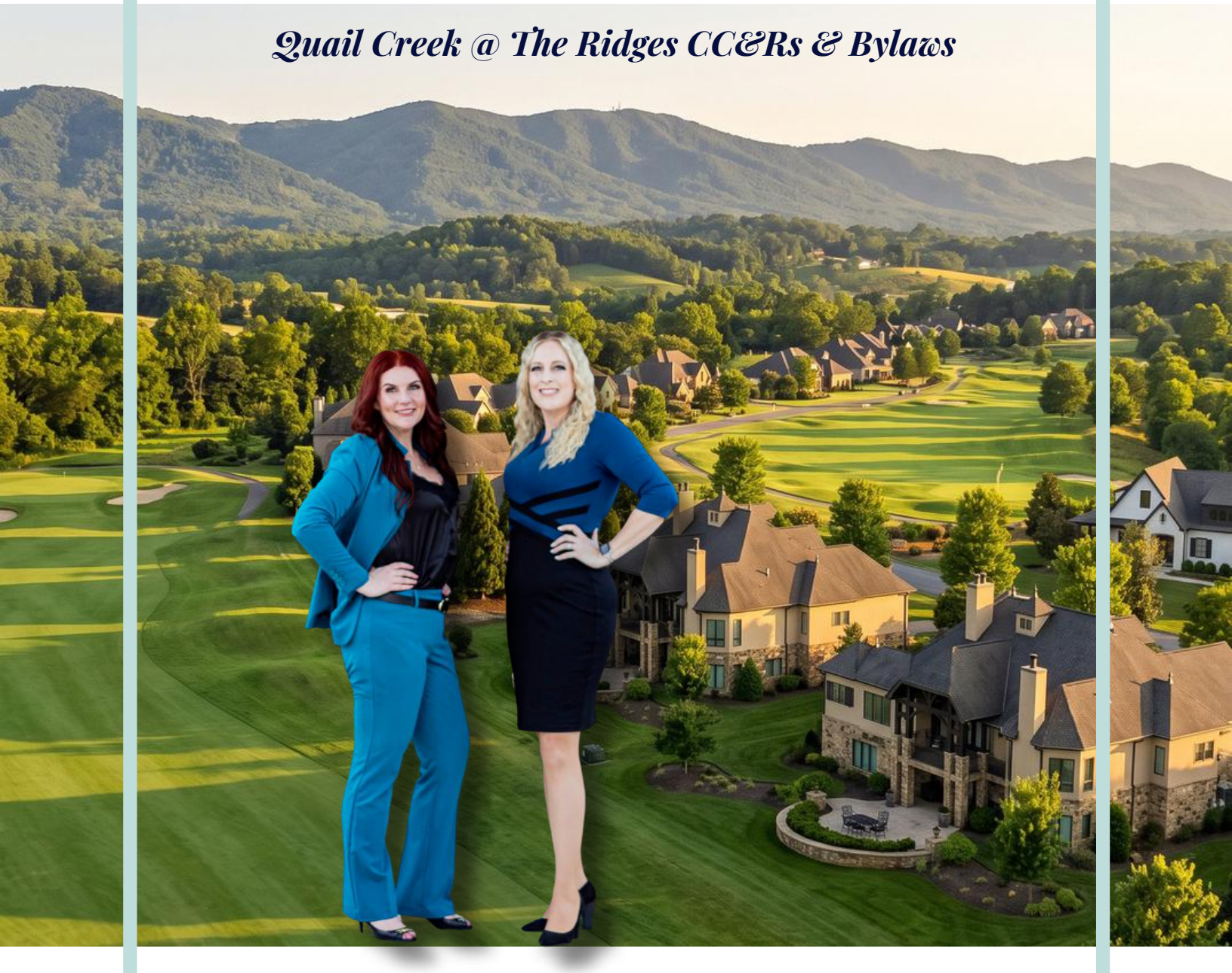
The Ridges HOA & CC&Rs Guide

Quail Creek @ The Ridges CC&Rs & Bylaws



Taylor Heritage Homes

A Legacy of Excellence. A Tradition of Trust.

HOAs and CC&Rs

Understanding Community Governance

Homeowners Association (HOA) & Covenants, Conditions, and Restrictions (CC&Rs)

HOA What it is:

A Homeowners Association is a formal governing entity established to manage, maintain, and protect a residential community, condominium complex, or planned development.

HOA What it does:

The HOA handles the upkeep of shared infrastructure and amenities—such as neighborhood roads, landscaping, swimming pools, entry gates, and clubhouses—while collecting periodic dues from residents to fund operating expenses and long-term capital reserves.

HOA Why it matters:

Joining an HOA means entering a shared community structure where individual property decisions are balanced with collective standards to preserve neighborhood quality and property values.

CC&Rs What they are:

The CC&Rs are the legally binding rules and land-use restrictions recorded against the property deed that dictate how you can use and modify your home and land.

CC&Rs What they cover:

These restrictions govern property aesthetics and resident conduct, including exterior paint colors, roofing materials, fence heights, architectural modifications, pet policies, parking limits, and rental restrictions.

CC&Rs How the HOA enforces them:

The HOA board serves as the regulatory authority responsible for monitoring compliance. If a homeowner violates the CC&Rs, the board has the legal authority and obligation to issue formal notices, impose monetary fines, revoke access to common amenities, or place a financial lien on the property if unpaid fines or assessments accumulate.

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HOA Operations & Property Value

Understanding Governance & Financial Value

Bylaws: Community Operations

While community rules dictate day-to-day living standards, understanding how an association manages its business operations and protects long-term property values is just as essential. This section breaks down the administrative structure of HOA Bylaws and highlights the financial advantage of owning a home within a managed community.

Bylaws What they are:

While CC&Rs regulate property and owner behavior, the Bylaws serve as the corporate operations manual that governs how the HOA itself functions as an organization.

Bylaws What they cover:

Bylaws outline the administrative rules of the association, detailing board election procedures, term limits, meeting frequency, voting rights, quorum requirements, and protocols for passing budgets or levying special assessments.

Bylaws Why they matter:

Reviewing the Bylaws shows buyers how transparently the community operates, how much voice individual owners have in decision-making, and how financial management is structured.

The HOA Value Premium: Financial Impact

Data cited by the National Association of Realtors (NAR) and independent housing studies show that homes located within an HOA community sell for 5% to 6% more on average than comparable non-HOA properties. This is the reason it's imperative an HOA enforces the CC&Rs.

The HOA Value Premium: Protecting Property Value:

This added value stems from uniform maintenance standards that prevent neighboring properties from falling into disrepair, alongside access to well-maintained shared amenities that boost overall market appeal.

HOA Variability & Fee Changes:

Every HOA community operates under unique rules, fee structures, and financial management practices. Monthly or annual dues are subject to change based on board decisions, inflation, and major maintenance needs. Buyers should always review the specific association's current budget, reserve study, and meeting minutes during their inspection period.

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HOA DISCLAIMER & NOTICE

Important Guidance



Disclaimers

*The information provided herein is for educational and informational purposes only and should not be construed as legal, financial, or tax advice. Real estate laws, HOA rules, CC&Rs, and dues are subject to change and differ across individual communities. Neither Taylor Heritage Homes nor its agents guarantee the completeness or accuracy of third-party association details. Buyers are strongly encouraged to carefully review all official HOA governing documents, financial disclosures, and reserve studies, and to consult with a licensed real estate attorney or legal counsel during their due diligence period.

The following governing documents were retrieved directly from the official HOA website. Document terms and amendments are managed by the association and are subject to change; buyers are encouraged to access the official community portal directly to verify the latest records.

TAYLOR HERITAGE HOMES

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The Ridges Guide



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Exhibit D

THE RESTRICTIONS, EASEMENTS, COVENANTS, CONDITIONS, ASSESSMENTS, AND LIENS

FOR

QUAIL CREEK AT THE RIDGES

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THE RESTRICTIONS, EASEMENTS, COVENANTS, CONDITIONS, ASSESSMENTS, AND LIENS

CONDITIONS, ASSESSMENTS, AND LIENS FOR QUAIL CREEK AT THE RIDGES

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THE RESTRICTIONS, EASEMENTS, COVENANTS, CONDITIONS, ASSESSMENTS, AND LIENS CONDITIONS, ASSESSMENTS, AND LIENS FOR QUAIL CREEK AT THE RIDGES

These Restrictions, Easements, Covenants, Conditions, Assessments and Liens for Quail Creek at The Ridges are hereby made and entered into by James F. Dunn, (the "Developer").

WITNESSETH:

WHEREAS, the Developer is the legal title holder of certain improved real estate, consisting of 6.338 acres (the "Parcel") located in Washington County, Tennessee, described as 6.338 acres, more or less, as shown as "Future Development" area on a subdivision map titled "The Ridges, Phase 6" and recorded in Plat Book 19, Page 178, in the Washington County, Tennessee, Register of Deeds' Office; and

WHEREAS, the Developer submitted the Parcel together with all buildings, structures, improvements and other permanent fixtures of whatsoever kind thereon, and all rights and privileges thereto belonging or in any way pertaining (the "Property") to the provisions of the Horizontal Property Act of the State of Tennessee for the express purpose of establishing thereon a Planned Unit Development to be known as "Quail Creek at The Ridges" (the "Development"), and

WHEREAS, the Developer desires that all future owners, Occupants, deed of trust beneficiaries, and any others acquiring any interest in the Property, shall hold such interest subject to certain rights, easements and privileges in, over and upon the Property and certain mutually beneficial restrictions and obligations with respect to the proper use, conduct and maintenance thereof, as hereinafter set forth, all of which are declared to be in furtherance of a plan to promote and protect the cooperative aspects of residence on the Property, and are established for the purpose of enhancing the value, desirability and attractiveness of the Property; then

THEREFORE, the Developer imposes the following on the Property:

ARTICLE I
DECLARATION

This document is to be construed with the Declaration of Quail Creek at The Ridges (the "Declaration", to which this document is Exhibit D and recorded herewith) and all provisions of the Declaration are incorporated herein by reference. If there are any discrepancies between this document and the Declaration, the Declaration shall control. This document may be amended as set forth in the Declaration, including such amendments which are more restrictive than the contents of this document and amendments allowed by the Developer. Any interpretation of this document shall take into account all provisions of the Declaration, as amended, and be interpreted accordingly.

ARTICLE II
RESTRICTIONS
RESTRICTIONS

The following are the restrictions for the Development and are in addition and supplemental to those restrictions, easements, covenants, conditions, assessments, and liens as set forth in the Declaration:

(a) Development; Use; Construction; Additional Facilities. The Development is hereby restricted to residential use and the uses related to the convenience and enjoyment of such residential use only. All buildings or structures erected in the Development shall be of new construction, and no building or structures shall be moved from other locations onto said Premises, and no subsequent buildings or structures, other than Buildings shown on the Plat, shall be built on the Property where the Developer theretofore platted and constructed a Building. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding, shall be built or used on any portion of the Premises at any time as a residence either temporarily or permanently. No Unit shall be used in any way or for any purpose which may endanger the health or unreasonably disturb the Owner of any Unit or any resident thereof. However, it shall be expressly permissible for the Developer to maintain during the period of construction and sale of said Building and Units, upon such portion of the Premises as such Developer may choose, such facilities as in the sole opinion of said Developer may be reasonably required, convenient, or incidental to the construction and sale of Units, including, but without limitation, a business office, storage area, construction yards, signs, model Units and sales office. Once the entire Development has been completed, the Board of Quail Creek at The Ridges Homeowners' Association (the "Association"), a Tennessee nonprofit corporation, shall have permission to maintain the same type of facilities allowed by Developer under this section (in such portions as the Board may choose in its sole discretion) to facilitate the construction of additional facilities for Quail Creek at The Ridges. The Board shall have the right and power to provide for the construction of additional recreational and other common facilities, from time to time, as in their discretion appears to be in the best interest of the development. Any such construction, improvement or additions shall be authorized by an affirmative vote of eighty-five percent (85%) of the Board at a duly called meeting at which a quorum is present.

(b) Occupancy. No more than one (1) family (defined as persons related by blood (or adoption) to the third (3rd) degree or by marriage) of up to six (6) persons shall occupy any Unit. Occupancy by more than six (6) persons is prohibited. There are two (2) exceptions to this restriction (and more than one exception may apply):

1. Each Unit shall be allowed to have one (1) adult person (the "Added Person") who is not a family member of the Unit Owner or Primary Lessee (defined hereinafter in Section (p) *Leasing; Subleasing*) residing in the Unit. Additional individuals may also reside in the Unit provided that they are the minor or incapacitated dependants of the Added Person. Regardless

of the above, the number of residents may not exceed six (6) persons of any age in a Unit.

persons of any age in a Unit.

2. The Board has the authority to temporarily suspend this restriction for a period of time not to exceed one (1) year under the following circumstances:

(*i*) Before any person begins residing in a Unit which already has six (6) persons residing in it, the Unit Owner must petition the Board for approval of the temporary suspension of this restriction.

(*ii*) The person who is the subject of the petition must be a family member of the Occupant, Owner, or Added Person as defined hereinbefore or a qualified healthcare worker hired to care for the Occupant, Owner, or Added Person.

(*iii*) At no time can there be more than eight (8) persons of any age residing in a Unit.

(*iv*) The Board may use its sole discretion to determine whether or not to grant the temporary suspension of this restriction and how long the suspension will remain in effect, as long as that time period is not more than one (1) year. The grant of the suspension of this restriction will only be for the person who is the subject of the Unit Owner's petition.

(v) If additional time is sought after the initial one (1) year period, then the Unit Owner will have to then file another petition, subject to the same criteria as hereinbefore set forth, between sixty (60) and ninety (90) days before the date of termination of the temporary one-year suspension. It is intended that temporary suspensions of this Occupancy restriction are for rare circumstances, are temporary in nature to allow for the circumstance to resolve itself or for the Unit to be sold, and that the grant of additional temporary suspensions are not to be encouraged except under extremely compelling circumstances.

(v) If another person desires to reside in the same Unit (even after the original person who was the subject of the Unit Owner's prior petition has vacated the Unit), then another petition must be filed by the Unit Owner for

the new person, subject to the same criteria as hereinbefore set forth.

hereinbefore set forth.

(c) Animals. No animals, livestock or poultry of any kind shall be raised, bred or kept in or around a Unit, except that dogs, cats or other domestic, non-venomous, household pets, may be kept, for non-commercial purposes only. No animal may be kept on the Premises that has a vicious disposition, could pose an endangerment to the health of any Owner or guest, or, in the sole opinion of the Board of Administration, unreasonably disturb any Owner or occupant of any Unit. All pets must be supervised, under the control of the handler, and on a leash at all times when outside of said pet owner's Unit. Failure to leash, control and/or supervise pets outside the Unit shall be grounds for removal and banishment of said pets permanently from the Premises. No pets whatsoever shall be allowed to live outside a Unit. The Board may designate an area on the Common Element grounds of the Development to be used as a "Pet Park" for residents to take their pets to relieve themselves. At no time will any pets be allowed in the back of any Unit, except for their own Unit. All pet owners will be responsible for replacing any plants or bushes within the Development which becomes diseased or which are killed or injured as a result of the urine or excrement of their animal. The pet owner is responsible for the clean-up of any mess, including feces, made by his or her pet (or pets of his/her visitors or other invitees), including, but not limited to, in any Pet Park and behind the resident's Unit. No pets are allowed on The Ridges Golf Course for any reason. The Board can levy fines against the pet owner and/or the Owner of the pet owner's Unit, if different from the pet owner, for any violations pertaining to the pet rules, in addition to having the pet removed permanently and banished from the Premises. The pet owner hereby holds the Association and/or Developer harmless for any such removal of the pet from the Premises and agrees to indemnify the Association and/or Developer for the cost of such removal or for any damage caused to any person lawfully removing said pet. Each violation is a separate offense and each day of a continuing violation is a separate offense. A fine of up to $100.00 may be levied for each separate offense. The $100.00 maximum fine for each offense may be increased with changes in the Consumer Price Index for all Urban Consumers, U. S. City Average ("CPI") from the CPI for April, 2007, or by an affirmative vote of two-thirds ($^2/_3$) of the Unit Owners allowed to vote on such matter. Any Unit Owner who has been fined for a pet violation within the previous three (3) months from the record date shall not be entitled to vote on this increase in the pet fine.

(d) Signs; Billboards; Commercial Use. No advertising signs, billboards, unsightly objects or nuisances shall be erected, placed or permitted to remain on the Premises, land or buildings, including inside the front windows of each Unit. No commercial business activities of any kind whatsoever shall be conducted in any Unit or on any portion of the Property, except (1) for the construction and maintenance of Premises by the Developer, his agents and assigns during the construction and sale period and (2) in furtherance of its purposes and powers of the Board, its successors and assigns, as hereinafter set forth. Specifically excluded from this restriction are signs for the sale of Units, the American flag, and small to medium decorative flags previously approved by the Board. Real estate pointer signs are allowed to be displayed at the front entrance of the

Development near the entrance area only during the time an official "Open House" is taking place; otherwise, real estate pointer signs are prohibited.

place; otherwise, real estate pointer signs are prohibited.

(e) Garbage. No garbage cans, wood piles, service yards, or storage piles shall be kept of the Premises at any time, except trash of the resident contained in duly designated trash bins. All rubbish, trash or garbage shall be regularly removed from the Premises and shall not be allowed to accumulate thereon. While garbage removal is provided for by the appropriate governmental or quasi-governmental entity, the Unit Owner is ultimately responsible for the removal of any rubbish, trash or garbage from the Premises.

(f) Planting or Gardening; Fences or Walls. No planting or gardening shall be done before a planting or gardening plan is submitted to, and approved in writing by, the Board. The type, variety, esthetic value, enhancing monetary value, in keeping with the general landscaping plan and theme, types of containers, location, size, etc. are some of the factors the Board might consider in determining whether to approve a planting or gardening plan. The approval of such plan is in the sole discretion of the Board. No fence or walls shall be erected or maintained upon said Premises, except such as are installed in accordance with the initial construction of the Units, if any. No alterations or additions to fences, hedges, grass, etc. is allowed without the written permission of the Board. It is expressly acknowledged and agreed by all parties concerned that this section is for the mutual benefit of all Owners of Units and is necessary for the protection of said Owners.

(g) Upkeep of Common Elements. Any cooperative action necessary or appropriate for the proper maintenance and upkeep of the Common Elements shall be taken by the Board. The Board or its duly delegated representative shall maintain, manage, and landscape all parking areas, undedicated streets and recreation facilities, Common Elements (general), and exteriors of the Units located upon the Premises, excluding roofs, doors and windows of Units, and shall maintain and otherwise manage the maintenance of all areas within the Development.

(h) Additions; Exterior Alterations. No exterior additions or alterations to any Unit or construction or changes in fences, hedges, grass, other plants, walls or other structures shall be commenced, erected or maintained without the written approval of the Board. All Board approval must be in writing and attached to the final plans submitted to said Board for the addition or alteration. The Board will consider, among other things, the addition's foundation, structure, fit with theme and plan of the Development, esthetic and monetary value enhancement, etc. in determining whether or not to approve any addition to a Unit. The addition's exterior becomes subject to the Unit Owner's repair, maintenance and upkeep obligations. The Unit Owner is solely responsible for the entire addition, including required insurance coverage. The Board is not obligated to assume any responsibility for alterations or additions. There shall be no painting of the exterior of any building, fence, or other structure and no alteration of the exterior appearance, including the front doors of the Units, except maintenance and repair work specifically done by contract of, or otherwise approved by, the Board. The only exception to this rule shall be the requirement of the Owners to repair and replace any windows, screens, or doors in

their respective Units or additions as needed as hereinafter discussed and repair and replace all exterior materials making up their respective additions, except as hereinbefore

replace all exterior materials making up their respective additions, except as hereinbefore excepted; said repairs, however, are to be in accordance with specifications set by the Board. Any emergency repair of a Unit's roof shall be of the same type and quality roofing material as is on the rest of the Unit's roof. All replacement or repair of the roofs, other than emergency repair, shall be approved by the Board and the color, type, and other materials of roofing must be of the same type and quality, or better, as the previous roof and keeping in line with the design concept and overall scheme of the Development in the sole discretion of the Board.

(i) Damage to Common Elements. In the event that any Common Element, building (exclusive of any party wall), or storage facility is damaged or destroyed through the negligence or culpable act of an Owner or any of his or her guests, invitees, employees, agents, tenants, or family members, such Owner does hereby irrevocably authorize the Developer, his attorney-in-fact, or the Board to repair said damaged Element, building or storage facility, and the Board shall so repair said damaged Common Element, building, or storage facility. The Owner shall then repay the Board in the amount actually expended for said repairs, less any insurance proceeds which the Board actually received, plus any costs of collection, including attorney's fees, and interest at twelve percent (12%) per annum from the date which is ten (10) days from the date of notice to the Owner of the amount owing to the Board. Each Unit Owner further agrees that these charges for repairs, if not paid within ten (10) days after completion of the work, shall become a lien upon said Owner's interest in the Unit which lien shall continue until fully paid.

(j) Party Walls. Each wall, which is constructed as part of the original construction of the Unit, any part of which is placed on the dividing line between separate residence Units, shall constitute a party wall. With respect to any such wall, each of the adjoining Owners shall assume the burdens and be entitled to the benefits of these restrictive covenants, and, to the extent not inconsistent herewith, the general rules of law regarding party walls shall be applied thereto. The rights and duties of the Owners of the Units within this Development with respect to party walls shall be governed by the following:

1. In the event any such party wall is damaged or destroyed through the act of one or more of the adjoining Owners or any of his or her guests, invitees, employees, agents, tenants, or family members, (whether or not such act is negligent or other culpable) so as to deprive the other adjoining Owner(s) of the full use and enjoyment of such wall, then the damaging Owner shall forthwith proceed to rebuild and repair the damaged party wall, and any other part of the adjoining Owner's Unit which was damaged as a direct result of the damage to the party wall, to as good condition as formerly without cost to the adjoining Owner.

2. In the event any such party wall is damaged or destroyed by some cause other than the act of one of the adjoining Owners,

any of his or her guests, invitees, employees, agents, tenants, or family members (including the ordinary wear and tear and

or family members (including the ordinary wear and tear and

deterioration from lapse of time), then in such event, both such adjoining Owners shall proceed forthwith to rebuild or repair said party wall to as good condition as formerly at their joint and equal expense.

(k) Antennas; Satellites. No exterior television or radio antenna of any sort shall be placed, allowed or maintained upon any portion of the improvements located upon the Premises or any structure situated upon said Property, other than a satellite dish up to one meter in diameter, which are allowed, but can only be affixed to areas of the Unit approved by the Board based upon the location of the Unit and said dish not being visible from the front of the Unit in compliance with the restrictions set forth in the Third Supplement to Declaration of Restrictions, Easements, Covenants, Conditions, Assessments, and Liens for "The Ridges" (Affecting North Future Development Area, Phase 6, 6.338 Acres) attached as Exhibit A (Roll 526, Images 1876 - 1883) to a Warranty Deed recorded on Roll 526, Image 1871, and the most recent Federal Communication Commission guidelines relating to satellite dishes and their installation (47 CFR § 1.400). Service is available by underground cable and satellite dishes (up to one meter in diameter), which should afford any mass media communications reasonably required by a Unit Owner. At no time may a satellite dish be attached to the roof, garage, door, window, or other location which is not designated by the Board for that particular Unit. The Unit Owner is responsible for determining from the Board what locations are appropriate for that Owner's particular Unit, which may be different from other Units in the Development.

All approved satellite dishes which are attached in the above approved location shall be in good, working order at all times. Any satellite dish which is not operational, or is deemed to be a possible hazard to others in the Development, shall be removed by the Unit Owner who installed the same or his successor in title upon thirty (30) days notice by the Board. If such satellite dish is not removed within the thirty (30) days, then the Board may remove, or have removed, said dish at the Unit Owner's expense and said removal cost will be a lien upon said Unit Owner's Unit.

Any damage to a Unit or any Common Element caused by the installation or removal of a satellite dish is the sole responsibility of the Unit Owner whose Unit the satellite dish was servicing, and not the Board or other Unit Owners. All damage should be fixed immediately. All damage must be fixed within thirty (30) days of notice to the Unit Owner by the Board. If such damage is not fixed within the thirty (30) days from the notice given by the Board, then the Board may fix, or have fixed, the damage at the Unit Owner's expense and said repair cost shall become a lien upon said Unit Owner's Unit. When any satellite is removed, the Unit Owner is responsible for repairing the Unit to its pre-installation condition.

(l) Owner Repair, Upkeep & Maintenance. An Owner shall maintain and keep in good repair, at his or her own expense, the interior of the Unit, including the fixtures

thereof and any other appliance serving any individual Unit, including, but not limited to heating, ventilating (including powered roof vents) and cooling systems, central vacuum heating, ventilating (including powered roof vents) and cooling systems, central vacuum systems, electrical service panel, electrical wiring and conduit, cable wiring, water and sewage pipes and drains, water heaters and any other item which supplies services to an individual Unit, whether contained inside or outside said Unit and only servicing said Unit. All fixtures and equipment installed within a Unit, commencing at a point where the utility lines, pipes, wire, conduits, or systems ("utilities") enter from the exterior surfaces of the Unit shall be maintained and kept in repair by the Owner of said Unit.

An Owner shall be responsible for the repairs, upkeep, maintenance, and replacement of all windows, screens, roofs, exteriors, and doors in his/her respective Unit. All replacements will be as close as possible to the same design and architecture of the item being replaced, and substantially in accordance with the original plans and specifications as set forth in the original Declaration, its exhibits, and amendments. All such repairs shall be in accordance with specifications approved by the Board before work commences. An Owner shall also repair any of the Common Elements or Private Elements of another Unit Owner if any damage to them was caused as a result of the failure of said Owner to repair, upkeep and maintain any of above listed Owner-responsible items. (An example of this might be that the water pipes in the kitchen of the Unit freeze and burst or a toilet overflows and floods the Unit, causing damage to the interior and exterior of the Unit. The Owner would be responsible for the interior and exterior damage to his Unit and for any damage to any other Unit which is affected.)

All repairs, upkeep, maintenance and replacement by a Unit Owner should be done in a professional and timely manner.

(m) Vehicles. It is strictly prohibited to store or park an automobile, house trailer, motor home, recreational vehicle, camper, boat of any type, canoe, motor, motorcycle or any other two-wheeled motor vehicle of any type, an all-terrain vehicle, trailer, junk or inoperable vehicle on or about any part of the Premises other than the garage. The repairing of automobiles, other than immediately on an emergency basis, shall be prohibited. Washing of vehicles on or about any part of the Common Elements, street, or parking lots is prohibited and is only allowed in that Unit Owner's driveway. Residents shall only park their vehicles in a garage.

(n) Burning; Fireplaces; Barbeque Grills. There shall be no burning of wood or any similar material on the Premises, including the Unit's fireplaces and barbeque grills on the Unit's patios or in other Common Element. All fireplaces shall be fueled only by natural or propane gas All outside barbeque grills shall be fueled only by natural or propane gas or charcoal. Any and all damage caused by fireplaces and/or barbeque grills are the sole responsibility of the Unit Owner and/or resident using them.

(o) Noise; Disturbance; Parties. There shall be no loud noises or disturbance either inside the Units or outside in any of the Common Element areas, including any public streets located in this Development. There shall be no parties or other social gatherings outside the Units, except along the patios outside each Unit and the

Common Element area immediately behind said patios. Each patio and that area of grass immediately behind each patio within the area as set forth on the Plat of said Unit shall be reserved for the use of the Owners of each specific Unit and any of their guests, invitees, employees, agents, tenants, or family members. No archery or discharging of firearms, firecrackers, or any other type of explosives shall be permitted anywhere in the Development, including any public street.

(p) Leasing; Subleasing. There shall be no leasing of any Unit without the prior written approval of the Board. Leasing is only permitted as hereinafter defined.

The Board may allow a Unit to be leased only under all of the following conditions:

1. All leases must be in writing and submitted to the Board for its approval before the Unit may be occupied by a tenant. All persons residing in a Unit over the age of 18 must sign the lease.

2. One person, and only one person, must be designated as the "Primary Lessee" in the lease. The Primary Lessee is the person that will be the person for determining who is and who is not considered a family member residing in the Unit under the Declaration. The Primary Lessee may be changed at any time with notice to the Board, but must be at least eighteen (18) years old. If one of the tenants is a family member of the Unit Owner, then that person must be designated as the Primary Lessee. If more than one of the tenants is a family member of the Unit Owner, then one of the family members must be designated as the Primary Lessee in the lease. If neither of the tenants is a family member of the Unit Owner, then any one of them may be designated as the Primary Lessee.

3. There can only be one (1) person per Unit who is not a family member of the Primary Lessee residing in the Unit.

4. The number of tenants cannot exceed six (6) persons. For the number of tenants to temporarily exceed six (6) persons in an emergency situation, the Unit Owner must petition the Board on behalf of the tenants and follow the same procedures and restrictions set forth in the Declaration for the temporary suspension of this maximum total resident restriction. There shall never be more than eight (8) persons of any age residing in a Unit at one time.

5. All leases must contain a provision against subleasing and a requirement that any tenant (or his or her guests, invitees, employees, agents, or family members) is required to abide by all of the rules and regulations set forth by the Board, the Bylaws, and the Declaration, as amended from time to time.

Notwithstanding the above, the maximum number of Units which can be leased at one time is five (5) Units and under no circumstances shall the total number of Units leased at one time be more than twenty percent (20%) of the total number of Units. The existing leased Units may continue to be leased indefinitely by the Unit's Owners, with Unit Owners who desire to lease their Units waiting in line until an existing leased Unit no longer qualifies due to the sale of the Unit or the Owner of said existing leased Unit occupying the same. If necessary in the opinion of the Board, the Board shall maintain a waiting list for prospective leased Units. **No Unit may be considered for leasing or be placed on a waiting list until a Unit Owner, or a member of the Unit Owner's family, has resided in said Unit for at least two (2) years.**

Subleasing is prohibited. Any tenant is required to abide by all of the rules and regulations set forth by the Board, the Bylaws, and the Declaration, as amended from time to time, and all leases must contain this requirement. Each of the Owners acknowledges that this entire restriction is for the mutual benefit of all Owners and is intended to maintain the value and community of the Development.

(q) Solicitation. There shall be no soliciting anywhere within the Development.

(r) Other Restrictions. The Restrictions of the Ridges Residential Community, as amended, shall apply as set forth in the Declaration.

(s) Miscellaneous. Attractive front window treatments which are keeping with the Development's overall theme and plan are appropriate and required. No motorcycle, all-terrain vehicle, or other two-wheeled motorized vehicle riding shall be allowed anywhere within the Development, except for "street legal" motorcycles. Street legal motorcycles are defined as motorcycles which have a valid, current vehicle license tag issued by the State of Tennessee, or other state in the United States, are able to travel legally on local interstates, and have an exhaust system, but does not include all-terrain vehicles or "dirt bikes". No bicycle or skateboard riding or roller-skating or roller-blading shall take place on any of the sidewalks or the Common Elements. No basketball, golfing, football, softball, or baseball playing shall be permitted anywhere on the Common Elements. There shall be no drying or airing of clothing or any other type item on any lines, racks or on the ground anywhere outside any Unit.

ARTICLE III
LIEN OF UNPAID ASSESSMENTS AND FINES
LIEN OF UNPAID ASSESSMENTS AND FINES

(a) Maintenance Fund Assessments. Each Unit's pro-rata share of expenses and of the maintenance fund assessments, payable in monthly installments, shall be due and payable on the first (1st) day of the month for which assessed and shall become delinquent if not paid by the fifteenth (15th) day of the month in which payable. If not paid by the 15th day of the month, the assessment shall be subjected to a ten percent (10%) late payment fee and shall earn interest from the date of delinquency at the rate of twelve percent (12%) per annum. Any delinquent installment shall immediately, and without further demand or notice, become a lien upon that Unit and all incidents and appurtenances thereto. Such lien shall have priority over any subsequently recorded mortgage or deed of trust; however, such lien shall not have priority over such previously recorded mortgage or deed of trust.

(b) Unit Purchase Assessments. Similarly, each Unit's pro-rata share of a Unit purchase fund assessment, if a Unit is purchased by the Association as provided in the Declaration, shall bear interest at twelve percent (12%) per annum, and, if not paid when due, immediately and, without further demand or notice, become a lien upon that Unit and all incidents and appurtenances thereto, and shall become a lien as well, upon the Unit's interest in the Unit purchased by the Board of Administration, as trustee, for the Owners. Any Unit purchase assessment shall be subordinate to any recorded mortgage or deed of trust upon the Unit assessed, but shall take precedence with respect to such Unit's pro-rata interest in the Unit purchased by the Board of Administration.

(c) Fines. Any fine imposed upon a Unit Owner for a violation of the Declaration, the Bylaws, and the rules and resolutions of the Board, as amended from time to time, shall, if not paid within thirty (30) days from the date of first notice of imposition of the fine, be subjected to a ten percent (10%) late payment fee, shall bear interest at twelve percent (12%) per annum, and, without further demand or notice, become a lien upon that Unit, and all incidents and appurtenances. Such lien shall have priority over any mortgage or deed of trust which was recorded after the date of the first notice of imposition of the fine; however, such lien shall not have priority over such previously recorded mortgage or deed of trust. Fines shall be treated the same a maintenance fund assessments for the purposes of enforcement.

(d) Other Liens. In any and all events, the lien of any delinquent and unpaid assessment or fine against a Unit shall be prime and shall take precedence over any other lien of judgment or attachment and over any title of any trustee in bankruptcy. The lien of any delinquent and unpaid assessment which remains unpaid for a period of twenty (20) years from the date of assessment shall be declared extinguished and released. This extinguishment is based upon T.C.A. § 25-5-105(a) which states that judgment liens must be executed upon within ten (10) years and T.C.A. § 28-2-111(c) which states that liens against real estate may be extended ten (10) years past the 10 year

deadline for execution if a writing evidencing that extension is filed. The Board shall file an additional writing in the Washington County, Tennessee, Register of Deeds' Office at an additional writing in the Washington County, Tennessee, Register of Deeds' Office at Jonesborough, Tennessee, to extend the time period of the judgment within the time period required to secure the additional time period of T.C.A. § 28-2-111(c). It is the intent of this section to comply with those provisions of Tennessee Code Annotated.

ARTICLE IV
PROCEDURE FOR FINES

In order to comply with the "due process" requirements of the fourteenth amendment of the United State Constitution, the following procedure should be followed when assessing fines against Unit Owners:

A. The Board should provide any new Owner with a copy of any unrecorded rules and/or regulations published by the Board, which list any prohibited acts. The Unit Owner is responsible for knowing all of the contents of recorded documents and supplying any resident of a Unit with a copy of any materials provided by the Board. Any supplements or amendments to said documents, whether recorded or unrecorded, should be sent to each then Unit Owner by regular mail.

B. A Notice of Fine or Citation should be completed by the Board member, officer, or property manager who witnessed the incident or took the report of the incident from a complaining Owner. The Notice of Fine or Citation must be signed by the person who witnessed the violation. One copy should be delivered to the violating Owner (without containing the name of the complaining Owner), one copy should be given to the complaining Owner, and one copy should be placed in the minute book for the Board of Directors. The Notice of Fine or Citation shall list (1) the date of each violation being alleged with sufficient details about the incident to inform the alleged violator of the nature of the charges against him or her, (2) a section of the Declaration, Bylaws, or these Restrictions, which prohibits the conduct or requires the action alleged to have been violated, (3) the fine to be imposed, which should, but is not required to, be a fixed amount and set forth in the Declaration, Bylaws, Restrictions, or rules, (4) the date of the next Board of Directors meeting (which is at least ten (10) days from the date of delivery of the Notice of Fine or Citation) and (5) the procedure for challenging the assessment of the fine, if this is the first Notice of Fine or Citation the Unit Owner has received. This Notice of Fine or Citation can be issued by any member of the Board of

Directors, any officer of the Association, or the property manager for Quail Creek at The Ridges, if any.

Quail Creek at The Ridges, if any.

C. The procedure for challenging the assessment is as follows:

1. The Owner who is assessed a fine or his or her representative must notify a member of the Board of Directors at least five (5) days before the meeting, the date of which is set forth in the notice, of his or her intent to contest the fine and a summary of the Owner's defenses to the fine and each violation.

2. The Owner must appear in person at the Board of Directors meeting on the date set forth in the notice or have someone represent him or her at said meeting. If Owner is not represented by an attorney duly licensed in the State of Tennessee, then said Owner must provide a written power of attorney for such representative to the Board.

3. The Board of Directors may call upon whoever issued the Notice of Fine or Citation to show proof as to why the fine should be assessed or read the statement given to the Board.

4. The Owner or his or her representative will then be allowed to show proof why the fine or fines should not be assessed.

5. The Board of Directors will then decide by majority vote whether or not the fine will be assessed and a record of the decision shall be entered in the Board's minutes.

6. If the Owner wishes to appeal this decision, he or she must file suit within ten (10) days in a court of competent jurisdiction. Failure to file suit within the ten (10) day period terminates all appeal rights and the fine will become final. If an appeal is timely filed in the civil courts, the fine shall not become final until the court's judgment upholding the fine becomes final. This provision must be strictly followed.

D. If the fine becomes final, then it is an automatic lien on the Owner's Unit. If the Owner does not pay the fine within five (5) days after it becomes final, then a Notice of Lien describing the Owner's property and setting forth the amount of the fine and any costs and attorney fees incurred by the Board in connection therewith, may be filed in the Washington County, Tennessee, Register of Deeds' Office. Once the Notice of Lien is filed in the Register's Office, the Association will have

ten (10) years to enforce the lien against the property unless the Owner sells the property before that time, at which time the lien

Owner sells the property before that time, at which time the lien

should be paid in full. Enforcement requires foreclosure action with published newspaper notice. The Board of Directors may also, in addition to, or instead of, filing the Notice of Lien, file a civil warrant in General Sessions Court for the collection of the fine, including interest at the statutory rate for judgments (currently ten percent (10%) per annum), costs and attorney fees.

E. The Association may choose to provide a warning of a violation if the Association desires, in the sole discretion of its Board of Directors, but is not required to do so. Any warning of a violation is at the sole discretion of the Association and is merely a courtesy, which may or may not be extended. All Owners are presumed to have read all unrecorded rules and regulations mailed to that Owner at the Unit's address and all recorded documents and, therefore, no warnings of violations are necessary before assessing a fine or citation for a violation of any of those documents.

F. Any Notice of Fine or Citation may list multiple violations and fines.

G. Nothing herein shall cause a fine or citation to be invalid because the above procedures were not strictly followed by the Association. Unless otherwise required to be strictly followed, the hereinbefore procedures are intended to provide guidance only and assist the Association with providing "due process" as required by the fourteenth amendment of the United State Constitution.

ARTICLE V
SEVERABILITY

Invalidation of any one or more of the covenants and restrictions or other provision herein or hereafter contained or any portion thereof by judgment or court order shall in no way affect any of the other covenants and restrictions herein or hereafter contained or the remaining portion of such invalid restriction or provision all of which shall remain in full force and effect.

ARTICLE VI
COMPLIANCE

Each Owner shall comply with the provisions and requirements of the Declaration, including the administrative Bylaws attached thereto, the decisions and

resolutions of the Board and of the Board of Administration, and with reasonable rules and regulations adopted from time to time by the Board of Administration for the common comfort, safety, convenience and protection of the Owners in their use and enjoyment of regulations adopted from time to time by the Board of Administration for the common comfort, safety, convenience and protection of the Owners in their use and enjoyment of their Units and of the Common Elements and adopted for the orderly administration of the Development, all as amended from time to time. Without in any manner intending to limit the generality of the foregoing, the Board of Administration shall have the right, but not the obligation to promulgate rules and regulations limiting the use of the Common Elements to Owners and their respective guests, invitees, employees, agents, tenants, or family members, as well as to provide for the exclusive use by a Units Owner and his or her guests, for specific occasions, of any clubhouse, swimming pool or other similar facilities, if constructed. Such use may be conditioned upon, among other things, the payment by the Owner of such assessment as may be established by the Board of Administration for the purpose of defraying costs thereof. The Board of Administration shall have the right to promulgate rules, regulations, and procedures relating to imposition of fines for the violation of the Declaration, the Bylaws, and the rules and resolutions of the Board and the Board of Administration, as amended from time to time, and the procedure for the notice, collection and enforcement of those fines.

ARTICLE VII
CERTIFICATION

The undersigned hereby certifies that the foregoing provisions were duly adopted as The Restrictions, Easements, Covenants, Conditions, Assessments, and Liens For Quail Creek at the Ridges.

[redacted]

STATE OF TENNESSEE

STATE OF TENNESSEE
COUNTY OF WASHINGTON

ACKNOWLEDGMENT

Personally appeared before me, the undersigned Notary Public of the State and County aforesaid, James F. Dunn, the within named bargainor, with whom I am personally acquainted, or who was proved on the basis of satisfactory evidence to me to be the person described in the foregoing instrument and who acknowledged that he executed the foregoing instrument for the purposes therein contained as his voluntary act and deed.

WITNESS MY HAND AND OFFICIAL SEAL at office in said State and County, this the 11th day of May, 2007.

[redacted]

My commission expires:

[redacted]

I:\Quail Creek at The Ridges\Exhibit D to Declaration.Restrictions.wpd

BY-LAWS
for the
QUAIL CREEK AT THE RIDGES HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I
Members (Unit Owners)

Section 1. Eligibility. The members of Quail Creek at The Ridges Homeowners' Association, Inc., a Tennessee nonprofit corporation (the "Association"), shall consist of the respective Unit Owners of Quail Creek At The Ridges (the "Property"). The words "member" or "members" as used in these Bylaws mean and shall refer to "Unit Owner" or "Unit Owners," as the case may be, as defined in The Restrictions, Easements, Covenants, Conditions, Assessments, and Liens for Quail Creek at The Ridges. If a Unit Owner is a land title holding trust under the terms of which all powers of management, operation and control of the Unit remain vested in the trust beneficiary, then the member shall be said beneficiary of such trust.

Section 2. Succession. The membership of each Unit Owner shall terminate when such Owner ceases to be a Unit Owner, and upon the sale, transfer or other disposition of such Owner's ownership interest in the Property, such Owner's membership in the Association shall automatically be transferred to the new Unit Owner succeeding to such ownership interest.

Section 3. Annual Meetings. The annual meeting of Unit Owners shall be held at the time and place specified in the notice of such meeting, but such place shall be within five (5) miles of the Property. The annual meeting of Unit Owners shall be held on the sixtieth (60th) day following the end of the Association's fiscal year of each and every year, if not a legal holiday, and if a legal holiday, then on the next succeeding business day not a legal holiday. At the annual meeting, the Unit Owners shall elect Directors, receive reports on the activities and financial condition of the Corporation, and transact such other business as may properly come before the meeting.

Section 4. Special Meetings. The Association shall hold a special meeting of its Unit Owners upon the call of the Board of Directors or the President, or upon the written demand(s) to the Secretary by Unit Owners holding at least ten (10%) percent of all votes entitled to be cast on any issue to be considered at the proposed special meeting. Any call or demand for a special meeting shall describe the purpose(s) for which the special meeting is to be held. Only business within the purpose(s) described in the meeting notice for the special meeting may be conducted at such meeting.

Section 5. Notice of Meetings. The Association shall notify its Unit Owners of the date, time and place of each annual and special meeting of Unit Owners no fewer than ten (10), nor more than forty-five (45), days before the meeting date. The notice of a meeting shall also contain such other information which may be required by these Bylaws.

Section 6. Waiver of Notice. A Unit Owner's attendance at a meeting:

(a) Waives objection to lack of notice or defective notice of the meeting unless the Unit Owner at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting; and

(b) Waives objection to consideration of a particular matter at the meeting that is not within the purpose(s) described in the meeting notice, unless the Unit Owner objects to considering the matter when it is presented.

Section 7. Voting. Each Unit Owner shall have one vote. A "majority of the Unit Owners" means the owners of more than fifty percent (50%) of the voting rights of the Unit Owners.

The Developer may exercise the voting rights with respect to Units owned by Developer; however, the Developer shall transfer control of the Association once he has sold more than fifty (50%) percent of the Units.

Notwithstanding the foregoing, no Unit Owner who is in default in the payment of assessments hereunder shall be entitled to exercise the right to vote until the Owner has cured such default. A Unit Owner shall be deemed to be in default if such Owner has not paid his or her assessments to the Board, or their agent, within ten (10) days after the date such assessments are due. A Unit Owner may protest the amount of the assessment, but it still must be paid during the period pending the protest to the Board.

Section 8. Quorum. Unless otherwise required by law, a majority of the votes entitled to be cast by Unit Owners must be represented at any meeting of the Unit Owners to constitute a quorum on that matter. If, however, such quorum is not represented at any such meeting, the Unit Owners present at the meeting in person or represented by proxy shall have the power to adjourn from time to time without notice other than announcement at the meeting, until the requisite quorum is present or represented, when any business may be transacted which might have been transacted at the meeting as provided in the original notice.

Section 9. Voting Requirements. Except as otherwise provided in these Bylaws, action on any matter voted upon at a meeting of the Unit Owners is approved if a majority of the Unit Owners vote in favor of the action. However, Directors shall be elected by a plurality of the votes cast by the Unit Owners entitled to vote in the election at a meeting of the Unit Owners at which a quorum is present.

Section 10. Action by Written Consent. Action that is required or permitted to be taken at a meeting of the Unit Owners may be taken without such a meeting if all Unit Owners entitled to vote on the action consent to taking such action without a meeting. If all of such Unit Owners so consent, the affirmative vote of the number of votes that would be necessary to authorize or take such action at a meeting shall be the act of the Unit Owners, except as otherwise provided in these Bylaws. Such consent (or counterpart(s) thereof) shall describe the action taken, be in writing, be

signed by each Unit Owner entitled to vote on the action, indicate each signing Unit Owner's vote or abstention on the action, and be delivered to the Secretary of the Association and included in the minutes or Association records.

Section 11. Action by Written Ballot. Any action that may be taken at any annual or special meeting of Unit Owners may be taken without a meeting if the Association delivers a written ballot to every Unit Owner entitled to vote on the matter. The written ballot shall set forth each proposed action and shall provide an opportunity to vote for or against each proposed action. Approval by written ballot shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at a meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at

which the total number of votes cast was the same as the number of votes cast by ballot. All solicitations for votes by written ballot shall:

(a) Indicate the number of responses needed to meet the quorum requirements;

(b) State the percentage of approvals necessary to approve each matter other than election of Directors; and

(c) Specify the time by which the ballot must be received by the Association in order to be counted.

ARTICLE II

Board of Directors

Section 1. Number, Election and Term of Office. The Board of Directors of the Association shall consist of three (3) persons (hereinafter referred to as "Directors"). Directors shall be elected at the annual meeting of Association's Unit Owners by the vote of Unit Owners as hereinafter provided, except that the Developer shall appoint the interim Board of Directors ("Interim Board") until the first meeting.

Section 2. Qualification. Except for those persons making up the Interim Board, each Director shall be a Unit Owner or the spouse of a Unit Owner (or, if a Unit Owner is a trustee of a trust, a Director may be a beneficiary of such trust, and if a Unit Owner or such a beneficiary is a corporation or partnership, a Director may be an officer, partner or employee of such Unit Owner or beneficiary). If a Director shall cease to meet such qualifications during his term, such Director shall cease to be a Director and his or her place on the Board shall be deemed vacant.

Section 3. Regular Meetings. Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice at such time and place as the Board of Directors shall determine from time to time, but no less frequently than once a year.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called by the President or by any two (2) Directors.

Section 5. Notice of Meetings. Except as otherwise provided herein, regular meetings of the Board of Directors may be held without notice of the date, time, place, or purpose of the meeting. Except as otherwise provided herein, special meetings of the Board of Directors must be preceded by at least two (2) days' notice to each Director of the date, time and place, but not the purpose, of such special meeting. Notice of any adjourned meeting need not be given if the time and place to which the meeting is adjourned are fixed at the meeting at which the adjournment is taken, and if the period of adjournment does not exceed one (1) month in any one (1) adjournment.

Section 6. Waiver of Notice. If a Director attends or participates in a meeting, he or she waives any required notice to him or her of the meeting unless the Director at the beginning of the meeting (or promptly upon arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

Section 7. Quorum and Voting. A quorum of the Board of Directors consists of a majority (but no fewer than two (2)) of the Directors then in office before a meeting begins. If a quorum is present

when a vote is taken, the affirmative vote of a majority of the Directors present is the act of the Board of Directors, except as otherwise provided in these Bylaws.

Section 8. Vacancy. If a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of Directors or a vacancy resulting from a removal of a Director with or without cause:

(a) The Unit Owners may fill the vacancy;

(b) The Board of Directors may fill the vacancy; or

(c) If the Directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of all Directors remaining in office.

Any Director elected to fill a vacancy shall hold office for a term equal to the unexpired term of the Director succeeded.

Section 9. Removal of Directors. The Unit Owners may remove any one (1) or more Directors, with or without cause, at any special meeting that is specifically called for that purpose.

Section 10. Action Without Meeting. Action that is required or permitted to be taken at a meeting of the Board of Directors may be taken without such a meeting if all Directors consent to taking such action without a meeting. If all Directors so consent, the affirmative vote of the number of Directors that would be necessary to authorize or take such action at a meeting shall be the act of the Board, except as otherwise provided in these Bylaws. Such consent(s) shall describe the action taken, be in writing, be signed by each Director entitled to vote, indicate each signing Director's vote or abstention on the action, and be delivered to the Secretary of the Association and included in the minutes filed with the Association's records.

Section 11. Indemnification. With respect to claims or liabilities arising out of service as a Director of the Association, the Association shall indemnify and advance expenses to each present and future Director (and his or her estate, heirs, and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

Section 12. Immunity. To the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended, each present and future Director (and his or her estate, heirs, and personal representatives) shall be immune from suit arising from the conduct of the affairs of the Association.

Section 13. Compensation. Directors shall receive no compensation for their services as Directors, unless expressly provided for in resolutions duly adopted by the Unit Owners.

Section 14. Powers and Duties. The Board shall have the following powers and duties:

(a) to elect and remove the officers of the Association as hereinafter provided;

(b) to administer the affairs of the Association and the Property;

(c) to formulate policies for the administration, management and operation of the Property;

(d) to adopt rules and regulations, with written notice thereof to all Unit Owners, governing the administration, management, operation and use of the Property, and to amend such rules and regulations from time to time;

(e) when necessary, to interpret the rules and regulations of the Association;

(f) to exercise all other powers and duties of a board of administration as referred to in the Declaration of Planned Unit Development.

Section 15. Non-Delegation. Nothing in this Article or elsewhere in these Bylaws shall be considered to grant to the Board, the Association or to the officers of the Association any powers or duties which, by law, have been delegated to the Unit Owners.

ARTICLE III

Officers

Section 1. Designation. At each regular meeting, the Directors present at said meeting shall elect the following officers of the Association by a majority vote, provided a quorum exists:

(a) a President, who shall be a Director and who shall preside over the meetings of the Board and of the Unit Owners, and who shall be the chief executive officer of the Association;

(b) a Secretary, who shall keep the minutes of all meetings of the Board and of the Unit Owners, and who shall, in general, perform all the duties incident to the office of Secretary, and who may be a representative of the Managing Agent;

(c) a Treasurer, who shall be responsible for financial records and books of account and the manner in which such records and books are kept and reported; and

(d) such additional officers as the Board shall see fit to elect.

Section 2. Powers. The respective officers shall have the general powers usually vested in such officers; provided that the Board may delegate any specific powers to any other officer or impose such limitations or restrictions upon the powers of any officer as the Board may see fit.

Section 3. Term of Office. Each officer shall hold office for the term of one (1) year and until a successor shall have been appointed or elected and qualified.

Section 4. Vacancies. Vacancies in any office shall be filled by the Board by a majority vote of the remaining Directors at a special meeting of said Board. Any Director so elected to fill a vacancy shall hold office for a term equal to the unexpired term of the officer succeeded.

Section 5. Compensation. The officers shall receive no compensation for their services as officers, unless expressly provided for in a resolution duly adopted by the Unit Owners.

Section 6. Removal. The Board of Directors may remove any officer at any time with or without cause.

Section 7. Indemnification. With respect to claims or liabilities arising out of service as an officer of the Association, the Association shall indemnify and advance expenses to each present and future

officer (and his or her estate, heirs and personal representatives) to the fullest extent allowed by the laws of the State of Tennessee, both as now in effect and as hereafter adopted or amended.

ARTICLE IV

Assessments

Section 1. Annual Budget. The Board shall cause to be prepared an estimated annual budget for each fiscal year of the Association. Such budget shall take into account the estimated common expenses and cash requirements for the year.

Section 2. Assessments. The estimated annual budget for each fiscal year shall be approved by the Board, and copies thereof shall be furnished by the Board to each Unit Owner, not later than thirty (30) days prior to the beginning of such year. On or before the first day of the first month and of each succeeding month of the year covered by the annual budget, each Unit Owner shall pay, as such Owner's respective monthly assessment for the common expenses, one-twelfth (1/12) of such Owner's proportionate share of the common expenses for such year as shown by the annual budget.

Section 3. Partial Year or Month. For the first fiscal year and thereafter until the First Board is elected, the annual budget shall be approved by the Interim Board. If such first fiscal year, or any succeeding fiscal year, shall be less than a full year, then the monthly assessments for each Unit Owner shall be proportionate to the number of months and days in such period covered by such budget. Each Unit Owner shall pay such Owner's assessment for the following month or fraction of a month, which assessment shall be in proportion to the Owner's respective ownership interest in the Common Elements and the number of months and days remaining of the period covered by the current annual budget, and which assessment shall be computed by the Board.

Section 4. Annual Report. Within ninety (90) days after the end of each fiscal year covered by an annual budget, or as soon thereafter as shall be practicable, the Board shall cause to be furnished to each Unit Owner, and to any other party required by the Master Deed, a statement for such year so ended, showing the receipts and expenditures and such other information as the Board may deem desirable.

Section 5. Lien. It shall be the duty of every Unit Owner to pay such Owner's proportionate share of the common expenses and limited common expenses, as provided in The Restrictions, Easements, Covenants, Conditions, Assessments, and Liens for Quail Creek at The Ridges, and as assessed in the manner herein provided.

If any Unit Owner shall fail or refuse to make any such payment of the common expenses or limited common expenses when due, the amount thereof, together with a ten percent (10%) late fee, together with interest thereon at the rate of eight percent (12.0%) per annum after said common expenses become due and payable, shall constitute a lien, as provided in the Act, enforceable by the Board, on the interest of such Unit Owner in the Property, provided, however, that such lien shall be subordinate to the lien of a recorded deed of trust on the interest of such Unit Owner, except for the amount of the proportionate share of common expenses and limited common expenses which are due and payable from and after the date on which such deed of trust beneficiary either takes possession of the Unit, accepts a conveyance of any interest therein (other than as security), or files suit to foreclose on its deed of trust. [The provisions of this paragraph of this Section 7 shall not be

amended, changed, modified or rescinded in any way without the prior written consent of all such lien holders of record.]

The Association or its successors and assigns, and the Board or its agents, shall have the right to enforce the lien as provided in The Restrictions, Easements, Covenants, Conditions, Assessments, and Liens for Quail Creek at The Ridges, and there shall be added to the amount due the costs of any suit maintained to enforce the lien and other fees and expenses, together with legal interest and reasonable attorneys' fees. Furthermore, if any Unit Owner shall fail or refuse to pay when due such Owner's proportionate share of the common expenses or limited common expenses and such Unit Owner withholds possession of such Owner's Unit after demand by the Board or the Association in writing setting forth the amount claimed, the Board or the Association shall have the right to possession of such Unit.

Section 6. Records and Statement of Account. The Board shall cause to be kept detailed and accurate records in a book in chronological order of the receipts and expenditures affecting the Common Elements and Limited Common Elements, specifying and itemizing the common expenses and limited common expenses incurred. Payment vouchers may be approved in such manner as the Board may determine. Said book and the vouchers shall be available for examination by all Unit Owners at convenient hours on working days which shall be set and announced for general knowledge.

The Board shall, upon receipt of ten (10) days' written notice to it or the Association and upon payment of a reasonable fee, furnish to any Unit Owner a statement of account setting forth the amount of any unpaid assessments or other charges due and owing from such Unit Owner.

Section 7. Association Records. The Association shall keep as permanent records minutes of all meetings of its Unit Owners and Board of Directors, a record of all actions taken by the Unit Owners and the Board of Directors without a meeting and all appropriate accounting records.

Section 8. Records at Principal Office. The Association shall keep at all times a copy of the following records at its principal office:

(a) Its Charter or Restated Charter and all amendments thereto;

(b) These Bylaws and all amendments thereto;

(c) Resolutions adopted by the Board of Directors relating to the characteristics, qualifications, rights, limitations and obligations of Unit Owners or any class or category of Unit Owners;

(d) The minutes of all meetings of Unit Owners and the records of all actions taken by Unit Owners without a meeting for the past three (3) years;

(e) All written communications to Unit Owners generally within the past three (3) years, including the past three (3) years' annual financial statements;

(f) A list of the names and business or home addresses of its current Directors and officers;

(g) The most recent annual report delivered to the Tennessee Secretary of State; and

Section 9. Annual Financial Statements. The Association shall prepare annual financial statements that include a balance sheet as of the end of the fiscal year, an income statement for that

year, and such other information necessary to comply with the requirements of the applicable provisions of the Tennessee Nonprofit Corporation Act.

ARTICLE V

Contractual Powers

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 in which one or more of the Directors of the Association are directors, or are financially interested, is void or voidable because such Director or Directors are present at the meeting of the Board or a committee thereof which authorizes or approves the contract or transaction or because his or their votes are counted, if the circumstances specified in either of the following subparagraphs exists:

(a) the fact of the common directorship or financial interest is disclosed or known to the Board or committee and noted in the minutes and the Board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of such Director or Directors; or

(b) the contract or transaction is just and reasonable as to the corporation at the time it is authorized or approved.

Common or interested Directors may be counted in determining the presence of a quorum at a meeting of the Board or a committee thereof which authorizes, approves or ratifies a contract or transaction.

ARTICLE VI

Amendments

These Bylaws may be amended or modified from time to time by action or approval of two-thirds (2/3) of the Unit Owners casting one (1) vote for each Unit owned, as provided in Article I, Section 7 of these Bylaws. Such amendment(s) shall not be operative until they are recorded in the office of the Register of Deeds for Washington County, Tennessee. These By-Laws may not be amended by the Board of Directors.

ARTICLE VII

Definition of Terms

The terms used in these Bylaws, to the extent they are defined herein, shall have the same definition as set forth in The Restrictions, Easements, Covenants, Conditions, Assessments, and Liens for Quail Creek at The Ridges as such may be amended from time to time.

The term "member," as used in these Bylaws, generally means "Unit Owner" as defined in The Restrictions, Easements, Covenants, Conditions, Assessments, and Liens for Quail Creek at The Ridges. "Deed of trust," as used herein, includes a mortgage; and "deed of trust beneficiary" includes a mortgagee and a holder of a deed of trust.

ARTICLE VIII

Miscellaneous Provisions

Section 1. No Seal. The Association shall have no seal.

Section 2. Notices. Whenever notice is required to be given to Unit Owners, Directors or officers, unless otherwise provided by law, The Restrictions, Easements, Covenants, Conditions, Assessments, and Liens for Quail Creek at The Ridges, the Charter or these Bylaws, such notice may be given in person or by telephone, telegraph, mail or private carrier. If such notice is given by mail, it shall be sent postage prepaid by first class United States mail or by registered or certified United States mail, return receipt requested, and addressed to the respective address which appears for each such person on the books of the Corporation. Written notice sent by mail to Unit Owners shall be deemed to have been given when it is mailed. Any other written notice shall be deemed to have been given at the earliest of the following:

(a) When received;

(b) Five (5) days after its deposit in the United States mail if sent first class, postage prepaid; or

(c) On the date on the return receipt, if sent by registered or certified United States mail, return receipt requested, and the receipt is signed by or on behalf of the addressee.

The undersigned hereby certifies that the foregoing Bylaws were duly adopted as the Bylaws of Quail Creek At The Ridges Homeowners' Association, Inc.

DATED the ____ day of _____, 20__.

Quail Creek At The Ridges Homeowners' Association, Inc.

By:_____

STATE OF TENNESSEE
COUNTY OF WASHINGTON

Before me, a Notary Public of the state and county aforementioned, personally appeared _____, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged such person to be _____of the within named bargainor, a Tennessee nonprofit corporation, and that such person, as such _____, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by such person as _____.

Witness my hand and seal, this ____ day of _____, 20__.

_____
Notary Public

My Commission Expires:

_____