

AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS,  
AND EASEMENTS FOR LONE MOUNTAIN SHORES

Dear Fellow LMSOA Owners:

Enclosed is a proposed covenant change in regards to Sections 6.04, 6.07, 6.23 and 11.02 of the current covenants. These changes are proposed in response to the judicial opinion indicating the covenants are ambiguous in terms of the status of short term rentals.

Section 6.04 removes the ambiguous language in the current covenants in regards to the usage of "construed to prevent an Owner from renting".

Section 6.07 specifically prohibits short term rentals with the exception of "grandfathered" lots as long as anyone claiming a grandfathering exemption can prove there was renting occurring in the year prior to the postmark on the mailed ballot. This provision not only clarifies the covenant language in regards to short term rentals but takes into account that existing lots which have been renting due to the ambiguity of the covenants will be able to continue to do so.

Section 6.23 is rewritten to better define what constitutes a nuisance and added the "Quiet hours" language which applies to all Lots and Owners.

Section 11.02 is rewritten to define the percentage of votes needed to make any changes to Section 6.07 **ONLY:** a sixty-six percent (66%) majority vote will be needed to amend that particular section while leaving any other proposed amendments at the previous fifty-five percent (55%). This is intended to protect the community from aggressive attempts to capture a majority voting bloc whether by a corporation or individual(s) that seek to change the residential nature of the community to a resort community. In addition, it offers protection to the grandfathered lots so that they may retain their exception to continue to rent.

The Board of Directors urge you to exercise your right to vote in regards to the proposed changes and help determine the direction and future of the Lone Mountain Shores subdivision.

Sincerely,  
The Board of Directors of LMSOA

N. B. As a reminder, the passage of this amendment ends the Appeal process of the recent judicial opinion.

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**1.) Section 6.04 is hereby deleted and the following Section is inserted in lieu thereof:**

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 construed 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; (c) employ not more than two (2) persons; and (d) do not have any sign advertising any home occupations visible from the exterior of the Dwelling.

**2.) Section 6.07 is hereby deleted and the following Section is inserted in lieu thereof:**

Section 6.07 Short Term Rentals Prohibited. No Lot, or any portion thereof, shall be leased for a term of less than thirty (30) continuous days ("Short Term Rental"). Leasing a Lot, or any portion thereof, for a shorter term, including, without limitation, operating a boarding house; bed-and-breakfast establishment; motel; hotel; short-term rental through Airbnb, VRBO, or other similar websites; or any other means of transient occupancy is strictly prohibited. Leasing individual rooms in any Dwelling or accessory dwelling units or uninhabitable structures such as garages or sheds on any Lot is strictly prohibited.

Notwithstanding the above, any existing Lot Owner, actively engaging in Short Term Rental activities as of the effective date of this Amendment ("Grandfathered Lot Owner"), shall be allowed to continue Short Term Rental activities until said Lot is sold or conveyed to a third party. In order to qualify as a Grandfathered Lot Owner for purposes of this Section, an Owner must provide documentary evidence to the Board to demonstrate that the Owner was actively engaging in Short Term Rentals as of the mailing date of this Amendment by: having remitted at least six (6) months of sales taxes to the State of Tennessee for Short Term Rentals of the subject Lot during the twelve (12) month period prior to the date this Amendment is presented to the voting owners of Lone Mountain Shores Homeowners Association as confirmed by the mailing date of the voting ballot.

The Grandfathered Lot Owner status only applies to a Lot owned by qualifying Grandfathered Lot Owner as of the effective date of this Amendment. Any Grandfathered Lot Owner engaged in Short Term Rental activity must, upon the sale or conveyance of said Lot, notify any potential buyer or person taking title that no Lot within the Association may be leased other than within the restrictions of this Section 6.07. All Short Term Rentals by any Grandfathered Lot Owner under this Section shall comply with all applicable federal, state, and local laws, regulations, ordinances, and building codes and Tennessee Code under Title 13, Chapter 7, Part 6.

In addition to the enforcement provisions otherwise provided in the Covenants, any Owner in violation of this particular Section shall be subject to injunctive relief to prohibit the violation and to fines assessed by the Association as set forth herein below. On the first violation by a particular Lot Owner of any provision of this Section, the Association shall notify the offending Lot Owner in writing of the violation and request that such Lot Owner promptly take corrective

action. If the offending Lot Owner fails to take corrective action within seven (7) days following delivery of such notice of the first violation, the Association shall commence imposing a one hundred dollar (\$100.00) fine against the offending Lot Owner for each successive day that the Lot Owner remains in violation of any provision of this Section. All fines imposed by the Association for violations of this Section shall constitute charges and liens on the Lot of any offending Lot Owner in favor of the Association, which liens shall be of equal priority to the liens for assessments provided for in Article IV of the Covenants. If the Association initiates any lawsuit or other legal proceeding against any Owner for any violation of this Section, the Association shall be entitled to receive from such Owner all fees, costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by the Association in connection therewith.

**3.) Section 6.23 is hereby deleted and the following Section is inserted in lieu thereof:**

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.

Excessive noise that impairs the quiet enjoyment of neighboring properties is prohibited. Quiet hours during which noise must be restricted to the interior of any Dwelling shall be between 11pm and 7am the following morning ("Quiet Hours"). The amplification of sound by any device outside of any Dwelling is prohibited during Quiet Hours. Occupants and guests of any Dwelling shall only park their vehicles in the garage or driveway for the Lot. The obstruction of any street or driveway is prohibited.

**4.) Section 11.02 is hereby deleted and the following Section is inserted in lieu thereof:**

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 written ballot. Notwithstanding the foregoing, any amendment to Section 6.07 and this Section 11.02 in regards to short term renting (Section 6.07) shall require a unanimous vote of the Board and the affirmative vote of sixty-six percent (66%) of the Owners voting by written ballot. Any approved amendment must be recorded in the Office of the Register of Deeds for Claiborne County, Tennessee.

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VOTING BALLOT**

Having read the proposed Amendment to Declaration of Covenants, Conditions, Restrictions, and Easements for Lone Mountain Shores (the "Amendment"), I understand that by *placing a check mark in the either "approve" or "disapprove"* in the space designated below, I do hereby cast my vote to approve or disapprove the Amendment. I further understand that if the Amendment does not reach the required minimum approval of the Members entitled to cast fifty-five percent (55%) of the number of votes entitled to be cast by all Members of the Lone Mountain Shores Owners Association, Inc. (the "Association"), the Amendment will be deemed "disapproved" and will not be recorded with the Claiborne County, Tennessee Register of Deeds. Ballots must be received by **July 1, 2024**. Be advised that failure to sign your ballot(s) and/or return on or before the deadline will forfeit your vote(s) (See Tennessee Code Annotated § 48-57-208).

APPROVE \_\_\_\_\_

DISAPPROVE \_\_\_\_\_

(Check only one response above)

**BOTH SIDES OF THIS BALLOT MUST BE  
FILLED OUT FOR THE VOTE TO BE  
COUNTED**



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I certify that I am the owner(s) of the following Lot located in the Lone Mountain Shores development and by signature below hereby cast my vote regarding the foregoing Amendment to Declaration of Covenants, Conditions, Restrictions, and Easements for Lone Mountain Shores.

Lot Number(s): \_\_\_\_\_

Printed name(s) or entity name(s) as appear(s) on the deed to the Lot(s):

Authorized Signature(s): \_\_\_\_\_ Date: \_\_\_\_\_

\_\_\_\_\_ Date: \_\_\_\_\_



**BOTH SIDES OF THIS BALLOT MUST BE  
FILLED OUT FOR THE VOTE TO BE  
COUNTED**

