

Prepared by:
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**AMENDMENT #1 TO BY-LAWS
OF THE
ROYAL OAKS LEGACY VILLAS HOMEOWNERS' ASSOCIATION, INC.**

WHEREAS, real property located within the homeowners' association known as the Royal Oaks Legacy Villas Homeowners' Association, Inc., hereinafter referred to as the "Association," is subject to a certain Declaration of Covenants, Conditions and Restrictions dated July 19, 2005, which was duly recorded in the Register's Office for Blount County, Tennessee, and the adopted By-Laws to govern the operation of the Association on July 20, 2005, and

WHEREAS, the members of the Association adopted at member meetings on April 14, 2009 and October 20, 2009, the following amendments to the By-Laws by the affirmative vote of a majority of members attending or represented by proxy at said meetings, and

WHEREAS, the Board of Directors hereby amends the section under Directors, titled "Number and Term of Office, Section 2" (6. below), as its right under the current By-Laws,

NOW THEREFORE, the Association's By-Laws are hereby amended as follows:

1. The opening paragraph of the By-Laws entitled "Name and location," is hereby amended to read as follows:

The name of the corporation is ROYAL OAKS LEGACY VILLAS HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association". The principal address of the corporation is P.O. Box 4596, Maryville, Tennessee 37802. Meetings of the members and Directors may be held at such places within the State of Tennessee, as may be designated by the Board of Directors.

Note - Addresses on the original By-Laws dated July 20, 2005 are no longer valid.

2. Definitions, Section 2. is hereby amended to read as follows:

"Common Areas" shall mean all real property, including the improvements thereto, owned by the Association for the common use and enjoyment of the Owner(s), including the roads and common areas shown on the plats of record in Map Files 2108B and 2176B, in the Register's Office for Blount County, Tennessee. Paved roads in Legacy Villas are maintained by ROPOA, the Royal Oaks Property Owners' Association, P.O. Box 6734, Maryville, TN 37802.

3. Meetings of Members, Annual Meetings, Section 1 (in its entirety) is hereby amended to read as follows:

Annual meetings of the members shall be held in mid January each year, at a date and time established by the Board of Directors.

4. Meetings of Members, Notice of Meetings, Section 3. is hereby amended to read as follows:

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

5. Directors, Management, Section 1, is hereby amended to read as follows:

The affairs of the Association shall be managed by a Board of Directors, whose members

reside in Legacy Villas.

6. Directors, Number and Term of Office, Section 2, is hereby amended to read as follows:

The Board of Directors shall consist of three to four directors who shall be elected by a majority vote of the quorum of members present at the meeting entitled to vote, including proxies, and in accordance with Section 7. of this provision. The Board of Directors may by majority vote of its entire membership enlarge the membership of the Board of Directors and may likewise reduce the membership of the Board of Directors when, in their sole judgment and discretion, it is in the best interests of the Association so to do. Any such enlargement or reduction of the Board of Directors shall be by amendment to these By-Laws.

7. Directors, Duties, Section 10, paragraph (f), is hereby amended to read as follows:

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

8. Officer's Duties, Section 8, paragraph (a), is hereby amended to read as follows:

The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall have the authority to sign all checks and promissory notes. All checks over \$500 must be co-signed by the President and Treasurer, or if electronic banking is used, co-approval will be documented and maintained for three years.

9. Officer's Duties, Section 8, paragraph (d), is hereby amended to read as follows:

The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual review of the Association's books to be made by two disinterested people (not Board members) at the completion of each fiscal year, the goal being to verify the statements, accounts, and transactions reported by the Treasurer; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members. The Board may elect to have a professional audit if and when it deems it necessary.

10. The following new section is hereby added to the By-Laws, and in any future rewrite would be placed after the By-Laws "Committees" section. Note that this addition is a supplement to, and is in no way intended to conflict with, the Association's "Declaration of Covenants, Conditions and Restrictions," Article VI on Exterior Maintenance.

EXTERIOR MAINTENANCE

Association responsibilities relating to Legacy Villas' exterior maintenance items are confined to maintenance, repairs and replacement resulting from normal aging, exposure, and wear to original property, not to changes made by the homeowner. Repairs and replacements resulting from original construction defects, accidents, natural disasters, civil disturbances, vandalism and other loss normally covered under homeowner's insurance, whether or not a policy is in effect, are the responsibility of the homeowner. Homeowner negligence, willful destruction and other similar acts shall also be the responsibility of the homeowner.

Any additions or changes to the building's exterior shall be the responsibility of the homeowner and require prior Board of Director's approval, and said changes shall be maintained by the homeowner. The Board may delegate a portion of this responsibility to an Architectural Review Committee (ARC). Air conditioning units are the homeowner's responsibility. Ivy and other vines on exterior surfaces are prohibited.

All maintenance, repair and replacement which is the responsibility of the Association will be provided under the direction of the Board after considering the specific circumstances and the most economical and appropriate method. The Board may obtain advice from qualified tradesmen, the ARC, and others, and will decide when, and to what extent, a situation requires remedy. Repairs which are non-emergency in nature may be delayed for budgetary reasons. The homeowner, in no circumstances, will dictate the method of repairs used when the

Association is responsible for them. Both the homeowner and the Association are to provide maintenance and repairs in good faith on a reasonable and timely basis so as to prevent further damage.

A. Recurring Maintenance - The Association will be responsible for the following recurring maintenance items, and will insure appropriate items are inspected annually for required maintenance:

1. Lawn care - Mowing and edging as necessary. Fertilizing and weed treatment (usually 3-5 times a year). Reseeding and/or sod replacement as necessary, unless lawn problems were caused by the homeowner.
2. Perimeter pest control - Application of a general pest control product on a scheduled basis around building perimeters (usually 4 or more times a year). Homeowners are responsible for individual unit termite control, any termite damage, and all internal pest control.
3. Decks - Application of a protective product to decks including ballasters, rails, and steps (usually every 2-3 years). Repair decks as needed. The Association is only responsible for original decks of approximately 140 square feet. Other deck costs are paid by the homeowner with Board coordination.
4. Exterior windows and Doors, including frames, jambs and sills - Prep and caulk as needed; paint as necessary. This does not include maintenance or repair of glass, screens, weather-stripping, locks, latches or hardware or any other window part.
5. Exterior accessories - Light sensors - Replace when necessary.
6. Landscape shrubs and trees - original developer planted and common area only. Treat for pests and diseases as necessary. Trim trees so they do not touch gutters or roofs. Homeowners are responsible for maintaining their beds, i.e. mulch, weeds, owner planted shrubs and trees, etc.

Note - If homeowners choose to maintain any of the items (above or in B. below) themselves, they should inform the Board so that time and money is not wasted. If the homeowner damages an item while performing their own maintenance, the Association may no longer be held responsible for that item.

B. Capital Improvements - Funds set aside for this purpose will normally be used for the following items, as decided annually by the Board. If funds are insufficient, homeowners will need to pay for them through special assessments, or pay them directly after coordinating this with, and getting approval from the Board.

1. Roofs - Repair when necessary (example: loose or missing shingles). This does not include any damages normally covered by homeowner's insurance. Replacement of roofs at a time determined by the Board. This replacement may include needed repair or replacement of wood sheathing under the shingles, however, it is not the Association's responsibility to replace structural supports under the roof. Repairs exclude skylights or satellite dishes.
2. Fascia boards and vinyl soffits - Repair or replace when necessary.
3. Brickwork - Repair and/or replace as necessary.
4. Decks - Replace decks as necessary. The Association is only responsible for original decks of approximately 140 square feet. Other deck costs are paid by the homeowner with Board coordination.
5. Gutters and downspouts - Repair or replace as necessary. Does not include cleaning or leaf removal.
6. Exterior accessories - Shutters - Paint or replace when necessary. Homeowners are responsible for shutter repairs.
7. Concrete driveways and walkways - Repair major holes or cracks as needed. Replace as necessary.

