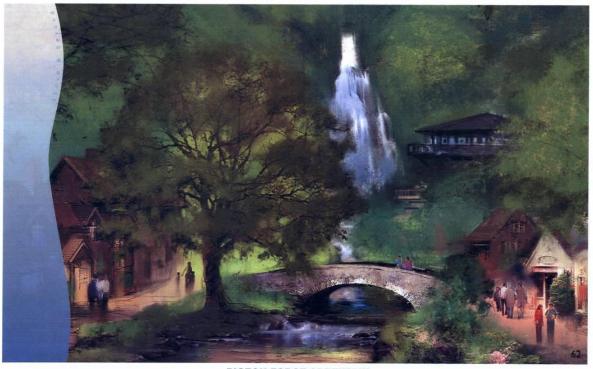
PIGEON FORGE ADDENDUM FIGURE 1



PIGEON FORGE ADDENDUM FIGURE 6 PIGEON FALLS LLC NRS NO. 06-250 PAGE 10.



Pigeon Falls Village Above & Beyond



PIGEON FORGE ADDENDUM FIGURE 8

PROPOSED WATERFALL AND WATER FEATURE

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FIGURE 5 REPRESENTATIVE PHOTOGRAPHS

PROJECT NO.: 1434-05-329 CAMERA MAKE: Sony MVC-FD75 PROJECT NAME: Pigeon Falls Village LOCATION: Pigeon Forge, Tennessee



PHOTOGRAPH NO.: 1 DATE: 6/28/06 PHOTOGRAPHER: S. Smith COMMENTS: Upper reach of Stream A.



PHOTOGRAPH NO.: 2 DATE: 6/28/06 PHOTOGRAPHER: S. Smith COMMENTS: Lower reach of stream A, facing upstream. (Note lack of flow in channel).

FIGURE 5 REPRESENTATIVE PHOTOGRAPHS

PROJECT NO.: 1434-05-329 CAMERA MAKE: Sony MVC-FD75

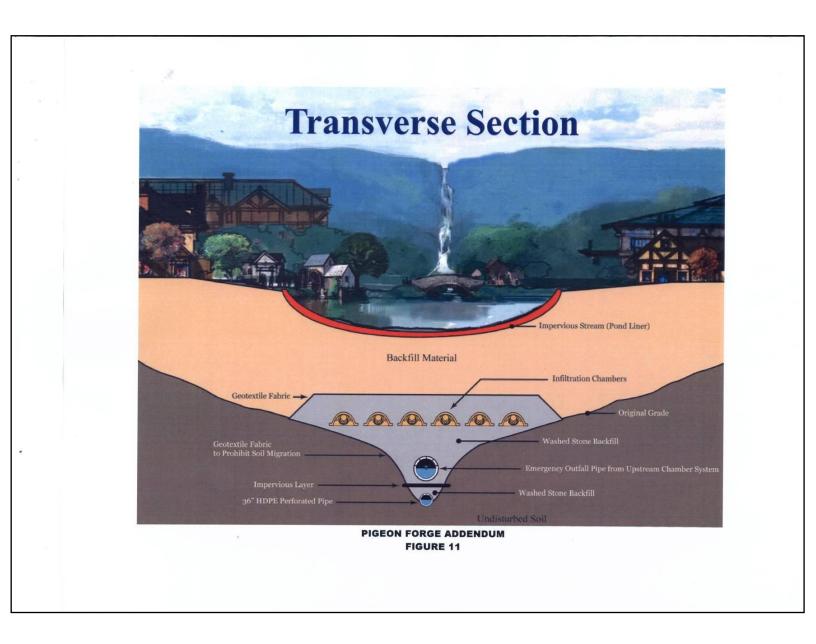


PROJECT NAME: Pigeon Falls Village LOCATION: Pigeon Forge, Tennessee

PHOTOGRAPH NO.: 3 DATE: 6/28/06 PHOTOGRAPHER: S. Smith COMMENTS: Representative photo of Stream B.



PHOTOGRAPH NO.: 4 DATE: 6/28/06 PHOTOGRAPHER: S. Smith COMMENTS: Lower reach of Stream B, facing downstream.



PROPOSED SUBSURFACE WATER TREATMENT METHOD