

BYLAWS OF

LONE MOUNTAIN SHORES

OWNERS ASSOCIATION, INC.

Revision 2020

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KIM BATCH: 68658	09/25/2020 - 09:33 AM
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	85.00
ARCHIVE FEE	0.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	87.00

STATE OF TENNESSEE, CLAIBORNE COUNTY
KIMBERLY H. REECE
REGISTERED CLERK

BYLAWS OF

LONE MOUNTAIN SHORES

OWNERS ASSOCIATION, INC.

Revision 2020

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BYLAWS OF LONE MOUNTAIN SHORES OWNERS ASSOCIATION, INC.

ARTICLE I

Statement of Principles and Purpose

Section 1. General Purpose. As described in the Restated Declaration of Covenants, Conditions, Restrictions, and Easements for Lone Mountain Shores (the “**Covenants**”), it is the intention of the Lone Mountain Shores Owners Association, Inc., a Tennessee nonprofit corporation (“**LMSOA**” or the “**Association**”), to impose upon its members mutually beneficial restrictions that allow reasonable use of their property that does not adversely affect the LMSOA or other owners of lots within Lone Mountain Shores, while helping preserve property values.

Section 2. Purpose of Bylaws and Board. The Lone Mountain Shores Board of Directors (the “**Board**”) has been established, in part, for the purpose of defining, maintaining, and administering the standards of development and the mutually beneficial restrictions of use and development referenced in the Covenants. The Bylaws have been developed to provide the process by which the Board will execute its responsibilities.

ARTICLE II

Members (Owners)

Section 1. Eligibility. The members of the LMSOA consist of the respective property owners of the Lone Mountain Shores subdivision (the “**Property**”). A property owner (an “**Owner**”) means the record owner, whether one or more persons or entities, of fee simple title to any lot in the Property, whether developed with improvements thereon or undeveloped (each a “**Lot**”). The words “**Member**” or “**Members**,” as used in these Bylaws, refer to an Owner or Owners, as the case may be, as stated on the deed of record in the Claiborne County Register of Deed’s Office. If an Owner is a land title holding trust under the terms of which all powers of management, operation, and control of the Owner’s Lot remains vested in the trust beneficiary, then the Member is that beneficiary.

Section 2. Succession. The membership of each Owner terminates when such Owner ceases to own a Lot. Upon the sale, transfer, or other disposition of an Owner’s ownership interest in the Property, such Owner’s membership in the Association is automatically transferred to the new Owner as described on the deed of conveyance. Upon sale, transfer, or other disposition, the new Owner shall notify the Secretary of the Association.

Section 3. Annual Meetings. Annual meetings of the Owners shall be held at a time and place specified in the notice of such meeting. The annual meeting of Owners shall

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normally be held during the month of October. At the annual meeting, Owners shall receive reports on the activities and financial condition of the Association and transact such other business as may properly come before the meeting.

Section 4. Special Owners Meetings. The Association shall hold a special meeting of its Owners upon the call of the Board or the President of the Board, or upon the written demand(s) to the Secretary by Owners holding at least ten percent (10%) of all votes entitled to be cast on any issue to be considered at the proposed special meeting. Any call or demand for a special meeting must describe the purpose(s) for which the special meeting is to be held. Only business within that purpose may be conducted at such meeting.

Section 5. Notice of Meetings. The Association shall notify Owners of the date, time, and place of each annual and special meeting of Owners no fewer than (30, nor more than 60, days before the meeting date. The notice of a meeting shall also contain such other information as may be required by these Bylaws. All notices will be mailed to the Owner's last known address according to Association records.

Section 6. Waiver of Notice. An Owner's attendance at a meeting:

- (a) Waives objection to lack of notice or defective notice of the meeting, unless the Owner at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting; and
- (b) Waives objection to consideration of a particular matter at the meeting that is not within the purpose(s) described in the meeting notice, unless the Owner objects to considering the matter when it is presented.

Section 7. Voting. The aggregate number of votes of all Owners shall be equal to the total number of all Lots which are part of the Property, and shall be divided among the respective Owners with one vote allocated to each Lot. If any Owner consists of more than one person or entity, the voting rights of such Owner may not be divided but must be exercised as if the Owner consisted of only one person or entity in accordance with the proxy or other designation made by the persons and/or entities constituting such Owner. A **"Majority of the Owners"** means the owners of more than fifty percent (50%) of the voting rights of all Owners.

Notwithstanding the foregoing, no Owner who is in default in the payment of any assessment will be entitled to exercise the right to vote until the Owner has cured such default. An Owner will be deemed to be in default if such Owner has not paid his or her assessments to the Association, or its designee, within 10 days after the date such assessments are due. An Owner may protest the amount of the assessment, but it still must be paid during the pendency of any protest to the Board.

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Section 8. Quorum. Unless otherwise required by law, these Bylaws, or the Covenants, a quorum shall consist of the Owners present at a meeting either in person or by representation.

Section 9. Voting Requirements. Except as otherwise provided in these Bylaws or the Covenants, action on any matter voted upon is as follows:

- (a) Voting by written ballot is approved if a majority of Owners responding vote in favor of the action;
- (b) Voting at a meeting by Owners is approved if a majority of the Owners in attendance vote in favor of the action.

Section 10. Action by Written Ballot.

(a) Notwithstanding any other provision of these Bylaws, the following actions may only be taken by written ballot of Owners:

(1) Election of members of the Board, as further provided in Section 11 below;

(2) Approval of any new project that would require spending more than one-third of the total amount of Association dues assessed in the most recent year; and

(3) Approval of any emergency assessment in an amount greater than \$125.00, in accordance with Article IV, Section 4.06, of the Covenants.

(b) Any action that may be taken at an annual or special meeting of Owners may be taken without a meeting if the Association delivers a written ballot to every Owner entitled to vote on the matter at their last known address. The written ballot shall set forth each proposed action and shall provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall:

(1) State the percentage of approvals necessary to approve each matter, other than election of Board members; and

(2) Specify the time by which the ballot must be received by the Association to be counted.

Section 11. Election of Board Members.

(a) Qualifications for Candidacy:

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(c) Each Member in good standing, who is not in default of any assessments owed to the Association, may run one (1) candidate in an election for an open position on the Board. A Member in default of any assessments owed to the Association shall not be permitted to run any candidate to fill a position on the Board. A Member shall not hold more than one (1) position on the Board at any given time and shall not run a candidate for a Board vacancy if the election could result in the Member and its representatives holding more than one (1) position on the Board at any given time.

(d) In order for the Member's candidate to qualify for election, the candidate must meet the following requirements, as verified by the Board:

i. The candidate must be either: 1) a natural person who is an Owner, as defined in Article II, Section 1; or 2) in the event that an Owner is an entity, the entity may designate one (1) representative of the entity who is a natural person having an ownership interest in the entity to run as a candidate for election to the Board. A Member shall not designate or run more than one (1) candidate for election to the Board during any election.

ii. The candidate shall only run for one (1) position on the Board at a time.

(e) If a Member owns more than one (1) lot in the Property, or has common ownership with any other Member, the Member shall not designate or run more than one (1) candidate for the Members of all lots having common ownership. For example, if a Member is a limited liability company that owns lot A and owns a fifty percent interest in lot B, lots A and B cannot have more than one (1) candidate running for election or holding a position on the Board at any given time on behalf of both lots A and B.

(b) Campaign. The association may, from time to time, permit qualified candidates to publish a biography, campaign statement, or other correspondence on the Association's website during campaigns to fill a vacancy on the Board. In the event that a candidate submits a document or any other information for publication on the Association's website, the statements contained in such document or information shall be limited to statements about that candidate and shall not refer to any other candidate.

(c) Election. Election of members of the Board of Directors shall be taken only by written ballot of Owners. Notwithstanding any other provision of these Bylaws,

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the candidate receiving the most votes (a plurality) for any open position on the Board shall be elected to that position.

(d) **Write-In Candidates.** In the event of nonacceptance of nomination by all persons nominated for a specific Board position: a “write-in” line will be listed on the ballot. Only one person may be listed on this line; this individual must be eligible to hold the office to be elected. All write-in votes will be considered and processed by the Election Committee. After an eligibility check, the write-in candidate with the highest number of votes will be contacted by the Election Committee to verify their willingness to perform the duties of the office. If they accept, they will be elected to the position. If they decline, the write-in candidate with the next highest number of votes will be contacted with the same opportunity. The process will continue until either 1) a willing candidate is identified or 2) the Election Committee runs out of eligible write-in candidates. If there are no write-in votes, or if all write-in candidates decline, the LMSOA Board will have the right to appoint a qualified individual.

ARTICLE III

Administration of Board of Directors

Section 1. Composition of Board of Directors. The LMS Board shall consist of five members (each an “**Officer**”), all of whom must be Owners in good standing with the Association. The Board shall consist of a President, Vice President, Secretary, Treasurer, and a member who shall also serve on the Architectural Review Committee (the “**ARC**”) as the liaison between the Board and the ARC. Board members shall hold office for a term of two years, unless removed from office pursuant to Article III, Section 8, and until their successor has been elected or appointed.

Section 2. Regular Meetings. Regular meetings of the Board may be held at such time and place as the President may determine from time to time, but no less frequently than once a year.

Section 3. Special Board Meetings. Special meetings of the Board may be called by the President or any two Officers.

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Section 4. Notice of Meetings. Regular meetings of the Board may be held upon reasonable notice being provided by the President. Special meetings of the Board must be preceded by at least two days' notice to each Officer of the date, time, and place, but not the purpose, of such special meeting. Notice of any adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken, provided that the period of adjournment does not exceed one month.

Section 5. Waiver of Notice. If an Officer attends or participates in a meeting, he or she waives any required notice of the meeting, unless the Officer at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 6. Quorum and Voting. A quorum of the Board consists of a majority, but no fewer than three Officers then in office before a meeting begins. If a quorum is present when a vote is taken, the affirmative vote of a majority of the Officers present is the act of the Board, except as may otherwise be provided in these Bylaws or the Covenants.

Section 7. Vacancy. If a vacancy occurs on the Board the Board will appoint a replacement director to fill the vacancy or, at its discretion, the Board may decide that the replacement director should be elected by a vote of Owners. If the Directors remaining in office constitute less than a quorum of the Board, the replacement director(s) must be elected by a vote of Owners. Any director so appointed or elected to fill a vacancy shall hold office for a term equal to the unexpired term of the director succeeded.

Section 8. Removal of Directors. The Owners may remove any one or more directors, with or without cause, at a special meeting specifically called for that purpose.

Section 9. Action without Meeting. Action that is required or permitted to be taken at a meeting of the Board may be taken without such a meeting if all directors consent. If all directors so consent, the affirmative vote of the number of directors that would be necessary to authorize or take such action at a meeting shall be the act of the Board, except as may otherwise be provided in these Bylaws or the Covenants. Action taken between meetings be included in the minutes filed with the Association's records.

Section 10. Immunity. To the fullest extent allowed by the laws of the State of Tennessee, as now in effect and as hereafter adopted or amended, each present and future Officer (and his or her estate, heirs, and personal representatives) shall be immune from suit arising from the conduct of the affairs of the Association.

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Section 11. Compensation. *Members of the Board* may receive no compensation for their services as directors, unless expressly provided for in resolutions duly adopted by the Owners.

Section 12. Powers and Duties. The Board shall have the following powers and duties:

- (a) To appoint the Officers in the event of a vacancy;
- (b) To administer the affairs of the Association and the Property;
- (c) To engage the services of an agent to maintain, repair, replace, administer, or operate the Property or any part thereof for all Owners, upon such terms and for such compensation and with such authority as the Board may approve;
- (d) To formulate policies for the administration, management, and operation of the Property;
- (e) To adopt rules and regulations, with written notice thereof to all Owners, governing the administration, management, operation, and use of the Property, and to amend such rules and regulations from time to time;
- (f) To provide for the maintenance, repair, and replacement of the common areas of the Property owned by the Association and payment therefor, and to approve payment vouchers or to delegate such approval to designated Officers or a managing agent;
- (g) To provide for the hiring and removal of employees and other personnel, including accountants and attorneys, and to engage or contract for the services of others, and to make purchases for the maintenance, repair, replacement, administration, management, and operation of the Property, and to delegate any such powers to a managing agent;
- (h) To appoint committees of the Board and to delegate to such committees the Board's authority to carry out certain duties of the Board;
- (i) To determine the fiscal year of the Association and to change said fiscal year from time to time as the Board deems advisable, but only as allowed by law;
- (j) To estimate the amount of the annual budget, and to provide the manner of assessing and collecting from Owners their respective shares of such estimated expenses, as provided in the Covenants;

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- (k) Unless otherwise provided herein or in the Covenants, to comply with the instructions of the majority of the Owners, as expressed in a resolution duly adopted at any annual or special meeting of Owners;
- (l) To resolve or mediate disputes, conflicts, or problems between or among Owners regarding issues related to the Property;
- (m) To interpret and enforce these Bylaws, the Covenants, the ARC Guidelines, and any other rules and regulations of the Association ; and
- (n) To exercise all other powers and duties of a board of administration as referred to in the laws of the State of Tennessee and all powers and duties of the Board of Directors referred to in the Covenants or these Bylaws.

Notwithstanding any of the foregoing, before the Board may approve any new project that would require spending more than one-third of the Association dues assessed in the prior year, such action must be approved by a vote of the Board, with at least three (3) Directors in support, and an affirmative vote of at least Fifty Five Percent (55%) of responding Owners by written ballot shall be required.

Section 13. Non-Delegation. These Bylaws may not be considered to grant to the Board, the Association, or to any Officers any powers or duties which, by law, have been delegated to the Owners.

ARTICLE IV

Financial and Recordkeeping Matters

Section 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. This budget shall include a reserve for contingencies for the next fiscal year and a reserve for expected future capital expenditures in reasonable amounts as determined by the Board. The estimated annual budget for each fiscal year shall be available upon a written request from any Owner in good standing with the Association. If at any time the Board determines it is necessary to withdraw funds from the capital funds on deposit for other than capital expenditures the membership shall be notified as to the amount and purpose of such withdrawal.

Section 2. Assessments. All assessments are due and payable as provided in the Covenants.

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Section 3. Association Records. The Board shall cause to be kept detailed and accurate records of receipts and expenditures. Payment vouchers may be approved in such manner as the Board may determine. Said records and vouchers shall be available for examination by any Owner in good standing with the Association upon written request by such Owner at a time and place to be determined on a case-by-case basis. An appropriate fee for the reasonable costs of production/duplication may be assessed for requested copies of records at the Board's discretion.

Section 4. Individual Statements of Account. The Board shall, upon receipt of ten (10) days' written notice to it and upon payment of a reasonable fee, furnish to any Owner a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Owner.

Section 5. Discharge of Liens. The Board may cause the Association to discharge any mechanic's lien or other encumbrance that may constitute a lien against the common areas of the Property, rather than a lien against only a particular Owner's Lot.

Section 6. Holding Funds. All funds collected on behalf of the Association shall be held and expended for the purposes designated herein and, in the Covenants, and shall be deemed to be held for the benefit, use, and account of all Owners.

Section 7. Association Records. The Association shall keep at all times a copy of the following records at a location to be determined by the Board:

- (a) Its Charter or Restated Charter and all amendments thereto;
- (b) Its Covenants and all amendments thereto;
- (c) These Bylaws and all amendments thereto;
- (d) Resolutions adopted by the Board relating to the characteristics, qualifications, rights, limitations, and obligations of Owners or any class or category of Owners;
- (e) The minutes of all Board meetings and a record of all actions taken by the Board without a meeting;
- (f) All written correspondence, regardless of the media used, between and among Board members shall be kept as determined by the Board at the time of the communication.

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- (g) The minutes of all meetings of Owners and the records of all actions taken by Owners without a meeting for the past three years;
- (h) All written communications to Owners generally within the past three years, including the past three years' annual financial statements;
- (i) A list of the names and business or home addresses of its current Officers;
- (j) The most recent annual report delivered to the Tennessee Secretary of State; and
- (k) All appropriate accounting records.

Section 8. Annual Financial Statements. The Association shall prepare annual financial statements that include a statement of financial position, statement of activities, and statement of cash flows as of the end of the fiscal year, and such other information necessary to comply with the requirements of the applicable provisions of the Tennessee Nonprofit Corporation Act. The Board shall assure that a certified audit of this Annual Financial Statement is completed each year.

ARTICLE V

Contractual Powers

Section 1. Effect of Decision Involving an Interested Officer. No contract or other transaction between the Association and one or more of its Officers or between the Association and any corporation, firm, or association in which one or more of the Officers are directors, or are financially interested, is void or voidable because such Officer(s) are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

- (a) The fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes, and the Board or committee authorizes, approves, or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Officer(s); or
- (b) The contract or transaction is just and reasonable as to the Association when it is authorized, approved, or ratified.

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Section 2. Quorum When an Interested Officer is Present. Common or interested Officers may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves, or ratifies a contract or transaction.

ARTICLE VI

Amendments

These Bylaws may be amended from time to time by action of the Board, unless specifically prohibited by the Covenants or these Bylaws. Before approving any material change to the Bylaws, the Board must notify Owners of the proposed change and provide Owners with the opportunity to see the proposed new Bylaws. If, within 30 days after sending such notification, 10% or more of the Owners request in writing a meeting to discuss the proposed change, the President will call a meeting for open discussion of the subject; otherwise, the changes will become effective at the end of the 30-day notice period. If a meeting is held in accordance with this Section, the Board will reconsider the proposed new Bylaws in light of the discussion at the meeting and take such further action, if any, as the Board deems appropriate.

ARTICLE VII

Deeds of Trust

The Board, whenever requested in writing by a deed of trust beneficiary of a Lot, may report any of the then unpaid assessments, fees, or common charges due from, or any default by, the Owner of the mortgaged Lot.

ARTICLE VIII

Principles of Interpretation

Section 1. Severability. These Bylaws, to the extent possible, shall be construed or reformed to give validity to all of its provisions. Any provision of these Bylaws found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without invalidating any other part hereof.

Section 2. Construction. In interpreting these Bylaws, unless the context otherwise provides or requires, the singular includes the plural, the plural includes the singular, and the use of gender includes both genders.

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Section 3. Headings. Headings are included for the purpose of convenient reference, and they do not affect the meaning or interpretation of these Bylaws.

Section 4. Conflict between Documents. In case of any conflict between these Bylaws and the Covenants, the Covenants shall control. In case of any conflict between these Bylaws and the Architectural Guidelines, the Architectural Guidelines shall control.

ARTICLE IX

Miscellaneous Provisions

Section 1. Registration of Mailing Address. Each Owner shall register his current mailing address with the Secretary of the Association, and notices or demands intended to be served upon or given to an Owner will be personally delivered or sent by mail, postage prepaid, addressed in the name of the Owner at such registered mailing address.

Section 2. Notices. Whenever notice is required to be given to Owners, Officers, or the Association, unless otherwise provided by law, the Covenants, or these Bylaws, such notice may be given in person or by telephone, telegraph, mail, email, or private carrier. If such notice is given by mail, it shall be sent postage prepaid by first class United States mail or by registered or certified United States mail, return receipt requested, and addressed to the respective address which appears for each such person on the books of the Association. Written notice sent by email to Owners shall be deemed to have been given when it is transmitted. Any other written notice shall be deemed to have been given at the earliest of the following:

- (a) when received.
- (b) five days after its deposit in the United States mail if sent first class, postage prepaid;
or
- (c) on the date on the return receipt, if sent by registered or certified United States mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

Section 3. Waiver of Notice. Whenever notice is required to be given under the provisions of any statute, the Covenants, or these Bylaws, 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, shall be deemed equivalent thereto.

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Section 4. Negotiable Instruments. All checks, drafts, notes, or other obligations of the Association shall be signed by an authorized Officer or by such other person(s) as may be authorized by the Board.

Section 5. Deposits. The monies of the Association may be deposited in the name of the Association in such bank(s) or financial institution(s) as the Board may designate from time to time and shall be drawn out by check signed by the Officer(s) or person(s) designated with such authority by resolution adopted by the Board.

Section 6. Limitation of Liability and Indemnification. The Association shall indemnify every Board member and Committee member 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 or Committee member 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 or Committee member. Board members and Committee members are not liable for any mistake of judgment, negligent or otherwise, except for their own willful malfeasance, misconduct, or bad faith. Board members and Committee members 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 that such Board member or Committee member is also an Association Member), and the Association shall indemnify and forever hold each such Board member and Committee member 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 or Committee member may be entitled.

With respect to claims or liabilities arising out of service as a Board member or a Committee member, the Association shall indemnify and advance expenses to each such present and future Board member or Committee member (and his or her estate, heirs, and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, as now in effect and as hereafter adopted or amended.

ARTICLE X

Definitions

As used in these Bylaws, the following terms have the meanings set forth below:

- a) **"ARC"** means the Lone Mountain Shores Architectural Review Committee;
- b) **"Association"** means the Lone Mountain Shores Owners Association, Inc., a non-profit corporation;

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- c) **“Board”** means the Board of Directors of Lone Mountain Shores Owners Association, Inc.;
- d) **“Covenants”** means the Declaration of Covenants, Conditions, Restrictions, and Easements for Lone Mountain Shores, as amended;
- e) **“LMS”** means the planned community of Lone Mountain Shores created by the Covenants;
- f) **“LMS Governing Documents”** means (i) these Bylaws; (ii) the Declaration of Covenants Conditions, Restrictions, and Easements for Lone Mountain Shores; and (iii) the Architectural Guidelines, all as they may be amended from time to time;
- g) **“LMSOA”** means the Lone Mountain Shores Owners Association, Inc., a non-profit corporation;
- h) **“Lot”** means a designated parcel of land within LMS, whether developed with improvements thereon or undeveloped;
- i) **“Majority of the Owners”** means the holders of more than fifty percent (50%) of the voting rights of Owners;
- j) **“Member”** means an Owner or Owners, as the case may be, as stated on the deed of record in the Claiborne County Register of Deed’s Office. If an Owner is a land title holding trust under the terms of which all powers of management, operation, and control of the Owner’s Lot remain vested in the trust beneficiary, then the Member shall be that beneficiary;
- k) **“Officer”** means a member of the Board;
- l) **“Owner”** means the record owner, whether one or more persons or entities, of fee simple title to any lot in Lone Mountain Shores, but does not mean any person or entity who holds its interest merely as security for the performance of a debt or other obligation, until such person or entity has acquired fee simple title pursuant to foreclosure or other proceeding; and
- m) **“Property”** means the Lone Mountain Shores subdivision, consisting of the aggregate of the common areas owned by the Association and all Lots.

By signing below the duly elected representative(s) of Lone Mountain Shores Owners Association, Inc. affirm that the foregoing Bylaws were duly adopted in accordance with the Bylaws of Lone Mountain Shores Owners Association, Inc., Revision 2007, in that the

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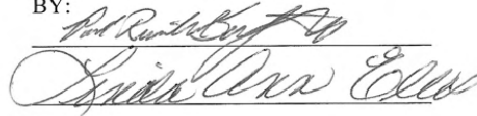
Material Changes to this document were approve by unanimous vote of the Board and the affirmative vote of fifty- five percent (55%) of the Owners voting by absentee ballot.

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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 25th day of September, 2020.

LONE MOUNTAIN SHORES OWNERS
ASSOCIATION, INC.

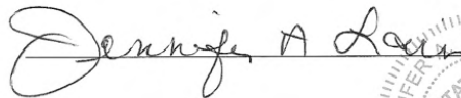
BY:



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, Linda Ann Ellis and Paul Richard Schmitzer wish whom I am personally acquainted, who proved to me by satisfactory evidence of identity and who, upon oath, acknowledge himself/herself to be the Secretary and President for Lone Mountain Shores Owners Association, Inc., the within named bargainer, and that as such, he/she has been authorized to execute for foregoing instrument on behalf of said corporation for the purposes therein contained, by signing the name of the corporation by himself/herself as such Secretary and President.

WITNESS my hand and official seal at office this 25th day of September, 2020.





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 affirmative vote of the Owners per Article VI of the By-Laws.

LONE MOUNTAIN SHORES OWNERS ASSOCIATION

BY: Linda Ann Ellis
Secretary

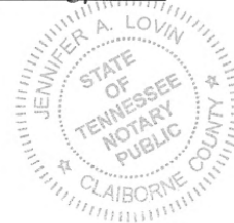
STATE OF TENNESSEE:

COUNTY OF CLAIBORNE:

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

WITNESS my hand and official seal at office this 25th day of September 2020.

Jennifer A. Lovin



STATE OF TENNESSEE §
 §
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 8th day of December, 2021 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 owners 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 owners 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 with 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 Delegations 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 a 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.

Section 1.05 **Binding Arbitration.** No civil action concerning any dispute arising under the Covenants or Bylaws, other than actions for filing and/or foreclosing upon liens for nonpayment of Owners Association dues as provided in Article IV, Section 4.09 herein, shall be instituted before any court and all such disputes shall be submitted to final and binding arbitration. Such arbitration shall be conducted in accordance with the rules of such association then in effect, or otherwise agreed in writing between the parties to such dispute before a single arbitrator. All costs and expenses of the arbitration, including actual attorney's fees shall be allocated among the parties according to the arbitrator's discretion. The arbitrator's award resulting from such arbitration may be confirmed and entered as a final judgment in any court of competent jurisdiction and enforced accordingly. Further, proceeding to arbitration and obtaining an award thereunder shall be a condition precedent to the bringing or maintaining of any action in any court with respect to any dispute arising under these covenants or bylaws, except for the institution of a civil action to maintain the status quo during the pendency of any arbitration.

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(s) 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 holds 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 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' 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 and 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 areas 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 Assessment. 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 improvement 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 attorney's 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 improvements 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 \$330.00, 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 fifty-five percent (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 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, services and amenities owned and managed by the Association;
- 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.
- h. Suspend all clearing, construction, or approval of any other improvements on delinquent Owner's lot(s).

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 certified 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 assessment 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 Bylaws 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 stores, 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 use 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 (1) 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 cannot 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 firework displays are prohibited on the Property.
- c. At certain times of the year, anyone starting and 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 view 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 ninety (90) days, or if construction is not completed within the required twelve (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 line of each Lot and twenty (20) feet wide along the front Lot line 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. 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 Watercraft and Watercraft Trailers. Each Owner may store or park no more than two (2) watercrafts, watercraft trailers, or watercraft and trailer combinations upon each Lot outside of a building structure, provided these watercrafts 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 watercrafts and watercraft trailers must be stored inside an ARC-approved structure. Owners may not park or store any watercraft or watercraft trailer in any Common Area for more than fourteen (14) consecutive days, except for those spaces designated as reserved for a specific length of time. 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 watercraft, watercraft trailer, or watercraft 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 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 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 on 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 (6) feet from a County roadway. No sign may be affixed to any tree or utility post. No more than three (3) 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 fourteen (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 fourteen (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 (2) 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 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.

Section 6.32 **Camping.** Camping is not permitted on common areas including, but not limited to, Pebble Creek Marina (boat dock #1), Stillwater Marina (boat dock #2) and the Community Center.

Camping or erecting temporary structures by owners on individual Lots is limited to three (3) consecutive weeks; with a maximum of nine (9) weeks per calendar year, except during periods of construction. Removal of all equipment and gear is required at the end of each event. Camping and temporary structures permitted during times of construction will be on a case-by-case basis as mutually agreed upon by the Owner and the ARC Committee prior to use.

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 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 erosion or a 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 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 (5), but not less than three (3), 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 10.02 *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

Section 9.01 **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 (120) days 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/her failure to repair the damage, may impose a fine of ONE HUNDRED DOLLARS (\$100.00) 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.

Section 9.02 **Emergency Road Repair.** In cases of emergency road damage or blockage, including but not limited to, blockages caused by natural disaster, manmade means, whether intentional or unintentional, or any other condition affecting ingress and egress from the Property, Lone Mountain Shores Owners Association, its agents and assigns, shall have the authority to grant, in its sole discretion, temporary licenses of ingress and egress across the Property to contractors or other workmen for purposes of making said roads passable for ordinary, consumer-grade passenger vehicles. Such Temporary Licenses as granted herein shall expire after fifteen (15) days unless extended for additional fifteen (15) day periods by Lone Mountain Shores Owners Association, its agents, and assigns.

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 give 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 Chairmen 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 ten (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 of 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 the 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 (3) days after posting, when sent by certified mail, return receipt requested, to the address of such member on file in the records of the Association at the time of such mailing. Notice to the Board, the Association, or the ARC will be considered delivered and effective personal delivery or three (3) days after posting, when sent by certified mail, returned 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 (5) 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 member, 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 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.

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. 8° 35' 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° 05' 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. 43.35 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. 31.24 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. 27.10 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 Book 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 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 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 34, 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 1101.434 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,

Slide 42, and Plat Cabinet 3, Slide 54 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

State of Tennessee, Court of UJIBORRt frmdie datecWatht' 84a of

TQCER 1999 at irne RN. 1. REEH 653 RecordEd in aft icial records Book 102 nes OG 524 State lax \$.00 CLerks Fee \$.0 RecordIM \$102.00, lohi \$ 102.0*. Reiter of fleds XISERLY EEC& 'uily Rniter

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 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 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, 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 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 heretofore 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 IIIA 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

State tax \$.00 clerks Fee \$.00

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STATE OF TENNESSEE: 29 of

COUNTY OF CLAIBORNE: &))EER 159 1 244 Fl. RE: 725 1'r

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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 1161.439 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 110 1.439 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 150; 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 Declarant has also developed a portion of the 110 1.439 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 herein caused these presents to be executed on this the 27th day of November, 1999.

TENNESSEE LONE MT. SHORES CORP.

BY:

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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LREC 1541) REcuded in official records

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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.

BY: _____

Michael T. Emmons, Vice-President

TN EMMONS, LLC

A Delaware Limited Liability Company

BY: _____

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, acknowledge 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.

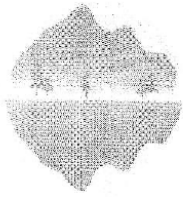
There is also granted herewith the right of ingress and egress from the waters of Norris Lake over and upon the adjoining land lying between the 1044 contour elevation and the waters of the Lake. Tract 7031 is subject to reservations, restrictions, covenants, conditions, exceptions, and limitations contained 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.



Lone Mountain Shores Owners Association

"A Covenant Protected Community"

2021 LMSOA COVENANT CHANGES APPROVED BY OWNER VOTE OF LMSOA COVENANT SECTION 6.32 CAMPING

CURRENT COVENANT LANGUAGE

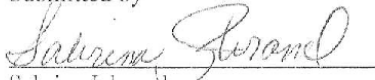
Section 6.32 Camping. Camping is not permitted on common areas including, but not limited to, Pebble Creek Marina (boat dock #1), Stillwater Marina (boat dock #2) and the Community Center.

NEW COVENANT LANGUAGE

Section 6.32 Camping. Camping is not permitted on common areas including, but not limited to, Pebble Creek Marina (boat dock #1), Stillwater Marina (boat dock #2) and the Community Center.

Camping or erecting temporary structures by owners on individual lots is limited to three consecutive weeks; with a maximum of nine (9) weeks per calendar year, except during periods of construction. Removal of all equipment and gear is required at the end of each event. Camping and temporary structures permitted during times of construction will be on a case-by-case basis as mutually agreed upon by the owner and the ARC Committee prior to use.

Submitted by


Sabrina Izbrand

Secretary, Lone Mountain Shores Homeowners Association

SWORN TO AND SUBSCRIBED BEFORE ME on December 2th, 2021


Notary Public

BK/PG: 1593/353-353
21010959

1 PCS:AL-AMENDED RESTRICTIONS	
CHARLOT BATCH 79746 12/08/2021 12:53 PM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	10.00
ARCHIVE FEE	0.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	12.00

STATE OF TENNESSEE, CLATSOP COUNTY
KIMBERLY H. REECE

