This instrument prepared by:

Leonard L. McCurdy, Attorney
Tennessee Valley Authority
1101 Market Street, SP 3L
Chattanooga, Tennessee 37402-2801
Telephone: (423) 751-2006

COPY

TVA TRACT NO. XNJR-21, S.1X

RELEASE OF RIGHT TO REENTER
AND
REPLACEMENT RIGHT TO REENTER

THIS INSTRUMENT, made and executed as of the 19th day of MARCH, 2008, by and between the United States of America (sometimes hereinafter referred to as "GRANTOR"), acting by and through the TENNESSEE VALLEY AUTHORITY (sometime hereinafter referred to as "TVA"), a corporation created by an Act of Congress know as the Tennessee Valley Authority Act of 1933, as amended, and NICKAJACK SHORES HOLDINGS, LLC, a Tennessee limited liability company (sometimes hereinafter referred to as "GRANTEE"); and

W I T N E S S E T H:

WHEREAS, GRANTOR, acting by and through its legal agent TVA, by Special Warranty Deed, dated June 27, 2006, and recorded in Deed Book 373, page 668, in the office of the Register of Marion County, Tennessee, conveyed to GRANTEE, a certain tract of land designated in the land records of TVA as Tract No. XNJR-21; and

WHEREAS, said TVA Tract No. XNJR-21 was conveyed subject to Condition 2.B. in said Special Warranty Deed which states as follows: "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."; and

WHEREAS, the Reentry Area is shown on Exhibit B as referenced above and in said Special Warranty Deed; and

WHEREAS GRANTOR and GRANTEE mutually agree to release the Reentry Area as shown in said Exhibit B as referenced above and in said Special Warranty Deed and replace and redesignate said Reentry Area with the property described in Exhibit A1 and shown on Exhibit B1, both of which are attached hereto and made a part hereof.

NOW THEREFORE, in consideration of the foregoing premises, GRANTOR and GRANTEE hereby declare the Reentry Area referenced and shown on Exhibit B in said Special Warranty Deed is hereby released and replaced with the area described in said Exhibit A1 and shown on said Exhibit B1, and attached hereto.

In the event GRANTOR exercises its Right of Reentry, GRANTOR will provide GRANTEE and its successors and assigns a license across roads located within said Reentry Area to access the Campground Reentry Area and other properties of GRANTEE and its successors and assigns identified on Exhibit B1.

This instrument shall not be construed to be in derogation of the rights retained by the GRANTOR and TVA under the Deed, including but not limited to the right to reenter upon the breach of any other conditions set forth in the Deed, and shall not constitute a conveyance, release, waiver, or abandonment of said rights except as specifically provided herein, and shall not affect in any way the full enjoyment by the GRANTOR and TVA of their rights to TVA Tract No. XTNJR-21.

It is a condition of this instrument that all of the rights, reservations, restrictions, covenants, and conditions of the Deed shall be and remain in full force and effect except as specifically provided herein.

Any reference in this instrument to the terms "GRANTEE", "GRANTOR" and "TVA" shall be deemed to include their respective successors and assigns.

IN WITNESS WHEREOF, NICKAJACK SHORES HOLDINGS, LLC, has caused this instrument to be executed by its Chief Manager on this 19th day of March, 2008, and the UNITED STATES OF AMERICA, has cause this instrument to be executed by its duly authorized officer on this 19th day of March, 2008.

NICKAJACK SHORES HOLDINGS, LLC

By: Mic Ross
MICHAEL L. ROSS, Chief Manager

UNITED STATES OF AMERICA
By TENNESSEE VALLEY AUTHORITY,
its legal agent

DAISY A. SNIPES
Manager, Realty Services

STATE OF TENNESSEE)
) SS
COUNTY OF HAMILTON)

On the 19th day of MARCH, 2008, before me appeared DAISY A. SNIPES, to me personally known, who, being by me duly sworn, did say that she is the Manager, Realty Services, of the TENNESSEE VALLEY AUTHORITY, a corporation, the within named bargainor; and that said instrument was signed, and delivered on behalf of said corporation, by authority of its Board of Directors, and as legal agent of the UNITED STATES OF AMERICA; and the said DAISY A. SNIPES, 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 legal agent.

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

NOTARY PUBLIC

My Commission Expires: MARCH 14, 2010

GREGORY BATES
STATE OF TENNESSEE NOTARY PUBLIC
HAMILTON COUNTY

STATE OF TENNESSEE)
) SS
COUNTY OF Blount)

Before me personally appeared MICHAEL L. ROSS, to me known, who being by me duly sworn, did say that he is the Chief Manager of NICKAJACK SHORES HOLDINGS, LLC, a Tennessee limited liability company, the within named bargainor, and that said instrument was signed and delivered on behalf of said company, by authority of its Members, and he, as such authorized Chief Manager, acknowledged said instrument to be the free act and deed of said company on the day and year therein mentioned.

WITNESS my hand and official seal of office this 19th day of March, 2008.

NOTARY PUBLIC

My Commission Expires: 8/14/11

PAMELA LANE
STATE OF TENNESSEE NOTARY PUBLIC
COUNTY OF BLOUNT

TVA TRACT NO. XNJR-21, S.1X

GRANTOR: United States of America
Tennessee Valley Authority
1101 Market Street, SP 3L
Chattanooga, TN 37402-2801

[Tax Exempt -
TCA § 67-5-203(a)(1)]

The names and address of the legal owner is:

GRANTEE: Nickajack Shores Holdings, LLC
1010 William Blount Dr.
Maryville, TN 37801

(See D.B. 373, page 668)

Tax Map: _____

Parcel: _____

AFFIDAVIT OF VALUE

STATE OF TENNESSEE)
)
COUNTY OF Blount)

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 abandonment of the easement rights, is _____ ($ -0-), which amount is equal to or greater than the amount which the easement rights abandoned would command at a fair and voluntary sale.

Affiant

Sworn to and subscribed before me this 19th day of March, 2008.

Title:

My commission expires: 8/14/11

PAMELA LANE
STATE OF TENNESSEE NOTARY PUBLIC
COUNTY OF BLOUNT

EXHIBIT A1

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.1, and being more particularly described as follows:

Beginning at an angle (set) (Coordinates: N. 246,588.44, E. 2,088,041.88) on a line landward of and approximating the 640-foot mean sea level contour line on the US-TVA Nickajack Reservoir, being Corner No. 21X-192; thence with a line landward of and approximating the 640-foot mean sea level contour line the following calls:

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;

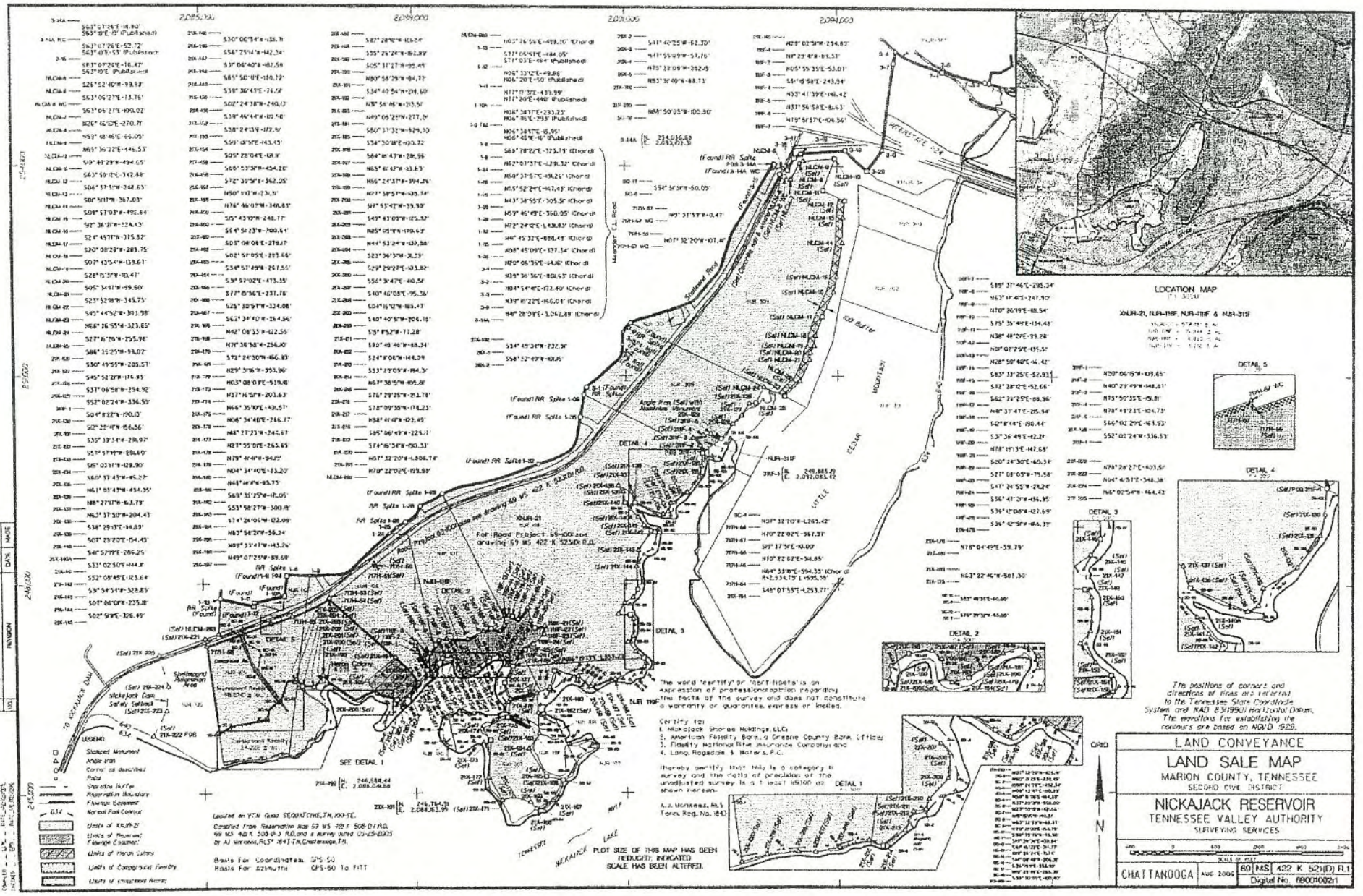
thence leaving the line approximating the 640-foot mean sea level contour line N88°50'05"W, 100.80 feet to an angle iron (set), being corner No. SC-18; thence S19°29'44"W, 289.39 feet to an angle iron (set), being corner No. SC-17; thence S54°51'31"W, 50.05 feet to an angle iron (set), being corner No. SC-5; thence S50°16'06"W, 164.88 feet to an angle iron (set), being corner No. SC-4; thence S08°53'47"W, 150.99 feet to an angle iron (set), being corner No. SC-3; thence S80°24'20"W, 492.34 feet to an angle iron (set), being corner No. SC-2; thence S60°21'25"W, 239.45 feet to an angle iron (set), being corner No. SC-1; thence N07°32'20"W, 1,269.42 feet to a point in the southern line of a road, being corner No. 717H-58, the said point being S07°32'20"E, 107.41 feet from an angle iron (set), being Corner No. 21X-221; thence with the southern line of a road N70°22'01"E, 967.97 feet to a point, being corner No. 717H-57, said corner being S19°37'59"E, 0.47 feet from Corner No. 717H-57 WC; thence continuing with the southern line of a road S19°37'51"E, 10.00 feet to an angle iron (set), being corner No. 717H-56; thence continuing with the southern line of a road N70°22'02"E, 318.85 feet to an angle iron (set), being corner No. 717H-55; thence continuing with the southern line of a road northeasterly with a curve concave to the northwest having a radius of 2,934.79 feet, an arc length of 595.35 feet, and forming a chord N64°33'18"E, 594.33 feet to an angle iron (set), being corner No. 717H-54; thence leaving the said road S48°07'55"E, 1,253.77 feet to an angle iron (set), being corner No. 21X-194; thence S49°05'29"E, 277.21 feet to an angle iron (set), being corner No. 21X-193; thence S31°58'46"E, 213.51 feet to the point of beginning and containing 68.876 acres.

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

EXHIBIT B1


LOCATION MAP
DETAIL 1
DETAIL 2
DETAIL 3
DETAIL 4
DETAIL 5
SEE DETAIL 1
The word 'certify' or 'certificate' is an expression of professional opinion regarding the facts of the survey and does not constitute a warranty or guarantee, express or implied.
Certify to:
1. Nickajack Shores Holdings, LLC;
2. American Fidelity Bank, a Greene County Bank Office;
3. Fidelity National Title Insurance Company; and
4. Long, Ragsdale & Waters, P.C.
Thereby certify that this is a category II survey and the ratio of precision of the unadjusted survey is at least 1:5000 as shown hereon.
X.J. Monsees, RLS
Tenn. Reg. No. 1843
PLOT SIZE OF THIS MAP HAS BEEN REDUCED; INDICATED SCALE HAS BEEN ALTERED.
The 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.
LAND CONVEYANCE
LAND SALE MAP
MARION COUNTY, TENNESSEE
SECOND CIVIL DISTRICT
NICKAJACK RESERVOIR
TENNESSEE VALLEY AUTHORITY
SURVEYING SERVICES
CHATTANOOGA
AUG 2006
69 MS 422 K 521(D) R.1
Digital No. 69001002r1