

PREPARED BY AND RETURN TO:
Michael S. Champlin, Attorney
6584 Poplar Avenue, Suite 100
Memphis, Tennessee 38138

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR CARROLLWOOD LAKES

THIS DECLARATION, made on the date hereinafter set forth by
GREAT AMERICAN HOMES, INC., hereinafter referred to as
"Declarant".

W I T N E S S E T H:

WHEREAS, Declarant is or was the owner of certain property
in the County of Shelby, State of Tennessee, which is more
particularly described in Exhibit "A" attached hereto and
incorporated herein by reference (the "Properties").

All Lots which are a part of the said Properties which
have been conveyed by Declarant were sold subject to the condi-
tion that the purchasers thereof would become members of the
Association.

NOW, THEREFORE, Declarant hereby declares that all of the
Properties described above shall be held, sold and conveyed
subject to the following easements, restrictions, covenants and
conditions, which are for the purpose of protecting the value
and desirability of, and which shall run with, the real property
and be binding on all parties having any right, title and
interest in the described Properties or any part thereof, their
heirs, successors and assigns and shall inure to the benefit of
each Owner thereof.

Article 1. Definitions.

1.01. "Association" shall mean and refer to The
Carrollwood Lakes Homeowners Association, a Tennessee non-profit
corporation, a copy of the Articles of Incorporation of which is
attached hereto as Exhibit "C", its successors or assigns, which
Association shall have as its members all of the Owners of Lots
within the Properties and which shall be responsible for the
care, management and supervision of the Common Areas within the
Properties.

1.02. "By-Laws" shall mean and refer to the By-Laws of
The Carrollwood Lakes Homeowners Association which are attached
hereto as Exhibit "D" and as the same may be amended from time
to time.

1.03. "Common Areas" shall mean all real property owned
by the Association for the common use and enjoyment of the
Owners from time to time.

Declarant may from time to time in its sole
discretion convey to the Association and the Association shall
accept additions to the Common Areas. However, the Association
will not be required to accept the conveyance of any area on
which a lake is situated until the lake is approved in writing
by the Tennessee Soil Conservation Department or its successor
or any improved area until the improvements thereon are
complete.

1.04. "Declarant" shall mean and refer to Great American
Homes, Inc., its specific successors and assigns as designated
in a document placed of record in the Register's Office of
Shelby County, Tennessee, which designates such successors and
assigns as the party or parties succeeding to the rights of the
Declarant hereunder.

1.05. "Lot" shall mean and refer to any plot of land designated for the development of a single-family residence as shown upon any plat recorded or to be recorded, subdividing the Properties.

1.06. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

1.07. "Properties" shall mean and refer to that certain real property hereinabove described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association, as herein provided.

1.08. "Subdivided" shall mean and refer to any portion of the Properties described in a plat of subdivision filed of record in the Register's Office of Shelby County, Tennessee.

ARTICLE 2. Property Rights.

2.02. Owner's Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the maintenance and use of any lake or recreational facility situated upon the Common Areas;

(b) the right of the Association to suspend the voting rights and right to use of the Common Areas or any improvements thereon by an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for each infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

(d) the right of the Association to adopt rules and regulations for the benefit of the Owners respecting use of any lake or recreational facility situated upon the Common Areas.

2.02. Delegation of Use. Any Owner may delegate, in accordance with the By-Laws, his right of enjoyment to the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE 3. Membership and Voting Rights.

3.01. Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

3.02. The Association shall have two (2) classes of voting memberships:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant and shall be entitled to five (5) votes for each Lot owned. The Class B membership shall cease and become converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership;
or

(ii) January 1, 1994.

ARTICLE 4. Annexation of Additional Properties.

4.01. Declarant also owns or may acquire certain tracts of land ("Additional Tracts") located in the County of Shelby, State of Tennessee, adjacent to the Properties subject to this Declaration. The Additional Tracts are described in Exhibit "B" attached hereto and incorporated herein by reference. Declarant may, but is not obligated to, subject all or part of the Additional Tracts, and the improvements thereon, to this Declaration. However, nothing herein contained shall be construed to require the Declarant to submit any part of the Additional Tracts to this Declaration or to limit the use of the Additional Tracts in any way, the Declarant reserving unto itself, its heirs or assigns, all rights and privileges with respect to such Additional Tracts, including, without limitation, the use thereof in accordance with any present or future zoning regulations, or variations therefrom, which may be applicable to such Additional Tracts, in whole or in part.

4.02. Except as provided in Section 4.01, annexation of Additional Tracts shall require the assent of two-thirds (2/3) of the Class A members and the Class B members called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The presence of members or of proxies entitled to cast sixty percent (60%) of the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such subsequent meeting shall be one-half of the required quorum of the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting. In the event that two-thirds (2/3) of the Class A membership or two-thirds (2/3) of the Class B membership are not present in person or by proxy, members not present may give their written assent to the action taken thereat. Annexation under this Section requires the consent of two-thirds (2/3) of each class of members, and shall be evidenced by recording in the

Register's Office of Shelby County, Tennessee, an amendment to this Declaration showing the property to be added, any resulting changes to this Declaration, or any exhibits thereto, and any other information deemed necessary or proper.

4.03. Notwithstanding the foregoing, if within twenty-five (25) years of the date of the incorporation of the Association, the Declarant should develop Additional Tracts within the areas described in Exhibit "B", any portion of such Additional Tracts may be annexed to the Properties without the necessity of obtaining the approval or assent of the Class A members, or any other person or entity, any other provision of this Declaration to the contrary notwithstanding, and said lands on the date of annexation shall be deemed a part of the Properties and be subject to this Declaration. The annexations shall be made by recording in the Register's Office of Shelby County, Tennessee, a statement of Declarant showing the property to be added, any resulting changes to this Declaration, or any exhibits thereto, and any other information which Declarant may deem necessary or proper. Additional Tracts or portions thereof may be added at one time or at separate times so long as the resulting total property is contiguous. Copies of such recorded statements shall be mailed or delivered to all owners of record of Lots affected and the Board of Directors.

ARTICLE 5. Covenant for Maintenance Assessments.

5.01. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each Lot owned within the Properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: 1) annual assessments or charges, and 2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

5.02. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the improvement, periodic maintenance, repair, and replacement of improvements to the Common Areas, and any reserves necessary and proper for such purposes.

5.03. Maximum Annual Assessment. Until January 1st of the year immediately following the recording of this Declaration in the Shelby County Register's Office, the maximum annual assessment shall be One Hundred Eighty Dollars (\$180.00) per Lot.

(a) From and after January 1st of the year immediately following said recording, the maximum annual assessment may be increased each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of each class of the membership.

(b) From and after January 1st of the year immediately following the said recordation, the maximum annual assessment may be increased above ten percent (10%) by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

5.04. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

5.05. Notice and Quorum for Any Action Authorized Under Sections 5.03 and 5.04. Written notice of any meeting called for the purpose of taking any action authorized under Sections 5.03 or 5.04 shall be sent to all members not less than ten (10) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

5.06. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis, provided that the rate set for Lots owned by Declarant shall be fixed at one-fifth (1/5) the assessment rate for the other Lots.

5.07. Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the initial conveyance of any Common Areas to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

5.08. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within fifteen (15) days after the due date, the assessment shall bear interest from the due date at the rate set by the Association, plus a penalty equal to five percent (5%) of the amount of the assessment. The Association may bring an action at law against the Owner to collect the assessment or foreclose the lien.

against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot. The Owner of a Lot on which there are delinquent assessments shall not be permitted to participate or vote in any meeting of the Association, and may, along with his guests and the occupants of his Lot, be prohibited, by properly adopted resolution of the Board of Directors of the Association, from using specified Common Areas or other privileges of membership in the Association.

5.09. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessment thereafter becoming due or from the lien thereof.

ARTICLE 6. General Provisions.

6.01. Enforcement. The Declarant, Association or any Owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, lien and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Declarant or Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

6.02. Severability. Invalidity of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force or effect.

6.03. Amendment. The covenants and restrictions of the Declaration shall run with and bind the land for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended by an instrument signed by not less than seventy-five percent (75%) of the Lot Owners. Any amendment must be recorded.

6.04. Easements. The Declarant reserves and the Association shall be bound to convey to Declarant, or its designees, any easement requested by the Declarant for the development and maintenance of any portion of the Properties, Common Areas, proposed Common Areas, or Additional Tracts.

6.05. Declarant's Reservation of Rights Respecting Use of the Properties. The Declarant shall not be obligated to improve, develop or subdivide any part of the Properties in any specific manner or time, or for any specific use, the Declarant reserving unto itself, its heirs or assigns, all rights and privileges with respect to any portion of the Properties which it owns.

Declarant may delete from the operation of this Declaration any portion of the Properties owned by Declarant and not subdivided, or any portion of the Properties owned by Declarant and within the boundaries of a recorded subdivision plat, provided that no Lots within such recorded subdivision plat have been conveyed by Declarant by warranty deed.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has caused this instrument to be executed by and through its duly authorized officials this 20th day of APRIL, 1984.

GREAT AMERICAN HOMES, INC.

By: Claude Caldwell
Claude Caldwell, President

ATTEST:

Carol A. Caldwell
Secretary

STATE OF TENNESSEE)
COUNTY OF SHELBY)

Before me, a duly qualified Notary Public in and for the County and State aforesaid, personally appeared Claude Caldwell and CAROL CALDWELL, with whom I am personally acquainted, and who upon their several oaths acknowledged themselves to be the President and Secretary, respectively, of GREAT AMERICAN HOMES, INC., a TENNESSEE corporation, the within named Declarant, and they, as such officers, being duly authorized so to do, executed the foregoing instrument for the purposes therein contained by subscribing thereto the name of the said corporation by themselves as such officers, and they further acknowledged that they executed said instrument as their free act and deed and as the free act and deed of GREAT AMERICAN HOMES, INC.

WITNESS my hand and Official Seal on this 20th day of APRIL, 1984.

Michael A.
Notary Public

My Commission expires:

6-29-87

Part of the Great American Homes Inc. property as recorded by Instrument P6-7214 being Lot 2, Pleasant Miller 1,000 acres and part of Lot 3 of the W.A. Crenshaw Subdivision in Shelby County, Tennessee, and more particularly described by metes and bounds, as follows:

Beginning at a point in the north line of the City of Memphis property and at the southeast corner of the First Addition to Countrywood Subdivision; thence north 00 degs. 11' 48" west along the First Addition to Countrywood Subdivision a distance of 1669.20 feet to the northeast corner thereof; thence north 89 degs. 37' 49" west along the north line of said subdivision a distance of 1.16 feet to the southeast corner of Section "C", Countrywood Subdivision; thence north 00 degs. 03' 11" west along the east line of Section "C", Countrywood Subdivision a distance of 2002.81 feet to an angle point in said subdivision, said point being in the north line of the aforementioned Lot 2; thence north 89 degs. 50' 18" east along the south line of Section "C", and Section "D", a distance of 2966.23 feet to a point, said point being the southeast corner of Section "D", Countrywood Subdivision; thence south 89 degs. 38' east a distance of 497.59 feet to an old iron stake in the east line of the aforementioned Lot 3; thence south 00 degs. 12' 29" west along said east line a distance of 1462.70 feet to a point; thence westerly along a 35' radius curve to the left 49.52 to a point of reverse curvature; thence westerly along a 350' radius curve to the left 255.57' to a point; thence north 47 degs. 47' 35" west a distance of 110.0 feet to a point on the south line of Section L-4 of Carrollwood Lakes Subdivision; thence along the south and west line of Sections L-4, L-5, K-6, K-4, and K-1 the following calls:

north 86 degs. 39' 35" west	277.40';
north 76 degs. 14' 44" west	215.88';
north 52 degs. 39' 43" west	110.00';
north 38 degs. 12' 34" west	59.53';
north 25 degs. 20' 46" west	213.79';
north 68 degs. 53' 57" west	257.41';
north 11 degs. 7' 12" east	240.00';
north 24 degs. 16' 30" east	164.46';
north 18 degs. 1' 16" east	50.00';
north 71 degs. 58' 44" west	17.00';
north 18 degs. 1' 16" east	170.00';
north 7 degs. 24' 26" east	131.16';

thence north 22 degs. 57' 22" east leaving the west line of Section K-1 and running along the east line of Lot 318 of Section K-1 a distance of 111.97 feet to a point on the south R.O.W. of Carrollwood Lane at the northeast corner of Lot 318; thence westerly along a 420.28 radius curve to the right along the south R.O.W. line of Carrollwood Lane and partly along the north line of Lot 318 a distance of 109.17 feet to a point of reverse curvature; thence westerly along a 192.82' radius curve to the left along the south line of Carrollwood Lane a distance of 127.88 feet to a

point; thence south 89 degs. 50' 18" west along the south R.O.W. line of Carrollwood Lane 71.0 feet to a point; thence south 31 degs. 30' west leaving the south R.O.W. line of Carrollwood Lane a distance of 960 feet to a point; thence south 00 degs. 11' 48" east + 1300 feet to a point; thence south 11 degs. 28' 42" west + 1545 feet to a point of the north line of the City of Memphis easement; thence north 89 degs. 37' 49" west along the north line of said City of Memphis easement 1300 feet to the Point of Beginning.

ADDITIONAL TRACTS SUBJECT
TO ANNEXATION

The Great American Homes Inc. Property as recorded by Instrument P6-7214 being Lot 2, Pleasant Miller 1,000 acres and part of Lot 3 of the W. A. Crenshaw Subdivision in Shelby County, Tennessee, and more particularly described by metes and bounds, as follows:

Beginning at a point in the north line of the City of Memphis property and at the southeast corner of the First Addition to Countrywood Subdivision; thence north 00 degs. 11' 46" west along the First Addition to Countrywood Subdivision a distance of 1669.20 feet to the northeast corner thereof; thence north 89 degs. 37' 49" west along the north line of said subdivision a distance of 1.16 feet to the southeast corner of Section "C", Countrywood Subdivision; thence north 00 degs. 03' 11" west along the east line of Section "C", Countrywood Subdivision a distance of 2002.81 feet to an angle point in said subdivision, said point being in the north line of the aforementioned Lot 2; thence north 89 degs. 50' 18" east along the south line of Section "C", and Section "D", a distance of 2966.23 feet to a point, said point being the southeast corner of Section "D", Countrywood Subdivision; thence south 89 degs. 38' east a distance of 497.59 feet to an old iron stake in the east line of the aforementioned Lot 3; thence south 00 degs. 12' 26" west along said east line a distance of 3697.18 feet to a point in the north line of the Memphis City Property; thence south 88 degs. 45' 35" west 79.65 feet to an angle point; thence north 89 degs. 37' 49" west along the north line of the Memphis City Property a distance of 3362.13 feet to the point of beginning, and containing 292.40 acres of land of which 0.55 acres is occupied by Berryhill Road, and being the same property conveyed to MOZELLE REID FARLEY, WILLIAM S. FARLEY, AND ETHLEEN FARLEY BUTLER, by Trustee's Deed of record as instrument K2 1448, in the Register's Office of Shelby County, Tennessee.

Less and except that real property described in Exhibit "A" to Declaration of Covenants, Conditions and Restrictions for Carrollwood Lakes, which Exhibit "A" immediately precedes this Exhibit "B".

EXHIBIT "B"

EXHIBIT "C"

ARTICLES OF INCORPORATION
OF
THE CARROLLWOOD LAKES HOMEOWNERS ASSOCIATION

In compliance with the requirements of Tennessee Code Annotated, the undersigned, all of whom are residents of Memphis, Shelby County, Tennessee, and all of whom are of full age, have this day voluntarily associated themselves together for the purpose of forming a corporation not for profit and do certify:

ARTICLE I

The name of the corporation is THE CARROLLWOOD LAKES HOMEOWNERS ASSOCIATION, INC., hereinafter called the "Association".

ARTICLE II

The principal office of the Association is located at 6000 Poplar Avenue, Memphis, Tennessee 38119.

ARTICLE III

Michael S. Champlin, whose address is 6584 Poplar Avenue, Suite 100, Memphis, Tennessee 38138, is hereby appointed the initial registered agent of this Association.

ARTICLE IV

Purpose and Powers of the Association

This Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purposes for which it is formed are to provide for maintenance and preservation of the Common Areas within that certain tract of property described in Exhibit "A" attached hereto and incorporated herein by reference, and any additions thereto as may hereafter be brought within the jurisdiction of this Association for this purpose, and to:

(a) exercise all of the powers and privileges and to perform all of the duties and obligations of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration", applicable to the property and recorded or to be recorded in the Office of the Shelby County Register, and as the same may be amended from time to time as therein provided, said Declaration being incorporated herein as if set forth at length;

(b) fix, levy, collect and enforce payment by any lawful means, all charges or assessments pursuant to the terms of the Declaration; to pay all expenses in connection therewith and all office and other expenses incident to the conduct of the business of the Association, including all licenses, taxes or governmental charges levied or imposed against the property of the Association;

(c) acquire (by gift, purchase or otherwise), own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real or personal property in connection with the affairs of the Association;

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(d) borrow money, and with the assent of two-thirds (2/3) of each class of members mortgage, pledge, deed in trust, or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred;

(e) dedicate, sell or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument has been signed by two-thirds (2/3) of each class of members, agreeing to such dedication, sale or transfer;

(f) participate in mergers and consolidations with other non-profit corporations organized for the same purposes or annex additional Common Areas, provided that any such merger, consolidation or annexation shall have the assent of two-thirds (2/3) of each class of members;

(g) have and to exercise any and all powers, rights and privileges which a corporation organized under the Non-Profit Corporation Law of the State of Tennessee by law may now or hereafter have or exercise.

ARTICLE V

Membership

Each person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenant of record to assessment by the Association, including contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association.

ARTICLE VI

Voting Rights

The Association shall have two (2) classes of voting memberships:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B. The Class B member(s) shall be the Declarant (as defined in the Declaration), and shall be entitled to five (5) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) on January 1, 1994.

ARTICLE VII

Board of Directors

The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The names and addresses of the persons who are to act in the capacity of directors until the selection of their successors are:

At the organizational meeting, the Declarant shall appoint the Directors who shall serve until all of the Properties have been subdivided or conveyed to the Association as Common Areas or on the third anniversary of the organizational meeting, whichever shall first occur. Thereafter, members shall elect one (1) director for a term of one (1) year, one director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter the members shall elect the director for a term of one (1) year.

ARTICLE VIII

Dissolution

The Association may be dissolved with the assent given in writing and signed by not less than two-thirds (2/3) of each class of members. Upon dissolution of the Association, other than incident to a merger or consolidation, the assets of the Association shall be dedicated to an appropriate public agency to be used for purposes similar to those for which this Association was created. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any non-profit corporation, association, trust or other organization to be devoted to such similar purposes.

ARTICLE IX

Duration

The corporation shall exist perpetually.

ARTICLE X

Amendments

Amendment of these Articles shall require the assent of seventy-five percent (75%) of the entire membership.

IN WITNESS WHEREOF, for the purpose of forming this Corporation under the laws of the State of Tennessee, I, the undersigned, constituting the incorporator of this Association, have executed these Articles of Incorporation this _____ day of _____, 1984.

Michael S. Champlin, Incorporator

EXHIBIT "D"

BY-LAWS
OF
THE CARROLLWOOD LAKES HOMEOWNERS ASSOCIATION, INC.

ARTICLE I. Name and Location.

The name of the corporation is The Carrollwood Lakes Homeowners Association, Inc., hereinafter referred to as the "Association".

The principal office of the corporation shall be located at 6000 Poplar Avenue, Memphis, Tennessee 38119, but meetings of members and directors may be held at such places within the State of Tennessee, County of Shelby, as may be designated by the Board of Directors.

ARTICLE II. Definitions.

2.01. "Association" shall mean and refer to The Carrollwood Lakes Homeowners Association, Inc., its successors and assigns.

2.02. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

2.03. "Common Areas" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

2.04. "Lot" shall mean and refer to any plot of land designated for the development of a single family residence as shown upon any plat, recorded or to be recorded, subdividing the Properties.

2.05. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

2.06. "Declarant" shall mean and refer to Great American Homes, Inc., its specific successors and assigns as designated in a document placed of record in the Register's Office of Shelby County, Tennessee, which designates such successors and assigns as the party or parties succeeding to the rights of the Declarant hereunder.

2.07. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the Register of Shelby County, Tennessee.

2.08. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III. Meeting of Members.

3.01. Annual Meetings. The organizational meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 8:00 o'clock P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

3.02. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-tenth (1/10) of all of the votes of the entire membership.

3.03. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

3.04. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, thirty percent (30%) of the votes of each class of membership shall constitute a quorum of any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

3.05. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV. Board of Directors: Selection: Term of Office.

4.01. Number. The affairs of this Association shall be managed by a Board of three (3) Directors, who need not be members of the Association.

4.02. Term of Office. At the organizational meeting, the Declarant shall appoint the directors who shall serve until the "Change Date". The "Change Date" shall be the earlier of (a) the date in which all of the Properties have been subdivided or conveyed to the Association as Common Areas, or (b) the third anniversary of the organizational meeting. At the first annual meeting after the Change Date, the members shall elect one (1) director for a term of one (1) year, one director for a term of two (2) years, and one (1) director for a term of three (3) years; and at each annual meeting thereafter the members shall elect directors for a term of one (1) year.

4.03. Removal. After the Change Date, any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

4.04. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

4.05. Action Taken Without A Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V. Nomination and Election of Directors.

5.01. Nomination. After the Change Date, nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

5.02. Election. After the Change Date, election of the Board of Directors shall be by secret written ballot. At such election, the members of each class of membership or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The person receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI. Meetings of Directors.

6.01. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

6.02. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days' notice to each director.

6.03. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII. Powers and Duties of the Board of Directors.7.01. Powers:

The Board of Directors shall have power to:

(a) adopt and publish rules and regulations governing the use of the Common Areas and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(b) suspend the voting rights and right to use of the recreational facilities of a member during any period in which such member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for each infraction of published rules and regulations;

(c) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Articles of Incorporation, or the Declaration;

(d) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(e) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

7.02. Duties:

It shall be the duty of the Board of Directors to:

(a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-tenth (1/10) of all members who are entitled to vote;

(b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(c) as more fully provided in the Declaration, to:

(1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

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(3) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the owner personally obligated to pay the same.

(d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(e) procure and maintain adequate liability and hazard insurance on property owned by the Association;

(f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(g) cause the Common Areas to be maintained.

ARTICLE VIII. Officers and Their Duties.

8.01. Enumeration of Offices. The officers of this Association shall be a president, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

8.02. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

8.03. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign or shall be removed, or otherwise disqualified to serve.

8.04. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority and perform such duties as the Board may, from time to time, determine.

8.05. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president, or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.06. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

8.07. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one or any of the other offices except in the case of special offices created pursuant to Section 8.04 of this Article.

8.08. Duties.

The duties of the officers are as follows:

(a) President. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments, and shall co-sign all checks and promissory notes.

(b) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(c) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE IX. Indemnification.

The Association shall indemnify any person who was or is a party, or is threatened to be made a party, to any pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Association) by reason of the fact that he is or was a director or officer of the Association, against expenses (including attorney's fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.

No indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable for negligence or misconduct in the performance of his duty to the Association, unless and only to the extent that the Chancery Court of Shelby County, Tennessee, or the court in which such action or suit was brought, shall determine upon application that, despite the adjudication of liability but in view of all circumstances of the case, such person is fairly and

reasonably entitled to indemnity for such expenses which the court shall deem proper. To the extent that a director or officer of the Association has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in this Article, or in defense of any claim, issue, or matter therein, he shall be indemnified against expenses (including attorney's fees) actually and reasonably incurred by him in connection therewith.

Any indemnification under this Article (unless ordered by a court) shall be made only as authorized in the specific case upon a determination that indemnification of the director or officer is proper in the circumstances because he has met the applicable standard of conduct set forth herein. Such determination shall be made (1) by the Board of Directors by a majority vote of a quorum consisting of directors who are not parties to such action, suit or proceeding, or (2) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (3) by the members of the Association.

Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the Association, in advance of the final disposition of such action, suit or proceeding as authorized by the Board of Directors in the specific case upon a secured receipt of an undertaking by or on behalf of the director or officer to repay such amount unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized herein.

This indemnification provided by this Article shall not be deemed exclusive of any rights to which those seeking indemnification may be entitled under any By-Law, agreement, vote of the members of the Association, or disinterested directors, or otherwise, both as to an action in his official capacity and as to an action in another capacity while holding office, and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE X. Committees.

The Association shall appoint a Nominating Committee, as provided in these By-Laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE XI. Books and Records.

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation, and the By-Laws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII. Assessments.

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not

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paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve percent (12%) per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his Lot.

ARTICLE XIII. Corporate Seal.

The Association shall not have a seal unless the Board of Directors elects otherwise.

ARTICLE XIV. Amendments.

14.01. These By-Laws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

14.02. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control; and in the case of any conflict between the Declaration and these By-Laws or the Articles of Incorporation, the Declaration shall control.

ARTICLE XV. Miscellaneous.

The fiscal year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

V. 2 7: 8 8 1

STATE TAX _____
REGISTER'S FEE _____
RECORDING FEE 60.00
APR 23 11 26 AM '84
STATE OF TENNESSEE
CHELBY COUNTY
By R. R. R.
REGISTER



Tom Leatherwood

Shelby County Register

STATE OF TENNESSEE
COUNTY OF SHELBY

I, Tom Leatherwood, Register of Deeds, hereby certify this is a true and perfect copy of page(s) 1-20 of Instrument Number V2 7881, recorded in this office as a Miscellaneous from Carrollwood Lakes to Amendment to Restrictions .

Witness the Official Signature and Seal this 3rd day of August 2004.

Tom Leatherwood, Register

Deputy Register

160 N. Main St., Suite 519 ~ Memphis, Tennessee 38103 ~ (901) 545-4366
Website: <http://register.shelby.tn.us> ~ Email: tleatherwood@co.shelby.tn.us

CLARIFICATION

TO

THE DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS OF
THE CARROLLWOOD LAKES SUBDIVISIONS

2

WHEREAS, the developers of the Carrollwood Lakes Subdivisions, had the intention to develop Carrollwood Lakes Subdivisions with certain conditions and restrictions appurtenant to each lot sold in the said Subdivisions.

WHEREAS, the developers of the Carrollwood Lakes Subdivisions specifically reserved the right to alter or amend the restrictions and establish a Homeowner's Association on the Plat of each respective section of Carrollwood Lakes Subdivisions.

WHEREAS, the developers prepared and had recorded a certain Declaration of Covenants, Conditions and Restrictions in the Shelby County Register's Office, Memphis, Tennessee at instrument numbered V2 7881.

WHEREAS, within the above described Declaration of Covenants, Conditions and Restrictions were two legal descriptions marked Exhibit "A" and Exhibit "B".

WHEREAS, the Declaration established a Homeowner's Association for the property described in Exhibit "A".

WHEREAS, Section 4.01 of the Declaration allowed the developers to annex, at their discretion, the property described in Exhibit "B" and establish a Homeowner's Association for said property.

WHEREAS, there was no specific procedure listed in the Declaration to annex the property described in Exhibit "B" of said Declaration.

WHEREAS, references were made on the Plats of Sections B-2, C, D, E, F, F-1, G, H, I-3, K, K-5, L, the Reflections of Carrollwood Lakes, Planned Development, and the Reflections of Carrollwood Lakes, First Addition, Planned Development, of the Carrollwood Lakes Subdivisions, to establish a Homeowner's Association.

WHEREAS, the developers annexed the property listed in Exhibit "B" of the Declaration by the above references on the respective Plats.

WHEREAS, there has arisen a need for an amendment of clarification to specifically indicate which sections are included in the above Declaration.

NOW THEREFORE, for Ten and no/100 (\$10.00) Dollars and other valuable considerations, the present developers of Carrollwood Lakes Subdivisions do hereby execute this amendment for the purposes of clarification as set forth below:

1. Any and all of the lots in Sections B-2, C, D, E, F, F-1, G, H, I-3, K, K-5, L, the Reflections of Carrollwood Lakes, Planned Development, and the Reflections of Carrollwood Lakes, First Addition, Planned Development, in the Carrollwood Lakes Subdivisions are included in Exhibits "A" and "B" of the aforementioned Declaration of Covenants, Conditions and Restrictions.

2. Any and all of the lots in the above described sections will be required to participate in any condition, covenants and restrictions, including the payment of any future assessments or the establishment of any home owner's associations as set forth in the recorded Declaration of Covenants, Conditions and Restrictions.

IN WITNESS WHEREOF, we hereby execute this amendment of clarification on this the 29 day of December, 1992.

DEVELOPER:

CARROLLWOOD LAKES PARTNERS

BY

CLAIR D. VANDERSCHAAP

WILLIAM L. KOENEMAN

JAMES L. REID

CHARLES P. HOLLAND

State of Tennessee
County of Shelby

Before me personally appeared James L. Reid, Charles P. Holland, William L. Koeneman and Clair D. VanderSchaaf, with each of whom I am personally acquainted, and who upon their several oaths, acknowledged themselves to be partners and all of the partners in Carrollwood Lakes Partners the within named Developer, a partnership, and that they, as such partners, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of the partnership by themselves as such partners.

WITNESS my hand and Notarial Seal at office this 29 day of December, 1992.

Blaine Holland Wade
Notary Public

My commission expires: August 16, 1994

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DH 0050	
No.	
O/C <u>6</u>	DR# <u>6</u>
Pgs. <u>2</u>	ltn.
Vol.	
STAMP TAX	
REGISTER'S FEE	
RECORDING FEE	<u>8.00</u>
WT <input checked="" type="checkbox"/> RING FEE	<u>2.00</u>
TOTAL	<u>10.00</u>
STATE OF TENNESSEE	
SHELBY COUNTY	
GUY B. BATES	
REGISTER	

DH0050

SHELBY COUNTY
REGISTER OF DEEDS

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