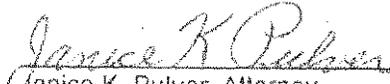


Prepared by:


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TAX MAP 155, PARCEL 3.00

TVA TRACT NO. XNJR-21

SPECIAL WARRANTY DEED

NICKAJACK RESERVOIR

THIS INDENTURE, made and entered into by and between the UNITED STATES OF AMERICA (hereinafter sometimes referred to as the "GRANTOR"), acting herein by and through its legal agent, the TENNESSEE VALLEY AUTHORITY (hereinafter sometimes referred to as "TVA"), a corporation created and existing under an Act of Congress known as the Tennessee Valley Authority Act of 1933, as amended, and NICKAJACK SHORES HOLDINGS, LLC, a Tennessee limited liability company (hereinafter referred to as "GRANTEE");

WITNESSETH:

WHEREAS, (Section 31) of the above-mentioned Act of Congress authorizes and directs TVA, as agent of the UNITED STATES OF AMERICA, to sell at public auction after due advertisement to the highest bidder any land purchased by TVA in the name of the UNITED STATES OF AMERICA not necessary to carry out plans and projects actually decided upon; and

WHEREAS, no permanent dam, hydroelectric power plant, fertilizer plant, or munitions plant is located on the land hereinafter described and designated in the TVA land records as TVA Tract No. XNJR-21, and TVA has determined that said land is not necessary to carry out any of its plans and projects actually decided upon; and

WHEREAS, TVA pursuant to and in accordance with the provisions of said Act of Congress advertised said land for sale at public auction; and

WHEREAS, pursuant to said advertisement said land was offered for sale at public auction on the 28th day of February, 2006, at TVA's Shellmound Day Use Area, in Marion County, Tennessee, and the terms of said sale having been cried for a reasonable time, said land was sold to GRANTEE for the consideration hereinafter stated, that being the highest and best bid made at said sale.

NOW, THEREFORE, in consideration of the amount of TWO MILLION SIX HUNDRED SEVENTY-FOUR THOUSAND FOUR HUNDRED AND NO/100 DOLLARS (\$2,674,400.00), cash in hand paid, the receipt of which is hereby acknowledged, and the conveyance by GRANTEE or designee to GRANTOR of three (3) tracts of land containing a total of 1,119.590 acres, more or less, located in Marion County, Tennessee, and designated as TVA Tract Nos. NJR-716 (Cedar Mountain), GR-1884 (Boyd's Farm) and GR-1885 (Burn's Island); and payment in the amount of FOUR HUNDRED SIXTY-SEVEN THOUSAND ONE HUNDRED AND NINETY-EIGHT AND NO/100 DOLLARS (\$467,198.00) for TVA's actual administrative costs incurred in processing this transaction, which has heretofore been paid by

GRANTEE and other good and valuable consideration as hereinafter stated, the sufficiency of which is hereby acknowledged, the GRANTOR does hereby grant, bargain, sell, transfer and convey unto GRANTEE a tract of land containing 578.181 acres of land, more or less, located in Marion County, Tennessee, designated as TVA Tract No. XNJR-21, as specifically described in Exhibit A and shown on Exhibit B, both of which are attached hereto and made a part hereof (the "Property"), subject to such exceptions, reservations, conditions, covenants, restrictions, and/or limitations contained herein.

In addition, GRANTOR does hereby convey to GRANTEE the following appurtenant rights with respect to the land owned by the GRANTOR fronting said TVA Tract No. XNJR-21 which may at any time and from time to time lie exposed and unsubmerged between the Property and the waters of Nickajack Reservoir (the "Abutting Shoreline Area") and in the waters immediately adjacent to said Abutting Shoreline Area but solely at locations and in accordance with plans approved in advance and in writing by TVA (1) the right to develop, construct, operate, maintain, and use for public commercial recreational and public recreational purposes such facilities, structures and other improvements not subject to damage if flooded; and (2) the further right of suitable ingress and egress over said Abutting Shoreline Area to and from the waters of Nickajack Reservoir and to and from all facilities, structures, and other improvements developed, constructed, operated, maintained or used in, on, or over said land or waters, all upon the express condition that said rights shall not in any way interfere with TVA's statutory program for river control and development, including but not limited to the right to flood said Abutting Shoreline Area, and TVA shall not be liable for any loss or damage resulting therefrom. It is expressly stipulated that said Abutting Shoreline Area may be used and improved solely at locations and in accordance with plans specifically approved in advance and in writing by TVA.

GRANTOR hereby acknowledges receipt of the amount of ONE HUNDRED THIRTY-EIGHT THOUSAND AND NO/100 DOLLARS (\$138,000.00) which amount shall be used for the construction of an approximate four (4) mile interpretive trail with signage and other improvements associated therewith, including by way of example and not by way of limitation a paved parking lot, educational kiosk, directional signs and an interpretive overlook, in, on, over, across, and upon a parcel of TVA land containing 320 acres, more or less, located in the Second Civil District of Marion County, Tennessee, and designated in the TVA land files as Tract Nos. NJR-301, 302, and 303 (XNJR-5PT). This amount shall not be considered consideration for the conveyance of the Property.

1. Reservations

- A. GRANTOR hereby reserves the right to maintain any existing boundary and traverse monuments and silt range stations upon the Property.
- B. GRANTOR hereby reserves permanent flowage easements in, on, over, upon, across and under a portion of the Property consisting of two tracts of land identified in the TVA land records as Tract Nos. NJR-118F and NJR-311F and more particularly shown on said Exhibit B and specifically described in Exhibit C which is attached hereto and made a part hereof (the "Flowage Easement Areas"), including but not limited to the right to enter in, on, over, upon, across and under said Flowage Easement Areas to do any and all things that GRANTOR considers necessary and desirable in connection with its statutory program for river control and development. This right shall include, but not be limited to, by reason of lack of specific enumeration; 1) the right to temporarily and intermittently flood said Flowage Easement Areas with backwater created by the erection and operation of any dam or dams across the Tennessee River and its tributaries; 2) the right to clear, ditch, dredge, and drain the Flowage Easement Areas and apply larvicides and chemicals thereon; 3) to carry on bank protection work; 4) to erect structures; 5) to maintain boundary and traverse monuments and silt range stations; 6) to prevent the construction of, or to take possession of, demolish, destroy, dismantle, remove and to sell, or otherwise dispose of, and to retain the proceeds from any disposition of, or to require the GRANTEE to remove, at its own expense, any buildings, fences, or other structures and the materials comprising same, including any personal property contained in said buildings or other

structures which may hereinafter be placed on said Flowage Easement Areas ~~7~~ to prevent the filling or excavation of any portion of said Flowage Easement Areas, and 8) to do any and all other things which GRANTOR deems necessary or desirable in the promotion and furtherance of public health, flood control, and navigation; provided that in the exercise of GRANTOR's rights, the GRANTOR shall use its best efforts to avoid any unreasonable or unnecessary interference with GRANTEE's use of the Property.

~~7~~ GRANTOR shall not be liable for any loss or damage to the Flowage Easement Areas or for any improvements located thereon due to erosion or soakage of said land as a result of wave action, fluctuation of water levels, or other causes.

- C. In addition, GRANTOR hereby reserves a flowage easement in, on, over, upon, across and under a portion of the Property identified in the TVA land records as Tract No. NJR-119F and more particularly shown on said Exhibit B and specifically described in said Exhibit C (the "Flowage Easement Area"), which rights shall include but not be limited to the right to enter in, on, over, upon, across and under said Flowage Easement Area to do any and all things that GRANTOR considers necessary and desirable in connection with its statutory program for river control and development, including the right to temporarily and intermittently flood said Flowage Easement Area with backwater created by the erection and operation of any dam or dams across the Tennessee River and its tributaries and GRANTOR shall not be liable for any loss or damage to the Flowage Easement Area, or for any improvements located thereon due to erosion or soakage of said land as a result of wave action, fluctuation of water levels, or other causes, ~~7~~ provided however, if GRANTEE fills all or any portion of the Flowage Easement Area in accordance with plans approved in advance and in accordance with TVA's policies and procedures under Section 26a of the TVA Act, GRANTOR shall no longer have the right to flood said Flowage Easement Area as to all or any portion thereof filled as approved in accordance herewith. At such time as the Flowage Easement Area has been filled in accordance with approved plans, TVA shall prepare an instrument to be placed of public record to evidence the termination of the flowage rights reserved in this section 1.C.

2. Conditions

The Property is conveyed subject to the following conditions which shall be binding on GRANTEE, its successors and assigns.

- A. The Property shall be used solely for residential, commercial recreational and public recreational purposes. The GRANTEE shall develop the Property for these purposes in accordance with the TVA Nickajack Reservoir Land Management Plan, a copy of which can be found in the TVA Chickamauga-Hiwassee Watershed Team office, and pursuant to a final development plan which shall be approved in advance and in writing by TVA. Said final development plan shall provide for either a 100-foot open space or vegetative management buffer zone along the eastern boundary of the Property between TVA boundary markers NLCM-12 and NLCM-23 as shown on said Exhibit B. Furthermore, to reduce visual impact to historic structures, a vegetative treeline screening shall be located between TVA boundary markers 1-8 and 1-13 as shown on said Exhibit B.
- B. ~~7~~ GRANTEE shall invest FOUR MILLION DOLLARS (\$4,000,000) within five (5) years from the date hereof on one or more commercial recreational amenities on the Property as identified in the final development plan submitted and approved in accordance with section 2. Conditions
- A. A minimum of twenty-five percent (25%) of the capacity of the amenities chosen to meet this minimum investment requirement shall be made available to members of the general public other than residents of any development which may be located on the Property. If approved by TVA in the final development plan, investment in commercial recreational amenities on the Abutting Shoreline Area, which are made available to the public as described above, shall be

deemed for the purposes of this requirement to be invested in commercial recreational amenities located on the Property and shall be applied towards the four million dollar investment requirement. In the event that GRANTEE has not made said minimum investment within five (5) years from the date hereof, the GRANTOR, TVA, or their successors or assigns, may, upon sixty (60) days' written notice, reenter and take possession of the designated Reentry Area, as shown on said Exhibit B, as if this conveyance had never been made. Proof of investment of the amount required to terminate said right of reentry shall be provided to TVA and upon receipt of such proof, TVA shall prepare an instrument to be placed of public record to evidence the release of said right to reenter. Such investment may be by GRANTEE, its successors and assigns, or by any other person, firm, corporation, state agency or instrumentality, and must be for commercial recreational amenities as set forth above. GRANTEE, its successors and assigns, shall have the right during a period of sixty (60) days immediately following the date of such notice of election to exercise said right to reenter, to remove any improvements placed by it on the Reentry Area; and provided further, that GRANTEE, its successors and assigns, shall restore the Reentry Area to TVA's satisfaction, including any regrading or reseeding TVA may deem appropriate. Title to any such improvements not removed within such 60-day period shall become the property of TVA at TVA's option or may be removed at GRANTEE's expense.

- C. GRANTEE shall be entitled to immediate possession of the Property except as to the area known as Shellmound Recreational Area which shall be relocated by the GRANTEE to the Shellmound Relocation Area, both as generally shown on said Exhibit B. GRANTEE hereby agrees that it shall be responsible for providing replacement facilities as listed in Exhibit D which is attached hereto and made a part hereof and for developing said recreational area in accordance with plans approved in advance and in writing by TVA. GRANTOR will reserve the right to remove any facilities currently located on the Property which are not relocated by GRANTEE unless substitute facilities are constructed and/or erected by GRANTEE on the Shellmound Relocation Area. If such removal is not completed by GRANTOR within thirty (30) days of the date certified for completion of the relocation, such facilities shall become the property of the GRANTEE. Upon written notice to GRANTOR of completion of the relocation, TVA shall prepare an instrument to be placed of public record to evidence the release of said right to reenter.

GRANTOR hereby reserves the right for the benefit of itself and that of the general public to access said Shellmound Recreational Area until such time as said recreational area has been relocated by the GRANTEE; provided, however, upon certification by GRANTEE of the date upon which the relocation will be completed and the new campground opened, GRANTEE will close said recreational area for a 120-day period. This closure will not be extended or repeated. If the relocation is not completed by the date certified, upon thirty (30) days' written notice to GRANTEE, GRANTOR will have the right to reenter said Shellmound Recreational Area and access thereto as shown on said Exhibit B and take possession of said land, and to hold, own, and possess the same in the same manner and to the same extent as if the conveyance had never occurred. GRANTEE shall, within thirty (30) days of such notice and at no cost to GRANTOR, return the recreational area to operational status.

TVA hereby agrees to require the Shellmound Recreational Area campground operator to amend its commercial general liability policies to provide that GRANTEE, its directors, officers, agents and employees are additional insureds under such policies until such time as the relocation is complete. In addition, TVA will require the campground operator to provide a certificate of insurance, evidencing the policies and endorsements above, to GRANTEE. Until such time as the relocation is complete, any license with a campground operator, other than the existing operator, will be subject to the prior approval of GRANTEE for the purpose of determining the adequacy of the insurance coverage provisions.

3. Covenants of Grantee

GRANTEE covenants and agrees on behalf of itself, its successors and assigns, that the following shall constitute real covenants which shall attach to and run with the Property hereby conveyed and shall be binding upon anyone who may thereafter come into ownership thereof, whether by purchase, devise, descent, or succession:

- A. GRANTEE shall maintain on the Property a vegetative management buffer zone which shall remain in a natural condition with no clearing or removal of vegetation unless otherwise approved by TVA in advance and in writing. The width of the buffer zone will vary depending on slope and resource conditions; however, no area shall be narrower than fifty(50) feet as measured landward from the normal summer pool, 634-foot msl contour elevation, unless otherwise approved by TVA. Furthermore, GRANTEE shall not clear or remove any vegetation on any portion of the adjoining TVA property below the 640-foot msl contour unless done so in accordance with a Vegetative Management Plan approved by TVA in advance and in writing.
- B. A portion of the Property shown on said Exhibit B as the "Heron Colony", and containing 6.228 acres, more or less, is the site of a great blue heron nesting colony. GRANTEE shall not develop or otherwise disturb said 6.228 acres until such time as GRANTEE establishes, to the satisfaction of TVA, in its sole discretion, and TVA agrees in writing, that the great blue heron colony nesting within said 6.228 acres has failed to return to the site for two (2) consecutive years and appears to have abandoned the site.
-  GRANTEE shall not construct any facilities, structures, or other improvements for which approval is required under Section 26a of the Tennessee Valley Authority Act of 1933, as amended, until plans for such facilities, structures, or other improvements have been submitted to TVA and have been approved in writing in accordance with established procedures. Nothing in this instrument shall be construed as constituting or evidencing such approval by TVA. TVA and GRANTEE will acknowledge and agree that if the Property is at any time in the future subdivided or is in any way held by multiple owners, TVA is in no way obligated to approve or consider requests for any permits for private water-use facilities fronting any portion of the Property.
-  GRANTEE shall not develop, construct, operate, maintain or use any facilities, structures or other improvements, conduct dredging activities or place fill material on any portion of the Property lying below the 640-foot msl contour elevation except to the extent any such facilities, structures or other improvements are not subject to flood damage and are placed solely at locations and in accordance with plans approved in advance and in writing by TVA. As to any activities proposed within the 100-year floodway adopted by Marion County, Tennessee, to comply with the National Flood Insurance Program, GRANTEE shall provide a "No Rise Certification" indicating the development would result in no increase in the number of 100-year floods.
- E. As to any golf courses which may be located upon the Property, in order to minimize the impacts to water quality, to avoid wildlife exposure to pesticides, and to provide a method of tracking compliance, GRANTEE shall utilize golf course management practices in accordance with guidelines set forth in the Tennessee Handbook for Golf Course Environmental Management published by the Tennessee Department of Agriculture and its partners and as approved by TVA or will obtain certification of the golf course under the Audubon International Signature Program or similar programs, as approved by TVA. Site administrators shall handle and apply all pesticides used on the sites in a responsible manner and in accordance with state and federal laws.

- F. GRANTEE shall use lighting equipped with full cut-off optics throughout any development which may be located on the Property to reduce visual impacts.
- G. GRANTEE shall stabilize existing drainage stream channels to carry any post-development discharge without significant erosion.
- H. GRANTEE shall ensure access to state certified public sewage systems and public water supply prior to any development on the Property. Furthermore, GRANTEE shall not locate any septic tanks on the Property.
- I. GRANTEE shall provide notification to potential purchasers or lessees of the Property of TVA's rights affecting said land. Any questions regarding TVA's rights should be addressed to TVA's Chickamauga – Hiwassee Watershed Team, 1101 Market Street, PSC 1E, Chattanooga, Tennessee 37402-2801, telephone 423-876-6706.

GRANTOR may enforce the conditions and covenants set forth above as provided herein and/or by bringing an action or actions at law or in equity against any person, persons, or entity violating or attempting to violate any such covenant, either to restrain violation or to recover damages therefor, or both. Furthermore, if GRANTEE breaches such conditions and/or covenants, in addition to any other remedies provided at law, TVA may revoke any permits issued in accordance with Section 26a of the TVA Act, and any unauthorized land-disturbing activities may be remedied by TVA at GRANTEE's expense.

GRANTOR hereby agrees to give notice in writing of a breach of any of the terms, conditions, and/or covenants contained herein to any mortgagee or trustee designated in any mortgage or trust deed on the Property of which TVA has been notified in writing and which is actually unpaid and otherwise in force, and shall afford such mortgagee or trustee one hundred eighty (180) days in which to prevent, by foreclosure or otherwise, further violation of the aforesaid terms, conditions, and/or covenants, but the GRANTOR hereby reserves the right to intervene in and become a party to any litigation involving any such breach.

Invalidation of any of these conditions and/or covenants, or any portion thereof, by judgment or court order shall in no way affect any of the other covenants, or any portion thereof, which shall remain in full force and effect. To this end the conditions and covenants of this instrument are declared to be severable.

The Property is conveyed subject to such rights as may be vested in third parties to existing utility easements, road rights-of-way, and subject to such exceptions, reservations, conditions, covenants, limitations, restrictions, liens and rights of third parties as would be revealed by a search of the public records of Marion County, Tennessee. The Property is conveyed subject to such rights as are vested in the State of Tennessee to highway rights-of-way by virtue of Contract No. TV-25699A dated July 12, 1971, and supplements thereto, copies of which are available in the TVA land files.

TO HAVE AND TO HOLD the Property unto GRANTEE, its successors and assigns, in fee simple together with all and singular, the hereditaments and appurtenances thereunto belonging or in anywise appertaining.

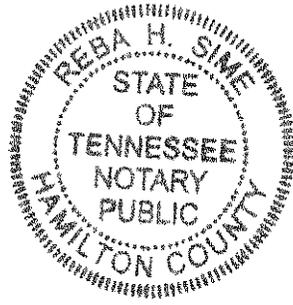
And TVA does hereby covenant that the UNITED STATES OF AMERICA is seized and possessed of the Property; that TVA as legal agent of the UNITED STATES OF AMERICA is duly authorized to convey the same; that the Property is free and clear of liens and encumbrances; and that, subject only to such exceptions, reservations, covenants, conditions, restrictions and/or limitations as may be expressly mentioned above, it will warrant and defend the title thereto against the lawful demands of all persons claiming by, through, or under the UNITED STATES OF AMERICA, but not further or otherwise.

STATE OF TENNESSEE)
) SS
COUNTY OF HAMILTON)

On the 27th day of June, 2006, before me appeared JOEL E. WILLIAMS and JANICE K. PULVER, to me personally known, who, being by me duly sworn, did say that they are the Manager, Realty Services, and Assistant Secretary, respectively, of the TENNESSEE VALLEY AUTHORITY, a corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed, sealed, and delivered on behalf of said corporation, by authority of its Board of Directors, and as legal agent for the UNITED STATES OF AMERICA; and the said JOEL E. WILLIAMS and JANICE K. PULVER acknowledged said instrument to be the free act and deed of the UNITED STATES OF AMERICA, as principal, and the TENNESSEE VALLEY AUTHORITY, as its agent.

WITNESS my hand and official seal of office in Chattanooga, Tennessee, the day and year aforesaid.

Reba H. Sime
Notary Public



My commission expires: April 11, 2009

AFFIDAVIT OF VALUE

STATE OF TENNESSEE)
) SS
COUNTY OF HAMILTON)

The undersigned hereby offers this instrument for recording within the meaning of the statutes of the State of Tennessee under Tennessee Code Annotated, Section 67-4-409, and hereby swears and affirms that the actual consideration for this transfer or the value of the property transferred, whichever is greater, is \$6,628,700.00, which amount is equal to or greater than the amount which the property transferred would command at a fair and voluntary sale.

James K Pulver
Affiant

Sworn to and subscribed before me this 27th day of June, 2006.

Reba H. Sime
Notary Public

My commission expires: April 11, 2009

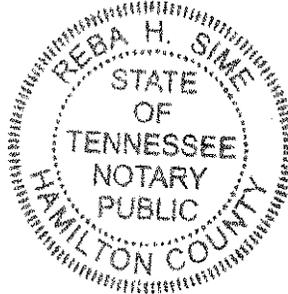


EXHIBIT A
TO
SPECIAL WARRANTY DEED

NICKAJACK RESERVOIR

A parcel of land lying on the west bank of the Nickajack Reservoir, located to the south of Interstate No. 24, in the Second Civil District of Marion County, State of Tennessee, as shown on US-TVA Drawing No. 69 MS 422 K 521(D) R.0, and being more particularly described as follows:

Beginning at a railroad spike (found) (Coordinates: N. 254,036.68, E. 2,093,102.31) in the centerline of Shellmound Road on the US-TVA Nickajack Reservoir boundary line, being Corner No. 3-14A; thence leaving the point of beginning and the centerline of said road and with the reservoir boundary line and the northern line of the herein described parcel S63°07'26"E, 18.80 feet to a concrete monument (found), being Corner No. 3-14A WC; thence S63°07'26"E, 52.72 feet to a concrete monument (found), being Corner No. 3-15; thence S63°07'26"E, 76.47 feet to a point in R. A. Griffith Highway, being Corner No. NLCM-5; thence leaving said reservoir boundary line and continuing with said northern line of the herein described parcel S26°52'40"W, 99.98 feet to a concrete nail and washer (set) in said highway, being Corner No. NLCM-6; thence leaving said highway and continuing with the northern line of the herein described parcel S63°06'27"E, 73.76 feet to an aluminum monument (set), being Corner No. NLCM-6 WC; thence S63°06'27"E, 100.02 feet to an angle iron (set), being Corner No. NLCM-7; thence N26°46'10"E, 270.71 feet to an angle iron (set), being Corner No. NLCM-8; thence N59°48'46"E, 66.05 feet to an angle iron (set), being Corner No. NLCM-9; thence N85°36'22"E, 446.53 feet to an aluminum monument (set), being Corner No. NLCM-10; thence leaving the northern line and with the eastern line of the herein described parcel S19°48'29"W, 494.65 feet to an aluminum monument (set), being Corner No. NLCM-11; thence S63°58'12"E, 342.88 feet to an aluminum monument (set), being Corner No. NLCM-12; thence continuing with the eastern line of the herein described parcel the following calls:

S06°37'51"W, 248.63 feet to an angle iron (set), being Corner No. NLCM-13;
thence S01°51'17"W, 367.03 feet to an angle iron (set), being Corner No. NLCM-14;
thence S08°57'03"W, 492.84 feet to an angle iron (set), being Corner No. NLCM-15;
thence S12°36'21"W, 224.43 feet to an angle iron (set), being Corner No. NLCM-16;
thence S24°45'17"W, 375.82 feet to an aluminum monument (set), being Corner No. NLCM-17;
thence S20°08'28"W, 289.75 feet to an angle iron (set), being Corner No. NLCM-18;
thence S07°43'54"W, 139.67 feet to an angle iron (set), being Corner No. NLCM-19;
thence S28°15'31"W, 110.47 feet to an angle iron (set), being Corner No. NLCM-20;
thence S05°34'17"W, 99.60 feet to an angle iron (set), being Corner No. NLCM-21;
thence S23°52'18"W, 345.75 feet to an angle iron (set), being Corner No. NLCM-22;
thence S45°44'52"W, 303.98 feet to an aluminum monument (set), being Corner No. NLCM-23;
thence N66°26'55"W, 323.85 feet to an angle iron (set), being Corner No. NLCM-24; thence
S27°16'26"W, 255.96 feet to an aluminum monument (set) landward of the 640-foot mean sea level contour line, being Corner No. NLCM-25;

thence with a line landward of and approximating the 640-foot mean sea level contour line and continuing with said eastern line of the herein described parcel the following calls:

S86°35'25"W, 98.02 feet to an angle iron (set), being Corner No. 21X-126;
thence S30°49'55"W, 205.57 feet to an angle iron (set), being Corner No. 21X-127;
thence S45°52'21"W, 176.95 feet to an angle iron (set), being Corner No. 21X-128;
thence S37°06'58"W, 254.92 feet to an angle iron in an aluminum monument with cap missing (set), being Corner No. 21X-129;
thence S52°02'24"W, 336.59 feet to an aluminum monument (set), being Corner No. 311F-1;
thence S04°11'22"W, 190.13 feet to an angle iron (set), being Corner No. 21X-130;

EXHIBIT A (CONTINUED)

thence S12°22'41"W, 156.56 feet to an angle iron (set), being Corner No. 21X-131;
thence S35°39'34"W, 281.97 feet to an angle iron (set), being Corner No. 21X-132;
thence S57°57'19"W, 281.60 feet to an angle iron (set), being Corner No. 21X-133;
thence S15°03'17"W, 129.90 feet to an angle iron (set), being Corner No. 21X-134;
thence S60°37'43"W, 85.22 feet to an angle iron (set), being Corner No. 21X-135;
thence N67°03'43"W, 434.35 feet to an aluminum monument (set), being Corner No. 21X-136;
thence N18°27'17"W, 163.79 feet to an angle iron (set), being Corner No. 21X-137;
thence N63°37'50"W, 204.43 feet to an angle iron (set), being Corner No. 21X-138;
thence S38°29'13"E, 114.89 feet to an angle iron (set), being Corner No. 21X-139;
thence S07°29'20"E, 154.45 feet to an aluminum monument (set), being Corner No. 21X-140;
thence S41°52'19"E, 286.26 feet to an angle iron (set), being Corner No. 21X-140A;
thence S33°02'50"E, 144.11 feet to an angle iron (set), being Corner No. 21X-141;
thence S52°08'45"E, 123.64 feet to an angle iron (set), being Corner No. 21X-142;
thence S31°54'54"W, 328.85 feet to an angle iron (set), being Corner No. 21X-143;
thence S07°06'01"W, 235.18 feet to an angle iron (set), being Corner No. 21X-144;
thence S02°51'11"E, 328.49 feet to an aluminum monument (set), being Corner No. 21X-145;
thence S30°06'34"W, 135.71 feet to an angle iron (set), being Corner No. 21X-146;
thence S56°25'14"W, 142.34 feet to an angle iron (set), being Corner No. 21X-147;
thence S31°06'40"W, 182.58 feet to an angle iron (set), being Corner No. 21X-148;
thence S85°50'41"E, 170.72 feet to an aluminum monument (set), being Corner No. 21X-149;
thence S39°36'43"E, 76.51 feet to an angle iron (set), being Corner No. 21X-150;
thence S02°24'38"W, 240.13 feet to an angle iron (set), being Corner No. 21X-151;
thence S39°46'44"W, 110.50 feet to an angle iron (set), being Corner No. 21X-152;
thence S38°24'13"E, 172.91 feet to an angle iron (set), being Corner No. 21X-153;
thence S50°01'51"E, 143.45 feet to an aluminum monument (set), being Corner No. 21X-154;
thence S05°28'04"E, 121.11 feet to an angle iron (set), being Corner No. 21X-155;
thence S66°53'31"W, 454.20 feet to an angle iron (set), being Corner No. 21X-156;
thence S72°39'51"W, 362.05 feet to an angle iron (set), being Corner No. 21X-157;
thence N50°11'17"W, 231.31 feet to an angle iron (set), being Corner No. 21X-158;
thence N76°46'02"W, 348.83 feet to an aluminum monument (set), being Corner No. 21X-159;
thence S15°43'10"W, 248.77 feet to an angle iron (set), being Corner No. 21X-160;
thence S64°51'23"W, 200.64 feet to an angle iron (set), being Corner No. 21X-161;
thence S03°08'08"E, 279.17 feet to an angle iron (set), being Corner No. 21X-162;
thence S02°57'05"E, 293.66 feet to an angle iron (set), being Corner No. 21X-163;
thence S34°57'49"W, 267.55 feet to an angle iron (set), being Corner No. 21X-164;
thence S31°57'02"E, 473.35 feet to an aluminum monument (set), being Corner No. 21X-165;
thence S77°15'56"E, 237.76 feet to an aluminum monument (set), being Corner No. 21X-166;
thence S25°30'57"W, 334.08 feet to an angle iron (set), being Corner No. 21X-167;
thence S62°34'40"W, 264.56 feet to an angle iron (set), being Corner No. 21X-168;
thence N42°08'33"W, 122.55 feet to an angle iron (set), being Corner No. 21X-169;
thence N71°36'58"W, 256.10 feet to an angle iron (set), being Corner No. 21X-170;
thence S72°24'30"W, 166.93 feet to an angle iron (set), being Corner No. 21X-171;
thence N29°31'16"W, 393.96 feet to an angle iron (set), being Corner No. 21X-172;
thence N03°08'03"E, 539.18 feet to an aluminum monument (set), being Corner No. 21X-173;
thence N37°16'51"W, 203.63 feet to an angle iron (set), being Corner No. 21X-174;
thence N66°35'10"E, 401.57 feet to an aluminum monument (set), being Corner No. 21X-175;
thence N08°34'40"E, 266.77 feet to an angle iron (set), being Corner No. 21X-176;
thence N18°27'23"W, 244.67 feet to an aluminum monument (set), being Corner No. 21X-177;
thence N27°55'01"E, 263.65 feet to an aluminum monument (set), being Corner No. 21X-178;
thence N79°41'41"W, 94.19 feet to an angle iron (set), being Corner No. 21X-179;
thence N04°34'40"E, 83.20 feet to an angle iron (set), being Corner No. 21X-180;
thence N48°14'11"W, 119.73 feet to an angle iron (set), being Corner No. 21X-181;
thence S69°35'25"W, 171.05 feet to an angle iron (set), being Corner No. 21X-182;
thence S53°58'27"W, 300.18 feet to an aluminum monument (set), being Corner No. 21X-183;
thence S74°26'06"W, 122.09 feet to an angle iron (set), being Corner No. 21X-184;
thence N63°58'21"W, 56.24 feet to an angle iron (set), being Corner No. 21X-185;

EXHIBIT A (CONTINUED)

thence N09°33'47"W, 143.26 feet to an angle iron (set), being Corner No. 21X-186;
thence N49°07'25"W, 89.68 feet to an angle iron (set), being Corner No. 21X-187;
thence S82°28'12"W, 161.24 feet to an aluminum monument (set), being Corner No. 21X-188;
thence S55°26'24"W, 152.89 feet to an angle iron (set), being Corner No. 21X-189;
thence S05°37'27"W, 99.49 feet to an angle iron (set), being Corner No. 21X-190;
thence N80°58'29"W, 84.72 feet to an aluminum monument (set), being Corner No. 21X-191;
thence S34°40'54"W, 214.60 feet to an angle iron (set), being Corner No. 21X-192;
thence S34°49'34"W, 232.91 feet to an angle iron (set), being Corner No. 26X-1;
thence S58°52'40"W, 101.15 feet to an angle iron (set), being Corner No. 26X-2;
thence S47°40'25"W, 62.30 feet to an angle iron (set), being Corner No. 26X-3;
thence N47°55'09"W, 57.76 feet to an aluminum monument (set), being Corner No. 26X-4;
thence N75°22'09"W, 252.15 feet to an angle iron (set), being Corner No. 26X-5;
thence N53°51'40"W, 88.73 feet to an angle iron (set), being Corner No. 21X-196;
thence S64°18'43"W, 281.96 feet to an angle iron (set), being Corner No. 21X-197;
thence N65°41'42"W, 113.63 feet to an aluminum monument (set), being Corner No. 21X-198;
thence N55°24'37"W, 394.26 feet to an angle iron (set), being Corner No. 21X-199;
thence N27°38'57"W, 108.74 feet to an angle iron (set), being Corner No. 21X-200;
thence S17°53'42"W, 99.98 feet to an angle iron (set), being Corner No. 21X-201;
thence S49°43'09"W, 125.82 feet to an angle iron (set), being Corner No. 21X-202;
thence N85°05'11"W, 170.69 feet to an aluminum monument (set), being Corner No. 21X-203;
thence N44°53'24"W, 132.58 feet to an angle iron (set), being Corner No. 21X-204;
thence S23°36'31"W, 31.39 feet to an angle iron (set), being Corner No. 21X-205;
thence S29°29'27"E, 103.82 feet to an angle iron (set), being Corner No. 21X-206;
thence S56°31'47"E, 410.51 feet to an angle iron (set), being Corner No. 21X-207;
thence S40°46'08"E, 95.36 feet to an angle iron (set), being Corner No. 21X-208;
thence S04°16'12"W, 185.47 feet to an angle iron (set), being Corner No. 21X-209;
thence S40°40'51"W, 206.75 feet to an angle iron (set), being Corner No. 21X-210;
thence S15°11'52"W, 77.28 feet to an angle iron (set), being Corner No. 21X-211;
thence S80°45'46"W, 88.34 feet to an angle iron (set), being Corner No. 21X-212;
thence S24°11'06"W, 144.09 feet to an angle iron (set), being Corner No. 21X-213;
thence S53°29'09"W, 194.31 feet to an aluminum monument (set), being Corner No. 21X-214;
thence N67°38'51"W, 105.81 feet to an angle iron (set), being Corner No. 21X-215;
thence S76°29'25"W, 213.78 feet to an angle iron (set), being Corner No. 21X-216;
thence S78°09'35"W, 178.23 feet to an angle iron (set), being Corner No. 21X-217;
thence N88°41'41"W, 122.49 feet to an angle iron (set), being Corner No. 21X-218;
thence S85°06'49"W, 225.17 feet to an angle iron (set), being Corner No. 21X-219;
thence S74°16'34"W, 190.33 feet to an angle iron (set), being Corner No. 21X-220;
thence leaving the eastern line and with the western line of the herein described parcel N07°32'20"W,
1,806.74 feet to an angle iron (set) north of the aforementioned R. A. Griffith Highway, being Corner No.
21X-221; thence leaving the western line and with the northwestern line of the herein described parcel
N70°22'02"E, 199.98 feet to an angle iron (set), being Corner No. NLCM-283; thence N03°26'56"E,
498.70 feet to a railroad spike (found) in the centerline of the aforementioned Shellmound Road and on
the aforementioned US-TVA Nickajack Reservoir boundary line, being Corner No. 1-13; thence leaving
said road and with said reservation boundary line and continuing with the northwestern line of the herein
described parcel S 77°05'57" E, 484.05 feet to a concrete monument (found), being Corner No. 1-12;
thence N 06°33'12" E, 49.86 feet to a concrete monument (found), being Corner No. 1-11; thence N
77°17'31" E, 439.99 feet to a concrete monument (found), being Corner No. 1-10A; thence N 06°38'17"
E, 293.23 feet to a concrete monument (found), being Corner No. 1-8 RM; thence N 06°38'17" E, 15.95
feet to a point in the centerline of Shellmound Road, being Corner No. 1-8; thence continuing with
northwestern line of the herein described parcel and said reservation boundary line and with the
meanders of the centerline of said road in a northeasterly direction forming the following chords:
S 88°28'22" E, 323.79 feet to a point, being Corner No. 1-9;
thence N 62°07'37" E, 1,291.32 feet to a point, being Corner No. 1-24;

EXHIBIT A (CONTINUED)

thence N 50°37'57" E, 131.26 feet to a point, being Corner No. 1-25;
thence N 55°52'24" E, 147.43 feet to a railroad spike (set), being Corner No. 1-26;
thence N 43°38'55" E, 305.51 feet to a railroad spike (set), being Corner No. 1-28;
thence N 59°46'49" E, 360.05 feet to a railroad spike (found), being Corner No. 1-29;
thence N 72°24'12" E, 1,431.83 feet to a railroad spike (found), being Corner No. 1-32;
thence N 41°45'32" E, 898.49 feet to a railroad spike (found), being Corner No. 1-35;
thence N 08°45'09" E, 327.34 feet to a railroad spike (found), being Corner No. 1-36;
thence N 20°06'35" E, 114.16 feet to a railroad spike (found), being Corner No. 3-1;
thence N 39°36'36" E, 801.63 feet to a PK Nail (found), being Corner No. 3-2;
thence N 04°54'41" E, 172.40 feet to a PK Nail (found), being Corner No. 3-3;
thence N 39°10'22" E, 166.04 feet to a railroad spike (found), being Corner No. 3-9;
thence N 41°28'09" E, 3,062.88 feet to the point of beginning and containing 578.181 acres, more or less.

Positions of corners and directions of lines are referred to the Tennessee State Coordinate System and NAD 83(1990) Horizontal Datum. The elevations for establishing the contours are based on NGVD 1929. Located on VTM Quad SEQUATCHIE, TENN. 100-SE.

This description was prepared from Reservation Maps 69 MS 421 P 508-D-1, R.0 and 69 MS 421 P 508-D-3, R.0, and a survey dated May 25, 2005 by:

A. J. Monsees, RLS
Tennessee Valley Authority
MR 4B-C
Chattanooga, TN 37402-2801
TN License No. 1843

SOURCE OF TITLE

Subject Property was acquired by the United States of America by virtue of the following instruments of record in the office of the Register of Marion County, Tennessee: 1) Warranty Deed dated January 20, 1964, from Elmer Lee Harris and wife, Mildred Lee Harris, in Deed Book 6-M, page 544 (TVA Tract No. NJR-105); 2) Judgment entered August 16, 1966, by the District Court of the United States for the Eastern District of Tennessee, Southern Division, in Cause No. 4495, styled "USA, ex rel. TVA v. Electra Lay Lasater, Edward Lay, Felice Noel Fry and Herman Lay", in Deed Book 6-S, page 403 (TVA Tract No. NJR-106); 3) Warranty Deed dated June 30, 1965, from John A. Noell, Jr., and wife, Elizabeth Noell, in Deed Book P-6, page 511 (TVA Tract No. NJR-107); 4) Warranty Deeds dated July 27, 1965, from Helen Noel Krebs, Madeline N. Armitage and Felice N. Fry as to an undivided 3/7 interest, in Deed Book 6-I, page 43, and dated June 30, 1965, from John A. Noell, Jr., Felice N. Austin and Lucy N. Brown, as to an undivided 4/7 interest, in Deed Book P-6, page 535 (TVA Tract No. NJR-108); 5) Warranty Deed dated October 6, 1965, from Albert A. Pilgrim and wife, Betty Sue Pilgrim, in Deed Book Q-6, page 337 (TVA Tract No. NJR-117); 6) Judgment entered June 21, 1967, by the District Court of the United States for the Eastern District of Tennessee, Southern Division, in Cause No. 4901, styled, "USA, ex rel. TVA v. Icie Campbell, Non Compos Mentis", in Deed Book 6-U, page 514 (TVA Tract No. NJR-308); 7) Judgment entered March 28, 1969, by the District Court of the United States for the Eastern District of Tennessee, Southern Division, in Cause No. 4773 styled, "USA, ex rel. TVA v. Hunley W. Acuff and wife, Hazel M. Acuff", in Deed Book 7-B, page 243 (TVA Tract No. NJR-309); and 8) Warranty Deed dated May 10, 1966, from Hunley W. Acuff, Jr., and wife, Barbara Acuff, in Deed Book 6, page 31 (TVA Tract No. NJR-310).

EXHIBIT C
TO
SPECIAL WARRANTY DEED

NICKAJACK RESERVOIR

NJR-118F

Beginning at an aluminum monument (set) (Coordinates: N. 246,764.91, E. 2,088,163.99), being Corner No. 21X-191; thence N29°02'51"W, 294.89 feet to an angle iron (set), being Corner No. 118F-1; thence N11°29'41"W, 89.37 feet to an angle iron (set), being Corner No. 118F-2; thence N05°55'35"E, 53.07 feet to an angle iron (set), being Corner No. 118F-3; thence S51°15'58"E, 249.94 feet to an angle iron (set), being Corner No. 118F-4; thence N33°47'39"E, 146.42 feet to an aluminum monument (set), being Corner No. 118F-5; thence N37°56'58"E, 81.63 feet to an angle iron (set), being Corner No. 118F-6; thence N79°51'57"E, 106.56 feet to an angle iron (set), being Corner No. 118F-7; thence S89°37'46"E, 295.34 feet to an angle iron (set), being Corner No. 118F-8; thence N63°14'41"E, 247.90 feet to an angle iron (set), being Corner No. 118F-9; thence N70°26'19"E, 118.54 feet to an aluminum monument (set), being Corner No. 118F-10; thence S75°35'49"E, 134.48 feet to an angle iron (set), being Corner No. 118F-11; thence N38°48'21"E, 99.28 feet to an angle iron (set), being Corner No. 118F-12; thence N01°02'25"E, 135.51 feet to an angle iron (set), being Corner No. 118F-13; thence N28°50'40"E, 16.42 feet to an angle iron (set), being Corner No. 118F-14; thence S83°33'25"E, 52.93 feet to an angle iron (set), being Corner No. 118F-15; thence S72°28'12"E, 52.66 feet to an aluminum monument (set), being Corner No. 118F-16; thence S62°29'25"E, 88.96 feet to an angle iron (set), being Corner No. 118F-17; thence N41°33'47"E, 215.84 feet to an angle iron (set), being Corner No. 118F-18; thence S12°11'44"E, 190.44 feet to an angle iron (set), being Corner No. 118F-19; thence S31°36'49"E, 112.21 feet to an aluminum monument (set), being Corner No. 118F-20; thence N78°19'13"E, 147.65 feet to an angle iron (set), being Corner No. 118F-21; thence S20°24'30"E, 60.34 feet to an angle iron (set), being Corner No. 118F-22; thence S27°08'05"W, 75.58 feet to an angle iron (set), being Corner No. 118F-23; thence S47°24'55"W, 211.24 feet to an angle iron (set), being Corner No. 118F-24; thence S56°47'21"W, 136.95 feet to an aluminum monument (set), being Corner No. 118F-25; thence S36°12'08"W, 127.69 feet to an angle iron (set), being Corner No. 118F-26; thence S36°42'51"W, 166.39 feet to an aluminum monument (set), being Corner No. 21X-178; thence N79°41'41"W, 94.19 feet to an angle iron (set), being Corner No. 21X-179; thence N04°34'40"E, 83.20 feet to an angle iron (set), being Corner No. 21X-180; thence N48°14'11"W, 119.73 feet to an angle iron (set), being Corner No. 21X-181; thence S69°35'25"W, 171.05 feet to an angle iron (set), being Corner No. 21X-182; thence S53°58'27"W, 300.18 feet to an aluminum monument (set), being Corner No. 21X-183; thence S74°26'06"W, 122.09 feet to an angle iron (set), being Corner No. 21X-184; thence N63°58'21"W, 56.24 feet to an angle iron (set), being Corner No. 21X-185; thence N09°33'47"W, 143.26 feet to an angle iron (set), being Corner No. 21X-186; thence N49°07'25"W, 89.68 feet to an angle iron (set), being Corner No. 21X-187; thence S82°28'12"W, 161.24 feet to an aluminum monument (set), being Corner No. 21X-188; thence S55°26'24"W, 152.89 feet to an angle iron (set), being Corner No. 21X-189; thence S05°37'27"W, 99.49 feet to an angle iron (set), being Corner No. 21X-190; thence N80°58'29"W, 84.72 feet to the point of beginning and containing 15.994 acres, more or less.

EXHIBIT C (CONTINUED)

TVA TRACT NO. NJR-311F

Beginning at an aluminum monument (set) (Coordinates: N. 249,885.19, E. 2,092,083.42), being Corner No. 311F-1; thence N20°06'15"W, 109.65 feet to an angle iron (set), being Corner No. 311F-2; thence N40°29'49"W, 148.87 feet to an angle iron (set), being Corner No. 311F-3; thence N75°50'35"E, 151.81 feet to an angle iron (set), being Corner No. 311F-4; thence N78°49'23"E, 104.73 feet to an angle iron (set), being Corner No. 311F-5; thence S66°02'29"E, 163.93 feet to an angle iron in an aluminum monument with cap missing (set), being Corner No. 21X-129; thence S52°02'24"W, 336.59 feet to the point of beginning and containing 1.212 acres, more or less.

TVA TRACT NO. NJR-119F

Beginning at an angle iron (set) (Coordinates: N. 246,358.22, E. 2,089,335.37), being Corner No. 21X-176; thence N78°04'49"E, 391.79 feet to an angle iron (set), being Corner No. 21X-161; thence S03°08'08"E, 279.17 feet to an angle iron (set), being Corner No. 21X-162; thence S02°57'05"E, 293.66 feet to an angle iron (set), being Corner No. 21X-163; thence N63°22'46"W, 507.30 feet to an aluminum monument (set), being Corner No. 21X-175; thence N08°34'40"E, 266.77 feet to the point of beginning and containing 4.025 acres, more or less.

Positions of corners and directions of lines are referred to the Tennessee State Coordinate System and NAD 83(1990) Horizontal Datum. The elevations for establishing the contours are based on NGVD 1929. Located on VTM Quad SEQUATCHIE, TENN. 100-SE.

This description was prepared from Reservation Maps 69 MS 421 P 508-D-1, R.0 and 69 MS 421 P 508-D-3, R.0, and a survey dated May 25, 2005 by:

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