Tellico Reservoir Land Management Plan - Summary of Allocation Changes

Land use allocation changes on Tellico Reservoir that have occurred since the 2000 Tellico Reservoir Land Management Plan (RLMP) was completed are summarized below:

Parcel and	2000 Tellico RLMP		Allocation Change December 2	Justification ³
Tract No.	Allocation ¹	Acres	Allocation Change Description ²	Justification
Parcel 6 (XTELR-6PT)	Zone 4	41.9	17.6 acres (new Parcel 6a) changed to Zone 6Parcel 6 is now 24.3 acres and remains Zone 4	Prior to 2006 Land Policy
Parcel 8 (XTELR-8PT)	Zone 6	45.4	 40.8 acres changed to Zone 1 to reflect land sale in 2003 Parcel 8 is now 4.6 acres and changed to Zone 4 	Prior to 2006 Land Policy
Parcel 9 (XTELR-9PT)	Zone 4	339.8	 69.6 acres changed to Zone 1 to reflect land sale in 2003 Parcel 9 changed to 270.2 acres and remains Zone 4 	Prior to 2006 Land Policy
Parcel 9 (XTELR-9PT)	Zone 4	270.2	 This is a second allocation change on Parcel 9 0.45 acre (new Parcel 9a) changed to Zone 7 Parcel 9 is now 269.7 acres and remains Zone 4 	Implement Shoreline Management Policy
Parcel 9 (XTELR-9PT)	Zone 4	269.7	 This is a third allocation change on Parcel 9 0.33 acre (new Parcel 9b) changed to Zone 7 Parcel 9 is now 269.4 acres and remains Zone 4 	Implement Shoreline Management Policy
Parcel 52 (XTELR -52PT)	Zone 5	129.8	 1.0 acre changed to Zone 1 to reflect land sale for industrial purposes to resolve an encroachment Parcel 52 is now 128.8 acres and remains Zone 5 	Land Policy
Parcel 103 (XTELR-103PT)	Zone 4	100.6	 0.2 acre (new Parcel 103a) changed to Zone 7 0.3 acre (new Parcel 103b) changed to Zone 7 Parcel 103 is now 100.1 acres and remains Zone 4 	Implement Shoreline Management Policy
TELR-1426 (New Parcels 140a & 141a)	Zone 1	256.0	 256.0 acres newly allocated to reflect acquisition in 2003 139.0 acres (new Parcel 140a) allocated as Zone 4 117.0 acres (new Parcel 141a) allocated as Zone 6 	Prior to 2006 Land Policy

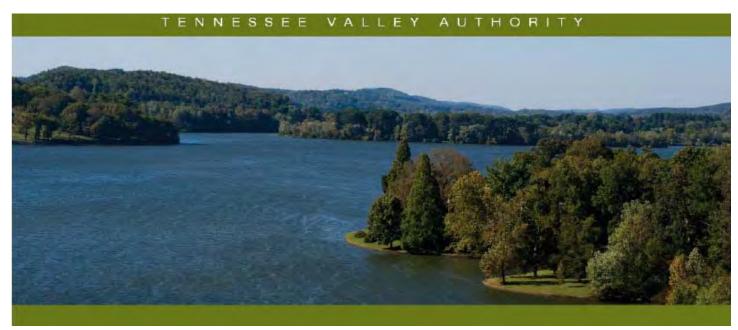
¹ See <u>definitions of the land planning zones</u>

Land Use Allocation Changes

After approval of a <u>reservoir land management plan</u> by TVA, all future uses of TVA-managed lands on that reservoir must then be consistent with the allocations within that RLMP. Reservoir property that is sold by TVA reverts to Zone 1 – Non-TVA Shoreland.

- ³ In accordance with TVA policies and guidelines, allocation changes after approval of an RLMP are only allowable under limited circumstances described below:
 - (1) To correct administrative errors that occurred during the planning process
 - (2) To implement TVA's <u>Shoreline Management Policy</u>, consistent with the TVA <u>Land Policy</u>
 - (3) To allow water-access for industrial or commercial recreation operations on private backlying property, consistent with the TVA Land Policy

² More information is available below - the fact sheets for the allocation changes described in the table above are considered a supplement to the 2000 Tellico RLMP.



Tellico Reservoir Land Management Plan Allocation Changes – XTELR-6PT, XTELR-8PT, XTELR-9PT, and TELR-1426

Reservoir Lands Planning Allocation Changes

After approval of a reservoir land management plan (RLMP) by TVA, all future uses of TVA-managed lands on that reservoir must then be consistent with the allocations within that RLMP. This document addresses the reallocation of portions of Tellico RLMP Tracts XTELR-6PT (Parcel 6), XTELR-8PT (Parcel 8), XTELR-9PT (Parcel 9), and designating allocations to TELR-1426 (New Parcels 140a and 141a). This document is considered a supplement to the 2000 Tellico RLMP. Definitions of TVA's land planning allocations are available at www.tva.com\landplanzones.

General Information about Tellico Reservoir

Tellico Reservoir is an impoundment of the Little Tennessee River formed by Tellico Dam, which is located at Little Tennessee River (LTR) Mile 0.0 and diverts the flow from LTR through a short canal into Fort Loudoun Reservoir. Tellico Reservoir is located in Loudon and Monroe counties in Tennessee. TVA originally acquired 37,737 acres of land for construction of the reservoir, which was completed in 1979. TVA has retained 12,643 acres of land lying above full pool elevation. At full pool, the reservoir is 33 miles long; mainland shoreline length is 360.8 miles; and surface area is 15,560 acres.

Tellico Parcels 6, 8, 9 (XTELR-6PT, XTELR-8PT, XTELR-9PT) and TELR-1426

In 2003, TVA approved a request from the LTR Properties (Rarity Communities) to sale 110.2 acres and modify the following land use allocations for Tracts XTELR-6PT, XTELR-8PT, and XTELR-9PT for the purpose of residential and commercial recreation development. In addition, TVA would acquire approximately 256 acres (TELR-1426) with land use allocations of Natural Resource Conservation and Recreation. Maps of the Rarity Communities request are located on the next page.

Tract Number	2000 Tellico RLMP		2003 Modifications		
Number	Allocation	Acres	Allocation	Acres	
XTELR-6PT	Natural Resource Conservation	41.9	Natural Resource Conservation	24.3	
ATELK-OFT	Natural Resource Conservation		Recreation	17.6	
XTELR-8PT	Recreation	45.4	Non-TVA Shoreland	40.8	
ATELK-OFT	Recreation		Natural Resource Conservation	4.6	
XTELR-9PT	Natural Bassuras Cansaryation	339.6	Non-TVA Shoreland	69.6	
ATELR-9PT	Natural Resource Conservation		Natural Resource Conservation	270.0	
TELR-1426	Non-TVA Shoreland	256.0	Natural Resource Conservation	139.0	
1 ELK-1420	Non-1 va Shoreland		Recreation	117.0	

Figure 1. Allocation Change Areas For Parcels 6, 8, 9, and new Parcels 140a and 141a

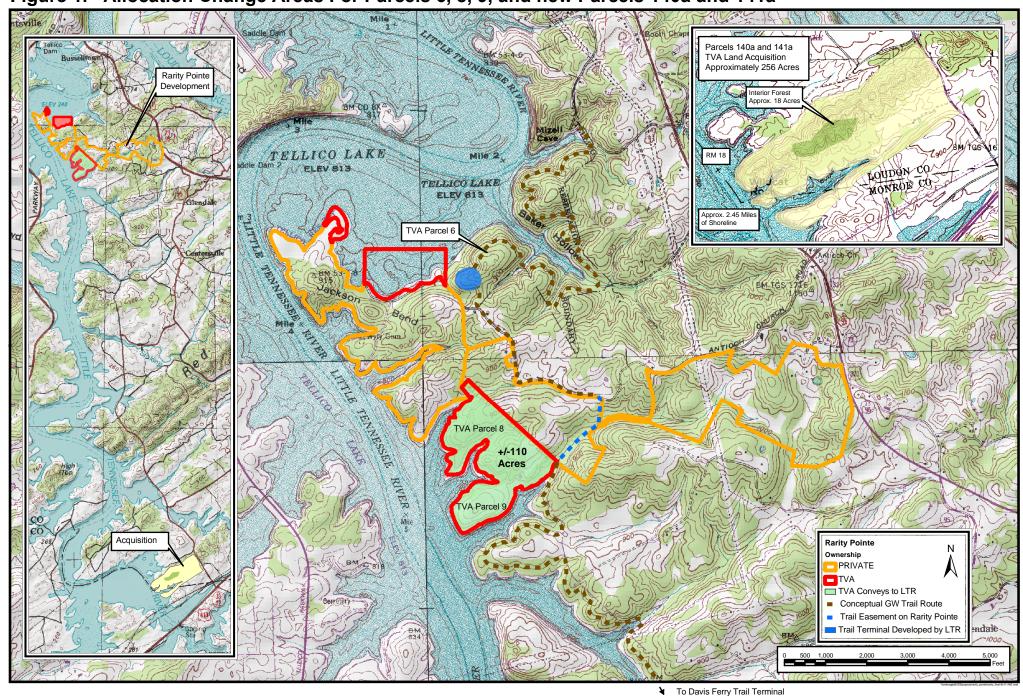
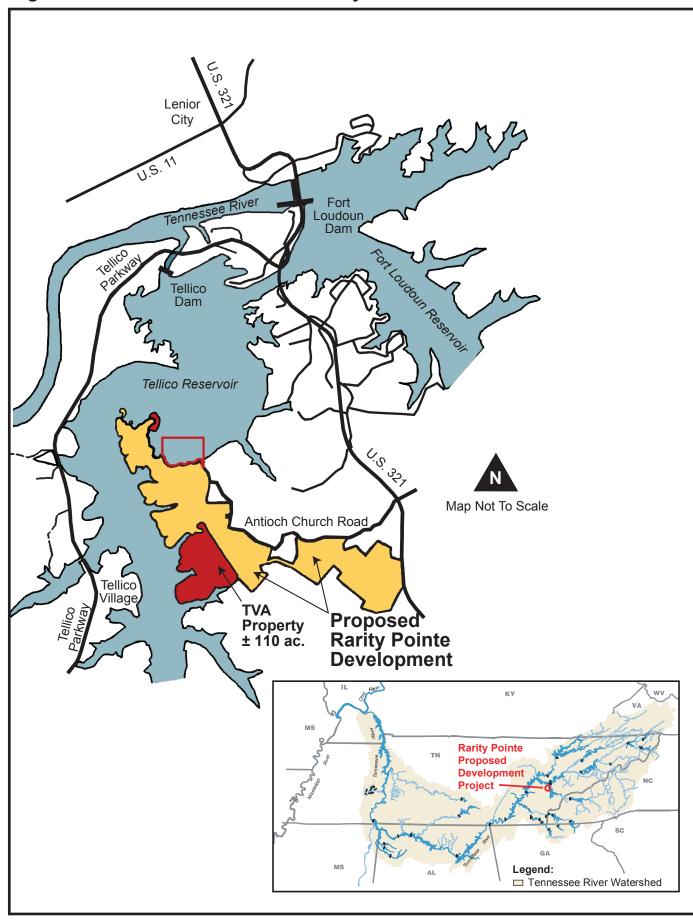
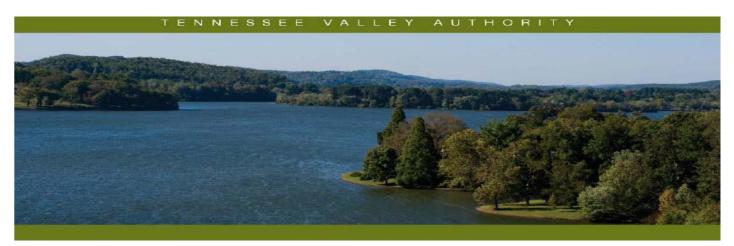


Figure 2. Tellico Reservoir and Vicinity





Tellico Reservoir Land Management Plan Allocation Change – XTELR-9PT and XTELR-9aPT

Reservoir Lands Planning Allocation Change

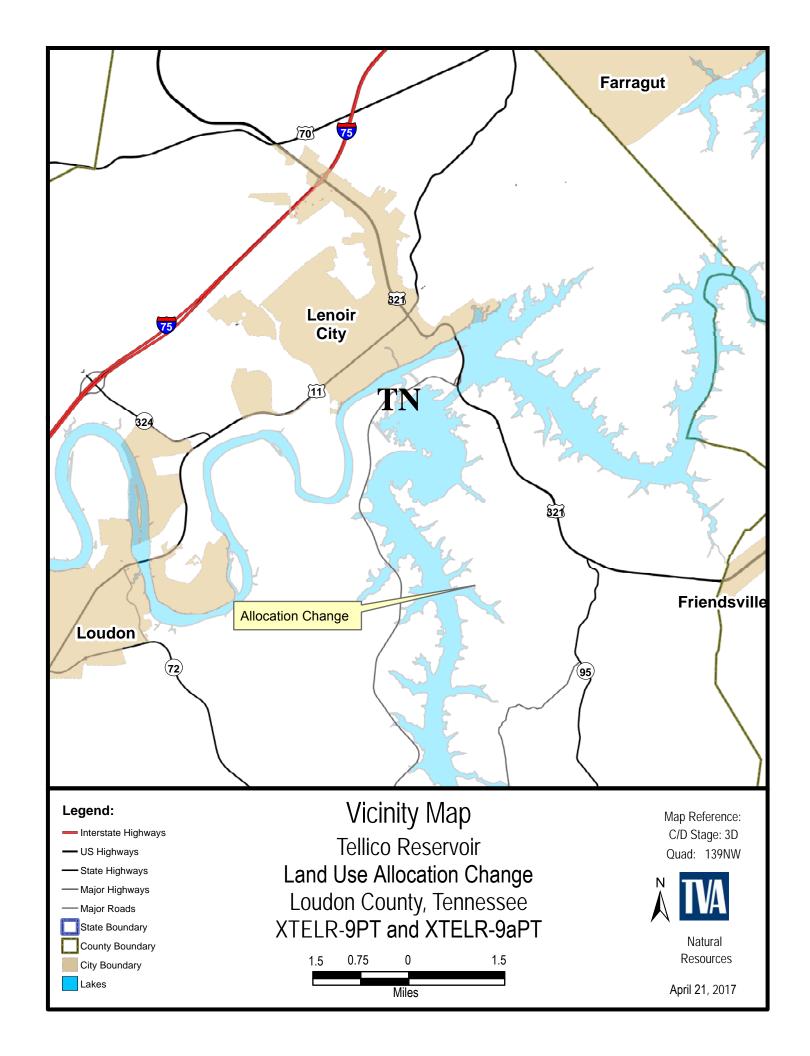
After approval of a reservoir land management plan (RLMP) by the Tennessee Valley Authority (TVA), future uses of TVA-managed lands on that reservoir must then be consistent with the land use allocations within that RLMP. TVA has determined that a portion of Parcel 9 (Plan Tract No. XTELR-9PT) qualifies for an allocation change. In August 2000, the TVA Board of Directors (Board) approved the Tellico RLMP. Unique to Tellico, certain parcels that are not allocated as Shoreline Access (Zone 7), known as "Residential Access" in this RLMP, qualify for private water use facilities pursuant to a 1982 Contract (TV-60000A) between TVA and the Tellico Reservoir Development Agency. Pursuant to the Contract, TVA grants nonexclusive recreational easements to allow private water use facilities if the backlying landowner's property meets qualification criteria for the recreational easement. Upon grant of the recreational easement, the landowners would have qualifying legal access rights sufficient to deem the property *TVA-Owned Residential Access Shoreland* under TVA's Shoreline Management Policy. This document addresses the reallocation of a 0.45-acre portion of XTELR-9PT to "Residential Access" and is considered a supplement to the Tellico RLMP. Definitions of TVA's land use allocation zones are available at www.tva.com/landplanzones.

General Information about Tellico Reservoir

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Tellico Parcel 9 (XTELR-9PT) and Parcel 9a (XTELR-9aPT)

XTELR-9PT (339.6 acres) is located in Loudon County along the right descending bank at Little Tennessee River miles 5.0 to 6.2 on Tellico Reservoir. In the 2000 Tellico RLMP, XTELR-9PT is allocated as Natural Resource Conservation (Zone 4) and is described as predominantly wooded. Since 2000, XTELR-9PT acreage has changed from 339.6 acres to 269.6 acres due to a sale of 69.6 acres in 2003. A 0.45-acre portion of XTELR-9PT that fronts a tract of private land, TELR-314, qualifies for a nonexclusive recreational easement and an allocation change to "Residential Access." This 0.45-acre area has been re-designated as Parcel 9a (XTELR-9aPT) and allocated as "Residential Access" to properly recognize access rights in accordance with the Contract and the Shoreline Management Policy. Requests for private water use facilities will be considered on XTELR-9aPT. The remaining 269.6 acres of XTELR-9PT (Parcel 9) continues to be allocated as "Natural Resource Conservation."



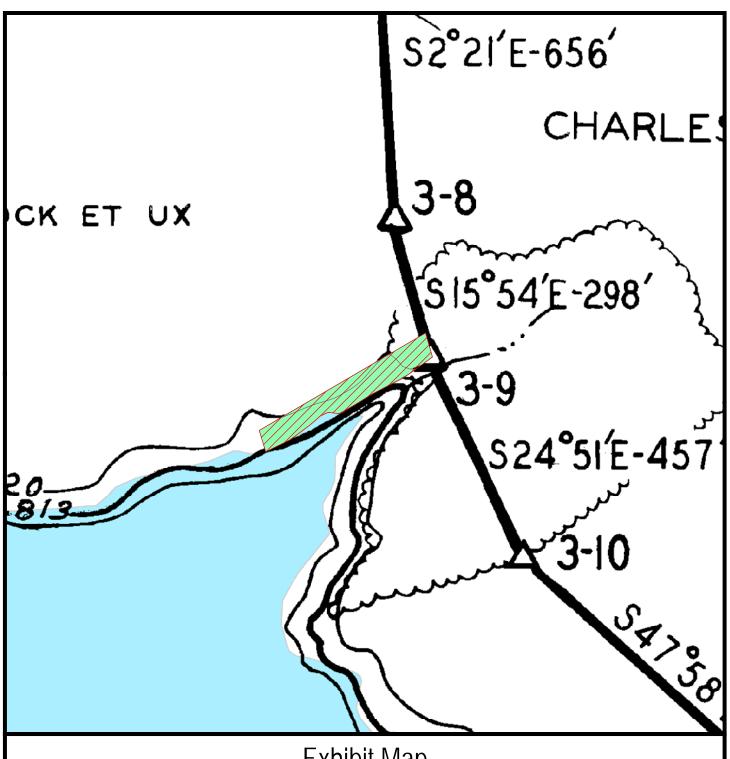


Exhibit Map

Easement Location (Approx. 0.45 acre)

XTELR-9aPT- Area Reallocated as Zone 7 (Approx. 0.45 acre) Land Use Allocation Change Loudon County, Tennessee XTELR-9PT and XTELR-9aPT Tennessee River Mile 5.4R

200 100 0 200 Feet

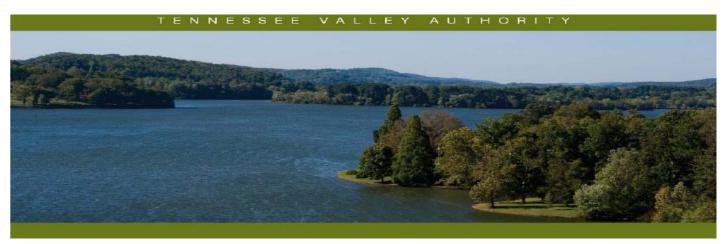
Map Reference: C/D Stage: 3D Quad: 139NW



Natural Resources

April 21, 2017

Tellico Reservoir



Tellico Reservoir Land Management Plan Allocation Change – XTELR-9PT and XTELR-9bPT

Reservoir Lands Planning Allocation Change

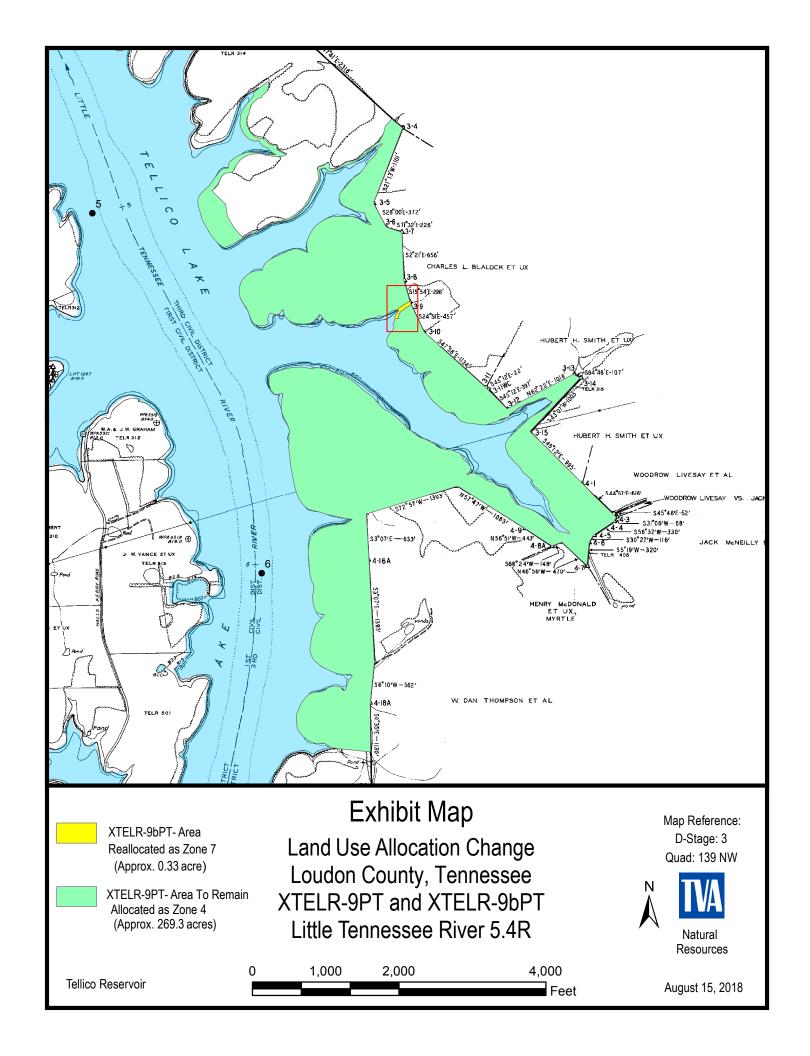
After approval of a reservoir land management plan (RLMP) by the Tennessee Valley Authority (TVA), future uses of TVA-managed lands on that reservoir must then be consistent with the land use allocations within that RLMP. TVA has determined that a portion of Parcel 9 (Plan Tract No. XTELR-9PT) qualifies for an allocation change. In August 2000, the TVA Board of Directors (Board) approved the Tellico RLMP. Unique to Tellico, certain parcels that are not allocated as Zone 7 (Shoreline Access), known as "Residential Access" in this RLMP, qualify for private water use facilities pursuant to a 1982 Contract (TV-60000A) between TVA and the Tellico Reservoir Development Agency. Pursuant to the Contract, TVA grants nonexclusive recreational easements to allow private water use facilities if the backlying landowner's property meets qualification criteria for the recreational easement. Upon grant of the recreational easement, the landowners would have qualifying legal access rights sufficient to deem the property TVA-Owned Residential Access Shoreland under TVA's Shoreline Management Policy. This document addresses the reallocation of a 0.33-acre portion of XTELR-9PT to "Residential Access" and is considered a supplement to the Tellico RLMP. Definitions of TVA's land use allocation zones are available at www.tva.com/landplanzones.

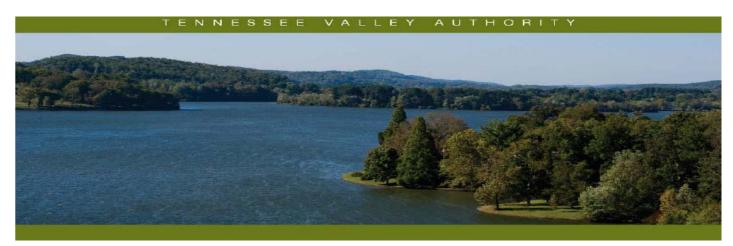
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Tellico Parcel 9 (XTELR-9PT) and Parcel 9b (XTELR-9bPT)

XTELR-9PT (339.6 acres) is located in Loudon County along the right descending bank at Little Tennessee River miles 5.0 to 6.2 on Tellico Reservoir. In the 2000 Tellico RLMP, XTELR-9PT is allocated as Zone 4 (Natural Resource Conservation) and is described as predominantly wooded. Since 2000, XTELR-9PT acreage has changed from 339.6 acres to 270.0 acres due to a sale of 69.6 acres in 2003 and a land use allocation change to "Residential Access" on a 0.45-acre portion in 2017 (XTELR-9aPT). A 0.33-acre portion of XTELR-9PT that fronts a tract of former TVA land (TELR-314) qualifies for a nonexclusive recreational easement and an allocation change to "Residential Access." This 0.33-acre area has been re-designated as Parcel 9b (XTELR-9bPT) and allocated as "Residential Access" to properly recognize access rights in accordance with the Contract and the Shoreline Management Policy. Requests for private water use facilities will be considered on XTELR-9bPT. The remaining 269.3 acres of XTELR-9PT (Parcel 9) continues to be allocated as "Natural Resource Conservation."





Tellico Reservoir Land Management Plan Allocation Change – XTELR-52PT

Reservoir Lands Planning Allocation Change

After approval of a reservoir land management plan (RLMP) by the Tennessee Valley Authority (TVA), future uses of TVA-managed lands on that reservoir must then be consistent with the land use allocations within that RLMP. In 2015, TVA declared surplus and sold at public auction pursuant to Section 31 of the TVA Act, a 1.0-acre portion of Plan Tract No. XTELR-52PT (TVA Tract No. XTELR-270) for industrial purposes to resolve an existing encroachment of an adjacent watercraft manufacturing facility in an industrial park. The sale allowed the building encroaching on TVA fee property to remain. Former reservoir property reverts to Zone 1 – Non-TVA Shoreland, therefore the sale of the 1.0-acre portion of XTELR-52PT (Parcel 52) warrants an allocation change. This document addresses the reallocation of the 1.0-acre portion of XTELR-52PT from Zone 5 (Industrial/Commercial) to "Non-TVA Shoreland" and is considered a supplement to the Tellico RLMP. Definitions of TVA's land use allocation zones are available at www.tva.com\landplanzones.

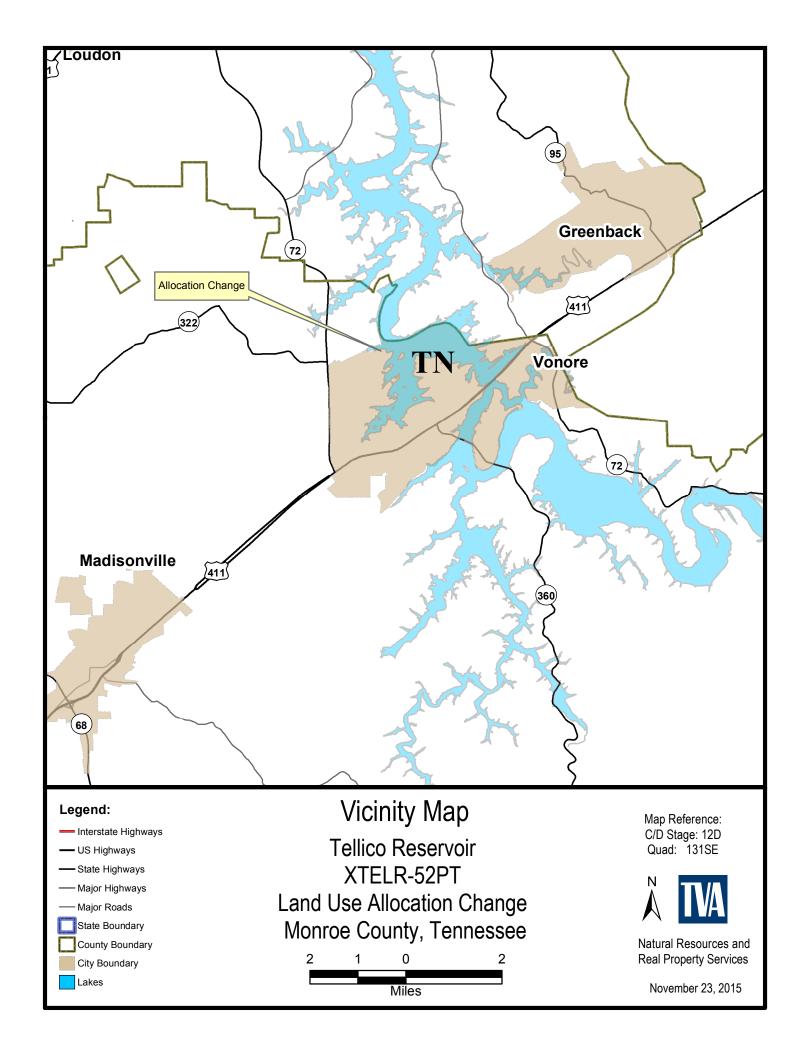
General Information about Tellico Reservoir

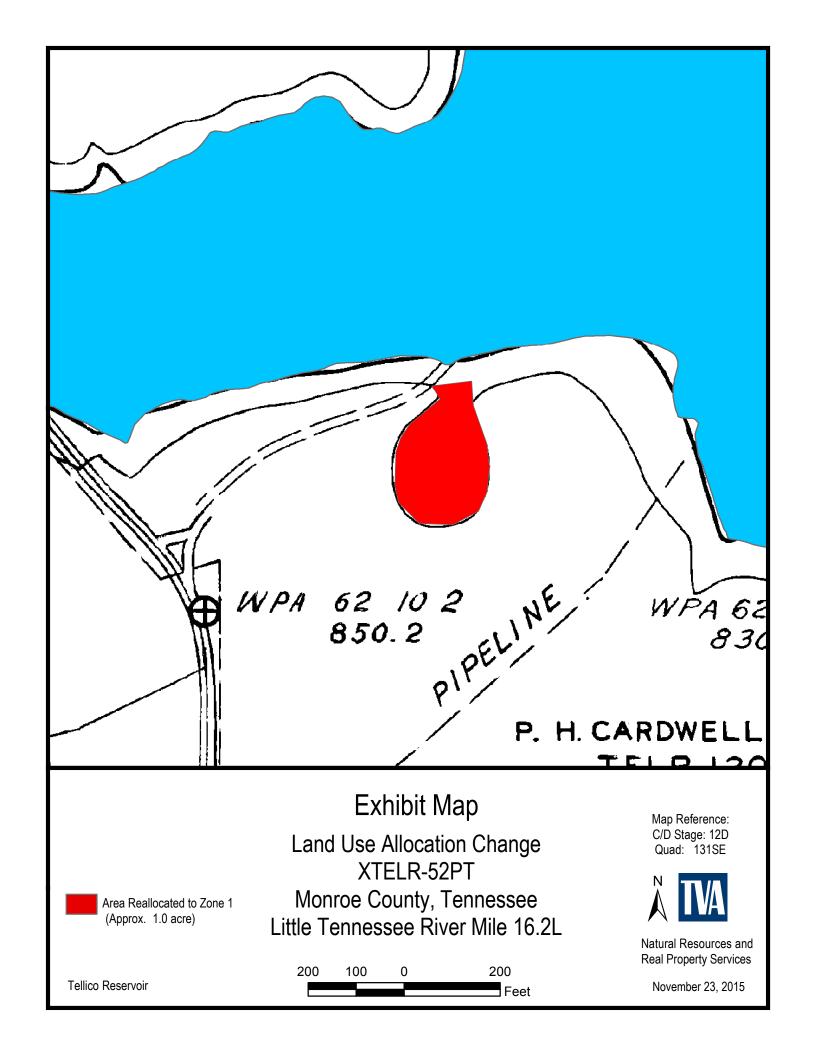
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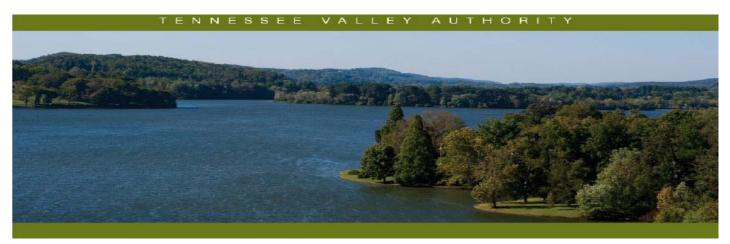
Tellico Parcel 52 (XTELR-52PT)

XTELR-52PT (129.8 acres) is located in Monroe County along the left descending bank at Little Tennessee River mile 16.2 on Tellico Reservoir. In the 2000 Tellico RLMP, XTELR-52PT is allocated as "Industrial/Commercial" and is described as a narrow strip of property between the waters of Tellico Reservoir and backlying former TVA property that was conveyed to the Tellico Reservoir Development Agency for industrial development (Tellico West Industrial Park).

The 1.0-acre area was sold at public auction pursuant to the Land Policy, which describes that TVA shall consider disposing of reservoir lands or land rights for industrial purposes if the TVA property is located in an existing industrial park or is designated for such purposes in a current reservoir land management plan and verified as suitable for such use by TVA staff in a property survey. In this instance, the property is located in the Tellico West Industrial Park, the land use allocation for the requested sale area is "Industrial/Commercial" in the 2000 Tellico RLMP, and the property was identified as suitable for industrial development in the 2007 land assessment compiled by TVA staff. The remaining 128.8 acres of Parcel 52 remains allocated as "Industrial/Commercial."







Tellico Reservoir Land Management Plan Allocation Change – XTELR-103PT, -103aPT, & -103bPT

Reservoir Lands Planning Allocation Change

After approval of a reservoir land management plan (RLMP) by the Tennessee Valley Authority (TVA), future uses of TVA-managed lands on that reservoir must then be consistent with the land use allocations within that RLMP. TVA has determined that a portion of Parcel 103 (Plan Tract No. XTELR-103PT) qualifies for an allocation change. In August 2000, the TVA Board of Directors (Board) approved the Tellico RLMP. Unique to Tellico, certain parcels that are not allocated as Zone 7 (Shoreline Access), known as "Residential Access" in this RLMP, qualify for private water use facilities pursuant to the 1982 contract TV-60000A (Contract) between TVA and the Tellico Reservoir Development Agency. Pursuant to the Contract, TVA grants nonexclusive recreational easements to allow private water use facilities if the backlying landowner's property meets qualification criteria for the recreational easement. Upon grant of the recreational easement, the landowners would have qualifying legal access rights sufficient to deem the property *TVA-Owned Residential Access Shoreland* under TVA's Shoreline Management Policy. This document addresses the reallocation of a 0.2-acre portion and a 0.3-acre portion of XTELR-103PT to "Residential Access" and is considered a supplement to the Tellico RLMP. Definitions of TVA's land use allocation zones are available at www.tva.com/landplanzones.

General Information about Tellico Reservoir

Tellico Reservoir is an impoundment of the Little Tennessee River formed by Tellico Dam, which is located at Little Tennessee River mile 0.0 and diverts the flow through a short canal into Fort Loudoun Reservoir. Tellico Reservoir is located in Loudon and Monroe counties in east Tennessee. TVA originally acquired 37,737 acres of land for construction of the reservoir, which was completed in 1979. TVA has retained 12,643 acres of land lying above full pool elevation. At full pool, the reservoir is 33 miles long; mainland shoreline length is 360.8 miles; and surface area is 15,560 acres.

Tellico Parcel 103 (XTELR-103PT), Parcel 103a (XTELR-103aPT), and Parcel 103b (XTELR-103bPT)

XTELR-103PT (100.6 acres) is located in Monroe County along the left descending bank at Tellico River mile 4.4 on Tellico Reservoir. In the 2000 Tellico RLMP, XTELR-103PT is allocated as Zone 4 (Natural Resource Conservation) and is described as predominantly wooded. Two portions of XTELR-103PT that front a tract of private land, TELR-4806, qualifies for a nonexclusive recreational easement and an allocation change to "Residential Access." A 0.2-acre portion of XTELR-103PT has been re-designated as new Parcel 103a (XTELR-103aPT) and a 0.3-acre portion has been re-designated as new Parcel 103b (XTELR-103bPT) and the land use allocation for both parcels changes to "Residential Access" to properly recognize access rights in accordance with the Contract and TVA's Shoreline Management Policy. Requests for private water use facilities would be considered on Parcels 103a and 103b. The remaining 100.1 acres of Parcel 103 continues to be allocated as "Natural Resource Conservation."

