

EXHIBIT B

THIS DEED WOULD BE USED FOR WATERFRONT LOTS OWNED BY TVA. A STATEMENT OF SUBDIVISION STANDARDS AND SHORELINE MANAGEMENT ZONE (SAMPLES ATTACHED HERETO AS EXHIBITS A AND B, RESPECTIVELY), WILL BE MADE A PART OF THE DEED.

Prepared By:

TVA TRACT NO. XTBRDC-1, LOT _____
REDBUD SUBDIVISION

Tennessee Valley Authority
1101 Market Street, BR 4B
Chattanooga, Tennessee 37402-2801
Telephone No. 888-817-5201

SPECIAL WARRANTY DEED

THIS INDENTURE, made and entered into by and between the UNITED STATES OF AMERICA (hereinafter sometimes referred to as "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 _____, (hereinafter sometimes referred to as the "GRANTEES"),

W I T N E S S E T H:

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 the TVA Board of Directors has determined that said land is not necessary to carry out any of its plans and projects actually decided upon; and

WHEREAS the TVA Board has authorized the BEECH RIVER WATERSHED DEVELOPMENT AUTHORITY (hereinafter sometimes referred to as "BRWDA") to act as its agent in the sale of said land at auction; and

WHEREAS pursuant to such authorization, in compliance with Section 31 of the TVA Act, and to obtain development of the full potential of its lands for private residential purposes and to afford all potential bidders an equal opportunity to purchase said property, the BRWDA 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 ____ day of _____, 2018, at the BRWDA office, Henderson County, Tennessee, and the terms of said sale having been cried for a reasonable time, and subsequently a bid was received pursuant to the terms announced on the date of sale, said land was finally sold to the GRANTEES for the sum of _____ AND NO/100 DOLLARS (\$_____.00) that being the highest and best bid made at said sale.

TVA TRACT NO. XTBRDC-1, LOT _____
REDBUD SUBDIVISION

NOW, THEREFORE, in consideration of the premises and the full payment of the aforesaid bid, receipt whereof is hereby acknowledged, GRANTOR does hereby bargain, sell, transfer, and convey unto the GRANTEES for private residential and recreational use only:

Lot _____ of the Redbud Subdivision, as shown on a plat of said subdivision which is recorded and on file in Map File Number __, page ____, in the office of the Register of Henderson County, Tennessee, said subdivision being located in the Third Civil District of Henderson County, Tennessee, on the shores of Redbud Lake, approximately five miles east of Lexington.

The above-described lot contains _____ acres, more or less.

Furthermore, the right to construct, operate, and maintain, at locations and in accordance with plans approved in advance by TVA water-use facilities on and over the land lying between elevations 446.0 feet msl and the adjacent waters of the lake and in and on such waters, and the further right of suitable ingress and egress over such adjoining land to and from the waters of the lake and such facilities.

Lot _____ was acquired by the United States of America by virtue **(insert derivation of title)** in Deed Book ____, page ____, in the office of the Register of Henderson County, Tennessee. (TVA Tract No. BRDC-_____))

It is understood and agreed that the above-described property is conveyed subject to five-foot wide easements along all property lines for drainage and public utilities and subject to such rights as may be outstanding in the state, county, or third parties for existing roads or public utilities.

It is understood and agreed that the designation of the above-described land as part of the Redbud Subdivision and the provision of road access to said land do not imply an undertaking on the part of the GRANTOR to maintain said subdivision or road or roads, or for any damages resulting from the construction or use thereof.

The GRANTEES, in accepting this conveyance, covenant for themselves, their heirs, successors and assigns, and agree to and with the GRANTOR that the following shall constitute real covenants that shall attach to and run with the above-described land and shall be binding upon anyone who may hereafter come into ownership thereof, whether by purchase, devise, descent, or succession:

1. In the interest of public health and sanitation and in order that the land above-described and all other land in the same locality may be benefited by a decrease in the hazards of stream pollution and by the protection of water supplies, recreation, wildlife, and other public uses of GRANTOR'S reservoir waters and shorelands, GRANTEES will not use or permit the use of the lands affected by this indenture for any purpose that will result in the draining or dumping into the reservoir of any refuse, sewage, or other material which in the judgment of TVA would degrade water quality to an extent that would be incompatible with the public interest, and that GRANTEES will control all wastes which might be discharged into the reservoir in accordance with waste disposal plans, submitted separately for GRANTEES' initial installation and for each major addition thereto or modification thereof, which shall first have been approved in writing by TVA and will collect and dispose of all trash, garbage, refuse, and other solid wastes accumulated or left on the premises in accordance with applicable laws and regulations and in a manner such as not to create a public nuisance or a hazard to the public health and with sufficient frequency to keep the premises orderly and sanitary.

TVA TRACT NO. XTBRDC-1, LOT _____
REDBUD SUBDIVISION

2. GRANTEES shall conduct all land-disturbing activities on the lot in accordance with best management practices to control erosion and sedimentation so as to prevent adverse impacts on water quality and related aquatic interests in order to meet the requirements of Section 208 of the Clean Water Act and implementing regulations.
3. GRANTEES shall not locate or construct any buildings, facilities, structures, improvements, or equipment subject to flood damage, unless located or constructed above or flood-proofed to the 500-year flood elevation of 444.5 msl.
4. GRANTEES shall not disturb or alter in any way the existing state of any archaeological sites, human remains, funerary objects, sacred objects, objects of cultural patrimony, or any other archaeological resources which may be discovered or identified on or under the lot. Upon the discovery of any such items, GRANTEES shall immediately stop all activity in the area of the discovery, make a reasonable effort to protect such items, and notify BRWDA by telephone at (731) 968-6191. Upon such notification BRWDA shall contact TVA. GRANTEES shall not resume work in the area of the discovery until approved by BRWDA and TVA.
5. Wetland covenant - lots 19, 26, 27, 28, 34, 39, 40, 41, 42, 43, 44, 47, 48, 50, 55, 56, 57, and 58

GRANTEES will not construct, operate, maintain, or use equipment, structures or improvements of any nature, conduct any dredging operations, or place fill material on any portion of the wetlands on the lot or area fronting said lot. *** and for lots 42, 43, 44, 47, and 48 add: Furthermore, GRANTEES are to leave the wetlands associated with the pond intact.

6. Bat covenant - lots 34, 55, and 56

GRANTEES shall implement measures to avoid impacting federally endangered Indiana bats. Forest or tree removal may be allowed but only after surveys (habitat assessment, acoustic, and/or mist net) are performed by a qualified bat surveyor, as approved by TVA. TVA will provide GRANTEES with a list of qualified bat surveyors. Prior to bat survey, GRANTEES must submit a survey plan to TVA for approval. Additionally, GRANTEES must provide TVA with the results of any surveys for review if clearing is desired. If suitable habitat is identified (or bats are detected) and removal of suitable habitat is desired, TVA will need to consult with the United States Fish and Wildlife Service (USFWS) prior to clearing. GRANTEES shall abide by the conditions on clearing resulting from these consultations, which may include without limitation a condition permitting removal of trees identified as potentially suitable for summer roosting by Indiana bat only during months when bats are not present on the landscape. In the event no Indiana bats or suitable habitat are located during these surveys, tree clearing may begin.

7. The GRANTOR, its successors, agents, or assigns shall not be liable for any loss or damage to the above-described lands or any improvements located thereon due to erosion or soakage of the land as a result of wave action, fluctuation of water levels, or other causes.

The GRANTEES, in accepting this conveyance, covenant for themselves, their heirs, successors and assigns, and agree to and with the GRANTOR that the restrictions and covenants contained in the aforesaid plat and the Statement of Subdivision Standards, which is attached hereto as Exhibit A **(Statement of Subdivision Standards referenced as Exhibit D in Notice of Public Auction)**, shall constitute real covenants which shall attach to and run with the above-described land and shall be binding

upon anyone who may hereafter come into ownership thereof, whether by purchase, devise, descent, or succession.

TO HAVE AND TO HOLD said land and premises unto the GRANTEES, their heirs, successors and assigns, in fee simple, together with all and singular the hereditaments and appurtenances thereunto belonging or in anywise appertaining, excepting and reserving unto the GRANTOR, its successors and assigns, the following rights, which are collectively referred to in Exhibit B (**Shoreline Management Zone referenced as Exhibit E in the Notice of Public Auction**) as the Grantor's "flowage easement":

1. Over that portion of the lot lying below the 446.0-foot contour elevation as established by the 1929 General Adjustment, U.S.C. & G.S.
 - (a) The right to overflow, flood, and/or cover said land with the flood, slack, or backwater created by the erection and operation of Dry Creek Dam and all dams, dikes, or other structures which are auxiliary thereto, across Dry Creek at or above mile 1.03 of said stream in Henderson County, Tennessee.
 - (b) The right to enter upon said land from time to time, and to remove therefrom by cutting, the application of herbicides, or otherwise, any timber or other natural growth and to remove any accumulations, trash, filth, or any other thing which would interfere with the operation of Redbud Lake or tend to render unsafe, inaccessible, or insanitary said lake or the margins thereof.
 - (c) The right to enter upon said land to do such ditching, drainage, shoreline alterations, larviciding, or other work as, in the discretion of GRANTOR, its successors or assigns, may be necessary or desirable in the promoting and furtherance of public health, including the application of vector control measures.
2. Over all of the land in said lot:
 - (a) The right of ingress and egress where deemed reasonably necessary by GRANTOR, its agents or assigns, for the operation and maintenance of Redbud Lake and the conduct of a public health program; provided, however, that in the exercise of such right, GRANTOR, its agents, or assigns, will select a route or routes which will have no more adverse effect than GRANTOR deems necessary on GRANTEES' property and the operation thereof.
 - (b) The right to locate, install, and maintain boundary and survey monuments.

And the GRANTOR, does hereby covenant that it is seized and possessed of the above-described land; that GRANTOR is duly authorized to convey the same; that said land is free and clear of liens and encumbrances; and that, subject only to such exceptions, conditions, restrictions, reservations, and/or limitations as may be expressly mentioned above or incorporated herein by reference, it will warrant and defend the title thereto against the lawful demands of all persons claiming by, through, or under it, but not further or otherwise.

TVA TRACT NO. XTBRDC-1, LOT _____
REDBUD SUBDIVISION

Signatures insert:

IN WITNESS WHEREOF, the TENNESSEE VALLEY AUTHORITY, acting herein as legal agent of the UNITED STATES OF AMERICA and being duly authorized to do so in the name of the UNITED STATES OF AMERICA, and BEECH RIVER WATERSHED DEVELOPMENT AUTHORITY have caused this instrument to be executed by their authorized officers and their corporate seals to be hereunto affixed this the _____ day of _____, 2018.

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

By: _____
AARON B. NIX
Senior Manager
Realty Services and GIS

ATTEST:

BEECH RIVER WATERSHED
DEVELOPMENT AUTHORITY

By: _____
KEITH WYSIADLOWSKI
Executive Secretary

By: _____
BRYAN BUNCH
Chairman

TVA TRACT NO. XTBRDC-1, LOT _____
REDBUD SUBDIVISION

STATE OF TENNESSEE)
) SS
COUNTY OF HAMILTON)

On the ____ day of _____, 2018, before me appeared AARON B. NIX, to me personally known, who, being by me duly sworn, did say that he is the Senior Manager, Realty Services and GIS, of the TENNESSEE VALLEY AUTHORITY, a corporation, and that said instrument was signed 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 AARON B. NIX 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.

Notary Public

My commission expires: _____

TVA TRACT NO. XTBRDC-1, LOT _____
REDBUD SUBDIVISION

STATE OF TENNESSEE)
) SS
COUNTY OF HENDERSON)

On this _____ day of _____, 2018, before me personally appeared BRYAN BUNCH and KEITH WYSIADLOWSKI, to me personally known, who, being by me duly sworn, did say that they are the Chairman and Executive Secretary, respectively, of the BEECH RIVER WATERSHED DEVELOPMENT AUTHORITY, an agency of the State of Tennessee, and that the foregoing instrument (dated _____, 2018), was signed on behalf of said BEECH RIVER WATERSHED DEVELOPMENT AUTHORITY by authority of its Board of Directors and the said BRYAN BUNCH and KEITH WYSIADLOWSKI, acknowledged said instrument to be the free act and deed of said agency.

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

Notary Public

My commission expires: _____

Address of Grantor:
United States of America
Tennessee Valley Authority
c/o Realty Services and GIS
1101 Market Street, BR 4B
Chattanooga, Tennessee 37402-2801

Address of Grantees:

Telephone No.: _____

TVA TRACT NO. XTBRDC-1, LOT _____
REDBUD SUBDIVISION

AFFIDAVIT OF VALUE

STATE OF TENNESSEE)
) SS
COUNTY OF HENDERSON)

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 the sale or the value of the property sold, whichever is greater, is _____, which amount is equal to or greater than the amount which the property sold would command at a fair and voluntary sale.

Affiant

Sworn to and subscribed before me this _____ day of _____, _____.

Title: _____

My commission expires: _____

Tax Map: _____

Parcel No.: _____

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