

**FIRST AMENDMENT TO DECLARATION  
OF COVENANTS, CONDITIONS AND RESTRICTIONS  
FOR LAKE SOVEREIGN SUBDIVISION**

THIS FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR LAKE SOVEREIGN SUBDIVISION ("First Amendment") is entered into as of this 10th day of March, 1998 by LAKE SOVEREIGN, L.L.C., a Tennessee limited liability company (hereinafter referred to as "Declarant").

WITNESSETH:

WHEREAS, on February 17, 1997, Declarant established that certain Declaration of Covenants, Conditions and Restrictions for Lake Sovereign Subdivision, which Declaration is recorded in Deed Book 2657, page 110, Cherokee County, Georgia records and said Declaration is heretofore supplemented by that certain Affidavit recorded in Deed Book 2672, page 316, being hereinafter referred to as the "Declaration"; and

WHEREAS, this Amendment has been approved by Declarant and Declarant is the Owner of more than seventy-five percent (75%) of the Lots.

NOW, THEREFORE, the Declaration is hereby amended as follows:

1. The following is added to the Declaration as a new Section 2.08:

"2.08 Right of Declarant to Grant Easements to Third Parties for Use of Lake. For so long as Declarant owns the Lake, Declarant shall have the absolute right to grant easements and other use rights in and to the Lake to any and all third parties as it so elects. In relation thereto, it is anticipated by Declarant that Declarant shall grant an easement for access to and use and enjoyment of the Lake to present and future owners of Lake front lots located within the planned subdivision adjacent to the north shore line of the Lake. Further in relation thereto, Declarant shall have the right to impose upon the Association certain obligations with respect to insurance relating to Lake usage and maintenance of the Lake which might benefit such non-Association members; provided, however, any agreement allowing usage of the Lake by such non-Association members shall specifically provide that such non-Association members usage shall be subject to the same reasonable non-discriminatory rules as might be promulgated from time to time by the Association for Association members' Lake usage."

2. The following is added to the Declaration as a new Section 2.09:

"2.09 Exclusive Use of Certain Portions of Lake Area by Adjacent Owners. Notwithstanding any other provision contained herein to the contrary, under circumstances where areas of the Lake have become exposed (i.e., not covered by water) as a result of fluctuating water levels, then, as to each such exposed area, an exclusive easement for use thereof shall exist only in favor of that Owner owning the Lot which would include such area if the linear projection of the side yard lines of such Lot were extended to the then existing water level of the Lake. Accordingly, the Owner of the Lot meeting said requirement shall have the right to exclude all others from said exposed property."

3. Section 5.16(c) is hereby deleted in its entirety and the following is inserted in lieu thereof:

"(c) Lake Level. The level of the Lake may not be altered by any Owner unless and until such time as such Owner has obtained the written consent of two-thirds (2/3) of the Owners of all Lots fronting the Lake and, then, only in accordance with any and all agreements which may then encumber said Lake property."

4. Except as expressly amended hereby, the Declaration shall otherwise remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has executed this First Amendment and affixed its corporate seal as of the day and year first above written.

Signed, sealed and delivered  
in the presence of:

*Sheryl Atwell*  
Unofficial Witness

*Gregory N. Lee*  
Notary Public

My Commission Expires: 12/10/2001

[NOTARY SEAL]

LAKE SOVEREIGN, L.L.C., a Tennessee  
limited liability company

By: *[Signature]*  
Its: \_\_\_\_\_

[SEAL]