

STATE OF TENNESSEE	§
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COUNTY OF CLAIBORNE	§
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AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS, RESTRICTIONS, AND
EASEMENTS FOR LONE MOUNTAIN
SHORES

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, RESTRICTIONS, AND EASEMENTS FOR LONE MOUNTAIN SHORES is made this 12th day of August, 2013 by LONE MOUNTAIN SHORES OWNERS ASSOCIATION, INC., a Tennessee nonprofit corporation (hereinafter referred to as the “**Association**”).

WHEREAS, “Lone Mountain Shores” (hereinafter referred to as the “**Property**” or “**Lone Mountain Shores**”), which is more fully described in Exhibits attached hereto and incorporated herein by this reference, has been developed through phased additions as a residential subdivision in County of Claiborne, State of Tennessee containing approximately 2303.078 acres, more or less, and

WHEREAS, prior Declarations of record have imposed upon the Property mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of property in Lone Mountain Shores to provide a flexible and reasonable procedure for the development and the maintenance of use and architectural guidelines for the Property;

NOW THEREFORE, Lone Mountain Shores Owners Association, as “Declarant”, having been assigned all rights of Tennessee Lone Mountain Shores Corp., the developer of “Lone Mountain Shores”, hereby declares and restates that the Property which is described in EXHIBIT “A” and any property previously made subject to these Covenants as evidenced by duly filed and recorded Amendments to original Declarations of Covenants, Restrictions and Easements for Lone Mountain Shores, shall be held, transferred, sold, conveyed, leased, occupied and used subject to the following easements, restrictions, covenants, charges, liens and conditions which are for the purpose of protecting the value and desirability of the Property, and which shall touch and concern and run with title to the Property. The Covenants and all provisions hereof shall be binding on all parties having any right, title or interest in the Property or any portion thereof, and their respective heirs, successors, successors; in title and assigns, and shall inure to the benefit of each owner thereof.

ARTICLE I IMPOSITION OF COVENANTS AND STATEMENT OF PURPOSE

Section 1.01 **Imposition of Covenants**. Declarant hereby amends and restates the following covenants, conditions, restrictions and easements (collectively referred to as the “**Covenants**”) upon the Property which shall be held, sold and conveyed subject to the Covenants. The Covenants shall run with the land and shall be binding upon all persons or entities having any right title or interest in all or any part of the Property, and the covenants shall inure to the benefit of each owner of the Property.

Section 1.02 **Statement of Purpose**. The Covenants are imposed for the benefit of all owners of the parcels of land located within the Property. These Covenants create specific rights and privileges which may be shared and enjoyed by all owners and occupants of any part of the Property in accordance with the provisions of Section 4.03 Delegation of Use.

Section 1.03 **Declarant’s Intent**. The provisions of these Covenants, as amended from time to time, are intended to act as the land use controls applicable to the Property, and in the events of a conflict or difference between the provisions hereof and of the Claiborne County Zoning Ordinance, the terms of this Declaration, as amended, shall control and supersede such Zoning Ordinance. Each Owner, automatically upon the purchase of any portion of the Property, is deemed to waive all protections afforded to him, now or in the future, under the Claiborne County Zoning Ordinance to the extent such Zoning Ordinance is at variation with the provisions of this Declaration, as amended, or with the provisions of any of the other Lone Mountain Shores Documents, including but not limited to the Architectural Guidelines established by the Architectural Review Committee.

Section 1.04 **Areas Subject to these Covenants**. Be it understood that these Covenants apply only to the development of Lone Mountain Shores by Tennessee Lone Mt. Shores Corp. Phase One (1) of Lone Mountain Shores and prior conveyances of three (3) lots from Phase II, being Lot Nos. 30, 32 and 42 of Lone Mountain Shores Phase II were developed by prior owners and are therefore not subject to these covenants and restrictions.

ARTICLE II DEFINITIONS

The following terms, as used in these Covenants, are defined as follows:

Section 2.01 “**Architectural Review Committee**” or “**ARC**” shall mean and refer to the committee formed pursuant to Article VII below to maintain the quality and architectural harmony of improvements in Lone Mountain Shores.

Section 2.02 “**Assessments**” shall mean and refer to annual, emergency, and default assessments levied pursuant to Article IV below to meet the estimated cash requirements of the Associations.

Section 2.03 “**Association**” shall mean and refer to the Lone Mountain Shores Owners Association, Inc., a nonprofit corporation, or any successor to the Association by whatever name, charged with the rights and obligations set forth in these Covenants.

Section 2.04 “**Covenants**” shall mean and refer to this Declaration of Covenants, Conditions, Restrictions, and Easements for Lone Mountain Shores, as and if amended.

Section 2.05 “**Declarant**” shall mean and refer to Lone Mountain Shores Owners Association, Inc., a Tennessee Not for Profit Corporation, and its successors and assigns.

Section 2.06 “**Dwelling**” shall mean any enclosed space wholly or partly used for living and sleeping by human occupants, provided such use is for single family residential purposes only.

Section 2.07 “**Lot**” shall mean and refer to a parcel of land designated as a lot on any Plat of Lone Mountain Shores.

Section 2.08 “**Maintenance Fund**” shall mean and refer to the fund created by Assessments and fees levied pursuant to Article IV below to provide the Association with the funds necessary for the Board to carry out its duties under these Covenants.

Section 2.09 “**Membership**” shall mean and refer to the rights and responsibilities of every Owner of any Lot in Lone Mountain Shores. Every Owner by virtue of being an owner and only as long as he or she is an Owner, shall retain their Membership in the Association. The Membership may not be separated from Ownership of any Lot. Regardless of the number of individuals holding legal title to a Lot no more than one Membership shall be allowed per Lot owned. However, all individuals owning such Lot shall be entitled to the right of Membership and the use and enjoyment appurtenant to such ownership.

Section 2.10 “**Owner**” shall mean and refer to the record owner, whether one or more persons or entities, of fee simple title to a Lot, but shall not mean or refer to any person or entity who hold; such interest merely as security for the performance of a debt or other obligation, including a Mortgage, unless and until such persons or entity has acquired fee simple title pursuant to foreclosure or other proceedings.

Section 2.11 “**Plat**” shall mean and refer to any plat (or as built survey) depicting the Property filed in the Registrar’s Office for Claiborne County, Tennessee, as such plat may be amended from portions of the Property from time to time.

Section 2.12 “**Lone Mountain Shores**” shall mean and refer to the planned community created by these Covenants, consisting of the Property and all of the Improvements located on the Property

Section 2.13 “**Common Area**” shall mean all real property (including the improvements thereto) owned by the Owners Association by deed of Declarant for the common use and enjoyment of the owners.

Section 2.14 **“Single Family Residential Purposes”** shall mean the property, consisting of just one primary Dwelling and all ancillary buildings on it shall be occupied by just one legitimate single housekeeping unit as distinguished from unaffiliated individuals or groups occupying a motel, hotel, bed & breakfast, or boardinghouse.. Additionally, allowances are made for one accessory living quarters, such as a mother-in-law suite, without violating the “single family residential use” provided this secondary living quarters meets the requirements of Section 6.05 of these Covenants. Any rental accommodations and services such as those provided by hotels, motels, bed & breakfasts, rooming or boarding houses, apartment buildings or condominiums are excluded by this definition.

ARTICLE III THE ASSOCIATION

Section 3.01 Every Owner shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 3.02 **Board of Directors**. Members of the Association shall elect a Board of Directors (the “**Board**”), which shall govern the Association. The Board shall consist of five (5) members (each an “**Officer**”), all of whom must be Owners in good standing with the Association. The Board of Directors shall consist of a President, Vice-President, Secretary, Treasurer, and an additional member who shall also serve on the Architectural Review Committee (the “**ARC**”) as the liaison between the Board and the ARC. The Board shall: (a) have the responsibility of overseeing all functions of the Association as stated in these Covenants; (b) be responsible for collecting all Association Assessments; and (c) develop and amend the Association Bylaws consistent with these Covenants. Furthermore, the Board shall be responsible for overseeing the members of the Architectural Review Committee and any other committees it may appoint. The Board shall also appoint all committee members other than the ARC liaison who is elected by the Owners. Board members shall hold office for a term of two years. Board members shall hold office until their successor has been elected or appointed, unless removed from office pursuant to Article III, Section 8 of the Bylaws.

Section 3.03 **Association Records**. Upon written request to the Association by any Owner of a lot or any, mortgagee, or guarantor of a first mortgage on any Lot, or the insurer of improvements on any Lot the Association shall make available for inspection current copies of the Association’s documents, books, records, and financial statements. The Association may also make available to the prospective purchasers current copies of the Association’s documents, including rules governing the use of lots and the most recent annual financial statement, if such is prepared. The Board, including any committees, is not required to make available correspondence between the Board, a committee and individual Association members

“**Available**” as used herein means available for inspection upon written request, with reasonable notice, during normal business hours, at the Association’s Community Center or such other location as the Association may reasonably decide.

ARTICLE IV COVENANT FOR COMMON AREAS AND ASSESSMENTS

Section 4.01 **Common Areas**. The Developer has created an owner’s Common Area or Areas for the use and enjoyment of all existing Lots and future Lots, which may include, but are not

limited to, parking areas, marine slips, parks, and land areas. The Association has expanded the Common Area to include a Community Center and a picnic pavilion.

Section 4.02 **Owner's Easement of Enjoyment.** Every Owner shall have a right and easement of enjoyment in and to the Common Area or Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

- a. The right of the Owner's Association to suspend the voting rights and right to use of the recreational facilities by an Owner for any period during which any assessment against his/her Lot remains unpaid; and
- b. The right of the Owner's 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 unanimous vote of the Board and an affirmative vote of at least fifty five percent (55%) of responding Owners voting by written ballot.

No such dedication or transfer shall be effective unless an instrument agreeing to such dedication or transfer signed by an authorized officer of the Owner's Association has been recorded in the Registrar's Office of Claiborne County, Tennessee.

Section 4.03 **Delegation of Use.** Any Owner may delegate, in accordance with the Bylaws, his/her right of enjoyment to the Common Area and facilities to the members of his/her family or the Owner's accompanied guests.

Section 4.04 **Creation of Lien and Personal Obligation for Assessments.** Each Owner of any Lot, by acceptance of a deed therefore, whether or not it is explicitly stated in any such deed, is deemed to covenant and agree to pay the Association: (a) annual Assessments or charges as provided in these Covenants; (b) emergency Assessments for capital improvements and other purposes as stated in these Covenants, such annual and emergency Assessments to be established and collected from time to time as provided below; and (c) default Assessments, including fines, which may be assessed against an Owner's Lot pursuant to the LMS Governing Documents or because the Association has incurred an expense on behalf or because of the Owner in accordance with the LMS Governing Documents. The annual, emergency, and default Assessments, together with interest, costs, and reasonable attorneys' fees, shall be a charge on the land and may become a continuing lien upon the Lot against which each such Assessment is made until paid in full. Each such Assessment, together with interest, costs, and reasonable attorneys' fees, shall also be the personal obligation of the Owner of such Lot at the time the Assessment fell due.

Section 4.05 **Annual Assessments**. The purpose of annual Assessments is to provide funding for the Association: (a) to maintain the Common Area; (b) to pay for future capital improvement projects; and (c) to pay for any other Association obligations provided for in the LMS Governing Documents. Annual Assessments are due and payable as follows:

- a. The annual Assessment for each Lot is \$300.00, subject to increase as provided in Subsection (b). The Annual Assessment is due and payable to the Association by each Owner thirty (30) days after the Association mails to each Owner an annual assessment at the Owners last provided address.
- b. The annual Assessment may be increased by the Board by not more than ten percent (10%) per year above the Annual Assessment amount of the previous year and by not more than twenty-five percent 25% over any five-year period, unless such greater increase has been approved by an affirmative vote of 55% of the Owners exercising their right to vote in a written ballot conducted in accordance with Article II, Section 10 of the Bylaws.

Section 4.06 **Emergency Assessments**. At any time that it shall appear to the Board that funds on hand or in deposit by the Association are insufficient to pay the outstanding obligations of the Association, the Board shall implement the following actions:

- a. Notify Association members of the situation
- b. Initially determine which of the outstanding obligations relate to the preservation of the Association assets such as maintenance, insurance or any other such obligations as necessary to discharge the fiduciary duties of the Board.
- c. Exercise all available contractual rights of cancellation in any contract not deemed essential for the preservation of the assets of the Association and utilize all other available means of lessening the financial burdens of the Association while ensuring no defaults.
- d. After taking these measures, the Board shall determine if a projected shortfall remains for the fiscal year and shall remediate this shortfall by issuing an emergency Assessment of up to One Hundred Twenty Five Dollars (\$125.00) per Lot which shall be sent to all Owners in the manner utilized for distribution of annual Assessments and make available for review by all Owners the balance sheet utilized in the calculation of any shortfall.
- e. If the shortfall requires an emergency Assessment of greater than One Hundred Twenty Five Dollars (\$125.00) per lot, the Board, with at least three (3) Directors in support, may submit a higher emergency Assessment amount to the Owners through written ballot. An affirmative vote of at least Fifty Five Percent (55%) of responding Owners shall be required for the Board to issue any emergency Assessment greater than \$125.00 in any fiscal year of the Association.

Section 4.07 **Default Assessments**. All monetary fines assessed against an Owner pursuant to the LMS Governing Documents, as well as any expense that is incurred by the Association on behalf or because of the Owner, including cost associated with the Associations enforcement of the LMS Governing Documents (including all attorney fees and cost), shall be a default Assessment and may become a lien against such Owner's Lot, which may be foreclosed upon or otherwise collected as provided in these Covenants. Notice of the amount and due date of a default Assessment shall be sent to the Owner at least 30 days before the due date, provided that failure to give 30 days prior notice does not constitute a waiver thereof, but may only postpone the due date for payment until the expiration of the 30 day period.

Section 4.08 **Effect of Non-Payment of Assessment; Remedies of Association.** Any Assessment, whether pertaining to annual, emergency, or default Assessments, not paid within 30 days of its due date will be delinquent. If an Assessment becomes delinquent, the Board may, in its sole discretion, take any or all of the following actions:

- a. Assess a late charge on the outstanding balance;
- b. Assess an interest charge from the date of the delinquency at a rate per annum that is two percentage points above the prime rate charged by the Association's principal bank;
- c. Suspend the voting rights of the delinquent Owner during any period of delinquency;
- d. Suspend all privileges to recreational facilities situated upon any Common Area;
- e. Accelerate any unpaid annual Assessments for the fiscal year such that they shall be due and payable at once;
- f. Bring a legal action against any Owner personally obligated to pay the delinquent Assessments; and
- g. File a statement of lien with respect of the Lot and foreclose as set forth in more detail below.

Failure of the Board to enforce any of the above-listed remedies does not constitute a waiver of the Board's right to enforce such remedies in the future.

Section 4.09 **Filing a Statement of Lien.** The Board may file a statement of lien by recording with the Register of Deeds for Claiborne County, Tennessee, a written statement with respect to the Lot setting forth the name(s) of the Owner, the legal description of the Lot, the name of the Association, and the amount of delinquent Assessments then owing and which shall be served upon the Owner of the Lot by registered mail to the address of the Lot or at such other address as the Association may have in its records for the Owner. Thirty (30) days after the mailing of such notice, the Board may proceed to foreclose the lien in the same manner provided for the foreclosure of mortgages under the statutes of the State of Tennessee. Such lien shall be in favor of the Association for the benefit of all other Owners. In either a personal or foreclosure action, the Association shall be entitled to recover as part of the action interest, costs, and reasonable attorneys' fees. No Owner may waive or otherwise escape liability for the Assessments provided for herein by non-use of the Common Area or abandonment of his Lot. The remedies provided herein are not exclusive, and the Association may enforce any other remedies to collect delinquent Assessments that are provided by law.

ARTICLE V INSURANCE

Section 5.01 **Casualty Insurance on Insurable Common Areas.** The Association shall keep all insurable improvements and fixtures of the Common Area or Areas insured against loss or damage by fire for the full insurance replacement cost thereof, and may obtain insurance against such other hazard and casualties as the Association may deem desirable. The Association may also insure any other property whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the Common Area shall be written in the name of, and the proceeds thereof shall be payable to, the Association. Insurance proceeds shall be used by the Association for the repair and replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the common assessments made by the Association

Section 5.02 **Liability Insurance.** The Association shall maintain liability insurance as to all common areas and property, acts or omissions of its officers or governing body, or otherwise as it deems necessary designated as a common expense in the By—Laws by the Owners Association.

Section 5.03 **Replacement or Repair of Property.** In the event of damage to or destruction of any part of the Common Area Improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a Reconstruction Assessment against all lot owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such lot owner.

Section 5.04 **Annual Review of Policies.** All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of the property which may have been damaged or destroyed.

ARTICLE VI STANDARDS FOR LAND USE AND CONDUCT OF ACTIVITIES ON THE PROPERTY

Section 6.01 **Rationale for Land Use Restrictions.** It is the desire of the Association to preserve and enhance the property values of the Property, to prevent nuisances, and to maintain an attractive area for residential purposes.

Section 6.02 **Minimum Residential Size for Lakefront Lots.** Each Dwelling erected on a Lakefront Lot must contain a minimum of 1,800 square feet of heated living space (excluding garages, porches, overhangs, etc.), inclusive of all stories, with the first floor to contain not less than 1,200 square feet. For purposes of these Covenants, a “**Lakefront Lot**” is a Lot, a portion of which is contiguous to property owned by the Tennessee Valley Authority and which abuts the 1044 foot contour line of Norris Lake.

Section 6.03 **Minimum Residential Size for Interior Lots.** Each Dwelling erected on a Lot that is not a Lakefront Lot must contain a minimum of 1,200 square feet of heated living space (excluding garages, porches, overhangs, etc.) inclusive of all stories, with the first floor to contain not less than 800 square feet.

Section 6.04 **Residential Use Only**. All Lots shall be used for single family residential purposes only, and no commercial use is permitted. This restriction is not to be construed to prevent rental of any Lot or any dwelling for private single family residential purposes or to prevent an Owner from conducting home occupations in a Dwelling, provided such occupations: (a) are subordinate to the primary residential use; (b) occupy no more than twenty percent (20%) of the Dwelling's floor area; and (c) employ not more than two (2) persons.

Examples of prohibited commercial uses of a Lot or any dwelling include providing the services of or operating as a restaurant, an inn, a boarding house, or a bed-and-breakfast or providing other atypical rental services of a commercial nature.

Examples of non single family residential purposes uses of a Lot or any dwelling include, but are not limited to: occupancy by two or more unaffiliated individuals or groups that function as independent housekeeping units; owners or their agents occupying any part of the property at the same time as renters; utilizing the Lot or any dwelling as a fraternity, sorority or dorm complex; or using the Lot or any dwelling as a Group Home or institution of any kind.

All provisions of these Covenants and of any rules, regulations, or use restrictions promulgated pursuant hereto that govern the conduct of Owners and that provide for sanctions against Owners also apply to all occupants of any Lot.

Section 6.05 Dwellings per Lot. All Lots are restricted to one single-family Dwelling per Lot. This restriction does not prevent the inclusion of one accessory living quarters within a Dwelling or other ARC-approved structures on the same Lot for use as an independent living facility with provision for food preparation, sanitation, and sleeping, provided that: (a) the accessory living quarters must be used in conjunction with the primary residence for single family purposes only; and (b) the accessory living quarters are subordinate in size and function to the primary residence.

Accessory living quarters shall be subject to the following standards:

- a. Only one accessory living quarters shall be allowed upon a lot;
- b. Accessory living quarters can not be rented independently of the primary living quarters or used to house anyone unaffiliated with the rental group (including owners of the property, members of their family or their invited guests) during the rental of the primary living quarters; and
- c. The addition of accessory living quarters on a Lot must be approved by the ARC

Section 6.06 **Types of Dwellings Prohibited.** The construction of any type of multi-family residence, such as a condominium, duplex, triplex, apartment building, townhouse, lodging house, clubhouse, or any similar structure, is prohibited. Modular homes, mobile homes, manufactured homes, motor coaches, recreational vehicles, house trailers, travel trailers, and stand-alone basements are also prohibited for permanent Dwellings. This prohibition does not preclude use of panelized construction, characterized by wall sections or floor and roof trusses that are constructed at other sites and transported to an Owner's Lot and assembled at the building site, provided that the ARC has first approved such construction. [Manufactured and modular constructed sheds, garages, and outbuildings may be permitted on a case-by-case basis, provided they meet the other requirements for these structures and are approved by the ARC.] Also, during the construction phase of a Dwelling an Owner may temporarily place a recreational vehicle, motor coach, or travel trailer upon his or her Lot and reside in it for a maximum of one (1) year, provided that construction of the Dwelling is progressing during such occupancy.

Section 6.07 Rental. Lots and Dwellings may be rented only for private single-family residential purposes subject to the following provisions:

- a. The renting to unaffiliated individuals or groups at the same time is prohibited;
- b. Tenants are required to abide by all LMS Governing Documents;
- c. Owners are responsible for the actions of their tenants. Each Owner shall take appropriate steps and should put in place additional rules, limitations and restrictions as necessary to ensure that tenants do not conduct deleterious activities or otherwise create a nuisance to other Owners;
- d. All rules, regulations, or use restrictions of these Covenants promulgated pursuant hereto that govern the conduct of Owners and that provide for sanctions against Owners also apply to all occupants of any Lot.

Section 6.08 **Review By Architectural Committee.** The Architectural Review Committee shall exist as provided in Article VII of these Covenants. Before construction may begin, all proposed plans of Dwellings, garages, outbuildings, sheds, and other property improvements to be erected in Lone Mountain Shores must be submitted to the ARC for its approval in accordance with the LMS Governing Documents.

Section 6.09 **Drainage and Erosion Control.** No construction on any Lot may be done in such a way as to materially increase the drainage of water upon any adjoining Lot.

Section 6.10 **Fire Prevention and Control.** Houses in wooded areas are vulnerable to wildfire and careless debris burning or fireworks displays are a major cause of woodland fires. All occupants of the Property shall exercise extreme caution with all potential sources of wildfire ignition and;

- a. Any open-air fires on the Property should not be left unattended at any time.
- b. The Tennessee Department of Agriculture, Division of Forestry protects the state's forest and woodlands. Since woodland fires do occur year round, if at any time the Division of Forestry Fire Danger Rating, as delineated on the Departments official web site, is above Moderate for Eastern TN, open-air debris fires or fireworks displays are prohibited on the Property.
- c. At certain times of the year, anyone starting an open-air fire on the Property must by TN law secure a burning permit from the Division of Forestry. Members also should follow any local burning ordinances as these regulations may supersede the Division of Forestry's burning permit program.

Section 6.11 **Television, Radio and Satellite Antenna.** All antennas and satellite dishes must conform to State of Tennessee and Federal Communications Commission Over-the-Air-Reception Devices requirements. Satellite dishes and antennas should be installed so as not to present a nuisance to or block the aesthetic views of neighboring Lots.

Section 6.12 **Completion of Construction.** Exterior improvements commenced on a Lot must be executed diligently to completion and must be completed within twelve (12) months of commencement, unless the ARC grants the Owner an extension in writing. Unless the ARC has granted the Owner such an extension, if an improvement is commenced and construction is then abandoned for more than 90 days, or if construction is not completed within the required 12-month period, the Board may impose a fine on the Owner. Such charges will be a Default Assessment and subject to imposition of a lien as provided in Article IV., Section 4.08 of these Covenants.

Section 6.13 **Setbacks and Building Location.** No building or any part thereof may be erected on any Lot: (a) nearer than thirty (30) feet to any road right-of-way; (b) nearer than fifteen (15) feet to any interior Lot line; or (c) nearer than fifteen (15) feet to any rear lot line, unless the rear Lot line is the 1044 TVA Contour Line, in which case the rear set back line shall be as required by the Tennessee Valley Authority (the "TVA"). Furthermore, on all Lakefront Lots no building or other improvement may be constructed below elevation 1044 unless otherwise permitted by the TVA. A zero Lot line setback may be allowed on driveways by written approval of the ARC.

Section 6.14 **Utility Easements.** The Association has been assigned and has reserved all rights to erect and maintain all utility and electric lines, and to grant easements for utility purposes, with the right of access and ingress for the purpose of installing and maintaining such easements, structures and utility lines, including but not limited to, water, sewer, gas and cable situate thereon; on, over, and under a strip of land ten (10) feet wide along the side and rear Lot lines of each Lot and twenty (20) feet wide along the front Lot lines of each Lot, unless the rear Lot line is the 1044 TVA contour line, in which event the easement will be five (5) feet from the 1044 TVA contour line. No structures, plantings, or other materials may be placed or permitted to remain, or activities undertaken thereon, which may damage or interfere with the usage of these easements for utility purposes. No vehicles, including but not limited to recreational vehicles, cars, trucks, boats, boat trailers, utility trailers, or any other object which may impede or obstruct maintenance activities undertaken on the utility easement right-of-way may be parked or stored on the utility easement right-of-way. The areas on any Lot affected by such easements shall, except for improvements situated thereon by a public authority or utility company, be maintained by the Lot Owner.

Section 6.15 **Storage of Water Craft and Water Craft Trailers.** Each Owner may store or park no more than two water crafts, water craft trailers, or water craft and trailer combinations upon each Lot outside of a building structure, provided these water crafts are for their personal use and are stored such that they do not interfere with the maintenance of county roadways and utility easements. All other water crafts and water craft trailers must be stored inside an ARC-approved structure. Owners may not park or store any water craft or water craft trailer in any Common Area for more than 14 consecutive days. The Board, in its discretion, may either: (a) fine an Owner for violations of this restriction until the violation has been corrected; (b) remove the unpermitted water craft, water craft trailer, or water craft and trailer combination at the Owner's expense; or (c) both.

Section 6.16 **Travel Trailers, Recreational Vehicles, and Utility Trailers.** Travel trailers, recreational vehicles, or utility trailers may be utilized for security purposes or as a temporary residence during the period of construction with the approval of the ARC.

Such vehicles and tents may also be utilized as a temporary residence when an Owner visits his or her Lot or performs Lot maintenance or clearing prior to start of construction. Vehicles and tents used for such a purpose must be removed from the Lot at the conclusion of each visit.

After construction has been completed, travel trailers, recreational vehicles, utility trailers, or other trailers may be stored on a Lot provided they are not utilized as Dwellings. These vehicles must be stored inside an ARC-approved structure or such that they do not present a nuisance to, or block the aesthetic views of, another Owner and do not interfere with the maintenance of county roadways and utility easements.

Section 6.17 **Garages**. A garage may be built separately from or attached to and made a part of a Dwelling. If a garage is attached to a Dwelling it must be made of the same or similar materials and conform to the construction type of the Dwelling. If a garage is not attached to a Dwelling it must conform either to the Dwelling type or the surrounding natural area. The garage must be built at the same time or after construction of the Dwelling and must be approved by the ARC.

Section 6.18 **Outbuildings**. A separate storage building, shed, workshop, or other outbuilding may be allowed, provided that the architectural style, quality of construction, and building material of such a structure are consistent with the appearance of the Dwelling or blend with the surroundings. All outbuildings must be approved by the ARC prior to construction, and must be built at the same time or after construction of the Dwelling.

Section 6.19 **Construction Materials**. Exterior finish materials must be of natural colors and consist of wood, log, stone, fiber cement based material, stucco, brick, or vinyl to blend with the surroundings. Finish material such as white vinyl siding, aluminum, or aluminum siding are prohibited, except as used for trim, gutters, shutters, or soffits.

Section 6.20 **Foundations**. All foundations must be fully enclosed at the exterior walls with ARC approved materials. No unfinished, exposed concrete foundation or block is permitted above ground level. Exposed concrete foundation, concrete block, or other composite material used in foundations must be coated with a natural-colored material other than paint, such as stucco or stone.

Section 6.21 **No Above Ground Swimming Pools**. No above-ground swimming pools are permitted on any Lot.

Section 6.22 **No Wake Zones**. The Community docks and all coves within the boundaries of LMSOA are "No Wake" zones. Owners are required to assure guest, visitors and tenants adhere to this restriction.

Section 6.23 **Nuisances**. No noxious or offensive trade or activity may be carried on upon any Lot, nor may anything be done thereon which may be or become an annoyance or nuisance to the Property or other Owners. No substance, material, or thing may be kept upon any Lot that will emit foul or obnoxious odors or that might disturb the peace, quiet, safety, comfort, or serenity of the occupants of surrounding property. No junked or inoperative watercraft or other vehicles may be maintained outside an enclosed structure.

Section 6.24 **Pets, Livestock and Poultry**. No animals, livestock, or poultry of any kind may be kept, used, or bred on any Lot either for commercial or private purposes, with the exception of dogs, cats, or other common household pets, provided that such pets are not allowed to run at large and do not otherwise constitute a nuisance or a health or safety hazard. No more than two such pets may be kept on any Lot, and these may be kept only for the pleasure of the occupants and not for any commercial breeding uses or purposes. No structure for the care, housing, or confinement of any pet may be constructed or maintained on any part of a Lot unless first

approved by the ARC. Pets must be kept under leash or under control when walked or exercised at all times when they are outside their Owner's Lot. The Board has the right to determine, in its sole discretion, whether a particular pet is a nuisance, and has the further right, in accordance with Section 10.04 *Remedies*, to require the owner of a particular pet to remove such pet from a Lot if such pet is found to be a nuisance or found to be kept in violation of these Covenants.

Section 6.25 **Signs.** Signs may only be placed on a Lot in a form, size, and location designated by the Board. All signs must be placed at least six feet from a County roadway. No sign may be affixed to any tree or utility post. No more than three signs of all types may be placed on a Lot at any one time. Any member of the Board or the ARC has the right, in accordance with Section 10.04 *Remedies*, to remove any sign, advertisement, or other such promotional material that is being displayed in violation of these Covenants and, in so doing, may not be held liable for trespass or any other tort arising from such removal.

- a. No "for sale" sign may be larger than 800 square inches in size. No directional signs may be placed within LMS boundaries to aid in locating any Lot. Upon the sale of a Lot or home, a "Sold" sign may be displayed for a period of 14 days following the sale closing, at which time the "Sold" sign must be removed. "For sale" signs are prohibited anywhere on LMS docks.
- b. Construction-related signs may only be placed on a Lot after the related project has been approved by ARC. Such signs must be removed within 14 days after the project has been completed. Each Owner, upon having received ARC approval of an improvement project, is required to display an ARC approval sign until the project has been completed.
- c. Home protection or security alarm signs that are less than one-foot square may be placed on a Lot. A maximum of two such signs may be placed on a Lot.

Section 6.26 **Sewage Disposal.** No individual sewage disposal system will be permitted on any Lot unless it has been approved by the Claiborne County Health Department. All such systems must be maintained such that they operate in compliance with Claiborne County Health Department regulations.

Section 6.27 **Fences, Walls, and Gates.** All fences, walls, and gates must be approved by the ARC prior to construction or installation. No wall or fence will be allowed that effectively blocks another Owner's view. Fences, walls, and dog runs or other pet containment areas must be of an architectural style and quality of construction and must utilize building materials that are consistent with the appearance of the Dwelling or the surrounding natural area. Chain link, PVC pipe, and wire, alone, are not permitted for fences or pet containment areas. However, chain link or wire is acceptable for a pet containment area if integrated into another acceptable fence material (e.g., split-rail fencing) that has been approved by the ARC. Any exposed concrete foundation, plain or un-faced concrete block, or other composite material used in walls and fences must be coated with a natural-colored material other than paint, such as stucco or stone.

Section 6.28 **No Further Subdivision of Lots Owned by Owners.** No originally platted Lots may be subdivided or divided in any manner.

Section 6.29 **Combining Platted Lots.** Combining two or more adjacent Lots owned by a common Owner to create one Lot will be permitted. In that case, all setback lines and easements, as described in Sections 6.11 and 6.12, will apply to the newly formed Lot, and future Assessments and Owner's rights will apply to the combined Lots as one Lot. An Owner may divide two or more Lots that have been combined into a single Lot, provided that: (a) such division is done so that the Lots have the same boundaries they did before they were combined:

and (b) each Lot, including any improvements thereon, continues to meet ARC requirements after the division.

Section 6.30 **Shoreline Protection and Use; No Public Boat Ramps.** An Owner desiring to install riprap or to make an improvement below the 1044 foot elevation adjacent to their Lot (*e.g.*, by installing a dock, steps, fence, outbuilding or other improvement near the shoreline) is required to follow the TVA rules and to obtain the approval of the TVA and the U.S. Army Corps of Engineers. The installation of boat ramps for public use is prohibited on an individual Owner's Lot.

Section 6.31 **Alternative Energy Devices.** An Owner may install alternative energy devices, such as solar panels or backup generators, provided they do not present a nuisance to, or interfere with, the views of another Owner.

ARTICLE VII ARCHITECTURAL REVIEW COMMITTEE

Section 7.01 **Creation of ARC and Purpose.** There is hereby established an Architectural Review Committee (the "ARC"), which shall be responsible for the administration of the Architectural Review Guidelines. The ARC shall review, study, and either approve (with or without conditions) or reject proposed improvements on a Lot, all in compliance with these Covenants and as further set forth in the Architectural Guidelines, as adopted from time to time by the ARC and approved by the Board.

Section 7.02 **Duties of ARC.**

7.02.1 The ARC shall exercise its best judgment to (a) see that all improvements conform and harmonize with any existing structures as to external design and quality, and (b) examine and approve or disapprove any and all proposed improvements for a building site within Lone Mountain Shores, including but not limited to: construction of Dwellings, garages, outbuildings, or any other buildings; construction or installation of sheds, sidewalks, steps, driveways, parking lots, decks, greenhouses, playhouses, awnings, walls, fences, alternative energy devices, rip-rap, exterior lights, any exterior addition, change, or alteration to existing structures, or major excavation and the shaping of land. Additionally, ARC approval must be obtained for dredging and fill operations, clearing of vegetation, or any minor excavation that has the potential to affect drainage. This does not include normal mowing, trimming, or brush or tree removal for the maintenance of a property, but refers to lot or area clearing that has the potential to create an erosion or fire hazard risk.

7.02.2 No improvements may be erected, placed, or altered on any Lot, nor may any construction be commenced until the plans for such improvements have been approved by the ARC; provided, however, that improvements and alterations which are completely within a building may be undertaken without such approval.

7.02.3 The decisions of the ARC, including approval of plans, approval of plans with conditions, or disapproval of plans, or with respect to any other matter before it, shall be conclusive and binding on all interested parties, subject to appeal pursuant to the appeal process established by the Board.

Section 7.03 **Organization and Operations of the ARC.**

7.03.1 Membership. The ARC shall be composed of up to five, but not less than three, members (each an “**ARC Member**”). One ARC Member, who will also serve as the ARC Liaison on the Board, will be elected by vote of the Owners. The remaining ARC Members will be appointed by the Board. All ARC Members must be and remain Owners in good standing with the LMSOA.

7.03.2 **Term.** The regular term of office for each ARC Member will be two (2) years, commencing on January 1. Any ARC Member appointed by the Board may be removed with or without cause by the Board at any time by written notice to such Member. The Board will appoint a successor to fill any such vacancy for the remainder of the removed Member’s term.

7.03.3 **Positions on the ARC.** The Board will appoint an ARC Member to serve as Chairperson. The ARC will then select a Vice-Chairperson and Secretary at its first meeting each year.

7.03.4 **Expert Consultation.** The ARC may avail itself of technical and professional advice and consultants as it deems appropriate.

Section 7.04 **Expenses.** Except as provided below, all expenses of the ARC shall be paid by the Association. The ARC shall have the right to charge a fee for each application submitted to it for review in an amount which may be established by the ARC from time to time, and such fees shall be collected by the ARC and remitted to the Association to help defray the expenses of ARC operations, including the use of expert consultants.

Section 7.05 **Architectural Guidelines.** The Architectural Guidelines are subject to the approval of the Board and may not be inconsistent with these Covenants, but shall more specifically define and describe the design standards for Lone Mountain Shores and the various uses permitted within Lone Mountain Shores. The Architectural Guidelines may be modified or amended from time to time by the ARC subject to Board approval.

ARTICLE VIII MAINTENANCE

Section 8.01 **Association's Responsibility.** The Association shall maintain and keep in good repair Association road signs and areas within the Common Area.

Section 8.02 **Owner's Responsibility.** Each Owner shall maintain and keep in good repair their Lot and any improvements thereon. Except as is provided otherwise in the LMS Governing Documents or by written agreement with the Association, maintenance of the Lots and all improvements thereon is the sole responsibility of the Owner thereof, who shall maintain said Lot in accordance with community-wide standards of the Association. The Association may, at the direction of the Board, assume the maintenance responsibility of an Owner or take other action in accordance with Section 10.04 *Remedies* if, in the opinion of the Board, the level and quality of maintenance being provided by the Owner is deemed to be insufficient. Before assuming such maintenance responsibilities, the Board shall notify the Owner in writing of the Board's intention to do so, and if such Owner has not commenced and diligently pursued remedial action within thirty (30) days after the mailing of such notice, then the Board may proceed. The expenses of such maintenance by the Association shall be reimbursed to the Association by the Owner, together with interest at five percent (5%) per annum above the prime rate charged by the Association's principal bank, or such other rate as may be set by the Board, from the date of expenditure. Such charges shall be a Default Assessment and subject to a lien on the Lot as provided in Section 4.07 above.

ARTICLE IX DAMAGE OR DESTRUCTION

Damage or Destruction Affecting Lots. If improvements located on any Lot are destroyed or suffer any material external damage, the Owner thereof shall repair or restore the damaged improvements or return the property to its unimproved state. If such repair or restoration is not commenced within one hundred twenty days (120) from the date of such damage or destruction, or if repair and reconstruction is commenced but then abandoned, then the Association, after providing written notice to the Owner of his failure to repair the damage, may impose a fine of ONE HUNDRED (\$100.00) DOLLARS per day on the Owner of the Lot, or such lesser amount as the Board may, in its discretion, determine, until repair and reconstruction is commenced, unless the Owner proves to the satisfaction of the Association that such failure is due to circumstances beyond the Owner's control. Such a fine shall be a Default Assessment and subject to a lien against the Lot as provided in Section 4.07 above.

ARTICLE X ENFORCEMENT OF LMS GOVERNING DOCUMENTS

Section 10.01 **Violations Deemed a Nuisance.** Every violation of any of the LMS Governing Documents is deemed to be a nuisance and is subject to all the remedies provided for the abatement of the violation. In addition, all public and private remedies allowed by law or in equity against anyone in violation of the LMS Governing Documents shall be available to the Association.

Section 10.02 **Compliance.** Each Owner or other occupant of any Lot shall comply with the provisions of the LMS Governing Documents as the same may be amended from time to time.

Section 10.03 **Failure to Comply.** Failure to comply with the LMS Governing Documents shall be grounds for an action by the Association to recover damages or for injunctive relief to cause any such violation to be remedied, or both. Reasonable notice and an opportunity for a hearing before the Board shall be given to the delinquent party prior to commencing any legal proceedings.

Section 10.04 **Remedies.** In addition to the remedies set forth above, any violation of the LMS Governing Documents gives the Board or an Officer, on behalf of the Association, the right to enter upon the offending Owner's Lot and take appropriate peaceful action to abate, remove, modify, or replace at the expense of the offending Owner, any structure, thing, or condition that may exist on the Owner's Lot in violation of the LMS Governing Documents. If the violation affects any part of the Common Area, the corrective action shall be at the expense of the Owner or other person responsible for the offending condition.

Section 10.05 **Non-Exclusive Remedies.** All of the remedies set forth herein are cumulative and non-exclusive.

Section 10.06 **No Liability.** No member of the Board, Officer, or member of the ARC will be liable to an Owner for the failure to enforce any provision of the LMS Governing Documents.

Section 10.07 **No Waiver.** The failure of the Board, the ARC, an Officer, or any aggrieved Owner to enforce any provision of the LMS Governing Documents is not to be deemed a waiver of the right to do so for any subsequent violations or of the right to enforce any other part of the LMS Governing Documents in the future. No waiver will be effective unless it is in writing and signed by the President or Vice President on behalf of the Association, or by the Chairman of the ARC on behalf of the ARC.

ARTICLE XI DURATION OF COVENANTS AND AMENDMENT

Section 11.01 **Term.** These Covenants shall run with and bind each Lot and the Property, and shall inure to the benefit of and be enforceable by the Association or an Owner, their respective legal representatives, heirs, successors, and assigns for a term of twenty (20) years from the date these Covenants were recorded, after which time the Covenants shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by a majority of the then Owners, has been recorded within the year preceding the beginning of a particular 10-year extension, agreeing to terminate the Covenants.

Section 11.02 **Amendment.** These Covenants may be materially amended only by a unanimous vote of the Board and the affirmative vote of fifty- five percent (55%) of the Owners voting by absentee ballot. Any approved amendment must be recorded in the Office of the Register of Deeds for Claiborne County, Tennessee.

Section 11.03 **Effective on Recording.** Any amendment of these Covenants will be effective immediately upon recording in the Office of the Register of Deeds for Claiborne County, Tennessee, together with a duly authenticated Certificate of the Secretary of the Association stating that the required percentage of Owner consents was obtained and are on file in the office of the Association.

ARTICLE XII PRINCIPLES OF INTERPRETATION

Section 12.01 **Severability**. These Covenants, to the extent possible, shall be construed or reformed to give validity to all of their provisions. Any provision of these Covenants found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceable without invalidating any other part hereof.

Section 12.02 **Construction**. In interpreting these Covenants, unless the context otherwise provides or requires, the singular includes the plural, the plural includes the singular, and the use of either gender includes both genders.

Section 12.03 **Headings**. Headings herein are included for purpose of convenient reference, and they do not affect the meaning or interpretation of these Covenants.

Section 12.04 **Conflict between Documents**. In case of any conflict between these Covenants and the By-Laws these Covenants shall control. In case of any conflict between these Covenants and the Architectural Guidelines, these Covenants shall control.

ARTICLE XIII MISCELLANEOUS PROVISIONS

Section 13.01 **Registration of Mailing Address**. Each Member shall register his current mailing address with the Secretary of the Association, and notices or demands intended to be served upon or given to a Member shall be personally delivered or sent by mail, postage prepaid, addressed in the name of the Member at such registered mailing address.

Section 13.02 **Notice**. All notices and requests referred to in these Covenants shall be in writing. Notice to any Member will be considered delivered and effective upon personal delivery or three days after posting, when sent by certified mail, return receipt requested, to the address of such Member on file in the record of the Association at the time of such mailing. Notice to the Board, the Association, or the ARC will be considered delivered and effective upon personal delivery or three days after posting, when sent by certified mail, return receipt requested, to the Association, the Board, or the ARC at such address as is established by the Association from time to time by notice to Members. General notices to all Members or any subgroup thereof need not be certified, but may be sent by regular first class mail, postage prepaid, and will be considered delivered and effective five days after posting.

Section 13.03 **Waiver of Notice**. Whenever notice is required to be given under the provisions of any statute or these Covenants, a waiver thereof in writing signed by the person entitled to such notice, whether signed before or after the date stated thereon, and delivered to the Secretary of the Association and included in the minutes or corporate records, shall be deemed equivalent thereto. No such waiver will be effective unless it is in writing and signed by the President or Vice President on behalf of the Association, or by the Chairman of the ARC on behalf of the ARC.

Section 13.04 **Limitation of Liability and Indemnification**. The Association shall indemnify every Board member, Committee member, and Officer against any and all judgments and

expenses, including trial and appellate attorney's fees and costs reasonably incurred by or imposed upon any Board member, Committee member, or Officer in connection with any action, suit, or other proceeding (including the settlement of any suit or proceeding if approved by the Board) to which he or she may be party by reason of being or having been a Board member, Committee member, or Officer. Board members, Committee members, and Officers are not liable for any mistake of judgment, negligent or otherwise, except for their own willful malfeasance, misconduct, or bad faith. Board members, Committee members, and Officers have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent of that such Board member, Committee member, or Officer is also an Association Member), and the Association shall indemnify and forever hold each such Board member, Committee member, or Officer free from and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein is not exclusive of any other rights to which a Board member, Committee member, or Officer may be entitled. With respect to claims or liabilities arising out of service as a Board member, Committee member, or Officer, the Association shall indemnify and advance expenses to each such present and future Board member, Committee member, or Officer (and his or her estate, heirs, and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

By signing below the duly elected representative(s) of Lone Mountain Shores Owners Association, Inc. affirm that the Material Changes to this document were approved by unanimous vote of the Board and the affirmative vote of fifty- five percent (55%) of the Owners voting by absentee ballot.

IN WITNESS WHEREOF, the said Lone Mountain Shores Owners Association, Inc., hereinbefore known as Declarant, has hereunto caused these presents to be executed on this the 12th day of August, 2013.

LONE MOUNTAIN SHORES OWNERS
ASSOCIATION, INC.
BY: David A. Kennedy

STATE OF TENNESSEE:
COUNTY OF CLAIBORNE:

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, as aforesaid, Donald N. McNeal and David A. Kennedy with whom I am personally acquainted, who proved to me by satisfactory evidence of identity, and who, upon oath, acknowledged himself/herself to be the President and Vice President for Lone Mountain Shores Owners Association, Inc., the within named bargainer, and that as such, he/she has been authorized to execute the foregoing instrument on behalf of said corporation for the purposes therein contained, by signing the name of the corporation by himself/herself as such President and Vice President.

WITNESS my hand and official seal at office this the 12th day of August, 2013.

Anita Kaye Brown

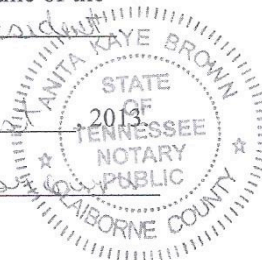


EXHIBIT "A"

Exhibit "A"

DESCRIPTION OF PROPERTY

SITUATED in District No, Three (3) of Claiborne County, Tennessee and further described as follows:

BEING a portion of Tract No. 7031, as shown in Quitclaim Deed dated July 24, 1995, from Morris Lake Development, Inc. to Grantor (Lone Mountain Development, LLC), recorded in W/D Book 231, Pages 213—217, Register of Deed's Office, Claiborne County, Tennessee and further described as follows:

BEING a parcel of land, containing 206.443 acres by Survey of William L. Parsons, RLS #1172, dated 9—13—96 and recorded in Plat Book 3, Page 70, Register's Office, Tazewell, Tennessee. THERE IS ALSO GRANTED herewith the right of ingress and egress from the waters of Norris Lake over and upon the adjoining land lying between the 1044 contour elevation and the waters of the Lake.

Being Parcel 1.01 on Tax Map 133. (Portions herein Excepted THERE IS EXCEPTED from the foregoing parcel the following three tracts:

1. A Lot known as Lot 6 on an unrecorded survey of Norris Landings Unit I as prepared by William L. Parsons, Tennessee RLS No. 1172, dated March 31, 1997; and also known as Lot 30 on an unrecorded survey labeled Lone Mountain Shores Phase II, dated 5/14/98 and revised 5/27/98 and described as follows; BEGINNING at a point on the south side of Rock-

fish Point, then S. 84° 06' 52" E. 210.54 feet; S. 11° 03' 04" W. 46.73 feet; S. 83° 30' 30" W. 72.29 feet; S. 8° 41' 55" W. 98.61 feet; S. 27° 29' 04" W. 40.17 feet; N. 62° 17' 58" W. 24.26 feet; N. 59° 16' 34" W. 31.52 feet; N. 35° 40' 41" W. 269.86 feet; and N. 62° 54' 13" E. 55.88 feet to

the point of beginning, and being the property which Lone Mountain Shores, LLC, conveyed to George L. Evans, III, by warranty deed, dated May 21, 1998, recorded in W/D Book 248, Pages 692—698, Register's Office of Claiborne County, Tennessee.

2. A Lot known as Lot No. 32 on an unrecorded survey

labeled Lone Mountain Shores Phase II, dated 5/14/98, revised 5/27/98;

and described as follows: BEGINNING at a

point on the south side of Rockfish Point, then S. 46°

27'30" E. 76.75 feet; S. 29° 50' 15" W. 25.61 feet; S.

20° 27' 52" W. 85.50 feet; S. 11° 18' 12" W. 54.74 feet;

S. 31° 35' 54" E. 51.61 feet; N. 75° 06' 21" W. 168.60

feet; N. 27° 41' 48" E., 27.67 feet? N. 27° 41' 40" E. 12.82

feet; N. 28° 59' 35" E. 74.82 feet; N. 24° 52' 46" E. 67.76

feet; N. 30° 06' 19" E. 39.65 feet; N. 62° 19' 19" E. 32.26

feet to the point of beginning, containing 0.555 acres.

3. A Lot known as Lot 42 on an unrecorded survey labeled

Lone Mountain Shores Phase II; and described as follows:

BEGINNING at a point on the south side of Mallard Road,

then S. 14° 21' 46" E. 98.87 feet; S. 2° 19' 19" E. 294.75

feet; S. 64° 52' 21" W. 37.03 feet; S. 46° 31' 14" W. 35.80

feet; S. 48° 46' 43" W. 43.36 feet; S. 79° 02' 07" W. 45.45

feet; N. 43° 49' 39" W. 38.64 feet; N. 84° 25' 14" W. 46.63

feet; N. 6° 04' 41" W. 31.94 feet; N. 8° 01' 54" E. 21.61

feet; N. 27° 40' 05" E. 44.52 feet; N. 19° 40' 05" E. 22.53

feet; N. 23° 31' 14" W. 237.07 feet? N. 65° 34' 33" E.

44.34 feet; N. 55° 54' 54" E. 50.25 feet; N. 51° 49' 19" E.

29'10 feet; N. 56° 06' 47" E. 20.53 feet; N. 73° 15' 50" E.

20.88 feet; N. 83° 09' 38" E. 57.19 feet; N. 69° 30' 04" E.

44.26 feet to the point of beginning, containing 2.014 acre)

BK 1059 PG 15

The property herein conveyed is a portion of the property which Lone Mountain Shores, LLC

acquired by warranty deed, dated October 7, 1996, from Lone Mountain Development, LLC,

recorded in Warranty Deed Deck 230, Pages 547—550, in the Register's office of Claiborne

County, Tennessee.

Subject to all covenants, rights of way, easements, reservations, restrictions, conditions,

exceptions, and limitations of record, including rights of ingress and egress for the maintenance

of cemeteries, and especially as set out in Deed Book 89, Page 400, in the Register's Office of

Claiborne County, Tennessee.

Subject to the Grant of the/Transmission Line Easement to the United

States of America by deed dated September 30, 1970, recorded in Misc.

Book 22, Page 168, in the Claiborne County Register's Office.

“Exhibit B”

STATE OF TENNESSEE

COUNTY OF CLAIBORNE

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS

FOR LONE MOUNTAIN SHORES is made this 8th day of February, 1999, by

Tennessee lone mountain shores, corp., a Tennessee Corporation

(hereinafter referred to as the “Declarant”)

WITNES SETH:

WHEREAS, Declarant is the owner of Certain real property located in the County of Claiborne, State of Tennessee, containing 1101.439 acres, more or less; and

WHEREAS, Declarant has previously developed a tract of land of (206.4432) acres, known at; Lone Mountain Shores, Phase II and IIA as recorded in Plat Cabinet 3, Slide 70 and Plat Cabinet 3, Slide 142 and Plat Cabinet 3, . Slide 154 and which the Declarant received title thereto by that Warranty Deed recorded in Warranty Deed Book 249, Page 354 and

that Deed of Correction in Warranty Deed Book 250, Page 542, all in the Register of Deeds’ Office of Claiborne County, Tennessee, and for which Restrictions on said property were recorded in Miscellaneous Book 54, Page 274; and

WHEREAS, Declarant intends to develop the property described in Exhibit A which is attached to this Declaration as a subdivision known as “LONE MOUNTAIN SHORES PHASE III” (hereinafter referred to as the property, which is more fully described in Exhibit “A” attached hereto and incorporated herein by reference)

WHEREAS, the original Restrictions on the (206.4432) acres, as described in Miscellaneous Book 54, Page 274 contained a clause that provided that the Declarant may include additional properties in Lone Mountain Shores and Declarant reserved the right to make such

Declaration; and

WHEREAS, the said original Declaration of Covenants, Restrictions and Easements as described above were amended by that Declaration dated January 14, 1999 and recorded in Record Book 1003, Page 123; and

WHEREAS, it is the desire and the intent of the Declarant to subject that property of 1101.439 acres, more or less as described in Warranty Deed Book 250, Page 117 and Deed of Correction Book 250, Page 554 in the Register of Deeds' Office of Claiborne County, Tennessee, to the same Declaration of Covenants, Restrictions and Easements and the Amended Declaration of Covenants, Restrictions and Easements for Lone Mountain Shores as described above.

NOW, THEREFORE, Declarant hereby declares that the property which is described in Exhibit "A" and any property hereafter made subject hereto as hereinafter provided shall be held, transferred, sold, conveyed, leased, occupied and used subject to the Easements, Restrictions, Covenants, Charges, Liens and Conditions which are for the purpose of protecting the value and desirability of the property of the property, and which shall touch and concern and run with title to the property. Said Declaration of Covenants, Conditions, Restrictions and Easements and Amended Declaration of Covenants, Conditions, Restrictions and Easements for Lone Mountain Shores are attached to this Declaration as Exhibit "B" and "C" and are incorporated herein by reference. The Covenants and provisions hereof shall be binding on parties having any right, title or interest in the property or any portion thereof, and their respective heirs, successors, successors in title and assigns, and shall inure to the benefit of each owner thereof.

IN WITNESS WHEREOF, the said Tennessee Lone Mt. Shores, Corp., hereinbefore known as Declarant, has hereinto caused these presents to be executed on this the 8th day of February, 1999.

TENNESSEE LONE MT. SHORES CORP.

BY

Michael T. Emmons, Vice president

STATE OF TENNESSEE:

COUNTY OF CLAIBORNE:

Personally appeared before me, the undersigned authority, a Notary Public in and for said County and State, as aforesaid, Michael T. Emmons, with whom I am personally acquainted, who proved to me by satisfactory evidence at identity, and who, upon oath acknowledged himself to be the Vice President for Tennessee Lone Mt. Shores, Corp., the within named bargainer, and that as such/ he has been authorized to execute the foregoing instrument on behalf of said corporation for the purposes therein contained, by signing the name of the corporation by himself as such Vice President.

WITNESS my hand and official seal at office this the 8th day of February, 1999.

My commission expires: Sept. 19, 2001

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

Situated in District No. Three (3) of Claiborne County, Tennessee, and more particularly described as follows:

All of that certain tract of land consisting of 1,101.49 Acres as shown on a Survey, dated August 28, 1998, by William L. Parsons, RLS # 1172, signed 12-3-98, entitled Lone Mountain Shores, for Tennessee Lone ML Shores Corp., and recorded in Plat Book 3, Page 156, in the Registers Office of Claiborne County, Tennessee.

This being the same property which Tennessee Lone Mt. Shores Corp. acquired by Deed of Correction, dated August 26, 1998, between Lone Mountain Development, LLC, Red Creek Ranch, Inc. and Tennessee Lone Mt. Shores Corp., recorded in Warranty Deed Book 250, Pages 554-561, Registers Office of Claiborne County, Tennessee.

Also, conveyed and included are those Rights of Way described in Warranty Deed Book 250, Page 562; Warranty Deed Book 249 page 292; and Warranty Deed Book 250 page 550; and Warranty Deed Book 1001, Page 161.

STATE OF TENNESSEE:

COUNTY OF CLAIBORNE:

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR LONE MOUNTAIN SHORES is made this the 18th day of October, 1999, by TENNESSEE LONE MOUNTAIN SHORES CORP., a Tennessee Corporation (hereinafter referred to as the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in the County of Claiborne, State of Tennessee, containing 110 1.434 acres, more or less; and

WHEREAS, the Declarant has previously developed a tract of land of (206.4432) acres, known as Lone Mountain Shores, Phase II and IIA as recorded in Plat Cabinet 3, Slide 70 and Plat Cabinet 3,

Slidel42, and Plat Cabinet 3, Slidel54 and which the Declarant received title thereto by that Warranty

Deed recorded in Warranty Deed Book 249, Page 354 and that Deed of Correction in Warranty Deed

Book 250, Page 542, all in the Register of Deeds' Office of Claiborne County, Tennessee, and for

which

Restrictions on said property were recorded in Miscellaneous Book 54, Page 274; and WHEREAS, the Declarant has developed a portion of the 1101.439 acres described herein into various phases known as Lone Mountain Shores, Phase III which is shown on Plat 3, Slide 167; Phase IIIA- Plat 3, Slide 180; Phase IIIB-Plat 3, Slide 187; and Phase IIIC-Plat 3, Slide 190. The Declaration of Restrictions for the entire 1101.439 acres and the various phases of Phase III were recorded in Record Book 1005, Pages 633-654; and

WHEREAS, the original restrictions as described in Miscellaneous Book 54, Page 274 contained a clause that provided that the Declarant may include additional properties in Lone Mountain Shores as subject to the covenants, conditions, restrictions, and easements as described therein and the Declarant reserved the right to make such declaration; and

WHEREAS, the said original Declaration of Covenants, Restrictions, Conditions, and Easements as described above were amended by that Declaration dated 1999, and recorded in Record Book 1003, Page 123; and

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WHEREAS, it is the desire and the intent of the Declarant to reaffirm and declare that all the Lots which shall be subject to Phase V and any subsequent further subdivisions included as part of

Phase V and which is a portion of the 1101.439 acres, more or less as described in Wananty Deed Book

250, Page 117, and Deed of Correction Book 250, Page 554, in the Register of Deeds' Office of Claiborne County, Tennessee, to the same Declaration of Covenants, Conditions, Restrictions, and

Easements and the amended Declaration of Covenants, Conditions, Restrictions, and Easements for

Lone Mountain Shores as described above.

NOW, THEREFORE, Declarant hereby declares that the property which is known as Phase V and any subsequent divisions which may be a part of Phase V or any property hereafter made subject hereto as hereinafter provided shall be held, transfened, sold , conveyed, leased, occupied, and used subject to the Easements, Restrictions, Covenants, Charges, Liens, and Conditions which are for the purpose of protecting the value and desirability of the property, and which shall touch and concern and run with the title to the property. Said Declaration of Covenants, Conditions,

Restrictions, and Easements and Amended Declaration of Covenants, Conditions, Restrictions, and Easements for Lone Mountain Shores are attached to this Declaration as Exhibit 'A' and "B" and are incorporated herein by reference. The declaration for the 1101.439 acres as described above is also attached to the document as Exhibit "C". The Covenants and provisions shall be binding on parties having any right, title or interest in the property or any portion thereof, and the respective heirs, successors, successors in title and assigns and shall inure to the benefit of each owner thereof.

Furthermore, the first portion of Phase V is recorded in Plat Cabinet

Slide _____

IN WITNESS WHEREOF, the said Tennessee Lone Mt. Shores, Corp., hereinbefore known as Declarant, has hereinto caused these presents to be executed on this the 18th day of October, 1999.

TENNESSEE LONE MT. SHORES CORP.

STATE OF TENNESSEE:

COUNTY OF CLAIBORNE:

Before me, the undersigned authority, personally appeared Michael T. Emmons, with whom I am personally acquainted, and who, upon oath acknowledged himself to be the Vice President of the Tennessee Lone Mt. Shores Corp., the within named bargainer, a corporation, and that he as such Vice President, being authorized so to do, executed the foregoing instrument for purposes therein contained, by signing the name of the corporation by himself as Vice President.

Witness my hand and official seal, at office Tazewell, TN, this the 18th day of October, 1999.

My commission expires: Sept. 19, 2001

EXHIBIT "D"

STATE OF TENNESSEE:

COUNTY OF CLAIBORNE:

AMENDED DECLARATION OF COVENANTS, CONDITIONS,

RESTRICTIONS, AND EASEMENTS FOR LONE MOUNTAIN SHORES

THIS AMENDED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR LONE MOUNTAIN SHORES is made this the 18th day of October 1999, by

TENNESSEE LONE MT. SHORES

CORP., a Tennessee Corporation (hereinafter referred to as the "Declarant").

WITNESSETH:

WHEREAS, Declarant executed and recorded a Declaration of Covenants, Conditions, Restrictions, and Easements for Lone Mountain Shores and which was recorded in Plat Book 3, Page

142, and Miscellaneous Book 54, Page 274, in the Register of Deed's Office of Claiborne County, Tennessee. Said Declaration referred to a parcel, of land containing 260.443 acres, by survey of William

L. Parsons. Subsequently, said tract of land was subdivided into Phase II and Phase hA of Lone Mountain Shores. Phase II subdivision was shown on Plat 3, Slide 142 and was known as Lots 24-63.

Phase hA was subdivided into Lots 64-92 and was shown on Plat 3, Slide 154.

WHEREAS, Article XI and section 11,02(b) provided that the Declarant may materially amend the Covenants contained therein.

Furthermore, Declarant reserved the right to include additional properties in Lone Mountain Shores and to impose the same Covenants, Conditions, Restrictions, and Easements against the additional property.

Thereafter, Tennessee Lone Mt. Shores Corp., purchased 1,101.49 acres as shown by William L. Parsons which was contiguous to the previously described property.

Thereafter, Tennessee Lone Mt. Shores Corp., as Declarant executed a Declaration of Covenants, Conditions, Restrictions, and Easements for the 1,101.49 acres as described above. Said property has been divided previously into Phase III as recorded in Plat 3, Slide 167 for Lots 93-127; Phase IIA as shown on Plat 3, Slide 180 into Lots 128-162; Phase IIIB as shown on Plat 3, Slide 187 for Lots 163- 191A; Phase IIIC as shown on Plat 3, Slide 190 for Lots 226-231 and Phase V as shown on Plat 3, Slide

192 for Lots 299-335. The protective and restrictive covenants described in this paragraph are recorded in Record Book 1005, Page 63 3-654 and again in Record Book 1024, Page 500-524.

It is the desire and intent of the Declarant as reserved in the original Declaration of Covenants, Conditions, Restrictions, and Easements to amend Article VI section 6.01 and 6.02. Specifically, section

6.01 provides for minimum residential size restrictions for Lots 24-63 of Lone Mountain Shores, Phase

II and section 6.02 provides for minimum residential size restrictions for all interior Lots which are not

Lots 24-63 of Lone Mountain Shores, Phase II.

The Declarant amends the restrictions to make it clear that the restrictions described in section 6.01 shall apply to all lake front parcels which are contained in Phase II, III, and Phase V.

Furthermore, said restrictions shall apply to any future development of Lone Mountain Shores of lakefront parcels. It is intended by these restrictions that all lakefront parcels in any Phase of development of Lone Mountain Shores shall be subject to the restrictions contained in Article VI,

Section 6.01.

Furthermore, Article VI, Section 6.02 is amended to include all Lots of Lone Mountain Shores which are not lakefront parcels. As of the execution of this amendment to restrictions said Lots include Lots 64-92 of Phase hA; Lots 93-127 of Phase III; Lots 128-162 of Phase IIIA; Lots 163-191A of Phase IIIB; Lots 226-231 of Phase IIIC. Furthermore, it is the intent of the Declarant that all future phases and developments within Lone Mountain Shores of Lots which are not lakefront Lots shall be subject to the same minimum residential size restrictions as shown in Article VI, Section 6.02.

Furthermore, in the event any other provision of the original Declaration of Covenants, Conditions, Restrictions, and Easements for Lone Mountain Shores is unclear or vague as to the intent to restrict all Phases of Lone Mountain Shores, it is hereby declared by the Declarant that it is the intent that all phases of Lone Mountain Shores are subject to all of the same Conditions and Restrictions as described therein.

Furthermore, any and all amendments to the original Declaration of Covenants, Conditions, Restrictions, and Easements for Lone Mountain Shores shall also apply to all phases of the Lone Mountain Shores development.

IN WITNESS WHEREOF, the said Tennessee Lone Mt. Shores Corp., herein before known as Declarant, has hereunto caused these presents to be executed on this the 18th day of October, 1999.

TENNESSEE LONE MT. SHORES CORP.

MICHAEL T. MONS, VICE PRESIDENT

STATE OF TENNESSEE:

COUNTY OF CLAIBORNE:

Before me, the undersigned authority, personally appeared Michael T. Emmons, with whom I am personally acquainted, and who, upon oath acknowledged himself to be the Vice President of Tennessee Lone Mt. Shores Corp., the within named bargainer, a corporation, and that he as such Vice President, being authorized so to do, executed the foregoing instrument for purposes therein contained, by signing the name of the corporation by himself as Vice President.

Witness my hand and official seal, at office in Tazewell, Tennessee, this the 18th day of October, 1999.

My commission expires: Sept. 19, 2001

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PHASE IV

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND

EASEMENTS FOR LONE MOUNTAIN SHORES is made this the 27th day of

November, 1999, by TENNESSEE LONE Mountain SHORES CORP., a Tennessee

Corporation (hereinafter referred to as the "Declarant").

WITNESSETH:

WHEREAS, Declarant is the owner of certain real property located in the County of Claiborne, State of Tennessee, containing 1101.439 acres, more or less; and WHEREAS, as the Declarant has previously developed a tract of land of (206.4432) acres, known as Lone Mountain Shores, Phase II and IIA as recorded in Plat Cabinet 3, Slide 70 and Plat Cabinet 3, Slide 142, and Plat Cabinet 3, Slide 154 and which the Declarant received title thereto by the Warranty Deed recorded in Warranty Deed Book 249, Page 354 and the Deed of Correction in Warranty Deed Book 250, Page 542, all in the Register of Deeds office of Claiborne County, Tennessee, and for which Restrictions on said property were recorded in Miscellaneous Book 54, Page 274; and

WHEREAS, the Declarant has developed a portion of the 1101.439 acres described herein into various phases known as Lone Mountain Shores, Phase III which is shown on plat 3, Slide 167; Phase IIIA-Plat 3, Slide ISO; Phase IIIB-Plat 3, Slide 187; and Phase IIIC-Plat3, Slide 190. The Declaration of Restrictions for the entire 1101.439 acres and the various phases of Phase III were recorded in Record Book 1005, Pages 633-654; and WHEREAS, the Declarant has also developed a portion of the 1101.439 acres into a Phase

known as Lone Mountain Shores, Phase V which is shown on Plat 3, Slide 192. The Declaration of Restrictions for Phase V was recorded in Record Book 1024, Pages 500-524; and

WHEREAS, the original restrictions as described in Miscellaneous Book 54, Page 274 contained a clause that provided that the Declarant may include additional properties in Lone Mountain Shores as subject to the covenants, conditions, restrictions, and easements as described therein and the Declarant reserved the right to make such declaration; and

WHEREAS, the said original Declaration of Covenants, Restrictions, Conditions, and Easements as described above were amended by that Declaration dated January 14, 1999, and recorded in Record Book 1003, Page 123; and

WHEREAS, the said original Declaration of Covenants, Restrictions, Conditions, and Easements as described above were also amended by an Amended Declaration dated October 18, 1999, and recorded in Record Book 1024, Page 609; and

WHEREAS, it is the desire and the intent of the Declarant to reaffirm and declare that all the Lots which shall be subject to Phase IV and any subsequent further subdivisions included as part of Phase IV and which is a portion of the 1101.439 acres more or less as described in Warranty Deed Book 250, Page 117, and Deed of Correction Book 250, Page 554, in the Register of Deeds' Office of Claiborne County, Tennessee, to the same Declaration of Covenants, Conditions, Restrictions, and Easements and the amended declaration of Covenants, Conditions Restrictions, and Easements for Lone Mountain Shores as described above. NOW, THEREFORE, Declarant hereby declares that the property which is

known as Phase IV and any subsequent divisions which may be a part of Phase IV or any property hereafter made subject hereto as hereinafter provided shall be held, transferred, sold, conveyed, leased, occupied, and used subject to the Easements, Restrictions, Covenants, Charges, Liens, and Conditions which are for the purpose of protecting the value and desirability of the property, and which shall touch and concern and run with the title to the property, Said Declaration of Covenants, Conditions, Restrictions, and Easements and Amended Declaration of Covenants, Conditions, Restrictions, and Easements for Lone Mountain Shores are attached to this Declaration as Exhibit "A" and "B" and are incorporated herein by reference. The declaration for the 110 1.439 acres as described above is also attached to the document as Exhibit "C". The amended declarations as described above is attached as Exhibit "D". The Covenants, Conditions, Restrictions, and Easements shall be binding on parties having any right, title or interest in the property or any portion thereof, and the respective heirs, successors, successors and title, and assigns and shall inure to the benefit of each owner thereof.

Furthermore, the Plat for Phase IV is recorded in Plat Cabinet 3, Slide 202. in WITNESS WHEREOF, the said Tennessee Lone Mt. Shores Corp.,

hereinbefore known as Declarant, has hereinto caused these presents to be executed on this the 27th day of November, 1999.

TENNESSEE LONE MT. SHORES CORP.

BY: 7

Vice President

BK 1027 PG 619

BK 1059 PG 31

STATE OF TENNESSEE:

COUNTY OF CLAIBORNE:

Before me, the undersigned authority, personally appeared Michael T. Emmons, with whom I am personally acquainted, and who, upon oath acknowledged himself to be the Vice President of the Tennessee Lone Mt. Shores Corp., the within named bargainer, a corporation, and that he such Vice President, being authorized so to do, executed the foregoing instrument for purposes therein contained, by signing the name of the corporation by himself as Vice President.

Witness my hand and official seal, at office in Tazewell, TN, this the 27th day of

November, 1999

My commission expires: Sept. 19, 2001

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This Instrument Prepared By: ESTEP & ESTEP

Attorneys-At-Law

P.O. Box 770

Tazewell, Tennessee 37879

*DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, and
EASEMENTS FOR TENNESSEE LONE MT. SHORES CORP.TO INCLUDE
PROPERTY OWNED BY TN EMMONS, LLC AS PART OF THE SUBDIVISION
KNOWN AS LONE MOUNTAIN SHORES SUBDIVISION*

Comes Tennessee Lone Mt. Shores Corp., a Tennessee Corporation, party of the first part and TN Emmons, LLC, a Delaware Limited Liability Company hereinafter known as party of the second part.

WITNES SETH

WHEREAS, TN Emmons, LLC, a Delaware Limited Liability Company is the owner of a tract of land being 995.196 acres which is adjacent to and contiguous to property owned by Tennessee Lone Mt. Shores Corporation;

WHEREAS, it is the intention of the two separate entities to develop TN Emmons, LLC property as part of the Lone Mt. Shores Subdivision pursuant to an overall development plan which has been initiated by Tennessee Lone Mt. Shores Corporation through the development of property owned by Tennessee Lone Mt. Shores Corporation and is described in Warranty Deed Book 250, Page 542, and 'Warranty Deed Book 250, Page 554.

WHEREAS, TN Emmons, LLC has purchased adjacent and contiguous property as described in Record Book 1050, Page 204 and it is the intent of both entities to combine its efforts to develop the property owned by TN Emmons, LLC which is owned by primarily the same principals, entities and persons all having the same intention of development with the same covenants, conditions, restrictions, and easements as set forth in the property owned by Tennessee Lone Mt. Shores Corporation;

WHEREAS, Tennessee Lone Mt. Shores Corporation in the original restrictions as recorded in Misc. Book 54, Page 274-289 in the Register Deed's Office of Claiborne County, Tennessee included the following clause:

*"WHEREAS, additional property may be included in Lone Mt. Shores in the future and Declarant wishes to reserve the right to subject other properties into Lone Mt. Shores by way of future amendments of this Declaration and
accordance with provision contained herein."*

WHEREAS, the intention of Tennessee Lone Mt. Shores Corporation, pursuant to an agreement with TN Emmons, LLC, to include within the Lone Mt. Shores Subdivision the above described property as additional phases of Lone Mt. Shores Subdivision and to impose the same covenants, restrictions, conditions, and easements as set forth in the original restrictions which has been described above.

NOW, THEREFORE, the Declarant, Tennessee Lone Mt. Shores Corporation and Declarant TN Emmons, LLC hereby declare that the property which is described in EXHIBIT "A" and any property hereafter made subject hereto as hereinafter provided shall be held, transferred, sold, conveyed, leased, occupied, and used subject to the following easements, restrictions, covenants, charges, liens, and conditions which are for the purpose of protecting the value and desirability of the property, and which shall touch and concern and run with title to the property. The covenant and all provisions hereof shall be binding on all property owners having any right title, or interest in the property or any portion thereof, and their respective heirs, successors, successors in title and assigns, and shall inure to the benefit of each owner thereof

A copy of said covenants, conditions, restrictions, and easements are attached to this document and are incorporated herein as if copy verbatim and shall apply to the development of the

property by TN Emmons, LLC.

In witness whereof, the said Tennessee Lone Mt. Shores Corporation and TN Emmons, LLC have hereunto caused this agreement to be executed on this 1st day of March, 2001.

TENNESSEE LONE MT. SHORES CORP.

DY: _____

Michael T. Emmons, Vice-President

TN EMMONS, LLC

A Delaware Limited Liability Company

BY: 'nj -r

Michael T. Emmons,

Authorized Agent

BK 1059 PG 34

STATE OF TENNESSEE:

COUNTY OF CLAIBORNE:

Before me, the undersigned authority, personally appeared Michael T. Emmons, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the Vice-President of Tennessee Lone Mt. Shores Corp., the within named bargainer; and that he as such Vice-President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of Tennessee Lone Mt. Shores Corp., by himself as Vice-President.

Witness my hand and official seal on this the 1st day of March, 2001

My Commission Expires: Sept. 19, 2001

STATE OF TENNESSEE:

COUNTY OF CLAIBORNE:

Before me, the undersigned authority, personally appeared Michael T. Emmons, with whom I am personally acquainted, and who, upon oath, acknowledged himself to be the authorized agent of TN Emmons, LLC, a Delaware Limited Liability Company, the within named bargainer; and that he as such authorized agent, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of TN Emmons, LLC, by himself as authorized agent.

Witness my hand and official seal on this the 1st day of March, 2001.

My Commission Expires: Sept. 19, 2001

Notary PUL

Notary

“EXHIBIT A”

Situated in District No. Three (3) of Claiborne County, Tennessee, and more particularly described as follows:

TRACT NO. 7030:

TVA TRACT NO. XNR-836

All that certain tract or parcel of land situated in the Third (3rd) Civil District of Claiborne County, Tennessee, containing 983 acres, more or less, and being the identical land conveyed unto East Highlands Company by deed from the United States of America, acting by and through its legal agent, the Tennessee Valley Authority, dated March 18, 1959, and recorded in Deed Book 89, Vol. 3, Pages 397-400, in the records of said County, to which reference is made for a complete description of said land. Said property is subject to such rights as may be vested in third parties in a private cemetery; such stock watering rights as may be vested in third parties; such mineral rights as may be outstanding in third parties; and such rights as may be vested in third parties in oil & gas leases on those portions of the tract acquired by Charles B.F. Davis, et ux, under tract designated MR-1628 in the deed recorded in Deed Book 89, Pages 397-400.

Said property is subject to reservations, restrictions, covenants, exceptions, and limitations contained in the Deed from United States of America to East Highlands Company dated March 18, 1959, of record in Deed Book 89, Vol. 3, Page 397-400, all in the Claiborne County Register's Office; and to the Grant of the Transmission Line Easement to the United States of America by deed dated September 30, 1970, in Misc. Book 22, Page 168, Register's Office of Claiborne County, Tennessee.

PORTION OF TRACT NO. 7031 (TVA TRACT NO. XNR-837);

Previously by warranty deed, dated August 12, 1998, and recorded in Warranty Deed Book 250, Pages 117-123, Register's Office of Claiborne County, Tennessee, and by Deed

of Correction, dated August 26, 1998, recorded in Warranty Deed Book 250, Pages 554-561., Register's Office of Claiborne County, Tennessee, Lone Mountain Development, LLC, conveyed Tract No. 7031 to Tennessee Lone Mt. Shores Corp. The description in said Deed contained a clause as follows: "The grantor is conveying all property in Tract No. 7031 (TVA Tract No.. XNR-837) located to the east of said line." By this deed, Lone Mountain Development, LLC, convey any portion of Tract 7031 which may have been retained in said previous Deeds.

"EXHIBIT A"

Tract 7031 is subject to burial rights and rights of ingress and egress as may be vested in third parties in cemeteries.

There is also granted herewith the right of ingress and egress from the waters of Norris Lake over and upon the adjoining land lying between the 1044 contour elevation and the waters of the Lake. Tract 7031 is subject to reservations, restrictions, covenants, conditions, exceptions, and limitations contained in the Deeds from United States of America to East Highlands Company dated March 18, 1959, of record in Deed Book 89, Pages 400-403, Register's Office of Claiborne County, Tennessee; and to the grant of the transmission line easement to the United States of America by deed, dated September 30, 1970, recorded in Misc. Book 22, Page 168, in The Claiborne County Register's Office.

Tract 7031 is also conveyed subject to the following, if applicable: 1. The reservations of mineral rights contained in the deed from Hugh D. Coupland to William Lewis and James Loop dated August 14, 1895, recorded in Deed Book 2, Vol. 3, page 261, in the Claiborne County Register's Office. 2. Such rights as may be vested in third parties in a private cemetery on TVA Tract No. NR2440. 3. Stock watering rights and right-of-way for such purpose reserved in the deed from F. T. Muncey to P.M. Muncey dated February 23, 1923, of record in Deed Book 54, Vol. 3, Page 57, in the Claiborne County Register's Office.

RIGHT OF WAY: Lone Mountain Development, LLC does further convey any and all Rights-of-Ways and/or Easements retained by Lone Mountain Development, LLC, which burdened Tract 7029 and 7031 and which benefited Tract 7030.

SURVEYED DESCRIPTION: The property being conveyed herein is more particularly shown on surveyed plat prepared by Parsons Engineering & Associates, William L. Parsons, R.L.S. No. 1172, dated September 29, 2000, and identified as Drawing # LAKE4, and showing 995.196 Acres, and recorded in Plat Cabinet 3 Page 251 Register's Office of Claiborne County, Tennessee.

Reference is made to Correction Quit Claim Deed, dated July 24, 1995, from Norris Lake Development, Inc., to Lone Mountain Development, LLC, recorded in Warranty Deed Book 231, Page 213, Register's Office of Claiborne County, Tennessee. Also, see deed recorded in Warranty Deed Book 230, Page 13, in said Register's Office.