




Tom Leatherwood
Shelby County Register

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01/03/2006 - 09:56 AM	
44 PGS : R - SUB RESTRICTION	
DELORES 369714-6000444	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	220.00
DP FEE	2.00
REGISTER'S FEE	0.00
WALK THRU FEE	0.00
TOTAL AMOUNT	222.00
TOM LEATHERWOOD	
REGISTER OF DEEDS SHELBY COUNTY TENNESSEE	

This Instrument prepared by and return to:

Ryan E. Byrne, Attorney At Law
1326 Hardwood Trail, Suite 201
Cordova, TN 38016

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

SHAW'S RIDGE PLANNED DEVELOPMENT

THIS DECLARATION, is made, published and declared this 1st day of October, 2005, by SHAW'S RIDGE LLC, a Tennessee limited liability company (the "Declarant" or "Developer") and any and all persons, firms, or corporations hereinafter acquiring any of the within described property:

WHEREAS, Declarant is the fee simple owner of a certain tract of real property (the "Property") situated in Arlington, Shelby County, Tennessee, which property is more particularly described in Exhibit "A" attached hereto; and

WHEREAS, the Developer has caused to be prepared a plan for the subdivision of the Property, to be known as SHAW'S RIDGE PLANNED DEVELOPMENT, Phase 1, into residential lots, together with certain common areas for the use, benefit and enjoyment of the owners of the lots in common with each other; and

WHEREAS, the Developer has caused a plat of the Property to be filed at Plat Book 222 Page 31 in the Register's office of Shelby County, Tennessee; and

WHEREAS, it is to the benefit, interest and advantage of the Declarant, the Lot Owners and of each and every person or other entity hereafter acquiring any interest in the Property that certain covenants, restrictions, easements, assessments and liens governing and regulating the use and occupancy of the same be established, fixed, set forth and declared as covenants running with the land.

NOW, THEREFORE, in consideration of the premises, the Declarant does hereby publish and declare that all or any portion of the Property described in Exhibit "A" is held and shall be held, conveyed, hypothecated encumbered, leased, rented, used, occupied and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations (and

subject to all easements, conditions, restrictions, etc, as set out in the Subdivision Plats, Exhibit "B") all of which are declared and agreed to be in the furtherance of a plan for the development and improvement of the said Property, and the said covenants, conditions, restrictions, uses, limitations and obligations shall run with the land and shall be a burden and a benefit to the Declarant, is successors and assigns, and any person or legal entity acquiring or owning any interest in any portion of the said Property or any improvements thereon, their grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE I. DEFINITIONS

The following words when used in this Declaration shall have the following meanings:

Section 1.01. "Association" shall mean and refer to the SHAW'S RIDGE HOMEOWNER'S ASSOCIATION, INC., a non-profit, non-stock corporation incorporated under the laws of the State of Tennessee, its successors and assigns. The Association's Charter and Bylaws are attached hereto marked Exhibits "C" and "D" respectively and made a part hereof.

Section 1.02 "Declarant" shall mean SHAW'S RIDGE, LLC, a Tennessee limited liability company, its successors and assigns. Declarant shall be synonymous with "Developer" for purposes of this Declaration.

Section 1.03 "Declaration" shall mean this Declaration of Covenants, Conditions, and Restrictions, and any supplementary declaration filed hereto, as this Declaration may, from time to time, be amended in accordance with its terms.

Section 1.04 "Lot" shall mean and refer to the plots of land designated with Numbers 1 through 83 inclusive, as shown on Exhibit

"B" attached hereto. For all purposes hereunder, it shall be understood and agreed that Declarant shall be the Owner of all of said Lots, save and except only those particular Lots which Declarant conveys in fee simple title by recordable deed from and after the date hereof. Ownership of a Lot shall include an undivided pro rata interest in the common area owned by the Association, as shown on Exhibit "A", "Common Area 'A'" attached hereto.

Section 1.05 "Member" shall mean and refer to every Person who holds membership in the Association.

Section 1.06 "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of the Property, including contract sellers, including contract sellers, but excluding those having such interest as security for the performance of an obligation, provided, however, that the purchaser at a foreclosure sale or trustee's sale shall be deemed an Owner.

Section 1.07 "Person" means an individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof.

Section 1.08 "Property" or "Properties" shall mean the real property described in Exhibit "A" attached hereto and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 1.09 "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association and improvements and fixtures thereon. The Common Area to be owned by the Association at the time of the conveyance of the first home buyer in SHAW'S RIDGE PLANNED DEVELOPMENT shall include the entire Common Area described said plat recorded at Plat Book 222 page 31.

Section 1.10 "Improvements" shall mean the structures, wall, pavement, plantings and other additions built or placed on the Lots. It is intended that the Improvements reasonably meant for the Owner of a particular Lot will lie entirely within said Lot, as referred to hereafter. In the event, that by reason of construction, settlement, reconstruction or shifting of the

Improvements, any minor part of the Improvements reasonably intended for a particular Lot lie outside that Lot, an easement of use shall apply thereto in favor of the Lot to be benefited.

Section 1.11 "Adjoining Lot Owners" shall mean and refer to the Owners of Lots that share a common boundary on which there is constructed a party wall.

ARTICLE II. PROPERTY .

Section 2.01 Property Subject to Declaration. That certain real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in the City of Arlington, Shelby County, Tennessee, described in Exhibit "A" attached hereto and made a part hereof.

Section 2.02 Rear access alleyways.

INTENTIONALLY DELETED

ARTICLE III. THE ASSOCIATION

Section 3.01 Members. Every Person, as defined, who is a record owner of a fee or undivided fee interest of any of the Lots within the Property shall be a Member of the Association, as defined, provided, however that anyone who holds such interest solely as security for the performance of an obligation shall not be a Member. Membership shall be appurtenant to and may not be separated from ownership of any Lot within SHAW'S RIDGE PLANNED DEVELOPMENT, Ownership of such Lot shall be the sole qualification for membership.

Section 3.02 Voting Rights. The voting rights of the membership shall be appurtenant to the ownership of a Lot, each owner of a Lot being entitled to one (1) vote for each Lot owned, or as allowed for within this document. Lot(s) owned by declarant shall be entitled to five (5) votes for each Lot.

Section 3.03 Secured Parties. No individual or legal entity holding title to a Lot as security for any debt or

obligation shall be considered as owner of such Lot, and such individual or entity shall not be entitled to membership in the Association or to cast a vote on any question or matter affecting the administration of the Association, except as otherwise provided herein.

Section 3.04 Voting. At every meeting of the Members, each of the Members shall have the right to cast his vote on each question. The vote of the Members representing a fifty-one percent (51%) majority of the total votes cast with respect to any question, in person or by proxy, shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of statute or of the corporate Charter, or this Declaration, or of the By-Laws, a different vote is required, in which case such express provision shall govern and control. The vote for any membership which is owned by more than one person may be exercised by any of them present at any meeting unless any objection or protest by any other owner of such membership is noted at such meeting. In the event all of the co-owners of any membership who are present at any meeting of the Members are unable to agree on the manner in which the vote for such membership shall be cast on any particular question, then such vote shall not be counted for purposes of deciding that question. No Member shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

Section 3.05 Proxies. A Member may appoint any other Member or the Developer or any other person permitted by law or by the By-Laws as his proxy. In no case may any Member (except the Developer) cast more than one vote by proxy in addition to his own vote. Any proxy must be in writing and must comply with all requirements imposed by law or by the Association's By-Laws.

Section 3.06 Quorum. The presence, either in person or by proxy, of Members representing at least fifty-one percent (51%) of the total votes entitled to be cast with respect to any question, shall be requisite for, shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of Members. If the number of Members at a meeting drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted.

ARTICLE IV. PROPERTY RIGHTS

Section 4.01 Owners' Easement of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common Area, and such easement shall be appurtenant to and shall pass with the title to every assessed Lot, subject to the following provisions:

- (a) The right of the Association, as provided in its Articles and By-Laws, to suspend any enjoyment rights of any Member for any period during which any assessment remains unpaid, and for any period not to exceed thirty (30) days for any infraction of its published rules and regulations.
- (b) The right of the Association to provide for and establish easements and rights-of-way on all streets, and to regulate parking, motorized and non-motorized vehicular traffic within SHAW'S RIDGE PLANNED DEVELOPMENT. The association also maintains the right to negotiate with the board of Shaw's Ridge Homeowners Association, Inc., to properly determine the proportionate financial responsibility for the maintenance of any common areas, and entrance area to the developments.
- (c) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of maintaining and improving the Common Areas which the Association is to maintain.
- (d) The right of the Association to dedicate or transfer all or any part of the Common Area 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 Members entitled to cast three-fourths (3/4) of the votes hereof has been recorded, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than thirty (30) days nor more than sixty (60) days in advance of such dedication or transfer. This does not include the developers absolute right to dedicate all public streets and roadways to the appropriate governmental authority.
- (e) No conveyance or encumbrance of the Common Area shall

prevent any Lot Owner from using the Common Area for ingress and egress to his Lot.

Section 4.02 Fence Easement. As the Association may decide in the future, Lots chosen by the Association in SHAW'S RIDGE shall be subject to an easement in order to allow the Association to construct, maintain, repair or replace the perimeter fence which may or may not be constructed on the perimeters of the Property and its entrances.

Section 4.03 Additional Building. No swimming pools shall be allowed without Board Approval.

ARTICLE V.

MAINTENANCE AND REPAIR OF LOTS AND COMMON AREAS

Section 5.01 Association Responsibilities. The Association shall provide and pay for all maintenance and expenses for the Common Area, including the private rear access alleyways, the sewers (both sanitary and surface water), the landscaping of the Common Area, fencing, if any, of the property. The real property taxes, insurance and utilities on the Common Area, if any, shall also be paid for by the Association.

Section 5.02 Individual Lot Owners. Each owner of a Lot shall be responsible for all interior and exterior maintenance, painting, repair and upkeep on his Lot and the improvements thereon.

In the event an owner of any Lot in the Properties shall fail to maintain the premises and the improvements situated thereon in a manner satisfactory to the Board of Directors, the Association, after approval by two-thirds (2/3) vote of the Board of Directors, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE VI.
PARTY WALLS

Section 6.01 General Rules of Law to Apply. Each wall or fence which is built upon the Property, if any, and placed on a dividing line between residential Lots shall constitute a party wall, and to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 6.02 Fences. ALL FENCES SHALL REQUIRE APPROVAL OF THE ARCHITECTURAL COMMITTEE PRIOR TO THEIR CONSTRUCTION. No fence shall be taller than six feet without the approval of the Architectural Committee. All designs must be approved by the Architectural Committee. ON ANY LOT ADJOINING A COMMON AREA, THE FENCE ALONG SAID COMMON AREA IS TO BE OF THE SHADOWBOX TYPE, AND MUST BE MADE OF CEDAR.

ARTICLE VII
ASSESSMENTS

Section 7.01 Creation of the Lien and Personal Obligation of Assessments. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association: (i) annual assessments or charges; (ii) special assessments for capital improvements, and (iii) emergency assessments as provided in the By-Laws, such assessments to be fixed, established and collected from time to time as hereinafter provided. The annual, special and emergency assessments, together with such interest thereon and costs of collection thereof as are hereinafter provided, shall also be the personal obligation of the Person who was the Owner of such Lot at the time when the assessment fell due.

Section 7.02 Annual Assessments and Carrying Charges of the Association. Each Member of the Association shall pay to the Association an annual sum (herein sometimes referred to as "assessments") equal to the Member's proportionate share of the sum required by the Association, as estimated and declared by its Board of Directors, to meet its annual expenses, including, but in no way limited to, the following:

(a) The cost of all operating expenses of the Association and services furnished, including charges by the Association for its facilities, if any; and

(b) The amount of all taxes and assessments levied against the Association or upon any property which it may own or which it is otherwise required to pay, if any; and

(c) The cost of extended liability insurance and the cost of such other insurance as the Association may effect; and

(d) The cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and/or reserve for replacements; and

(e) The estimated cost of repairs, maintenance and replacements of the landscaping, including but not limited to lawn mowing of the common areas, spraying for weed control, fertilizing, plantings and other amenities in the Common Areas and entrance feature, if any, and any other item for which the Association may be responsible, including water and electricity charges for same.

Except as provided in Section 11 of this Article VII, the Board of Directors of the Association shall determine the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period, but may do so at more frequent intervals should circumstances so require as provided in the By-Laws. 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 assessment on a specified Lot has been paid. The annual assessment for the first twelve months (12) shall be \$ 200. Upon initial purchase by the initial homeowner, Dues shall be prorated as of the date of closing through the end of the year. Any increase in the assessment of monthly fees shall be limited to a 10% increase per year.

Section 7.03 Special Assessments. In addition to the regular assessments authorized by this Article, the Association may levy in any assessment year a special assessment or assessments, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected

repair, replacement or maintenance of a described capital improvement for which the Association is specifically responsible or for such other purposes as the Board of Directors may consider necessary, provided that such assessment shall have the assent of the Members representing two-thirds (2/3) of the total number of votes eligible to be cast. A meeting of the appropriate Members shall be duly called for this purpose, written notice of which shall be sent to all Members at least ten (10) days but not more than thirty (30) days in advance of such meeting, which notice will set forth the purpose of the meeting.

Section 7.04 Non-Payment of Assessments. Any assessment levied pursuant to this Declaration or any installment thereof, which is not paid within ten (10) days after it is due, may, upon resolution of the Board of Directors, bear interest at a rate not to exceed the highest rate allowed under the laws of the State of Tennessee, and may, by resolution of the Board of Directors, subject the Member obligated to pay the same to the payment of such penalty or "late charge" as the said Board may fix. The Association may bring an action at law against the Member personally obligated to pay the same, or foreclose the lien against the Lot or Lots subject to prior mortgages or deeds of trust upon the Lot or Lots, then belonging to said Member; in either of which events, the Association may collect from the said Member interest, costs and reasonable attorney's fees. 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 Association shall notify the holder of the first mortgage on any Lot for which any assessment levied pursuant to this Declaration becomes delinquent for a period in excess of sixty (60) days and in any other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of ninety (90) days.

Section 7.06 Priority of Lien. The lien established by this Article shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

(a) General and special assessments for real estate taxes on a Lot; and,

(b) The liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Lot prior to the assessment of the lien thereon or duly recorded on said Lot after receipt of a

written statement from the Board of Directors reflecting that payments on said lien was current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance.

Section 7.07 Subordination and Mortgage Protection.

Notwithstanding any other provisions hereof to the contrary, the lien of any assessment levied pursuant to this Declaration upon any Lot shall be subordinate to, and shall in no way affect the rights of the holder of any indebtedness secured by any recorded first mortgage (meaning a mortgage with priority over other mortgages) upon such interest made in good faith and for value received, provided, however, that such subordination shall apply only to assessments which have become due and payable prior to a sale or transfer of such Lot pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure, and shall not in such instance apply to claims for a share of such assessments or charges resulting from a reallocation of such assessments or charges to all Lot Owners, including the mortgaged units. Such sale or transfer shall not relieve the purchaser at such sale of the lot from liability for any assessments thereafter becoming due, nor from the lien of any such subsequent assessment which said lien, if any, claimed shall have the same effect and been forced in the same manner as provided herein.

No amendment to this Section shall affect the rights of the holder of any such mortgage (or the indebtedness secured thereby) recorded prior to recordation of such amendment unless the holder thereof (or the indebtedness secured thereby) shall join in the execution of such amendment.

Section 7.08 Additional Default. Any recorded first mortgage secured by a Lot in SHAW'S RIDGE PLANNED DEVELOPMENT, shall provide that any default by the mortgagor in the payment of any assessment levied pursuant to this Declaration, or any installment thereof, shall likewise be a default in such mortgage (or the indebtedness secured thereby) but failure to include such provision in any such mortgage shall not affect the validity or priority thereof and the protection extended secured thereby) by reason of Section 7.07 of this Section shall not be altered, modified or diminished by reason of such failure.

Section 7.09 Uniform Value of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on an annual or monthly basis.

Section 7.10 Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to each Lot upon conveyance of sale of Lot after a home has been constructed on it or immediately if Lot is resold from the original sale from developer to the original builder. The first annual assessment for each Lot shall be prorated from the date of sale through December 31st of that calendar year. After the first year assessment, the assessment shall be fixed by the Board of Directors as set out in 7.02.

ARTICLE VIII.
ARCHITECTURAL CONTROL

Section 8.01 Architectural Control Committee. An "Architectural Control Committee" is hereby established. The initial committee shall consist of Kevin Hyneman, Chris Christian and Lee Jackson. These three individuals shall serve for a period of five (5) years, or until they resign from the Committee by written notice to the Board of Directors of the Association. Upon the expiration of five (5) years from the date hereof, or the earlier resignation of Hyneman, Christian and Jackson, the Board of Directors of the Association shall then appoint the Architectural Control Committee, which shall be composed of three (3) or more individual Lot Owners. The affirmative vote of a majority of the membership of the Architectural Control Committee, which shall be composed of three (3) or more individual Lot Owners. The Architectural Control Committee shall be required to adopt or promulgate any rule or regulation, or to make any findings, determinations, ruling or order, or to issue any permanent authorization or approval pursuant to the directives or authorizations contained herein.

Section 8.02 Approvals Necessary, Rules of Committee and Remedies for Violation. With the exception of improvements made by the Developer, no structure of any kind or nature or any fence or barrier shall be commenced, erected, placed, moved onto, or permitted to remain on any of the Lots within SHAW'S RIDGE PLANNED DEVELOPMENT, nor shall any existing structure, fence or barrier upon any lot be painted or altered in any way which materially changes the exterior appearance thereof, without the written consent of the Developer; nor shall any new use be

commenced on any Lot unless plans and specifications (including a description of any proposed new use) shall have been submitted to and approved in writing by the Developer. Such plans and specifications shall be in such form and shall contain such information as may be required by the Developer, but in any event shall include:

(a) A site plan of the Lot showing the nature, exterior, color scheme, kind, shape, height, materials, and location with respect to said Lot (including proposed front, rear and side setback) of all structures, fences or barriers, and location of driveways on the Lot; and

(b) Grading and landscaping plans for the particular Lot.

The Architectural Control Committee may promulgate rules governing the form and content of plans to be submitted for approval or requiring specific improvements on the Lots including, without limitation, the exterior lighting and planting and the Developer may issue statements of policy with respect to approval or disapproval of the architectural styles or details or other matters which may be presented for approval. Such rules and such statements of policy may be amended or revoked by the Architectural Control Committee at any time and no inclusion in or omission from or amendment of any such rule or statement shall be deemed to bind the Architectural Control Committee to approve or disapprove any feature or matter subject to approval or to waive the exercise of the Architectural Control Committee's discretion as to any such matter, but no change of policy shall affect the finality of any approval granted prior to such change. Approval for use on any Lot of any plans or specifications shall not be deemed a waiver of the Architectural Control Committee in its discretion to disapprove such plans or specifications or any features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use on any other lot. Approval of any such plans and specifications relating to any Lot, however, shall be final as to that Lot and such approval may not be revoked or rescinded thereafter provided that the plans and specifications as approved in any condition attached to any such approval have been adhered to and complied with in regard to all structures, fences, or barriers on and uses of the Lot in question.

In the event the Architectural Control Committee fails to approve or disapprove any plans and specifications as herein provided within thirty (30) days after submission thereof, the same

shall be deemed to have been approved as submitted and no further action shall be required.

If any structure, fence, or barrier shall be altered, erected, placed or maintained upon any lot contained therein or any new use commenced on any Lot, otherwise than in accordance with plans and specifications approved by the Architectural Control Committee as required herein, such alteration, erection, maintenance or use shall be deemed to have been undertaken in violation of the restrictions herein and without the approval required herein and upon written notice from the Developer any such structure, fence or barrier so altered, erected, placed or maintained upon any Lot, in violation hereof shall be removed or re-altered, and such use shall be terminated so as to extinguish such violation.

In fifteen (15) days after the notice of such violation, the owner or owners of the Lot upon which such violation exists shall not have taken reasonable steps towards the removal or termination of the same, the Association by its officers or directors shall have the right through its agents and employees to enter upon such Lot and to take such steps as may be necessary to extinguish such violation and the costs thereof shall be a binding personal obligation of such owner as well as a lien upon the lot in question upon the recording of such with the Office of the Register of Shelby County, Tennessee.

Upon completion of the construction or alteration of any structure in accordance with the plans and specifications approved by the Architectural Control Committee, the Architectural Control Committee shall, upon written request of the owner thereof, issue a certificate of compliance in form suitable for recordation, identifying such structure and the Lot on which such structure is placed and stating that the plans and specifications, location of such structure and the use or uses to be conducted thereon have been approved and that such structure complies therewith. Preparation and recording of such certificate shall be at the expense of the owner or owners of such Lot. Any certificate of compliance issued in accordance with the provisions of this paragraph shall be prima facie evidence of the facts therein stated and as to any purchaser or encumbrancer in good faith and for value or as to any title insurer, such certificate shall be conclusive evidence that all structures on the section and the use or uses described therein comply with all the requirements as to which the Architectural Control Committee exercises any discretionary or

interpretive powers.

The Association or any owner of any Lot contained within SHAW'S RIDGE PLANNED DEVELOPMENT shall have the right to enforce by any proceeding at law or in equity all conditions, restrictions, covenants, reservations and easements herein or hereinafter contained or otherwise contained in any deed to any Lot in the Subdivision. Failure by any owner to enforce any of such proceedings shall in no event be deemed a waiver of the right to do so thereafter.

Should a request from the Committee come from a Committee member, the other members of the Committee shall select a disinterested Lot Owner to take the place of the Committee member making the request.

ARTICLE IX.
RESTRICTIVE COVENANTS

Section 9.01 Residential Use and Subdivision of a Lot. Lots 1 through 83 inclusive shall not be used except for private residential purposes.

Section 9.02 Prohibited Uses and Nuisances. In order to provide for a congenial occupation of the homes within SHAW'S RIDGE PLANNED DEVELOPMENT, and to provide for the protection of the values of the entire development, the use of the residences shall be in accordance with the following provisions:

- (a) Said property is hereby restricted to residential dwellings for residential use. All buildings or structures erected upon said Property shall be of new construction, and no buildings or structures shall be moved from other locations onto said Property, and no subsequent buildings or structures other than single family houses shall be constructed. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other out building shall be used on any portion of said Property at any time as a residence, either temporarily or permanently.

(b) Each lot shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof and all easements, restrictions and covenants set out in the Plat attached hereto as Exhibit "B".

(c) Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for Declarant to maintain, during the period of the sale of said Lots, upon such portion of the premises as Declarant deems necessary, such facilities, as in the sole opinion of Declarant, may be reasonably required, convenient or incidental to the sale of said Lots, including, but without limitation, a business office, storage area, construction yard, signs, model units and sales office.

(d) No animals, livestock or poultry of any kind shall be raised, bred or kept on any of said Lots, except that a dog, cat or other household pet may be kept, provided that they are not kept, bred or maintained for any commercial purpose. PROVIDED THAT, each property owner is responsible for abiding by all city of Memphis ordinances regarding the registration, vaccination, and sanitary disposal of animal waste as found in city of Memphis Ordinance Article III, Chapter 5. In addition, all pets shall be confined within homes or fenced areas, or restrained by leash at all times. Each owner shall prevent its pets from soiling walks, paths, and all portions of the common area and, if so soiled, shall immediately clean and properly dispose of such waste.

(e) No advertising signs (except one of not more than five (5) square feet "for rent" or "for sale" sign per lot), billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on said Property, nor shall said Property be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Lot or any resident thereof. No business activity of any kind whatever shall be conducted in any building or in any portion of said Property; provided, however, the foregoing covenants shall not apply to the business activities, signs and billboards or the construction and maintenance of buildings, if any, of Declarant,

its agents and assigns during the development and sales period of Lots in SHAW'S RIDGE PLANNED DEVELOPMENT.

(f) All equipment, garbage cans, service yards, wood-piles or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighboring streets. All rubbish, trash, or garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon.

(g) Without prior written approval and the authorization of the Architectural Committee, no exterior television, radio, or other antenna of any sort shall be placed, allowed or maintained upon any portion of the improvements to be located upon the Property nor upon any structure situated upon the Property other than an aerial for a master antenna system, should any such master system or systems be utilized and require any such exterior antenna. Satellite dishes with a diameter of 24 inches or less may be installed without approval from the committee.

(h) No action shall at any time be taken by the Association or its Board of Directors which in any manner would discriminate against any Owner or Owners in favor of the other Owners.

(i) No recreation vehicles or commercial vehicles, including but not limited to boats, boat trailers, house trailers, camping trailers, motorcycles, pickup trucks, or similar type items shall be kept other than in the garage or otherwise screened from the view of neighbors or the streets. It is strictly prohibited to store or park junk or inoperable automobiles on or about any of the lots. The repairing of automobiles other than on an emergency basis shall be prohibited.

(j) Grass, weeds, vegetation and debris on each Lot shall be kept mowed and cleared at regular intervals by the Owner thereof so as to maintain the same in a neat and attractive manner. Trees, shrubs, vines, debris and plants which die shall be promptly removed from such lots. Until a residence is constructed on a lot, Developer, at its option and its discretion, may mow and have dead trees and debris removed from such lots and the owner of such lot shall be obligated to reimburse

Developer for the cost of such work should he refuse or neglect to comply with the terms of this paragraph.

(j) No obnoxious or offensive trade or activity shall be carried on upon any lot in this subdivision nor shall anything be done thereon which may be or become an annoyance or nuisance to other owners within SHAW'S RIDGE PLANNED DEVELOPMENT. No sound shall be emitted on any part of the property which is unreasonably loud or annoying.

(k) No building material of any kind or character shall be placed or stored upon any of said Lots until the Owner is ready to commence improvements. Building materials shall not be placed or stored in the street or between the curb and property lines.

(l) Window treatments shall be white or off-white, so that when viewed from the street, the color maintains a consistent Scheme throughout the development.

(m) There shall be no violation of any rules which may from time to time be adopted by the Board of Directors and promulgated among the membership by them in writing, and the Board of Directors is hereby and elsewhere in the By-Laws authorized to adopt such rules.

ARTICLE X.
COMMON EASEMENTS

Section 10.01 Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment as between each Lot and such portion or portions of the Common Area adjacent thereto or as between adjacent Lots due to unintentional placement or settling or shifting of Improvements constructed, reconstructed or altered thereon.

Section 10.02 Easement for Utilities, Etc. Declarant hereby reserves for itself and its designees (including without limitation, the City of Memphis, County of Shelby or any utility) blanket easements upon, across, over and under all the Common Area and to the extent shown on any plat over the Lots for ingress, egress, installation, replacing, repairing and maintaining cable television systems, master television antenna systems, security,

walkways, and all utilities, including, but not limited to, water, sewers, meter boxes, telephone, gas, and electricity. This reserved easement may be assigned by Declarant by written instrument to the Association, and the Association shall accept the assignment upon such terms and conditions as are acceptable to Declarant. If this reserved easement is assigned to the Association, the Board shall, upon written request, grant such easements as may be reasonably necessary for the development of the Property described on Exhibits A and B.

ARTICLE XI.
INSURANCE AND CASUALTY LOSSES

Section 11.01 Insurance. The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable improvements on the Common Area (including perimeter fences). The Board shall also obtain a public liability policy covering the Common Area, the Association and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least One Million Dollar (\$1,000,000.00) single person limit as respected bodily injury and property damage, a One Million Dollar (\$1,000,000.00) limit per occurrence, and a One Hundred Thousand Dollar (\$100,000.00) minimum property damage limit.

Premiums for the insurance on the Common Area shall be common expenses of the Association. The policy may contain a reasonable deductible and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost of the improvements. The deductible shall be paid by the party who would be responsible for the repair in the absence of insurance.

Cost of insurance coverage obtained by the Association for the Common Area and other improvements for which the Association is responsible shall be included as an Assessment as defined in Article VII.

The Association's Board of Directors shall make every reasonable effort to secure insurance policies that will provide for the following:

(i) a waiver of subrogation by the insurer as to any claims against the Association's Board of Directors, its manager, the

Owners, and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(iii) that no policy may be canceled, invalidated or suspended on account of the conduct of any Director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or mortgage;

(iv) that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(v) that no policy may be canceled or substantially modified without at least ten (10) days prior written notice to the Association.

In addition to the other insurance required by this Section, the board shall obtain, as a common expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment, but may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be canceled or substantially modified without at least ten (10) days' prior written notice to the Association.

Section 11.02 Individual Insurance - Repair and Reconstruction. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each individual Owner shall carry blanket all-risk casualty insurance on the Lot and structures construed thereon for full replacement cost. In the event of damage or destruction by fire or other casualty, the Owner shall, with concurrence of the mortgagee, if any, upon receipt of the insurance proceeds, contract to repair or rebuild such damage or destroyed portions of the improvements in a workmanlike manner in conformance with the original plans and specifications of the building (including landscaping.) In the event the owner refuses

or fails to so repair or rebuild any and all such damage to his improvements in a good workmanlike manner in conformity with the original plans and specifications. The owner shall then repay the Association in the amount actually expended for such repairs, and the Association will have a lien securing the payment of same identical to that provided for in Article VII, securing the payment of said sums expended and subject to the power of sale and foreclosure as set forth in said Article.

The individual Owners shall make every reasonable effort to secure insurance policies that will provide for a waiver of subrogation by the insurer as to any claims against the Association, other Lot Owners, and their respective tenants, servants, agents and guests.

The individual Owners shall furnish a certificate of insurance to the Association or its Manager.

ARTICLE XII
MORTGAGEE'S RIGHTS

Upon request, the Association shall make available to any Lot Owner and lender, and to any holder, insurer, or guarantor of any first mortgage, current copies of this Declaration, the Bylaws and other rules concerning the affairs and management of SHAW'S RIDGE PLANNED DEVELOPMENT, and the books, records, and financial statements of the Association. "Available" means available for inspection, upon request, during normal business hours.

Upon request, the Association shall furnish to any holder of a first mortgage a financial statement for the Association's immediately preceding fiscal year.

Upon written request to the Association, identifying the name and address of the holder, insurer or guarantor and the unit number or address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

(a) any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage.

(b) any sixty (60) day delinquency in the payment of assessments or charges owed by the Owner of any Lot securing its mortgage;

(c) a lapse, cancellation or material modification of any

insurance policy or fidelity bond maintained by the Owners' Association;

(d) any proposed act that requires the consent of a specified percentage of mortgage holders.

The consent of at least sixty-seven percent (67%) of the votes and the Declarant, as long as it owns any land subject to this declaration, and the approval of the eligible holders of first mortgages on Lots to which at least sixty-seven percent (67%) of the votes subject to a mortgage appertain, shall be required to terminate the Association.

The consent of at least sixty-seven percent (67%) of the votes and the Declarant, as long as it owns any land subject to this declaration, and the approval of eligible holders of first mortgages on Lots to which at least fifty one percent (51%) of the votes subject to a mortgage appertain, shall be required to materially amend any provisions of the Declaration, Bylaws, or Charter of Incorporation of the Association, or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following: (i) voting; (ii) assessments, assessment liens, not including a subordination of said lien; (iii) reserves for maintenance, repairs, and replacement of the Common area; (iv) insurance or fidelity bonds; (v) rights to use of the Common Area; (vi) residential Lot; (viii) imposition of any right of first refusal or similar restrictions of provisions included in the Declaration, Bylaws and Charter of Incorporation which are for the express benefit of holders, guarantors or insurers of first mortgages on residential units, which provision do not set out a required number of votes to amend the particular provision.

ARTICLE XIII
GENERAL PROVISIONS

Section 13.01. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for thirty (30) years from the date this declaration is recorded unless otherwise expressly limited herein, after which time said covenants shall be automatically extended for successive periods of ten (10) years each. Unless specifically prohibited

herein, this Declaration may be amended by an instrument signed by Owners holding not less than sixty-seven percent (67%) of the votes of the membership at any time. Any amendment must be properly recorded to be effective and approved by HUD/VA. During the first three (3) years from the date of the recording of this Declaration, any amendment must also be approved by the Declarant.

NOTWITHSTANDING ANYTHING HEREIN CONTAINED TO THE CONTRARY, THE DECLARANT RESERVES THE RIGHT FOR A PERIOD OF THREE (3) YEARS FROM THE DATE HEREOF TO UNILATERALLY AMEND THIS DECLARATION IN WHOLE OR IN PART TO CONFORM THIS DECLARATION TO THE REQUIREMENTS OF ANY GOVERNMENTAL AGENCY, FEDERAL, STATE OR LOCAL, AND FOR THE REQUIREMENTS OF ANY MORTGAGE LENDER, OR IF IN THE SOLE OPINION OF THE DECLARANT AN AMENDMENT IS REQUIRED TO INSURE THE ORDERLY DEVELOPMENT OF THE PROPERTY.

Section 13.02 Notices. Any notice required to be sent to any Member under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as a Member on the records of the Association at the time of such mailing.

Section 13.03 Enforcement. The Declarant, the Association, or any Member, shall have the right to enforce these covenants and restrictions by any proceeding at law or in equity, against any person or persons violating or attempting to violate any covenant or restriction, to restrain violations, to require specific performance and/or to recover damages; and against the land to enforce any lien created by these covenants; and failure by the Association or any Member to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The expense of enforcement by the Association shall be chargeable to the Owner of the Lot violating these covenants and restrictions and shall constitute a lien on the Lot, collectable in the same manner as assessments hereunder.

Section 13.04. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect the validity of any other provisions, which shall remain in full force and effect.

Section 13.05. Waiver. No restriction, condition, obligation or provision of this Declaration shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce

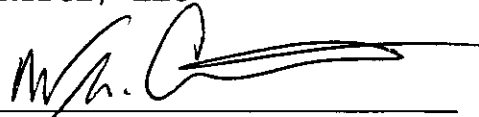
the same.

Section 13.06 Gender, Etc. Whenever in this Declaration the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, the undersigned being the Developer herein, has caused these presents to be signed by the Officer duly authorized so to do the day and year first above written.

SHAW'S RIDGE, LLC

BY:

A handwritten signature in black ink, appearing to read 'W.A. Christian', written over a horizontal line.

Wayne A. Christian

JOINDER OF MORTGAGE

First Tennessee Bank National Association, herein called the "Mortgagee", the holder of a Deed of Trust on the "land" described in the foregoing Declaration of Covenants, Conditions, and Restrictions, which Deed of Trust is recorded as Instrument Number _____ in the Register's Office of Shelby County, Tennessee, joins in the foregoing Declaration of Covenants, Conditions and Restrictions.

BY: Courtney Murray
Vice President

STATE OF TENNESSEE)

)SS

COUNTY OF SHELBY)

On this 21st day of December, 2005, before me personally appeared Courtney Murray to me known (or proved to me on the basis of satisfactory evidence) to be the person (or persons) described in and who executed the foregoing instrument, and acknowledged that he (or they) executed the same as his (or their) free act and deed.

Morgan E. Stanford
Notary Public

My Commission Expires:

2/26/08

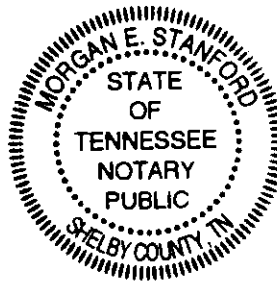
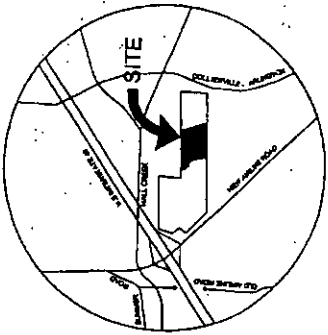


EXHIBIT "A"

Lots 1-83, SHAW'S RIDGE P.D., Phase 1, as shown on plat of record in Plat Book 222, Page 31, in the Register's Office of Shelby County, Tennessee, to which plat reference is hereby made for a more particular description of said property.

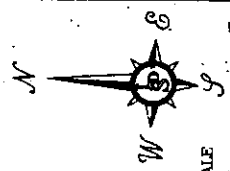
EXHIBIT B



VICINITY MAP

LINE TABLE

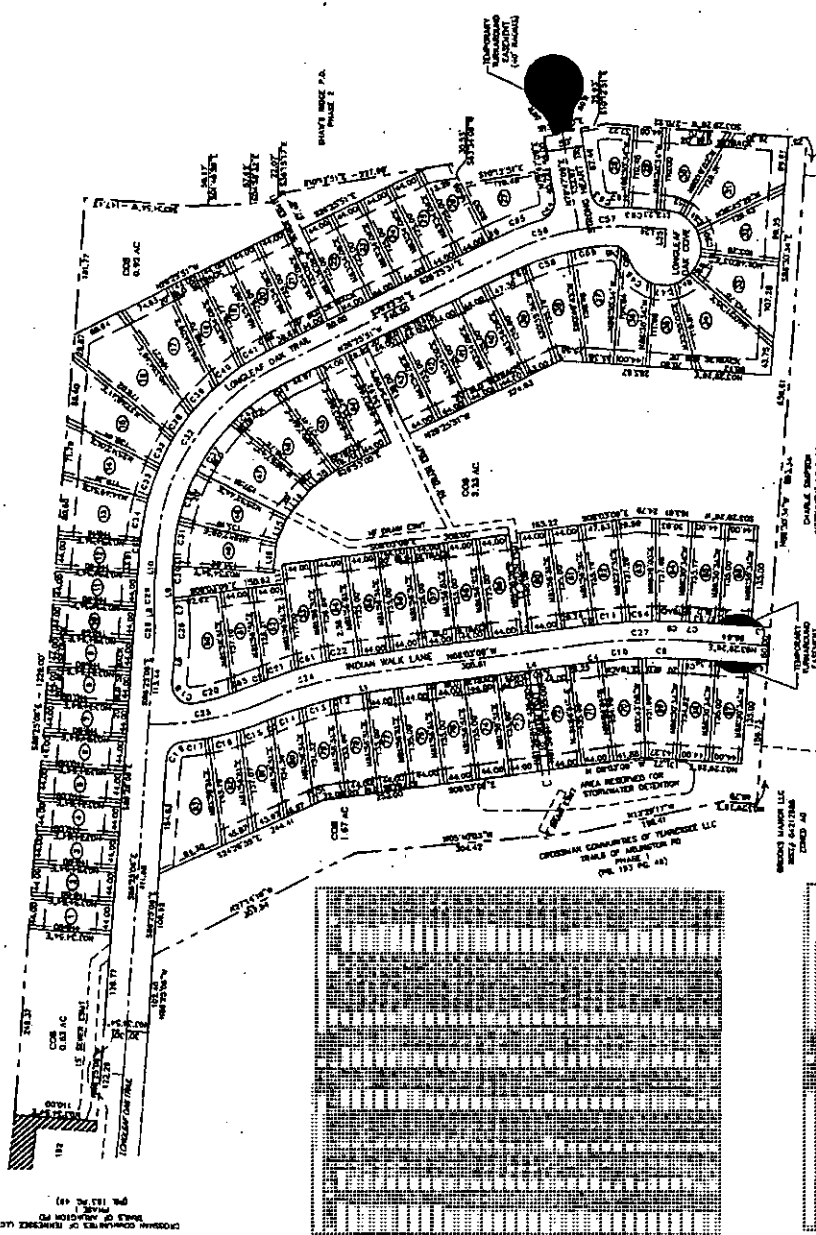
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2	25.00	S03°22'24"W
3	10.00	S03°22'24"W
4	10.00	S03°22'24"W
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99	10.00	S03°22'24"W
100	10.00	S03°22'24"W



FINAL PLAT
SHAW'S RIDGE P.D.
PHASE 1

ARLINGTON, TENNESSEE
JUNE, 2005
TOTAL AREA: 71.78 ACRES
ZONING: RS-11, PLANNED DEVELOPMENT
OWNER/DEVELOPER:
SHAW'S RIDGE, L.L.C.
6465 QUAIL HOLLOW DR., SUITE 101
MEMPHIS, TENNESSEE 38170

LAND DEVELOPMENT SOLUTIONS, L.L.C.
CONSULTING PLANNERS AND ENGINEERS
1355 Lyndale Rd., Ste. 245
Memphis, TN 38117
Tel: 901-525-5500
Fax: 901-525-5509



GRAPHIC SCALE
1 inch = 100 feet

DATE: 6/1/05
DRAWN BY: J. B. BROWN
CHECKED BY: J. B. BROWN
SCALE: AS SHOWN

PHASE 1: 33

LOT	AREA	AREA	AREA	AREA	AREA	AREA	AREA	AREA	AREA
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2	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
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46	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
47	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
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66	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
67	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
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69	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
70	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
71	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
72	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
73	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
74	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
75	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
76	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
77	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
78	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
79	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
80	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
81	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
82	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
83	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
84	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
85	1.00	1.00	1.00	1.00					

EXHIBIT B

NOTARIAL CERTIFICATE
I, the undersigned, do hereby certify that the plan of development submitted to the Board of Development is submitted as submitted by Shaw's Ridge P.D., owners of the property.

Bonnie Smith
Notary Public
Shelby County, Tennessee

NOTARIAL CERTIFICATE
I, the undersigned, do hereby certify that the plan of development submitted to the Board of Development is submitted as submitted by Shaw's Ridge P.D., owners of the property.



CERTIFICATE OF APPROVAL OF STREETS AND UTILITIES
I, the undersigned, do hereby certify that the plan of development submitted to the Board of Development is submitted as submitted by Shaw's Ridge P.D., owners of the property.

PLANNING COMMISSION CERTIFICATE
I, the undersigned, do hereby certify that the plan of development submitted to the Board of Development is submitted as submitted by Shaw's Ridge P.D., owners of the property.

CERTIFICATE OF APPROVAL OF SEWER LINES AND DRAINAGE SYSTEMS
I, the undersigned, do hereby certify that the plan of development submitted to the Board of Development is submitted as submitted by Shaw's Ridge P.D., owners of the property.

CERTIFICATE OF APPROVAL OF OTHER SYSTEMS
I, the undersigned, do hereby certify that the plan of development submitted to the Board of Development is submitted as submitted by Shaw's Ridge P.D., owners of the property.

FINAL PLAT
SHAW'S RIDGE P.D.
PHASE 1

ARLINGTON, TENNESSEE
JUNE, 2005
TOTAL AREA 21.70 ACRES
TOTAL LOTS 93
ZONING RESIDENTIAL DEVELOPMENT
OWNER DEVELOPER
SHAW'S RIDGE, L.L.C.
8445 OLIVE HOLLOW DR., SUITE 101
MEMPHIS, TENNESSEE 38120



Table with 2 columns: FIELD NO. and PAGE. Field No. 177, Page 21.

CERTIFICATE OF MANY PERSONS SHAW'S RIDGE P.D. ONLY
I, the undersigned, do hereby certify that the plan of development submitted to the Board of Development is submitted as submitted by Shaw's Ridge P.D., owners of the property.



CERTIFICATE OF ACCURACY OF OTHER DOCUMENTS
I, the undersigned, do hereby certify that the plan of development submitted to the Board of Development is submitted as submitted by Shaw's Ridge P.D., owners of the property.



CERTIFICATE OF ACCURACY OF OTHER DOCUMENTS
I, the undersigned, do hereby certify that the plan of development submitted to the Board of Development is submitted as submitted by Shaw's Ridge P.D., owners of the property.



CERTIFICATE OF APPROVAL OF OTHER SYSTEMS
I, the undersigned, do hereby certify that the plan of development submitted to the Board of Development is submitted as submitted by Shaw's Ridge P.D., owners of the property.



CERTIFICATE OF APPROVAL OF OTHER SYSTEMS
I, the undersigned, do hereby certify that the plan of development submitted to the Board of Development is submitted as submitted by Shaw's Ridge P.D., owners of the property.

EXHIBIT B

Tom Leatherwood, Shelby County Register of Deeds: Instr. # 05177369



Tom Leatherwood
Shelby County Register

As evidenced by the instrument number shown below, this document has been recorded as a permanent record in the archives of the Office of the Shelby County Register.


	
05177369	
10/27/2005 - 10:10 AM	
3 PAGES - PLAN	
DAVEJ 35551-517369	
FLAT BOOK : 222	
PAGE : 31	
RECORDING FEE	15.00
DEED FEE	1.00
TOTAL AMOUNT	17.00
TOM LEATHERWOOD	
REGISTER OF DEEDS-SHELBY COUNTY, TENNESSEE	

Exhibit C

Return to:

BYRNE & ASSOCIATES
 1326 HARDWOOD TRAIL
 SUITE 201
 CORDOVA, TN 38016

For Office Use Only

State of Tennessee



Department of State
 Corporate Filings
 312 Eighth Avenue North
 6th Floor, William R. Snodgrass Tower
 Nashville, TN 37243

CHARTER
 (Nonprofit Corporation)

The undersigned acting as incorporator(s) of a nonprofit corporation under the Tennessee Nonprofit Corporation Act adopts the following Articles of Incorporation.

1. The name of the corporation is: Shaw's Ridge Homeowner's Association, Inc.

2. Please complete all of the following sentences by checking one of the two boxes in each sentence:

This corporation is a public benefit corporation / mutual benefit corporation.

This corporation is a religious corporation / not a religious corporation.

This corporation will have members / not have members.

3. The name and complete address of the corporation's initial registered agent and office in Tennessee is:
Ryan E. Byrne, Esq. 1326 Hardwood Trail, # 201 Cordova, TN 38016

Name Street Address City State, Zip Code County

4. List the name and complete address of each incorporator:

Ryan E. Byrne, Esq. 1326 Hardwood Trail, # 201 Cordova, TN 38016
 Name (Include Street Address, City, State, and Zip Code)

Name (Include Street Address, City, State, and Zip Code)

Name (Include Street Address, City, State, and Zip Code)

5. The complete address of the corporation's principal office is:

1318 Hardwood Trail Cordova TN 38016
 Street Address City State/Country Zip Code

6. The corporation is not for profit.

7. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time are:

Date _____, _____, Time _____ (Not to exceed 90 days.)

8. Insert here the provisions regarding the distribution of assets upon dissolution:

Upon dissolution, the assets of the corporation will, after 30 days written notices to each member, be dedicated to a corporation or association with similar purposes to this corporation.

9. Other provisions:

9-27-05
 Signature Date

Ryan E. Byrne
 Incorporator's Signature
Ryan E. Byrne
 Incorporator's Name (typed or printed)

EXHIBIT "D"

**BY-LAWS OF
SHAW'S RIDGE HOMEOWNERS ASSOCIATION, INC.**

ARTICLE I.

Section 1. Name. The name of this corporation is SHAW'S RIDGE HOMEOWNERS ASSOCIATION, INC. Its principal place of business is 1318 Hardwood Trail, Cordova, TN 38016. The corporation may have such other offices within or without the State of Tennessee as the Board of Directors or the members may from time to time designate.

ARTICLE II.

Section 1. Applicability. These By-Laws and each provision thereof shall be applicable to all lots and members, as defined within the residential subdivision known as Shaw's Ridge Planned Development, more particularly described on Exhibit "A" attached hereto and made a part hereof (the "Property").

ARTICLE III.

The following sections of this Article III shall apply to membership in the Association.

Section 1. Eligibility. The owner or owners of a lot, who have become such in compliance with all of the requirements and conditions contained in the Declaration of Covenants, including these By-Laws, shall be entitled to attend and vote at all meetings of the Association. The Declarant shall be considered the owner of each lot which is unsold by it. Ownership of a lot shall be the sole qualification for membership of the Association.

Section 2. Voting Rights. The owner or owners of a lot, shall be entitled to one (1) vote at all meetings of the Association. Where two or more persons own a unit, the vote allocated to that unit shall be cast by the one authorized by such two or more owners, and in the event of failure of such authorization, no vote shall be recorded for that lot. Where only one of two or more owners of a lot is present in person at a meeting, such one shall be presumed to be authorized by all owners of said lot and shall be entitled to cast the vote with respect for that lot. Where one person or a group of persons owns more than one lot, such person or group of persons shall be entitled to cast one vote for each lot owned.

Section 3. Lien and Other Rights. The Association shall have a lien on the outstanding memberships in order to secure payment of any sums which may become due from the holders thereof to the Association for any reason whatsoever. In addition, for such time as any sums may be due, the member who fails to pay such

sum shall not be entitled to any rights or privileges appertaining to such membership.

ARTICLE IV.

Section 1. Place of Meeting. Meetings of the membership shall be held at the principal office or place of business of the Association or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

Section 2. Annual Meetings. The annual meeting of the members of the Association shall be held at 7:00 p.m. on the first Monday in January of each year, beginning the year after the first conveyance of common areas to the Association. At such meeting, there shall be elected by the members a Board of Directors in accordance with the requirements of Section 5 of Article V of these By-Laws. The members may also transact such other business of the Association as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by members representing at least twenty-five percent (25%) of the total number of votes outstanding having been presented to the Secretary. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice. Developer shall have the right, at any time, to call a special meeting for the purpose of electing new officers and directors to replace the initial officers and directors appointed by the Developer.

Section 4. Notice of Meeting. It shall be the duty of the Secretary to mail a notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each member of record, at his address as it appears, at his last known place of address, at least ten (10) days but not more than ninety (90) days prior to such meeting. Service may also be accomplished by the delivery of any such notice to the members at his last known address by deposit in the box or slot for the United States mail. Notice by either such method shall be considered as notice served. Attendance by a member at any meeting of the members shall be a waiver of notice by him of the time, place and purpose thereof.

Section 5. Quorum. The presence, either in person or by proxy, of members representing at least fifty-one percent (51%) of the total votes entitled to be cast with respect to any question, shall be requisite for, and shall constitute a quorum for the transaction of business at all meetings of members. If the number of members at a meeting drops below the quorum and the question of a lack of quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meetings. If any meeting of members cannot be organized because a quorum has not attended, the members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Voting. At every meeting of the members, each of the members shall have the right to cast his vote on each question. The vote of members representing a fifty-one percent (51%) majority of the total votes entitled to be cast shall decide any question brought before such meeting, unless the question is one upon which, be express provision of statute or of the Charter, or the Declaration, or of these By-Laws, a different vote is required, in which case such express provision shall govern and control. No members shall be eligible to vote, either in person or by proxy, or to be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than thirty (30) days delinquent in any payment due the Association.

Section 8. Proxies. Any member may appoint any other member or the Developer or any other person permitted by law by these By-Laws as his proxy. In no event may any member (except the Developer) cast more than one (1) vote by proxy in addition to his own vote. Any proxy must be in writing and must comply with all requirements imposed by law or by these By-Laws.

Section 9. Whenever the vote of members at a meeting thereof is required or permitted to take any action in accordance with any statute, the Declaration, or these By-Laws, such meeting and vote may be dispensed with if all members who would have been entitled to vote upon such action consent in writing to such action being taken.

Section 10. Order of Business. The order of business at all regularly scheduled meetings of the members shall be as follows:

- (a) Roll call and certification of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of officer, if any.
- (e) Reports of committees, if any.
- (f) Unfinished business.
- (g) New business.
- (h) Election or appointment of inspectors of election.
- (i) Election of directors.

In the case of special meeting, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

ARTICLE V.

Section 1. Number and Qualification. The affairs of the Association shall be governed by the Board of Directors composed of three (3) persons, except for the initial Board of Directors which shall consist of three (3) persons as provided in Section 2 of this Article, a majority of whom (after the second annual meeting) shall be members of the Association.

Section 2. Initial Directors. The initial directors shall be appointed by the Developer and need not be members of the Association. The names of the directors who shall act as such from the date upon which the Declaration is recorded in the Register's Office of Shelby County, Tennessee, until the first annual meeting of the members or until such time as their successors are duly chosen and qualified are as follows:

WAYNE A. CHRISTIAN
J. KEVIN HYNEMAN
LEE JACKSON

Section 3. Power and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and the residential subdivision and may do all such acts and things as are not by law or by these By-Laws directed to be exercised and done by the members. The powers and duties of the Board of Directors shall include but not be limited to, the following:

To provide for:

(a) Care and upkeep of the common areas, utilities, irrigation system, identification sign, perimeter fences and any other properties charged to the care of the Association.

(b) Establishment and collection of assessments and/or carrying charges from the members and for the assessment and/or enforcement of liens therefore in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(c) Designation, hiring and/or dismissal of the personnel necessary for the good working order of Shaw's Ridge Planned Development and to provide services for the community in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(d) Promulgation and enforcement of such rules and regulations and such restrictions or requirements as may be deemed proper respecting the use, occupancy and maintenance of Shaw's Ridge Planned Development and to provide services for the community in a manner consistent with law and the provisions of these By-Laws and the Declaration.

(e) Appoint an Architectural Control Committee. One or more of the directors may serve on this committee.

(f) To regulate traffic and assign parking spaces.

(g) Cause the exterior of the dwellings to be maintained.

Section 4. Election and Term of Office. The term of the directors named herein and in the Charter shall expire when their successors have been elected at the first annual meeting of members and are duly qualified. At the first annual meeting of the members, the members shall elect the directors, who shall constitute the Board of Directors to serve until the annual meeting. The term of office of each director thereafter shall be for a period of one (1) year and until their successors shall have been elected and hold their first meeting.

Section 5. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a director by a vote of the membership shall be filled by vote of the remaining directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected by the members at the next annual meeting.

Section 6. Compensation. No compensation shall be paid to directors for their services as directors. After the first annual meeting of the members, no remuneration shall be paid to any director who is also a member of the Association for services performed for the Association in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

Section 7. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the directors at the meeting at which such directors were elected, and no notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present.

Section 8. Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of directors. Notice of regular meetings of the Board of Directors shall be given to each director, personally or by mail, telephone or telegraph, at least six (6) days prior to the day named for such meeting.

Section 9. Special Meetings. Special meetings of the Board of Directors may be called by the President on three (3) days' notice to each director, given personally or by mail, telephone or telegraph, which notice shall state the time and place (as hereinabove provided) and purposes of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the

written request of at least one-third (1/3) of the directors.

Section 10. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all directors are present and remain present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meetings.

Section 11. Quorum. At all meetings of the Board of Directors a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 12. Action Without Meeting. Any action of the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the Minutes of the proceedings of the Board of Directors.

Section 13. Fidelity Bonds. The Board of Directors shall require that all officers and employees of the Association handling or responsible for the Association or trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE VI.

Section 1. Designation. The principal officers of the corporation shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Board of Directors. A director may also serve as an officer. Prior to the first annual meeting of members, the officers of the Association need not be members of the Association. The directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new board and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officer. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed either with or without cause, and his successor

elected at any regular meeting of the Board of Directors or at any special meeting of the Board of Directors.

Section 4. President. The President shall be the chief executive officer of the Association. In the event he is also a member of the Board of Directors, he shall preside at all meetings of the members and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the Office of President of an Association, including, but not limited to, the power to appoint committees from among the membership from time to time as he may, in his discretion, decides is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of members of the Association; he shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident to the office of Secretary.

Section 6. Treasurer. The Treasurer shall have responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VII.

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and director of the Association against any and all expense, including counsel fees, reasonably incurred by or imposed upon any officer or director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding if approved by the the Board of Directors of the Association) to which he may be made a party of reason of being or having been an officer or director of the Association whether or not such person is an officer or director at the time such expenses are incurred. The officers and directors of the Association shall not be liable to the members of the Association for any mistake of judgment, negligence or otherwise, except for their own individual willful misconduct or bad faith. The officers and directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association, (except to the extent that such officers or directors may also be owners of lots within the subdivision) and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any

officer or director of the Association, or former officer or director of the Association may be entitled.

Section 2. Common Interested Directors. The directors shall exercise their powers and duties in good faith and with a view to the interests of the Association and the community. No contract or other transaction between the Association and one or more of its directors, or between the Association and any corporation, firm or Association (including the developer) in which one or more of the directors of this Association are directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such director or directors are present at the meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if either of the conditions specified in any of the following subparagraphs exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the board authorizes, approves or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; or

(b) The contract or transaction is commercially reasonable to the Association at the time it is authorized, ratified, approved or extended.

Common or interested directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction with the like force and effect as if he were not such director or officer of such other corporation or not so interested.

ARTICLE VIII.

Section 1, Management and Common Expenses. The Association, acting by and through its Board of Directors, shall manage and operate SHAW'S RIDGE HOMEOWNERS ASSOCIATION, INC., and for the benefit of the lots and owners thereof, shall enforce the provisions hereof and shall pay out of the common expense fund herein elsewhere provided for, the following:

(a) The cost of such insurance as the Association may effect.

(b) The cost of providing such legal and accounting services as may be considered necessary to the operation of SHAW'S RIDGE.

(c) The cost of any and all materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Association secures in the discretion of the Board of

Directors or by the vote of the members shall deem necessary or proper for the preservation of the common areas.

(d) The cost of the maintenance or repair on any lot in any event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the common areas or to preserve the appearance or value of the subdivision or is otherwise in the interest of the general welfare of all owners of the lots; provided, however, that no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the owner of the lot proposed to be maintained and provided, further, that the cost thereof shall be assessed against the lot on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be sent promptly to the then owner of said lot at which time the assessment shall become due and payable and a continuing lien and obligation of said owner in all respects as provided in Article III, Section 3, of these By-Laws.

Section 2. Duty to Maintain. Except for maintenance requirements herein imposed upon the Association, the owner of any lot shall, at his own expense maintain the interior and exterior of any improvements on his lot, including all driveways and any and all equipment, and fixtures therein situated, and its other appurtenances in good order, condition, and repair, and in clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of his lot and appurtenances.

Section 3. For the purpose solely of performing any of the repairs or maintenance required or authorized by these By-Laws, or in the event of a bona fide emergency involving illness or potential danger of life or property, the Association, through its duly authorized agents or employees, shall have the right, after reasonable effort to give notice to the owner or occupant, to enter upon any lot at any hour considered to be reasonable under the circumstances.

ARTICLE IX.

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January every year, except for the first fiscal year of the Association, which shall begin at the date of incorporation. The commencement day of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

Section 2. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the treasurer in accordance with good accounting practice. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures affecting SHAW'S RIDGE PLANNED DEVELOPMENT and its administration and shall specify the maintenance and

repair expenses of the expenses incurred. The amount of any assessment required for payment or any capital expenditures of the Association shall be credited upon the books of the Association to the "Paid-in-surplus" account as a capital contribution by the members.

Section 3. Reports. The Association shall furnish its members, and the holder of the first mortgages requesting same within ninety (90) days from the date of close of each fiscal year, with an annual financial statement, including the income and disbursements of the Association.

Section 4. Inspection of Books. The books and accounts of the Association and vouchers accrediting the entries made thereupon, shall be available for examination by the members of the Association, and/or their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any lot and/or its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their interests as member.

Section 5. Execution of Association Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by the president and all checks shall be executed on behalf of the Association by such officers, agents or other persons as are from time to time so authorized by the Board of Directors.

Section 6. Seal. There shall be no seal required unless the Board of Directors decides otherwise.

ARTICLE X

Section 1. Amendments. These By-Laws may be amended by the affirmative vote of members representing a majority of all votes entitled to be cast at any meeting of the members duly called for such purpose, and only after thirty (30) days' prior written notice to the institutional holders of all first mortgages on the lots in SHAW'S RIDGE PLANNED DEVELOPMENT. Amendments may be proposed by the Board of Directors or by petition signed by members representing at least thirty percent (30%) of the total number of votes entitled to be cast. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE XI

Section 1. Notice to Board of Directors. Any owner of any lot in the subdivision who mortgages such lot shall promptly notify the Board of Directors of the name and address of his mortgagee and, if requested so to do, shall file a conformed copy

of such mortgage with the Board of Directors. The Board of Directors shall maintain suitable records pertaining to such mortgages.

Section 2. Definition. As used in this Article, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees and the term "mortgage" shall include a deed of trust. As used generally in these By-Laws, the term "Institutional holder" or "institutional mortgagee" shall include banks, trust companies, insurance companies, savings and loan Associations, pension funds and any corporation, including a corporation of, or affiliated with, the United States government, or any agency thereof.

ARTICLE XII.

Section 1. Notices. Unless another type of notice is herein elsewhere specifically provided for, any and all notices called for in the Declaration or these By-Laws shall be given in writing.

Section 2. Severability. In the event any provision or provisions of these By-Laws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.

Section 3. Waiver. No restriction, condition, obligation or provision of these By-Laws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.

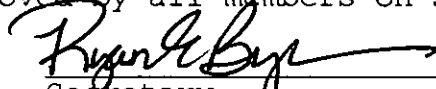
Section 4. Captions. The captions contained in these By-Laws are for convenience only and are not a part of these By-Laws and are not intended in any way to limit or enlarge the terms and provisions of these By-Laws.

Section 5. Gender, Etc. Whenever in these By-Laws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

Section 6. Conflicts. These By-Laws are subordinate to all provisions of the Declaration. All of the terms herein except where clearly repugnant to the context, shall have the same meaning as in the Declaration or the aforesaid statutes. In the event of any conflict between these By-Laws and the Declaration, the provisions of the Declaration shall control, and in the event of any conflict between the aforesaid Declaration and any of the laws of the State of Tennessee, the provisions of the state law shall control.

CERTIFICATION

I certify that these By-Laws were duly adopted at the organizational meeting of the Corporation held on the 1ST day of October, 2005, and were approved by all members on said date.


Secretary - Attorney for HOA