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For Register's Office

State of Tennessee, County of WASHINGTON
 Received for record the 16 day of
 NOVEMBER 2007 at 12:00 PM. (REC# 462654)
 Recorded in official records
 film Roll 580 Image 661- 682
 State Tax \$.00 Clerks Fee \$.00,
 Recordings \$ 112.00, Total \$ 112.00,
 Register of Deeds GINGER D. JILTON
 Deputy Register JACKIE THOMPSON

FIRST AMENDED AND RESTATED

BYLAWS

OF

THE GATES AT HIGHLAND RIDGE HOMEOWNERS ASSOCIATION, INC.

ARTICLE I: NAME, LOCATION, APPLICABILITY

Section 1.01 First Amendment. These First Amended and Restated Bylaws of The Gates at Highland Ridge Homeowners Association, Inc. (these "Bylaws") are effective as of November 14, 2007 and amend and restate in their entirety all prior versions of bylaws of the Association including those recorded in the office of the Register of Deeds for Washington County, Tennessee at Roll 300, Image 1121-1130.

Section 1.02 Name. The name of this Association is "The Gates at Highland Ridge Homeowners Association, Inc." (herein referred to as the "Association"), a Tennessee nonprofit corporation.

Section 1.03 Registered Office and Agent. The Association shall maintain a registered office and shall have a registered agent whose business office is identical with such registered office. The Association may have offices at such place or places within reasonable proximity to the Subdivision as the Board may from time to time designate.

Section 1.04 Applicability. These Bylaws provide for the self-government of the Association in accordance with and subject to the provisions of the Charter and the Tennessee Nonprofit Corporation Act.

Section 1.05 Definitions. Unless the context otherwise requires, the terms used in these Bylaws shall have the following meanings:

- (A) "Association" shall mean The Gates at Highland Ridge Homeowners Association, Inc.
- (B) "Board or Board of Directors" shall mean the governing body of the Association.
- (C) "Common Areas" shall mean such land, improvements, and facilities designated on the plats of the Subsections for the Subdivision as being for the common use by all Members and owned by the Association, but not including public roads, public easements, Lots, or property owned by the Developers.
- (D) "Developer or Developers" shall mean RDL Partners, a Tennessee General Partnership, its partners, successors and assigns.
- (E) "Director or Directors" shall mean any Person duly elected to serve on the Board of the Association.
- (F) "Limited Impact Action" shall mean an action which affects fewer than all of the Subsections of the Subdivision.
- (G) "Lot" shall mean any portion of the Subdivision intended for individual ownership and use, together with all improvements erected thereon, as such Lots are designated and shown on any plat of Subdivision or Subsection thereof or any re-plat of any Lot or Lots filed in the Office of the Register of Deeds for Washington County, Tennessee.
- (H) "Member" shall mean any Person who is a Lot owner in the Subdivision, who has been admitted as a dues paying member of the Association and who remains in good standing.
- (I) "Mortgage" shall refer to any mortgage, deed to secure debt, deed of trust or other instrument of transfer or conveyance for the purpose of securing the performance of an obligation, including but not limited to a transfer or conveyance of fee title for such purpose.
- (J) "Person" shall mean any individual, corporation, firm association, trust, partnership or other legal entity.
- (K) "Regulations" shall mean all rules, regulations, policies and procedures adopted and/or amended by the Developer prior to the transition or by the Association after transition from time to time regarding the Subdivision, a Subsection thereof, Common Areas or Lots therein, and/or Members.

(L) "Restrictions" shall mean all easements, covenants, restrictions and regulations imposed by the Developers or the Association on the Subdivision, a Subsection thereof, Common Areas or Lots therein from time to time, and all amendments thereto, including the following:

(i) Restrictions and Reservations for the Gates at Highland Ridge Subdivision recorded in Roll 300, Image 1132, in the Office of the Register of Deeds for Washington County, Tennessee, as amended from time to time;

(ii) Restrictions and Reservations for the Crescent at Highland Ridge Subdivision recorded in Roll 456, Image 266-273, in the Office of the Register of Deeds for Washington County, Tennessee, as amended from time to time;

(iii) Restrictions and Reservations for the Falls at Highland Ridge Subdivision recorded in Roll 456, Image 363-370, in the Office of the Register of Deeds for Washington County, Tennessee, as amended from time to time;

(iv) Restrictions and Reservations for the Villas at Highland Ridge Subdivision recorded in Roll 456, Image 440-447, in the Office of the Register of Deeds for Washington County, Tennessee, as amended from time to time;

(v) Restrictions and Reservations for the Reserve at Highland Ridge Subdivision recorded in Roll 456, Image 516-523, in the Office of the Register of Deeds for Washington County, Tennessee, as amended from time to time;

(vi) Restrictions and Reservations for the Glen at Highland Ridge Subdivision recorded in Roll 456, Image 489-992, in the Office of the Register of Deeds for Washington County, Tennessee, as amended from time to time;

(vii) Restrictions and Reservations for the Grove at Highland Ridge Subdivision recorded in Roll 456, Image 509-515, in the Office of the Register of Deeds for Washington County, Tennessee, as amended from time to time.

(M) "Subdivision" shall mean all that property located in all Subsections and phases of the Highland Ridge Subdivision, including without limitation, all Lots and Common Areas.

(N) "Subsection or Subsections" shall mean any of the following:

(i) The "Gates," being the land embraced in the Gates at Highland Ridge Subdivision, a subdivision in Washington County, Tennessee, as shown by plat recorded in Plat Book 18, Page 48, in the Office of the Register of Deeds for Washington County, Tennessee;

(ii) The "Crescent," being the land embraced in the Crescent at Highland Ridge Subdivision, a subdivision in Washington County, Tennessee, as shown by plat recorded in Plat Book 19, Page 112, in the Office of the Register of Deeds for Washington County, Tennessee;

(iii) The "Falls," being the land embraced in the Falls at Highland Ridge Subdivision, a subdivision in Washington County, Tennessee, as shown by plat recorded in Plat Book 19, Page 113, in the Office of the Register of Deeds for Washington County, Tennessee;

(iv) The "Villas," being the land embraced in the Villas at Highland Ridge Subdivision, a subdivision in Washington County, Tennessee, as shown by plat recorded in Plat Book 19, Page 114, in the Office of the Register of Deeds for Washington County, Tennessee;

(v) The "Reserve," being the land embraced in the Reserve at Highland Ridge Subdivision, a subdivision in Washington County, Tennessee, as shown by plat recorded in Plat Book 19, Page 118, in the Office of the Register of Deeds for Washington County, Tennessee;

(vi) The "Glen," being the land embraced in the Glen at Highland Ridge Subdivision, a subdivision in Washington County, Tennessee, as shown by plat recorded in Plat Book 19, Page 115, in the Office of the Register of Deeds for Washington County, Tennessee;

(vii) The "Grove," being the land embraced in the Grove at Highland Ridge Subdivision, a subdivision in Washington County, Tennessee, as shown by plat recorded in Plat Book 19, Page 116, in the Office of the Register of Deeds for Washington County, Tennessee; and

(viii) The "Additional Tracts," being such additional tracts of land as may be expressly included in the Subdivision from time to time, provided the same are consistent in scope and quality as the existing Subdivision with similar Restrictions and provided the Developers provide advance notice to the Association of such proposed inclusion with a reasonable opportunity to dialogue with the Developers concerning the same prior to the Developers seeking formal zoning/planning commission approval(s)..

(O) "Subsection Transition Readiness" shall mean that a Subsection operated by the Developers has reached a state of readiness for the ownership and operation of Common Areas therein and Restrictions applicable thereto to be transitioned from the Developers to the Association. The Developers and the Association shall use their reasonable discretion to determine Subsection Transition Readiness and should consider, by way of example and not limitation, the following factors:

(i) All Lots within the Subsection shall have been sold to dues paying Lot owners (which may include Lots owned by the Developers), and any dues concessions or abatements granted by the Developers as to any Lot within the Subsection shall have expired;

(ii) All Common Areas relating to such Subsection have been completed to an aesthetic and quality standard consistent with the balance of the Subdivision then administered by the Association, and such Common Areas shall be in good working order;

(iii) No capital work shall be outstanding and uncompleted with regard to infrastructure supporting use of the Subsection (other than ordinary and routine maintenance and repairs) and such infrastructure shall be in good working order;

(iv) The Developers shall have delivered to the Board the most recent twelve-month accounting of income and expenses for such Subsection demonstrating that all expenditures for the Subsection have normalized and are not in excess of the aggregate

dues then applicable for such Subsection;

(v) Dues for all Lots in the Subsection shall be current (or an accrual for delinquent and prepaid dues shall have been made, with the aggregate delinquent amounts not being in excess of 10% of the total monthly dues for such Subsection), and the Developers shall be prepared to deliver to the Association funds sufficient to account for any accruals;

(vi) All expenses relating to the Subsection shall have been paid (or an accrual for expenses incurred but not yet payable shall have been made), and the Developers shall be prepared to deliver to the Association funds sufficient to account for any accruals;

(vii) The Developers shall be able to convey to the Association clear and unencumbered fee simple title to the Common Areas (subject only to Restrictions and real property taxes accruing but not yet due and payable) and free from any material title defects, exceptions or encroachments;

(viii) There shall be no outstanding and unresolved claim, dispute, litigation, or liability affecting the Common Areas or infrastructure implements for such Subsection;

(ix) There shall be no event or occurrence which would give rise to a claim; and

(x) Continuously insured.

Other terms shall have their natural meanings or the meanings given in the Tennessee Nonprofit Corporation Act.

ARTICLE II: PURPOSE

Section 2.01 Purpose. The Association shall have as its purpose the promotion of the welfare of its Members and the residents of the Subdivision and the Subsection of which they are a part. The Association shall manage the Common Areas for recreation and social activities of the Members and their guests. At such time as a Subsection has reached Subsection Transition Readiness, the Developers have granted authority to the Association for enforcement of the Restrictions as to such Subsection and has granted title to Common Areas pertaining thereto, and the Association has accepted such grant(s) (such grant and acceptance not to be unreasonably withheld), the Association will be responsible for enforcing the Restrictions and any existing or subsequent Regulations and for maintaining such Common Areas. It is expressly provided that it is not the purpose or object of the Association to realize a profit on its operations.

ARTICLE III: MEMBERSHIP, DUES, AND VOTING RIGHTS

Section 3.01 Membership Eligibility; Responsibilities. Membership in the Association shall be limited to owners of Lots in the Subdivision according to the public record. Memberships in the Association shall commence upon taking record title to a Lot.

Every Person who is the record owner of a fee or undivided fee interest in any Lot shall automatically become a Member of the Association, excluding persons who hold such interest under a Mortgage. It shall be the responsibility of the Lot owner to communicate with the Secretary of the Association in writing concerning the Lot owner's contact information, payment of dues, assessments and any arrearages, applicable agreements and restrictions pertaining to such Lot, and the transfer or change in title to the Lot.

Section 3.02 Dues; Other Charges. The Board shall provide for a dues structure to meet the annual budget of the Association and any contingency or capital reserves. Further, the Board may from time to time approve special assessments applicable to the Subdivision or a Subsection thereof to address any special needs or unbudgeted expenses of the Association. Every Member shall be responsible for assuring timely payment of any and all dues, assessments or charges applicable to his or her Lot(s) without demand or offset. The Board may adopt Regulations from time to time concerning payment and collection of dues, assessments and fees which Regulations may include, without limitation, provisions for late charges and imposition of costs and fees (including attorneys' fees) as to Members failing to timely pay dues applicable to such Member's Lot(s). Members are responsible for assuring familiarity with all Regulations. Without limitation of the Association's rights and remedies for collection of amounts due from Members, there shall be a lien against each Member's Lot for any unpaid dues, assessments, charges, costs or fees (including attorneys' fees).

Section 3.03 Voting Rights. The Association shall have one class of voting membership. Members shall be entitled to one vote per Lot owned. The Owner or owners of a Lot shall be entitled to one vote at all meetings of Members. Where two or more persons own a Lot, the vote allocated to that Lot shall be cast by the one authorized by such two or more owners, which authorization shall be in writing. Where only one of two or more owners of a Lot is present in person at a meeting, such one shall be entitled to cast the vote with respect to that Lot. If more than one owner attends a meeting of members and the owners of a single lot do not agree on who has the authority to vote, the right to vote for such member shall be suspended until the owners agree. Where one person or group of persons owns more than one Lot, such person or group shall be entitled to cast one vote for each Lot. In the event a partnership, trustee, corporation or other entity owns a Lot or Lots, the vote of such may be cast by a partner, trustee or officer of the same or by any person authorized in writing by a partner, trustee or officer thereof, to represent the same.

Section 3.04 Suspension of Voting Rights. During any period in which a Member shall be in default for more than thirty (30) days in the payment of any fees, assessments or dues to the Association, the voting rights of such Member may be suspended by the Board until such fees, assessments or dues and any penalties relating thereto have been

paid in full. Such rights may also be suspended for a violation of any provision of these Bylaws or any Regulations, until such violation is remedied or cured.

Section 3.05 Membership Approval of Regulations. Any Regulations adopted by the Board shall be submitted to a regular or special meeting of the Members for consideration and approval. Copies of the Regulations to be considered shall be distributed to the Members with the notice of such meeting distributed at least fifteen (15) days prior to the date of such meeting. A majority vote of those present, in person or by proxy, at the meeting where a quorum is in attendance shall be required to approve any proposed Regulations adopted by the Board.

ARTICLE IV: MEETINGS, VOTING, PROXIES

Section 4.01 Place of Meeting. Membership meetings of the Association shall be held at the Subdivision or at such other suitable place convenient to the Members as may be designated in the notice thereof by the Board.

Section 4.02 Annual Meeting. Annual meetings of the membership of the Association may be held within the sixty (60) days prior to the beginning of the fiscal year (January 1st) on such date as the Board shall determine to be in the best interests of the Association. At the annual meeting, reasonably comprehensive reports of the affairs, finances and budget projections of the Association shall be made to the Members, including financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP).

Section 4.03 Special Meetings. The Secretary of the Association shall be required to call a special meeting of the Members as directed by the President of the Association, or upon the resolution of a majority of the Board, or upon presentation to the Secretary of the Association of a petition signed by Members entitled to cast at least twenty-five percent (25%) of the votes of the Association.

Section 4.04 Notice of Meetings. It shall be the duty of the Secretary of the Association to provide written notice of each annual or special membership meeting, stating the purpose thereof as well as the date, time, and place where it is to be held. Such notice shall be delivered personally, by electronic mail (if authorized by such member), or by United States Mail, postage prepaid, to all Members at such address or addresses as any of them may have designated in writing, or if no address has been so designated, at the address of their respective Lots. Except as may be otherwise required by law, notice shall be given to each Member at least fifteen (15) days in advance of any annual or regularly scheduled meeting, and at least seven (7) days in advance of any other special membership meeting. The mailing of a notice in the manner provided in this Section 4.04 shall be considered notice given. Any Member may waive the notice of the meeting by doing so in writing before or after the meeting. Attendance at a meeting,

either in person or by proxy, shall of itself constitute a waiver of notice and waiver of any and all objections to the place or time of the meeting or the manner in which it has been called or convened, unless a Member or other person entitled to notice attends such meeting solely for the purpose of stating, at the beginning of the meeting, any such objection or objections to the transaction of business based on lack of notice of failure to comply with this Article IV. Attendance at a meeting shall also be deemed waiver of notice of all business transacted thereat unless objection to lack of notice is raised before the business, of which proper notice was not given, is put to a vote. A recitation in the minutes of any membership meeting that notice of such meeting was properly given shall be prima facie evidence that such notice was so given.

Section 4.05 Order of Business. The order of business at all annual membership meetings shall generally 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 Officers, if any.
- (E) Reports of committees, if any.
- (F) Election of Directors, if positions are open.
- (G) Unfinished business.
- (H) New business.
- (I) Adjournment.

Section 4.06 Quorum. At all membership meetings, annual or special, a quorum shall be deemed present throughout any meeting until adjourned if Members entitled to cast one third (1/3) of the votes of the Association are present in person or by proxy. No Member whose voting rights have been suspended pursuant to Section 3.04 of these Bylaws shall be counted for a quorum.

Section 4.07 Limited Impact Quorum. In the event the Board seeks approval for an act or action solely affecting one or more Subsections but not the entire Subdivision, the Board may achieve a quorum for such limited impact action if Members entitled to cast one third of the votes for the affected Subsections are present in person or by proxy.

Section 4.08 Adjourned Meetings. Any meeting of the membership which cannot be organized because a quorum has not attended may be adjourned from time to time by the vote of a majority of the Members present in person or represented by proxy. When any membership meeting, either annual or special, is adjourned for a period of thirty (30) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Except as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at any adjourned

meeting, other than by an announcement at the meeting at which such adjournment is taken.

Section 4.09 Proxy. The vote of any Member may be cast pursuant to a proxy or proxies duly executed by or on behalf of the Member and delivered to the Secretary of the Association. Except as otherwise provided in this Section 4.09 or under applicable law, no such proxy shall be revocable except by written notice delivered to the Secretary of the Association by the Member prior to votes being taken in reliance upon such proxy. Any undated proxy or any proxy which purports to be revocable shall be void and ineffective. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. The transfer of title to any Lot shall void any outstanding proxy pertaining to the voting rights appurtenant to that Lot. Unless otherwise provided in the proxy, the presence of such Member at the meeting for which a proxy is given shall automatically revoke the proxy for such meeting.

Section 4.10 Action Taken by Association. Except as otherwise provided by these Bylaws, any action taken at any meeting of Members shall be effective and valid if taken or authorized by a majority of all the votes taken thereon to which all of the Members present in person or by proxy at a duly constituted meeting shall be entitled. In the event of any tie vote at any regular, special, or adjourned meeting of the Association, the President, or the highest ranking Vice President present at the meeting in the absence of the President, shall cast a separate vote to break the tie; provided, however in no event shall the Board be empowered or authorized to execute, sign, or deliver on behalf of the Association any contract of indebtedness, guaranty, surety, deed, mortgage, bond for title, deed to secure debt or deed of trust without the approval of two-thirds (2/3) of the membership.

Section 4.11 Action by Association Without Meeting. Any action which may be taken at a meeting of the Members may be taken without a meeting if written approval and consent, setting forth the action authorized, shall be signed by a majority of the Members entitled to vote and constituting a quorum (i.e. a majority vote of at least one-third of the entire membership affected by the action) on the date on which the last such Member signs approval and consent and upon the filing of such approval and consent with the Secretary of the Association. Such approval and consent so filed shall have the same effect as a majority vote of the Members at a special meeting called for the purpose of considering the action authorized.

Section 4.12 Informal Information Sessions. At the discretion of the Board, the Board may establish informal informational sessions prior to annual meetings or special meetings to provide interested Members an opportunity to review and discuss matters of interest. No formal notice requirements shall apply to such informal informational sessions, and the purpose thereof shall be solely to provide Members

with such additional information and background as such Members and the Board deem appropriate. No formal action of the Board shall be taken at such informal information sessions and the Secretary of the Association shall not be required to maintain minutes of such sessions.

**ARTICLE V: BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS,
COMMITTEES**

Section 5.01 Number. The affairs of the Association shall be governed by a Board of Directors composed of not less than five (5) or more than nine (9) Directors, as determined from time to time by resolution of the Board. Initially, the number of Directors shall be seven (7). At all times, an odd number of Directors shall be maintained. Directors' terms shall be staggered. Thus, the initial term of three (3) of the initial Directors shall be one (1) year. Thereafter, each Director shall serve for a term of two (2) years, unless re-elected. Directors must be natural persons and must be Members or spouses of Members at all times during their service as Directors; provided, however, that only one person per Lot may serve as a Director simultaneously. .

Section 5.02 Powers. The Board shall have the powers necessary to administer the affairs of the Association including, but not necessarily limited to, those powers specifically assigned to the Board in the Charter and these Bylaws. Duties of the Board include, but are not limited to, the following:

- (A) Maintenance, repair, renovation, restoration, replacement, care, and upkeep of the Common Areas;
- (B) Levy and collection from Members and any third parties of assessments, fees, dues, costs and charges levied by the Association in accordance with these Bylaws, the Restrictions, the annual budget, any special assessments, and any Regulations;
- (C) Designation, retention and dismissal of the personnel, contractors, and professionals necessary for administrating the affairs of the Association and performing the maintenance and operation of the Common Areas;
- (D) Establishment, amendment, publication and enforcement of Regulations and administration of the Restrictions once enforcement thereof has been transitioned to the Association;
- (E) Authorization of the payment of bills, obligations and indebtedness of the Association as provided by the annual budget or special initiative.

Section 5.03 Limitation on Exceeding Budget. The Board shall strive to maintain

annual expenditures within the annual budget for each year. To the extent bills, obligations or debts of the Association incurred in the ordinary course of operations exceed the total annual budget by less than 10% of the annual budget, or in the event of unforeseen emergency operational expenditures above such 10% threshold, the Board shall have the power to pay such expenses without seeking further authorization from the Members. Any ordinary course expenditures exceeding 10% of the annual budget and any emergency operational expenditures in excess of 10% of the annual budget shall be reported to the membership by written notice within thirty (30) days of the expenditure. Otherwise, the Board shall not have authority to incur or pay for expenses exceeding the annual budget without the approval of the majority of Members present, in person or by proxy, and eligible to vote at any regular or special meeting of the membership at which a quorum is present.

Section 5.04 Preparation of the Annual Budget. It shall be the duty of the Board at least thirty (30) days prior to the Association's annual meeting to prepare a budget covering the estimated costs of operating the Common Areas during the coming fiscal year, capital improvements, and a reasonable reserve for operating funds, repairs, contingencies, capital expenditures, and other appropriate purposes. The Board shall cause the budget and the assessments to be levied against each Lot for the following year to be delivered to each Member at least fifteen (15) days prior to the meeting. The budget and the assessment shall become effective unless disapproved at the annual meeting by a vote of a majority of the total association membership. Notwithstanding the foregoing, however, in the event that the membership disapproves the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined as provided herein, the budget in effect for the current year shall continue for the succeeding year.

Section 5.05 Election of Directors and Term of Office. The Members shall elect Directors to succeed to the office of all Directors whose terms have expired at the time of such meeting for a term of two (2) years each. Election of Directors shall be in accordance with the procedures set forth in Section 5.06 of these Bylaws. Except in the case of death, resignation, disqualification, or removal, each Director elected by the Members shall serve until the annual meeting at which his or her term expires and until his or her successor has been duly elected and qualified.

Section 5.06 Procedure for Election. Persons may be nominated for election to the Board by a nominating committee appointed by the incumbent Board and by nominations made from any Member. Nominations to the Board by the nominating committee shall be made to the Secretary of the Association in writing at least fifteen (15) days prior to the annual meeting and nominations made by any Member to the Board shall be made to the Secretary of the Association in writing at least seven (7) days prior to the annual meeting. No nomination shall be made without the consent of the person being nominated. Election to the Board shall be by written ballot or

proxy, unless dispensed by majority vote. At such election, Members or their proxies may cast their votes with respect to each vacancy.

Section 5.07 Removal or Resignation. At any regular or special membership meeting of the Association duly called, any one or more of the Directors may be removed with or without cause by a majority vote of the total authorized vote of the Members. The Board shall establish a time for a meeting for the purpose of holding an election by the Members to fill the vacancy or vacancies created by the removal. Any Director whose removal has been proposed by any Member or Members shall be given an opportunity to be heard at the meeting. Any Director may resign at any time by giving written notice to the Board. Such resignation shall take effect on the date of the receipt of the notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of the resignation shall not be necessary to make it effective. The sale of a Lot by a Director or termination of his or her interest in a Lot shall constitute an automatic resignation. Vacancies on the Board caused by any reason other than the removal of a Director by a vote of the Members shall be filled by a vote of the majority of the remaining Directors, even though they may constitute less than a quorum and each person so elected shall serve until a successor is elected and qualified at the next annual meeting of the Members.

Section 5.08 Fees and Compensation. No fee or compensation shall be paid by the Association to Directors for their service as Directors unless such fee or compensation is first fixed by a resolution adopted by a two thirds (2/3) majority vote of the total authorized vote of the Members.

Section 5.9 Regular Meetings. The Board may provide, by resolution, the time and place for the holding of regular Board meetings without notice other than such resolution. The Board shall keep minutes of its meetings and full account of its transactions.

Section 5.10 Special Meetings. Special meetings of the Board may be called by the President on three (3) days notice to each Director, given personally or by mail, electronic mail (if such notice is authorized), or telephone. The notice shall state the time, place and purpose of the meeting. Special meetings of the Board may also be called by the Secretary in like manner and on like notice on the written request of at least a majority of the Directors.

Section 5.11 Waiver of Notice. Before or at any meeting of the Board, 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 shall be a waiver of notice of such meeting and waiver of any and all objections to the place or time of the meeting or the manner in which it has been called or convened,

except when a Director states, at the beginning of the meeting any such objection or objections to the transaction of business.

Section 5.12 Entry of Notice. Whenever any Director has been absent from any special meeting of the Board, an entry in the minutes to the effect that notice has been duly given shall be conclusive and incontrovertible evidence that due notice of such special meeting was given such Director, as required by law and the Bylaws.

Section 5.13 Board Quorum. At all meetings of the Board, a majority of the Directors then in office shall constitute a quorum for the transaction of business.

Section 5.14 Action Taken by Directors. Except as otherwise provided in these Bylaws or by law, every act or decision by a majority of the Directors present in person at a duly held meeting at which a quorum is present shall be regarded as the act of the Board. Any Director may participate in a meeting through any means of communication by which all Directors participating can simultaneously hear each other during the meeting and shall be deemed in attendance at such meeting. In the event of any tie vote, the President, or highest ranking Vice President in the absence of the President, shall cast a separate vote to break the tie.

Section 5.15 Action Without Formal Meeting. Any action required or permitted to be taken at any meeting of the Board or any Committee appointed by the Board may be taken without a meeting if written consent, setting forth the action so taken, shall be signed by all Members of the Board or of such Committee, as the case may be and such written consent is filed with the minutes of the proceedings of the Board or Committee. Such consent shall have the same force and effect as a unanimous vote by the Board or by such Committee, as may be applicable.

Section 5.16 Committees. There shall be such committees as the Board shall determine with the powers and duties that the Board shall authorize. When creating the committee, the Board shall establish a written charter for such committee and designate a Director as the chairperson of such committee or the non-chairperson liaison of such committee to the Board. Other than the chairperson/non-chairperson liaison for such committees, the Persons serving on such committees need not be Director. The majority of Persons serving on a committee must be Members. Unless expressly stated to the contrary in the committee charter, a committee shall not have independent authority to make legally binding commitments on behalf of the Association without specific Board approval for the subject action. By way of example and not limitation, the following committees may be commissioned:

- (A) Architectural Committee;
- (B) Nominating Committee;
- (C) Clubhouse, Pool and Tennis Committee;

- (D) Landscape/Common Area Maintenance Committee;
- (E) Communications Committee;
- (F) Block Captain Committee;
- (G) Social Events Committee;
- (H) Civic & Community Affairs Committee.

ARTICLE VI: OFFICERS

Section 6.01 Officers. The Officers of the Association shall be: (a) President, (b) First Vice President, (c) Second Vice President, (d) Treasurer, and (e) Secretary. No person may hold more than one Office at any time. Additional Offices may be created by the Board of Directors.

Section 6.02 Qualification, Election and Term of Office. Officers must be members of the Board of Directors. The Board of Directors shall appoint the Officers who shall serve at the pleasure of the Board of Directors. Unless removed, the term of each Officer shall be for one (1) year or until his or her successor is appointed.

Section 6.03 President. The President shall be Chairman of the Board. The President shall be the chief executive officer of the Association and, subject to the control of the Board, shall in general manage, supervise, and control all of the business and affairs of the Association and perform all duties incident to the office of President and such other duties as may be prescribed by the Board from time to time. The President shall, when present, preside at all membership meetings. The President may sign, with the Secretary or any other Officer of the Association authorized by the Board, any contracts, deeds, notes, mortgages, bonds, policies of insurance, checks, powers of attorney, or other instruments which the Board has authorized to be executed, except in cases where signing or execution thereof shall be expressly delegated by the Board to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

Section 6.04 Vice President(s). In the absence of the President, or in the event of his or her death or inability or refusal to act, the highest ranking Vice President shall perform the duties of the President and, when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Vice President may perform such duties as shall from time to time be assigned to him or her by the Board.

Section 6.05 Secretary. The Secretary shall:

- (A) Attend and keep the minutes of meetings of the Members, and of the Board;
- (B) Maintain files of all minutes of all committees having any of the authority of the Board;
- (C) See that all notices are duly given in accordance with the provisions of these

Bylaws, or as required by law;

- (D) Be custodian of the Association records;
- (E) Maintain a current list of Members and their address for notice purposes; and
- (F) In general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned by the Board.

Section 6.06 Treasurer. The Treasurer shall:

- (A) Have charge and custody of and be responsible for all funds and securities of the Association, receive and give receipts for monies due and payable to the Association from any source whatsoever, and deposit all such monies in the name of the Association in such banks, trust companies, or other depositories as shall from time to time be selected by the Board;
- (B) Authorize vouchers and sign checks for all monies due and payable by the Association;
- (C) Promptly render to the President and to the Board an account of the financial condition of the Association whenever requested; and
- (D) In general perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the Board. Without limiting the foregoing, the Treasurer may engage such professionals as may be deemed necessary or appropriate from time to time to fulfill the Treasurer's obligations, subject to Board approval; however, the Treasurer shall remain responsible for coordinating the activities of such professionals and reporting to the Board concerning the same.

ARTICLE VII: FISCAL MATTERS, BOOKS AND RECORDS

Section 7.01 Fidelity Bonds. The Board may require that any contractor or employee of the Association handling or responsible for Association funds shall furnish an adequate fidelity bond. The premium for any such bond shall be paid by the Association from the common expense fund.

Section 7.02 Books and Records Kept by Association. The Association shall keep detailed, complete, and accurate financial records, including itemized records of all receipts and disbursements; shall keep detailed minutes of the proceedings of all meetings of the Members and of the Board, and committees having any of the authority of the Board; and shall keep such other books and records as may be required by law or necessary to reflect accurately the affairs and activities of the Association. The Association shall keep at the office of the Association (or such other location(s) as the Board may designate from time to time) a record giving the names and addresses of the Directors and of all Members of the Association.

Section 7.03 Inspection. The books, records, and papers of the Association, subject to such Regulations or restrictions consistent with the Tennessee Non-Profit

Corporation Act as are adopted by the Association, shall upon reasonable advanced written notice and during reasonable business hours, be subject to inspection by any Member or his agent or attorney for any proper purpose. True and correct copies of the Charter of the Association, these Bylaws, and all Regulations of the Association with all amendments thereto, shall be maintained at the principal and the registered offices of the Association (or such other location(s) as the Board may designate from time to time), and copies thereof shall be furnished to any Member on request on payment of a reasonable charge.

Section 7.04 Contracts. The Board may authorize any Officer or Officers, or agent or agents of the Association, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of or on behalf of, the Association, and such authority may be general or confined to specific instances.

Section 7.05 Checks, Drafts, Etc. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association, shall be signed by the Treasurer and countersigned by the President or a Vice President of the Association. In special circumstances, an Officer or Officers, or agent or agents of the Association, as shall from time to time be determined by resolution of the Board, may sign such instruments.

Section 7.06 Deposits. All funds of the Association shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board may select.

Section 7.07 Gifts. The Board may accept, on behalf of the Association, any contribution, gift, or bequest or devise for the general purposes, or for any special purpose, of the Association.

Section 7.08 Fiscal Year. The fiscal year of the Association shall begin January 1st and end December 31st.

Section 7.09 Annual Statements. Not later than three (3) months after the close of each fiscal year, the Board shall prepare or cause to be prepared (a) a balance sheet showing in reasonable detail the financial condition of the Association as of the close of its fiscal year and (b) an income and expense statement showing the results of its operations during its fiscal year. Such statements may, in the discretion of the Board, be audited statements. Upon reasonable advanced written notice, the Treasurer shall make available for review by any Member during reasonable business hours a true copy of the balance sheet and income and expense statement. At any time during the fiscal year, upon reasonable advance written request, the Treasurer shall make available for review to any Member during reasonable

business hours true copies of the most recent balance sheet and income and expense statement.

Section 7.10 Audits. The Members may call for an audit by a certified public accountant of any Association financial records. Such audit at the Members' initiative shall be performed only by the affirmative approval of a majority of the membership present, in person or by proxy, and eligible to vote at any annual or special meeting. The Board, by a two thirds (2/3) vote of the Directors present at any regular or special meeting of the Board, may also call for such an audit. The audits initiated by the Members or the Board shall occur no more frequently than once a year. The certified public accountant shall be selected by the Board.

Section 7.11 Notices. Each Member shall be obligated to furnish to the Secretary of the Association the address, if other than the Member's Lot, to which any notice or demand to the Member under these Bylaws, is to be given. If no address other than such Lot has been designated, all such notices and demands shall be mailed or delivered to such Lot.

Section 7.12 Payment of Taxes on Common Areas and Insurance Premiums. The Board shall cause payment to be made, in a timely manner, of all taxes assessed against the Common Areas or Association property and of all insurance premiums. The Board shall have the authority to enter into agreements with institutional holders of first mortgages on individual Lots to permit said holders to pay past due taxes or insurance premiums owed by the Association subject to an immediate right of said holders to reimbursement by the Association.

ARTICLE VIII: INSURANCE

Section 8.01 Types of Coverage. The Association shall maintain in effect at all times as a common expense the types of insurance coverage required by law, and such other insurance as the Board may from time to time deem appropriate. The Board shall review the amount and terms of such insurance annually.

Section 8.02 Repair and Restoration of Common Areas. In the event-of any damage to or destruction of the common areas or on any Lots required to be insured by the Association the structures shall be repaired or restored unless, within thirty (30) days of the occurrence of the damage or destruction, two-thirds (2/3) of all Lot owners agree not to repair or restore the damaged or destroyed structure. If the cost of repairing or restoring any damage exceeds the insurance proceeds available for such purposes, then any excess funds required shall be a common expense shared by all the Lot owners and the Board shall have the power to determine if a special assessment of the Members is required.

ARTICLE IX: MISCELLANEOUS

Section 9.01 Parliamentary Rules. Unless waived by majority vote of the Members in attendance, in person or by proxy, at any duly called membership meeting, or unless waived by a majority of the Directors present at any duly called meeting of the Board, Roberts' Rules of Order (latest edition) shall govern the conduct of the proceedings of such meeting when not in conflict with Tennessee law or these Bylaws.

Section 9.02 Conflicts. If there are any conflicts or inconsistencies between the provisions of Tennessee law and these Bylaws, the provisions of Tennessee law shall prevail.

Section 9.03 Amendment. The Charter of the Association may be amended by the Board of Directors as provided in T.C.A. §48-60-102(a), as now existing or hereafter amended. These Bylaws may be amended by the Members pursuant to T.C.A. §48-60-103(a)(1), as now existing or hereafter amended, at a regular or special meeting of the Members of the Association duly called and held for such purpose, pursuant to a resolution proposing the amendment adopted by the Board or proposed by twenty five percent (25%) of the Members of the Association. Such resolution must be approved by at least two-thirds (2/3) of the Members of the Association entitled to cast votes. Any amendment to these Bylaws shall be consistent with Tennessee law and the Charter of the Association.

Section 9.04 Indemnification. Each Director of the Association who was, or is, a party or is threatened to be made a party to any threatened, pending or completed action, suit, or proceeding, by reason of the fact that he is or was a Director of the Association, shall be indemnified by the Association against those expenses and costs which are allowed by the laws of the State of Tennessee and which are actually and reasonably incurred by him or her in connection with such action, suit, or proceeding. Such indemnification shall be made only in accordance with the laws of the State of Tennessee and subject to the conditions prescribed therein. To the extent obtainable, the Association shall maintain insurance on behalf of Directors of the Association against all liabilities asserted against, and incurred by, any such person in such capacity or as an officer, or arising out of his or her status as such, whether or not the Association would have the power to indemnify such Directors against such liabilities under the laws of the State of Tennessee. The expenses and costs incurred or to be incurred by a Director who is a party to a proceeding shall be advanced by the Association provided the requirements of T.C.A. §48-58-504(a)(1-3), as now existing or hereafter amended, are satisfied.

Section 9.05 Agreements. All agreements and determinations lawfully authorized by the Board shall be binding upon all Members, their heirs, legal representatives, successors, assigns or others having an interest in the Subdivision. In performing its

responsibilities hereunder, the Association, through the Board, shall have the authority to delegate to such persons of its choice, such duties of the Association as may be determined by the Board.

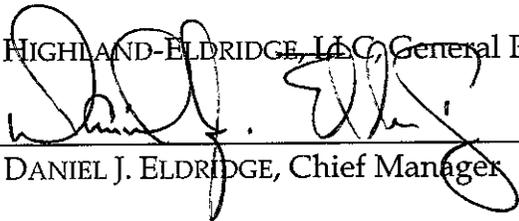
Section 9.06 Severability. Invalidation of any covenant, condition restriction provision, sentence, clause, phrase or word of these Bylaws, or the application thereof in any circumstances, shall not affect the validity of the remaining portions thereof and of the application thereof, which shall remain in full force and effect.

Section 9.07 Gender and Grammar. The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions apply either to corporations or individuals, men or women shall in all cases be assumed as though in each case fully expressed.

Section 9.08 Headings and Captions. The articles, section headings, and captions are for convenience and reference only and in no way define or limit the scope and content of these Bylaws or in any way affect the provisions hereof.

**RDL PARTNERS,
A TENNESSEE GENERAL PARTNERSHIP**

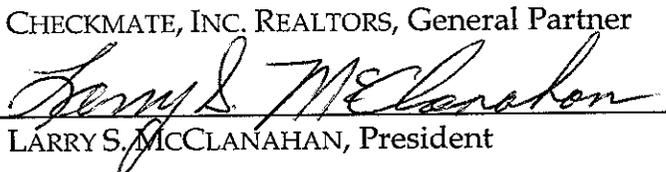
HIGHLAND-ELDRIDGE, LLC, General Partner

By: 
DANIEL J. ELDRIDGE, Chief Manager

HIGHLAND FALLS, LLC, General Partner

By: 
RON GOUGE, Member

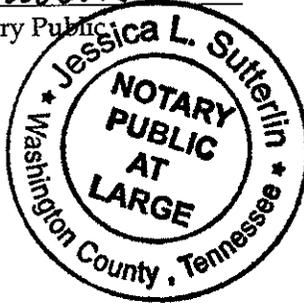
CHECKMATE, INC. REALTORS, General Partner

By: 
LARRY S. MCCLANAHAN, President

STATE OF TENNESSEE)
)
COUNTY OF WASHINGTON)

Before me, a Notary Public of the State and County aforesaid, personally appeared RON GOUGE, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be a Member of Highland Falls, LLC, a general partner of RDL Partners, a general partnership, the within named bargainor, and that he as such Member, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability by himself as Member, of RDL Partners, as its general partner.

Witness my hand and seal, at office this 15th day of November, 2007.

Jessica Sutterlin
Notary Public


My Commission Expires:
April 28, 2008

STATE OF TENNESSEE)
)
COUNTY OF WASHINGTON)

Before me, a Notary Public of the State and County aforesaid, personally appeared LARRY S. McCLANAHAN, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be the President of Checkmate, Inc. Realtors, a general partner of RDL Partners, a general partnership, the within named bargainor, and that he as such President, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the limited liability by himself as President, of RDL Partners, as its general partner.

Witness my hand and seal, at office this 14th day of November, 2007.

Jessica Sutterlin
Notary Public


My Commission Expires:
April 28, 2008

STATE OF TENNESSEE)
)
COUNTY OF WASHINGTON)

Before me, Jessical Sutterlin, a Notary Public of the state and county aforesaid, personally appeared CYNTHIA WOODMANSEE, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged herself to be President of The Gates at Highland Ridge Homeowners Association, Inc., the within named bargainor, a corporation, and that she as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by herself as President.

Witness my hand and seal, at office this 14th day of November, 2007.

Jessica Sutterlin
Notary Public



My Commission Expires:

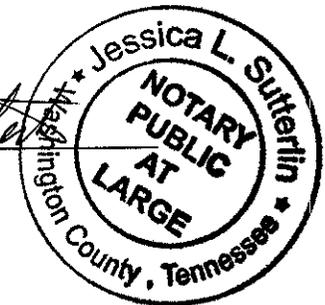
April 28, 2008

STATE OF TENNESSEE)
)
COUNTY OF WASHINGTON)

Before me, Jessical Sutterlin, a Notary Public of the state and county aforesaid, personally appeared PHIL BEGLEY, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be Secretary of The Gates at Highland Ridge Homeowners Association, Inc., the within named bargainor, a corporation, and that he as such Secretary, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as Secretary.

Witness my hand and seal, at office this 14th day of November, 2007.

Jessica Sutterlin
Notary Public



My Commission Expires:

April 28, 2008