

THIS INSTRUMENT PREPARED BY AND RETURN TO:
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DRM File No.: 231079.0000

**FIRST AMENDMENT TO THE JOINT SUPPLEMENT AND AMENDMENT AND
RESTATEMENT OF THE UNIFIED AMENDED RESTRICTIVE COVENANTS OF WALNUT
GROVE LAKE SUBDIVISION AND THE DECLARATION OF EASEMENTS, COVENANTS
AND RESTRICTIONS**

**THIS FIRST AMENDMENT TO THE JOINT SUPPLEMENT AND AMENDMENT AND
RESTATEMENT OF THE UNIFIED AMENDED RESTRICTIVE COVENANTS OF WALNUT
GROVE LAKE SUBDIVISION AND THE DECLARATION OF EASEMENTS, COVENANTS
AND RESTRICTIONS** (this “Amendment”) is made as of this ___ day of _____, 2022, by
WALNUT GROVE LAKE HOMEOWNERS ASSOCIATION, INC., a Tennessee non-profit
corporation (the “Association”), for that certain residential development situated in the City of Memphis,
Shelby County, Tennessee, more commonly known as **WALNUT GROVE LAKE** (“Walnut Grove
Lake”).

WITNESSETH:

WHEREAS, those certain Unified Amended Restrictive Covenants of Walnut Grove Lake
Subdivision (as corrected, the “Unified Covenants”) dated November 30, 1993, recorded in the Register’s
Office of Shelby County, Tennessee (the “Register’s Office”) as Instrument No. EG 9455, as corrected by
Instrument No. GL 2914, governed those certain parcels of residential real estate located in the City of
Memphis, Shelby County, Tennessee, more particularly shown and depicted on those certain plats
(collectively, the “Original Plats”) recorded in the Register’s Office in: **(i)** Plat Book 29, Page 57 (Section
“A”), amended by Book 5821, Page 235; **(ii)** Plat Book 48, Page 49 (Section “B”); **(iii)** Plat Book 48, Page
50 (Section “C”); **(iv)** Plat Book 48, Page 51 (Section “D”); **(v)** Plat Book 53, Page 23 (Section “E”); **(vi)**
Plat Book 81, Page 8 (Section “F-1”); **(vii)** Plat Book 83, Page 5 (Section “F-2”), as amended by Instrument
No. S8 2016; and **(viii)** Plat Book 106, Page 51 (Section “H-1”); and

WHEREAS, that certain Declaration of Easements, Covenants and Restrictions (as amended, the
“Phase I CCRs”), dated March 19, 2001, recorded in the Register’s Office as Instrument No. KX 2749, as
amended by Instrument No. 04085190 governed that certain parcel of residential real estate located in the
City of Memphis, Shelby County, Tennessee, more particularly shown on that certain plat (the “Phase I
Plat”) recorded in the Register’s Office in Plat Book 187, Page 36; and

WHEREAS, the residential real property collectively shown on the Original Plats and the Phase I
Plat is and comprises “Walnut Grove Lake”, with the entire development being comprised of four hundred
seventy-five (475) lots (each a “Lot”); and

WHEREAS, the Association was formed with the filing of its corporate charter with the Tennessee
Secretary of State on April 21, 1964, as Control No. 86828, as such has been amended from time to time;
and

WHEREAS, the Association was governed by that certain Amendment to By-Laws of Walnut
Grove Lake Homeowners Association, Inc., (the “Original Bylaws”) dated November 30, 1993, recorded
in the Register’s Office as Instrument No. EG 9454; and

WHEREAS, the Unified Covenants, the Phase I CCRs, and the Original Bylaws were all amended
and restated by that certain Joint Supplement and Amendment and Restatement of the Unified Amended

Restrictive Covenants of Walnut Grove Lake Subdivision and the Declaration of Easements, Covenants, and Restrictions, dated June 11, 2014, recorded in the Register's Office as Instrument No. 14063358 (the "Joint Amended and Restated CCRs"); and

WHEREAS, as of the date of this Amendment, Walnut Grove Lake is administered, in accordance with the Joint Amended and Restated CCRs and the "Bylaws of Walnut Grove Lake Homeowners Association, Inc., attached thereto and made a part thereof as **EXHIBIT "A"**; and

WHEREAS, the Association was conveyed certain common area pursuant to: (i) that certain quitclaim deed, dated December 9, 1991, recorded in the Register's Office as Instrument No. FZ 7287 and (ii) that certain quitclaim deed, dated March 13, 2006, recorded in the Register's Office as Instrument No. 06050258; and

WHEREAS, the Association intends to amend the Joint Amended and Restated CCRs as more particularly provided herein; and

WHEREAS, Article 10, Section 3 of the Joint Amended and Restated CCRs provides that they may be amended at a meeting of the membership of the Association by an instrument approved by Members holding not less than two-thirds (2/3^{rds}) (being at least 317 Lot Owners) of the total votes in the Association; and

WHEREAS, as of the recordation of this Amendment, restrictions on long-term leasing in the Joint Amended and Restated CCRs shall be governed by the provisions of Tenn. Code § 66-27-701, *et seq.* (the "Act"); and

WHEREAS, the terms and provisions of this Amendment comply with the Act; and

WHEREAS, a meeting of the membership of the Association has been held, or this Amendment has been approved by the Association in accordance with the terms and provisions of Tenn. Code § 48-57-108 without a meeting, and this Amendment was properly approved at such meeting by Lot Owners holding not less than two-thirds (2/3^{rds}) (being at least 317 Lot Owners) of the total votes in the Association with their signatures evidenced by those certain attachments attached hereto and made a part hereof, collectively, as **EXHIBIT "A"**, as acknowledged and confirmed by the signatures of the President and Secretary of the Association below.

NOW, THEREFORE, the Joint Amended and Restated CCRs are hereby amended as follows:

1. **RECITALS**: The foregoing recitals are true and accurate.
2. **CAPITALIZED TERMS**: All capitalized terms not otherwise defined in this Amendment shall have the same meanings provided for in the Joint Amended and Restated CCRs.
3. **PROHIBITION AGAINST LEASING**: The Joint Amended and Restated CCRs are hereby amended to add the following Article 11:

ARTICLE 11
PROHIBITION AGAINST LEASING

(i) Notwithstanding anything to the contrary herein stated, any person (including any individual or business entity permitted by Tennessee law to hold title to real estate) who becomes an Owner of a Lot at Walnut Grove Lake after the date of recordation of this Amendment is prohibited from

leasing, or entering into a lease-purchase or similar contract for, that Lot or any portion thereof. It shall be a violation of this Article subject to written waiver by the Board of Directors, in their sole and absolute discretion, if an Owner, or if more than one Owner, at least one of the Owners (including an Owner who may own less than 100% of the ownership interest in any Lot) shall not occupy the Lot on a permanent basis. It shall also be a violation of this Article, subject to written waiver of the Board of Directors in their sole and absolute discretion, if any person lives on any Lot without paying any rental or lease payment unless an Owner also occupies such Lot. For purposes of the preceding sentence, it shall not be a violation of this Article if, while an Owner is temporarily absent from the Lot, a person who is not an Owner of that Lot temporarily resides on such Lot. A person who “temporarily resides” on the Lot without violating this Article is meant to include persons commonly known as house sitters or other persons who stay in the Lot while the Owner is absent for the purpose of providing security, or caring for pets, or the like which belong to the Owner, and remain in the Lot while the Owner is absent. Such “Temporary Residence” by a person not an Owner shall not exceed a total of six weeks in any one calendar year.

(ii) Notwithstanding the foregoing, in the event that an Owner, due to medical or health reasons, or for any other good cause, desires to lease a Lot or any part thereof, or if an Owner wishes to extend any period of Temporary Residence as described in the preceding paragraph for a period longer than six weeks, then such Owner shall make application to the Board of Directors which may, by a majority vote, grant to such Owner an exception to the prohibition against leasing set forth in this Article upon such conditions and under such circumstances as the Board of Directors, in its sole and absolute discretion, may deem proper or necessary. The Board shall provide written approval or disapproval to any Owner who makes application for an exception to the prohibition against leasing under this Article.

(iii) It is the express intent of this Article that the prohibition against leasing shall apply only to persons who obtain title to their Lot subsequent to the date of recordation of this Amendment. Lot Owners who acquired title to their Lot prior to the date of recordation of this Amendment or who are otherwise exempted from the prohibitions of this Amendment shall be permitted to lease such Lot acquired prior to the date of recordation of this Amendment except as expressly provided in Article 11(vi) below.

(iv) Further, the prohibition contained herein shall not apply to institutional holders of a mortgage or deed of trust who obtain title to a Lot pursuant to foreclosure of such mortgage or deed of trust, as a result of a judicial sale, or any proceeding in lieu of foreclosure (the provisions of this prohibition against leasing shall apply to the holders of a mortgage or deed of trust, involved in seller financing or a similar transaction, who obtain title to a Lot pursuant to foreclosure of such mortgage or deed of trust, as a result of a judicial sale, or any proceeding in lieu of foreclosure). The prohibition against leasing herein contained shall also not apply to: a) individual persons who acquire title to a Lot by devise, inheritance, or operation of law from an Owner who is an Owner on the date of recordation of this Amendment in the Register’s Office of Shelby County, Tennessee; b) to any person who is an Owner on the date of recordation of this Amendment and who conveys their Lot to a living trust the beneficiaries of which are the Owners or their spouse, child, parent or sibling; or c) to any spouse, child, parent, or sibling of an Owner who acquires title by *inter vivos* conveyance from an Owner who is an Owner on the date of recordation of this Amendment. In the event of any inconsistencies or contradictory language between this Article and any other provisions of the CCRs, then the provisions of this Article shall control.

(v) If a Lot is owned by a limited liability entity (the “Limited Liability Entity”) including, but not limited to, a corporation, whether for profit or not for profit, a limited liability company, limited liability partnership, professional corporation or professional limited liability company, it shall be a violation of this Article, subject to written waiver by the Board of Directors, if the Lot is not occupied on a permanent basis by one of the following: an officer, director, shareholder, member or partner of such Limited Liability Entity.

(vi) The foregoing notwithstanding, all Lot Owners, including those who took title prior to the recordation of this Amendment, are prohibited from leasing all or any portion of their Lot for any period of less than thirty (30) days (the “Temporary Leasing Prohibition”). It is the intent of this paragraph to prohibit transient or short term rentals under arrangements such as a home exchange or time share, and also under such programs commonly known as “vacation rental by owner” (VRBO), Airbnb, and the like. Notwithstanding the provisions of this Article 11(vi), any Lot Owner may apply for a waiver under Article 11(ii) to the Temporary Leasing Prohibition of this Article 11(vi).

(vii) In the event of any violation of this Article by an Owner, the Association shall be entitled to any remedy available at law or in equity from such Owner including, but not limited to, damages and injunctive relief together with any attorney’s fees incurred by the Association and all costs and expenses of whatever type, kind or nature expended by the Association to enforce any of the provisions of this Article, whether such enforcement is by way of non-judicial or judicial action.

4. FULL FORCE AND EFFECT: Except as modified herein, all other terms and provisions of the Joint Amended and Restated CCRs shall remain in full force and effect as if this Amendment had been incorporated in the Joint Amended and Restated CCRs as originally executed.

5. CONFLICT: In the event of any conflict between the terms and provisions of this Amendment and the Joint Amended and Restated CCRs, the terms and provisions of this Amendment shall control.

6. CERTIFICATION OF MAILING: By executing this Amendment, the President and Secretary of the Association acknowledge and certify that, in accordance with the Bylaws of the Association, all members of the Association were mailed notice of this Amendment prior to any vote being held on this Amendment in accordance with the Act.

IN WITNESS WHEREOF a meeting of the membership of the Association has been held, or this Amendment has been approved by the Association in accordance with the terms and provisions of Tenn. Code § 48-57-108 without a meeting, and this Amendment was properly approved at such meeting by Lot Owners holding not less than two-thirds (2/3rds) (being at least 317 Lot Owners) of the total votes in the Association with their signatures evidenced by those certain attachments attached hereto and made a part hereof, collectively, as **EXHIBIT “A”**, as acknowledged and confirmed by the signatures of the President and Secretary of the Association below.

[THE FOLLOWING PAGE IS THE SIGNATURE PAGE]

THE ASSOCIATION:

WALNUT GROVE LAKE HOMEOWNERS
ASSOCIATION, INC.,
a Tennessee non-profit corporation

By: _____
Name: _____
Title: President

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, the undersigned, of the state and county mentioned, personally appeared _____, President of WALNUT GROVE LAKE HOMEOWNERS ASSOCIATION, INC., a Tennessee non-profit corporation, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be the President of WALNUT GROVE LAKE HOMEOWNERS ASSOCIATION, INC., a Tennessee non-profit corporation, the within named bargainor, a corporation, and that she/he as such President, executed the foregoing instrument for the purpose therein contained, by personally signing the name of the corporation as its President.

WITNESS MY HAND AND OFFICIAL SEAL at office, this ___ day of _____, 2022.

NOTARY PUBLIC
My Commission Expires: _____

By: _____
Name: _____
Title: Secretary

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, the undersigned, of the state and county mentioned, personally appeared _____, Secretary of WALNUT GROVE LAKE HOMEOWNERS ASSOCIATION, INC., a Tennessee non-profit corporation, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself/herself to be the Secretary of WALNUT GROVE LAKE HOMEOWNERS ASSOCIATION, INC., a Tennessee non-profit corporation, the within named bargainor, a corporation, and that she/he as such Secretary, executed the foregoing instrument for the purpose therein contained, by personally signing the name of the corporation as its Secretary.

WITNESS MY HAND AND OFFICIAL SEAL at office, this ___ day of _____, 2022.

NOTARY PUBLIC
My Commission Expires: _____

EXHIBIT "A"
EVIDENCE OF APPROVAL BY LOT OWNERS