

THIS INSTRUMENT PREPARED BY  
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CROLEY, DAVIDSON & HUIE  
2210 FIRST TENNESSEE PLAZA  
KNOXVILLE, TN 37929

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

FOR

MOSS CREEK VILLAS

A PLANNED UNIT DEVELOPMENT

THIS DECLARATION, made and entered into this \_\_\_\_ day of May, 1996, by the MOSS CREEK VILLAS, L.L.C., a Tennessee limited liability company, with its principal place of business being located in Knox County, Tennessee, hereinafter referred to as "Declarant,"

W I T N E S S E T H ;

WHEREAS, the Declarant is the owner of certain real property located and being legally described as follows, to-wit:

SITUATED in District No. Five (5) of Knox County, Tennessee, and within the 40th Ward of the City of Knoxville, Tennessee, and being known and designated as Unit 1, Moss Creek Villas, A Planned Unit Development, as shown by map of record in Map Cabinet O, Slide 17-D, in the Registrar's Office for Knox County, Tennessee, to which map specific reference is here made.

NOW, THEREFORE, Declarant hereby declares that all of the real property hereinabove described shall be held, sold, and conveyed subject to the following easements, restrictions, covenants and conditions, which are for the purpose of protecting the value and desirability of and which shall run with the real property hereinabove described, and shall be binding on all parties having any right, title or interest in the above-described property, or any part thereof, its respective heirs, successors and assigns, and shall inure to the benefit of every Owner(s) thereof by virtue of such ownership.

ARTICLE I

DEFINITIONS

Section 1: "Association" shall mean and refer to MOSS CREEK VILLAS HOMEOWNERS' ASSOCIATION, a mutual benefit, not-for-profit corporation, organized and existing under the laws of the State of Tennessee, with its principal office being located in Knox County, Tennessee, its successors and/or assigns.

Section 2: "Owner(s)" shall mean and refer to the record owner(s), whether one or more person or entity, of a fee simple title to any Lot, which is a part of the "Property," including contract seller(s), but excluding those having such interest merely, as security for the performance of an obligation.

Section 3: "Property" shall mean and refer to that certain real property hereinabove-described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association as provided herein.

Section 4: "Lot" shall mean and refer to any plat of land shown upon any recorded subdivision map of the "Property," exclusive of any designated common areas and joint permanent easements as shown on the recorded plat, and as hereinabove brought within the jurisdiction of the Planned Unit Development by the recordation of additional plats by the Declarant, its successors and assigns.

Section 5: "Declarant" shall hereinafter mean and refer to MOSS CREEK VILLAS, its successors and assigns. Declarant and Developer are synonymous for the purposes of this Declaration.

Section 6: "Member" shall mean and refer to those person(s) entitled to membership as provided in this Declaration.

Section 7: "Lender" as used herein shall mean and be defined as any lender, whether institutional investor, bank, savings and loan association, or loan broker, whose loan is secured by a Lot in the Development as shown on the recorded plat and shall include, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Federal Housing Administration (FHA) and the Veterans Administration (VA), their respective successors or assigns, as their respective interests may appear.

Section 8: "Common Areas" as used herein shall mean all real property, including the improvements thereon, owned by the Association for the common use and enjoyment of the Owner(s), their respective successors and assigns, and as designated on the recorded plat, if any, and being more particularly described in Exhibit "A" attached hereto and made a part hereof.

## ARTICLE II

### PROPERTY RIGHTS

Section 1: Owners' Easements and Enjoyment. Every Lot Owner(s) shall have a right and easement of enjoyment in and to the Common Areas, which shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

(a) The right of the Association to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Areas;

(b) The right of the Association to suspend the voting rights and right of use to the recreational facilities of an owner(s) for any period during which any assessment against their respective Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of the Association's published rules and regulations;

(c) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members; provided that, any such dedication or

transfer shall not be effective unless an instrument agreeing to such dedication or transfer signed by two-thirds (2/3) of each class of members has been recorded.

Section 2: Delegation of Use. Any Lot Owner(s) may delegate, in accordance with the By-Laws, his/her right of enjoyment to the Common Areas and facilities to the members of his/her family, his/her tenants, or contract purchaser(s), who reside on the property.

### ARTICLE III

#### MEMBERSHIP AND VOTING RIGHTS

Section 1: Every Owner(s) of a Lot, which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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

Class A - Class A members shall be every Owner(s) with the exception of the Declarant, and each Owner(s) shall be entitled to one (1) vote for each Lot owned; when more than one (1) person owns an interest in any Lot, all such person(s) shall be members; the vote for such Lot shall be exercised as the co-owners may among themselves determine, but in no event shall more than one (1) vote be cast with respect to any one (1) Lot. In the event the Declarant, its successors or assigns, has a Lot leased or rented, the Declarant shall be entitled to one (1) vote for each Lot owned and one (1) vote for each Lot retained by it upon the termination of the Class B membership; provided that, notwithstanding anything herein to the contrary, only one (1) vote shall be exercised for each Lot as a Class A member.

Class B - The Class B member shall be the Declarant, and it shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership at such time as seventy-five percent (75%) of 98 lots in the Property have been conveyed to Lot purchasers.

### ARTICLE IV

#### COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1: Creation of the Lien and Personal Obligation of Assessments. Except as otherwise provided herein, the Declarant, for each Lot owned within the Property, hereby covenants, and each Owner(s) of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) annual assessments or charges, and (b) special assessments for capital improvements,

such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which the assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person(s) who is the Owner(s) of such Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to their respective successor(s) in title unless expressly assumed by such successors and assigns.

In consideration of the fact that Declarant has constructed at its own expense various facilities for the benefit of the Association, Declarant shall be exempt from all such annual assessments and special assessments and shall not be obligated to pay an annual or special assessment or prorated portion thereof for any subdivided lot or land owned by it.

Section 2: Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the residents in the Property and for the improvement and maintenance of the common areas situated within the Property, including but not limited to costs of repairs, maintenance, replacements, additions, management, insurance maintained in accordance with the Association By-Laws, the improvement and maintenance of the uniform scheme of the exterior surfaces of all residential buildings within the Property as constructed on each Lot, and the employment of attorneys to represent the Association when the need arises.

Section 3: Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be Three Hundred and 00/100 Dollars (\$300.00) per Lot, payable in lump sum payments or installments as the members of the MOSS CREEK VILLAS HOMEOWNERS' ASSOCIATION may establish.

(a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner(s) the maximum annual assessment may be increased each year without a vote of the Members, if such increase is not in excess of the increase in the consumer price index (CPI) as established by the Department of Labor and published the July preceding the increase in the annual assessment.

(b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner(s), the maximum annual assessment may be increased each year above that established by the consumer price index (CPI) by a vote of the members with a two-thirds (2/3) affirmative vote of each class of members who are eligible to vote, whether voting in person or by proxy, at a meeting duly called for the purpose of establishing said annual assessment as provided in Section 5 hereof.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum set forth herein subject to the provisions of Sections 6 and 7 hereof.

Section 4: Replacement Reserves. The Association shall maintain in a separate bank account funds for Replacement Reserves to

maintain, improve and preserve (a) exterior building surfaces and roofs, (b) Common Areas, and (c) the Non-Exclusive Joint Permanent Easements. The Replacement Reserves shall be a part of and collected from Lot Owner(s) by the Association as regular assessments in an amount determined and established in the annual Association budget.

Section 5: Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Non-Exclusive Joint Permanent Easement and/or Common Areas designated on the recorded plat, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are eligible to vote and are voting in person or by proxy at a meeting duly called for this purpose. All special assessments shall be fixed at a uniform rate for all Lots and may be collected monthly. The Capital Improvement Fund shall be maintained in a separate bank account in the name of the Association as the Capital Improvement Fund.

Section 6: Notice and Quorum for Any Action Authorized Under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of the members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. Subsequent meetings shall not be held more than sixty (60) days following the preceding meeting.

Section 7: Uniform Rate of Assessment. Except as otherwise provided herein, both annual and special assessments must be fixed at the uniform rate for all Lots and may be collected on a monthly basis.

Section 8: Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to each Lot on the first day of the month following the conveyance of the Common Areas and Non-Exclusive Joint Permanent Easement to the Association. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner(s) subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance. Upon a person or entity's ceasing to be a

Member of the Association, such Member shall not be entitled to any refund of his assessment.

Section 9: Effect of Nonpayment of Assessments. If the assessments are not paid on the date when due (being the dates specified in Article IV hereof), then such assessment shall become delinquent and shall, together with such interest thereof and cost of collection thereon including attorneys fees as hereinafter provided, thereupon become a continuing lien on the property which shall bind such property in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. The personal obligation of the then Owner to pay such assessment, however, shall remain their personal obligation for the statutory period.

If the Assessment is not paid on the due date, the assessment shall bear interest from the date of delinquency at lesser of (i) the maximum legal rate of interest for the State of Tennessee on the date of delinquency or (ii) the rate of ten (10%) percent per annum; and the Association may (i) institute litigation against the Owner personally obligated to pay the same and/or (ii) foreclose the lien against the property. There shall be added to the amount of such assessment the cost of preparing and filing the complaint in such action, and in the event a judgment is obtained, such judgment shall include interest on the assessment as above provided and a reasonable attorney fee together with the costs of the action.

Section 10: Subordination of the Lien to Mortgage. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages now or hereafter placed upon the lot subject to assessment; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to a sale or transfer of such lot pursuant to a decree of foreclosure or any other proceeding in lieu of foreclosure. Such sale or transfer shall not relieve the lot from liability for any assessments thereafter becoming due nor from the lien of any such subsequent assessment. An assessment shall not be subordinate to a mortgage held by a prior owner who was the Owner at the time such assessment accrued.

Section 11: Exempt Property. All property dedicated to and accepted by a local public authority and all properties owned by charitable and nonprofit organizations shall not be subject to the assessments provided for herein. However, in no event, shall any land or improvements devoted to residential use and occupancy within the Property be exempt from said assessments.

#### ARTICLE V

##### ARCHITECTURAL CONTROL

Buildings, fences, walls or other structures shall not be commenced, erected or maintained upon the Property, nor shall any exterior addition, modification, change, or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, and location of the such building, fence, wall, or other structure shall have been submitted to and approved in writing as to the harmony and conformity with the exterior design and location of surrounding structures and

topography by the Board of Directors of the Association, or by an Architectural Control Committee composed of three (3) or more representatives appointed by the Board of Directors of the Association. In the event said Board or its designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with by the respective Lot Owner(s). Provided, that nothing herein contained shall be construed to permit interference with the development of the Property by Declarant so long as said property follows the general plan of development. Until such time as the Board of Directors is elected as provided in the By-Laws of the Association, Declarant shall act as the Architectural Control Committee pursuant to this paragraph.

## ARTICLE VI

### PARTY WALLS

Section 1: General Rules of Law to Apply. Each wall which is built as a part of the original construction of the residential units upon the Property and placed on the dividing line between Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence, or willful acts or omissions shall apply thereto.

Section 2: Sharing of Repair and Maintenance. The cost of the reasonable repair and maintenance of a party wall shall be shared by the Owner(s) who make use of the wall in proportion to such use.

Section 3: Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner(s) who has used the wall may restore it, and if the other Owner(s) thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owner(s) to call for a larger contribution from the other Owner(s) under any rule of law regarding liability for negligent or willful acts or omissions.

Section 4: Weatherproofing. Notwithstanding any other provision of this Article, an Owner(s) who by their negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

Section 5: Right to Contribution Runs With Land. The right of any Owner(s) to contribution from any Owner(s) under this Article shall be appurtenant to the land and shall pass to such Owners' respective successor(s) in title.

Section 6: Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one (1) arbitrator, and such arbitrators shall choose one (1) additional arbitrator, and the decision concerning said dispute shall be determined by a simple majority of all the arbitrators.

## ARTICLE VII

### EXTERIOR MAINTENANCE

In addition to maintenance upon the Non-Exclusive Joint Permanent Easement, the Association shall provide exterior maintenance upon each Lot which is subject to assessment hereunder, as follows: paint, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, flowers, sidewalks, and any other structures and improvements, which may exist or hereafter be constructed within the Common Areas shown on the recorded plats. Such exterior maintenance shall not include glass surfaces. In the event that the need for maintenance or repair of a Lot or the improvements thereon is caused through the willful or negligent acts of its Owner(s), or through the willful or negligent acts of the family, guests, or invitees of the Owner(s) of the Lot needing such maintenance or repair, the costs of such exterior maintenance shall be added to and become a part of the assessment to which such Lot is subject, and shall be collected in accordance with terms of this Declaration.

## ARTICLE VIII

### RESTRICTIONS ON USAGE

Section 1: Land Use and Building Types. Lots shall not be used except for residential purposes. In the event that in a future annexation or development, if any, certain plots of land are designated as "commercial areas" on recorded plats, then such plots may be used for any commercial purposes permitted by applicable municipal and zoning ordinances.

Section 2: Nuisance. Noxious or offensive activities shall not be conducted upon any Lot nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood and Property.

Section 3: Animals. No animals, livestock, or poultry of any kind shall be kept or maintained on any Lot or in any residential unit except that dogs, cats, or other household pets may be kept or maintained provided that they are not kept or maintained for commercial purposes, and provided further, that the Association may regulate the keeping and maintaining of household pets.

Section 4: Outside Antennas. Outside radio, television or satellite antennas shall not be erected on any Lot or residential unit within the Property unless and until permission for the same has been granted by the Board of Directors of the Association or the Association's Architectural Control Committee.

Section 5: Signs. Sign(s) of any kind shall not be displayed to public view on any Lot except one (1) professional sign of not more than five (5) square feet advertising the property for sale or rent, or signs used by a builder to advertise and market the property during the construction and sales period. Declarant reserves the right to display and authorize the display of signs of a larger size for promotion of the development.

Section 6: Garbage and Refuse Disposal. Lots shall not be used or maintained as a dumping ground for rubbish, trash, garbage, or other waste, and such refuse shall not be kept except in sanitary containers; all equipment for the storage of such material shall be kept in a clean and sanitary condition; incinerators or other disposal equipment shall not be allowed on any Lot.

Section 7: Lawful Use. Immoral, improper, offensive, or unlawful use shall not be made of the Lots and residential units within the Property, nor any part thereof; and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 8: Commercial Business. Commercial business may not be maintained or transacted on any Lot or in any residential unit.

Section 9: Sports Apparatus and Equipment. Basketball goals, posts or backboards or any other fixed sports apparatus shall not be attached to any residential unit or garage or be erected on the Lot of any residential unit.

Section 10: Vehicles and Parking. Vehicles of any type shall not be permanently or semi-permanently parked on the Property or in the vicinity of any Lot or residential unit for the purpose of accomplishing repairs thereto, or the reconstruction thereof, except as permitted by the By-Laws, Rules and Regulations promulgated by the Association. This restriction shall also apply to all vehicles not in operating condition regardless of whether or not such vehicles are being operated.

Section 11: Recreation Vehicles. There shall not be any parking of recreational vehicles, including, but not limited to, camping trailers, boats, motor homes, and the like, except in areas specifically designated for this purpose by the Board of Directors of the Association.

Section 12: Commercial Vehicles. The Association shall have the power to adopt Rules and Regulations concerning the parking of any commercial vehicles within the Property or on individual residential Lots.

#### ARTICLE IX

##### EASEMENTS

Section 1: Utilities and Drainage. Easements for the installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded plat. Within these easements, structures, planting or other material shall not be placed or permitted to remain, which may (a) interfere with the installation and maintenance of utilities, (2) change the direction of flow of drainage channels in the easements, or (3) obstruct, alter, or retard the flow of water through drainage channels in the easements.

Section 2: Access. Easements to each individual Lot for ingress and egress shall be provided to each Lot by the Non-Exclusive Joint Permanent Easements as shown on the recorded plats aforesaid.

Section 3: Maintenance. Easements for repair and maintenance of exterior surfaces of each Lot are reserved for the completion of necessary repairs as determined by the Board of Directors of the Association to be required to perpetuate the architectural continuity of the development and preserve the residential structures therein. The Association has a reasonable right of entry upon any Lot to make emergency repairs and to do such other work as reasonably necessary for the proper maintenance, welfare, safety and operation of the Development.

The Association has a right to grant permits licenses and easements over the Common Areas for utilities, roads, and other purposes reasonably necessary or useful for the proper maintenance or operation of the Development.

#### ARTICLE X

##### DISCLOSURE

Section 1: Owners and Lenders. The Declarant during the period of development and the Association thereafter shall make available to Lot owners and lenders, and to holders, insurers or guarantors of any first mortgage, current copies of the Declaration, By-Laws, other rules concerning the Development and the books, records and financial statements of the Association. "Available" shall mean available for inspection, upon request, during normal business hours or under other reasonable circumstances.

Section 2: Financial Disclosure. Any lender and holder of a first mortgage on any Lot in said Development is entitled, upon request, to a financial statement for the immediately preceding fiscal year.

Section 3: Notice of Lender. Upon written request to the Association identifying the name and address of the holder, insurer or guarantor and the Lot number of address, any mortgage holder, insurer, or guarantor will be entitled to timely written notice of:

- (a) Any condemnation or casualty loss that affects either a material portion of the project or the Lot securing its mortgage;
- (b) Any sixty (60) day delinquency in the payment of assessments or charges owed by a respective Lot Owner(s) on which it holds the mortgage;
- (c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and
- (d) Any proposed action that requires the consent of a specified percentage of mortgage noteholders.

ARTICLE XI

INSURANCE

Section 1: Insurance Required by the Association. The Association shall obtain and maintain casualty and hazard insurance on all insurable improvements and fixtures for the full replacement cost thereof within the Property Common Areas and public liability insurance on the Common Areas and the Non-Exclusive Joint Permanent Easement within the Property. The Association may obtain insurance against such other hazards and casualties as the Association may deem desirable, including such other real and/or personal property owned by the Association. The Association shall be the owner and beneficiary of all such insurance policies and fidelity bonds obtained pursuant to this Article. The insurance coverage with respect to the Common Areas and Non-Exclusive Joint Permanent Easement shall be written in the name of and the proceeds thereof shall be payable to the Association. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried. Premiums for all insurance carried by the Association are common expenses included in the common assessments made by the Association as provided in Article IV herein.

Section 2: Fidelity Bonds. The Association shall also obtain and maintain fidelity bonds on all officers and directors of the Association who are responsible for handling, receipting for, and managing the monies and funds of the Association, which shall be carried for the protection of and in the name of the Association.

Section 3: Replacement or Repair of Property. In the event of damage to or destruction of any part of the Common Area improvements, the Association shall repair or replace the same from the insurance proceeds available. If such insurance proceeds are insufficient to cover the costs of repair or replacement of the property damaged or destroyed, the Association may make a Reconstruction Assessment against all Lot Owners to cover the additional cost of repair or replacement not covered by the insurance proceeds, in addition to any other common assessments made against such Lot Owner as provided in Article IV herein. In the event that the Association is maintaining blanket casualty and fire insurance on the dwelling units on the Lots, the Association shall repair or replace the same from the insurance proceeds available.

Section 4: Dwelling Unit Replacement Election. In addition to casualty insurance on the Common Area(s), the Association, through the Board of Directors, may elect to obtain and continue fire insurance in such form as the Board of Directors deems appropriate in an amount equal to the full replacement value, without deduction for depreciation or coinsurance, of all of the dwelling units, including the structural portions and fixtures thereof, owned by such Owner(s). Insurance premiums from any such blanket insurance coverage, and any other insurance premiums paid by the Association shall be a common expense of the Association to be included in the regular common assessments of the Owner(s), as levied by the Association in accordance with Article IV hereof. The insurance coverage with respect to the dwelling units shall be written in the name of, and the proceeds thereof shall be payable to the Association as Trustee for the Lot Owner(s).

Section 5: Ratable Assessments by the Association. The Association is hereby empowered to assess each Lot ratably for an amount equal to the sum of the current premium for said blanket hazard and casualty insurance based on the valuation of the improvements within the Common Areas and the premiums for the fidelity bonds. Such premiums shall be held in a separate account and accumulated from monthly assessments and collected for the specific purpose of paying the premiums on such insurance as the premiums become due.

Section 6: Annual Review of Insurance Policies and Fidelity Bonds. All insurance policies shall be reviewed at least annually by the Board of Directors in order to ascertain whether the coverage contained in the policies is sufficient to make any necessary repairs or replacement of any such property which is covered by said insurance and is subject to damage or destruction.

## ARTICLE XII

### GENERAL PROVISIONS

Section 1: Enforcement. The Association or any Owner(s) shall have the right to enforce by any proceeding at law or in equity all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or by any Owner(s) to enforce any covenant or restriction herein contained shall not in any event be deemed a waiver of the right to do so thereafter.

Section 2: Severability. Invalidation of any one (1) of these covenants or restrictions by judgment or court order shall not in any way affect any other provision, and all other provisions shall remain in full force and effect.

Section 3: Amendment. Except as otherwise provided herein, the covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) year period by an instrument signed by not less than ninety percent (90%) of the Lot Owner(s), and thereafter by an instrument signed by not less than seventy-five percent (75%) of the Lot Owner(s). Any amendment will not be effective until it is recorded in the Register's Office of Knox County, Tennessee. As long as there is a Class B membership in the Association, any amendment of this instrument shall only be effective with the prior written approval of the Veterans Administration and/or the Federal Housing Administration and Declarant's consent.

Except as otherwise provided herein, until such time as seventy-five percent (75%) of 98 lots in the property have been conveyed to Lot purchasers, Declarant shall have the sole and exclusive right (a) to amend these covenants and restrictions, but all such amendments shall conform to the general purposes and standards of the covenants and restrictions herein contained, (b) to amend these covenants and restrictions for the purpose of curing any ambiguity or inconsistency between the provisions, (c) to include in any contract or deed or other instrument hereafter made any additional covenants and restrictions which do not conform with the covenants and restrictions herein contained, and

(d) to release any lot from any part of the covenants and restrictions (including, without limiting the foregoing, building restriction lines and provisions relating thereto) if the Declarant, in its sole discretion, determines that such release is reasonable and does not have a substantially adverse affect on any other lot.

Section 4: Annexation Stage Development. Additional residential property may be annexed to the Property by the Declarant at any time and from time to time without the consent of Members/Lot Owner(s) provided that within five (5) years of the sale of the first Lot, the Federal Housing Administration and/or the Veterans Administration determines that the annexation is in accord and conformity with the general plan heretofore approved. As long as there is a Class B membership in the Association, any such amendment of this instrument shall only be effective with the prior written approval of the Veterans Administration and/or the Federal Housing Administration and consent of Declarant.

Section 5: Dedication of Additional Common Areas. As long as Class B membership exists in the Association, additional common areas within the Property shall not be dedicated without the prior written consent of the Veterans Administration and/or the Federal Housing Administration and the consent of Declarant.

Section 6: Encroachments. It is understood that the residential units which adjoin each other and have a party wall built as a part of the original construction of the said units, which is placed upon the dividing line between adjoining Lots, may encroach on such adjoining Lots or Common Areas due to construction or other reasons. Accordingly, an easement is reserved for such encroachments as are contained in the buildings, whether the same now exist or may be caused or created by construction, settlement, or movement of the building(s), or by permissible repairs, construction, or alteration. With regard to any differences which may exist on the Plat entitled Unit 1, Moss Creek Villas, A Planned Unit Development, as shown of record in Map Cabinet D, Slide 17-D, in the Register's Office of Knox County, Tennessee, or in any other lands which may hereafter be platted or annexed to the Property and the party walls and Lot lines which exist on the additional plats and annexations to the Property, the Lot lines and party walls which actually exist shall control over discrepancies in such plats and annexations.

IN WITNESS WHEREOF, the Declarant has executed this instrument as of the day and year first above written.

MOSS CREEK VILLAS, L.L.C.

By: \_\_\_\_\_

Title: Chief Manager

STATE OF TENNESSEE )  
                          ) 55.  
COUNTY OF KNOX      )

PERSONALLY APPEARED before me, the undersigned authority, a Notary Public in and for said County and State, \_\_\_\_\_, 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 Chief Manager of MOSS CREEK VILLAS, L.L.C., the within named bargainor, a Tennessee limited liability company, and that he as such Chief Manager, executed the foregoing instrument for the purposes therein contained, by signing the name of the company by himself as Chief Manager.

WITNESS my hand and official seal at office this \_\_\_\_\_ day of \_\_\_\_\_, 1996.

My Commission expires \_\_\_\_\_

\_\_\_\_\_  
Notary Public

EXHIBIT A

SITUATED in District No. 5 of Knox County, Tennessee, and within the 40th Ward of the City of Knoxville, Tennessee, and being known and designated as three common areas as shown by map of Unit 1, Moss Creek Villas, a Planned Unit Development, by David H. Poe, Surveyor, R.L.S. No. 1647, of Ratson, Himes, Norvell & Poe, 4334 Papermill Drive, Knoxville, Tennessee 37909, dated July 18, 1995, bearing Drawing No. 17.545-1-FF, of record in Map Cabinet O, Slide 17-D, in the Knox County Register's Office, said common areas being more particularly bounded and described as follows:

PARCEL I:

BEGINNING at a point in the northwest right-of-way of Knob Creek Lane, said point marking the southernmost corner of Lot 61 and the easternmost corner of the parcel herein described; thence from said BEGINNING point and with the southwestern line of Lot 61, North 48 deg. 50 min. West 116.25 feet to an iron pin marking the northwestern corner of said Lot 61; thence North 47 deg. 24 min. West 9.44 feet to an iron pin marking the northeasternmost corner of Lot 62; thence with the northeastern line of said Lot 62, South 15 deg. 25 min. East 119.70 feet to a point in the northwest right-of-way of Knob Creek Lane; thence with said right-of-way following the arc of a curve to the left having a radius of 225 feet, a chord bearing and distance of North 62 deg. 36 min. East, 70.56 feet along an arc distance of 70.85 feet to the point of BEGINNING herein.

PARCEL II:

BEGINNING at a point in the north right-of-way of Pleasant Ridge Road, said point being located South 74 deg. 09 min. West 28.29 feet from the point of intersection of the north right-of-way of Pleasant Ridge Road with the west right-of-way of Moss Creek Road; thence from said point of BEGINNING North 74 deg. 09 min. West 79.07 feet to an iron pin; thence with the line of Pearl Ruth Naugher Lyons (Deed Book 1199, page 439) three calls and distances as follows: North 5 deg. 59 min. East 173.01 feet to an iron pin; North 75 deg. 27 min. West 104.28 feet to an iron pin; and North 4 deg. 51 min. East 369.71 feet to an iron pin; thence North 24 deg. 05 min. West 68.99 feet to an iron pin; thence South 85 deg. 30 min. East 52.59 feet to a point marking the northwesternmost corner of Lot 85; thence with the western line of Lots 85 and 84, South 4 deg. 30 min. West 100.00 feet to an iron pin; thence with the southern line of Lot 84, South 85 deg. 30 min. East 100.00 feet to a point in the west right-of-way of Moss Creek Road; thence with said right-of-way South 4 deg. 30 min. West 40.00 feet to a point; thence with the northern line of Lot 83, North 85 deg. 30 min. West 100.00 feet to an iron pin; thence with the western lines of Lots 83 and 82, South 4 deg. 30 min. West 100.00 feet to an iron pin; thence with the southern line of Lot 82, South 85 deg. 30 min. East 100.00 feet to a point in the west right-of-way of Moss Creek Road; thence with said right-of-way South 4 deg. 30 min. West 45.00 feet to a point in said right-of-way; thence with the northern line of Lot 81, South 74 deg. 35 min. East 107.64 feet to an iron pin; thence with the western lines of Lots 81 and 80, South 4 deg. 51 min. West 91.87 feet to an iron pin; thence with the southern and southeastern lines of Lot 80, South 75 deg. 27 min. East 27.66 feet to an iron pin and North 74 deg. 35 min. East 92.86 feet to a point in the west right of way of Moss Creek Road; thence with said right-of-way following the arc of a curve to the left having a radius of 275 feet, a chord bearing and distance of South 16 deg. 31 min. East 33.45 feet along an Arc distance of 33.47 feet to a point; thence continuing with said right of-way, South 20 deg. 20

min. East 94.78 feet to a point; thence with the arc of a curve to the right having a radius of 225 feet, a chord bearing and distance of South 5 deg. 36 min. East 111.90 feet along an arc distance of 113.08 feet to a point; thence with the arc of a curve to the right having a radius of 25 feet, along an arc distance of 42.35 feet to a point in the north right-of-way of Pleasant Ridge Road, being the point of BEGINNING herein.

PARCEL III:

BEGINNING at a point in the east right-of-way of Moss Creek Road, said point being North 11 deg. 09 min. East 23.03 feet from the point of intersection of the north right-of-way of Pleasant Ridge Road with the east right of way of Moss Creek Road; thence from said BEGINNING point and with the east right-of-way of Moss Creek Road along the arc of a curve to the left having a radius of 275 feet, a chord bearing and distance of North 4 deg. 25 min. West 147.70 feet along an arc distance of 149.54 feet to a point in said right-of-way; thence North 20 deg 00 min. West 43.01 feet to a point in said right-of-way; thence with the arc of a curve to the right having a radius of 25 feet, along an arc distance of 41.27 feet, to a point in the south right-of-way of Knob Creek Lane marking the northwesternmost corner of Lot 1; thence with the west line of said Lot 1, South 15 deg. 25 min. East 120.00 feet to an iron pin; thence with the southern lines of Lots 1, 2, and 3, North 74 deg. 35 min. East 113.70 feet to an iron pin; thence with the eastern line of Lot 3, North 15 deg. 25 min. West 120.00 feet to a point in the south right-of-way of Knob Creek Lane; thence with said right-of-way North 74 deg. 35 min. East 30.00 feet to a point; thence with the western line of Lot 4, South 15 deg. 25 min. East 120.00 feet to an iron pin; thence with the southern lines of Lots 4, 5, and 6, North 74 deg. 35 min. East 113.70 feet to an iron pin; thence with the eastern line of Lot 6, North 15 deg. 25 min. West 120.28 feet to a point in the south right-of-way of Knob Creek Lane; thence with said right-of-way following the arc of a curve to the left having an arc distance of 25.23 feet, a chord bearing and distance of North 89 deg. 22 min. East 25.23 feet to a point marking the northwestern corner of Lot 7; thence with the southwestern line of Lot 7, South 33 deg. 00 min East 130.00 feet to an iron pin; thence with the southeast lines of Lots 7, 8, and 9, North 57 deg. 00 min. East 113.70 feet to an iron pin; thence with the northeastern line of Lot 9, North 33 deg. 00 min West 134.38 feet to a point in the southeast right-of-way of Knob Creek Lane; thence with said right-of-way following an arc of a curve to the left having a radius of 275 feet, a chord bearing and distance of North 41 deg. 08 min. East 16.48 feet along an arc distance of 16.48 feet to an iron pin; thence South 66 deg. 30 min. East 153.09 feet to an iron pin; thence with the northwestern line of Creek Ridge Apartments (Deed Book 1912, page 990) South 17 deg. 57 min. West 433.80 feet to an iron pin; thence South 25 deg. 53 min. East 22.45 feet to an iron pin in the north right-of-way of Pleasant Ridge Road; thence with said right-of-way, following the arc of a curve to the left having a radius of 680.24 feet, a chord bearing and distance of North 74 deg. 19 min. West 71.72 feet along an arc distance of 71.75 feet to an iron pin in said right-of-way; thence continuing with said right-of-way, North 77 deg. 20 min. West 154.63 feet to an iron pin and North 74 deg. 09 min. West 140.59 feet to a point in said right-of-way; thence with the arc of a curve to the right having a radius of 25 feet along an arc distance of 37.22 feet to a point in the east right-of-way of Moss Creek Road, being the point of BEGINNING herein.

BY-LAWS

OF

MOSS CREEK VILLAS HOMEOWNERS' ASSOCIATION

Name and Location: The name of the corporation is MOSS CREEK VILLAS HOMEOWNERS' ASSOCIATION, hereinafter referred to as the "Association." The principal office of the corporation shall be located at 2601 Western Avenue, Knoxville, Tennessee 37912 but meetings of the members and directors may be held at such places within the State of Tennessee, County of Knox, as may be designated by the Board of Directors.

DEFINITIONS

Section 1: "Association" shall mean and refer to MOSS CREEK VILLAS HOMEOWNERS' ASSOCIATION, a mutual benefit, not-for-profit corporation, organized and existing under the laws of the State of Tennessee, with its principal office being located in Knox County, Tennessee, its successors and/or assigns.

Section 2: "Property" shall mean and refer to that certain real properly described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association as provided in the Declaration of Covenants, Conditions and Restrictions for Moss Creek Villas, a Planned Unit Development.

Section 3: "Lot" shall mean and refer to any numbered Lot of land shown upon any recorded subdivision plat of the Property, with the exception of the Common Areas and Joint Permanent Easements.

Section 4: "Owner(s)" shall mean and refer to the record Owner(s), whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of any obligation.

Section 5: "Declarant" shall mean and refer to MOSS CREEK VILLAS, L.L.C., a Tennessee limited liability company, with its principal place of business being in Knox County, Tennessee, its successors and/or assigns.

Section 6: "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded in the Office of the Register of Deeds of Knox County, Tennessee.

Section 7: "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

Section 8: "Lender" as used herein shall mean and be defined as any lender, whether institutional investor, bank, savings and loan association, or loan broker, whose loan is secured by a Lot in the Property and shall include, without limitation, the Secretary of Housing and Urban Development, acting by and through the Federal Housing Administration (FHA), the Secretary of the Veterans Administration (VA), the Federal National Mortgage Association (FNMA), and the Federal Home Loan Mortgage Corporation.

Section 9: "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). The Common Areas to be owned by the Association at the time of the conveyance of the first Lot is described in Exhibit "A" attached hereto and made a part hereof.

#### MEETINGS OF MEMBERS

Section 1: Annual Meetings. The first annual meeting of the members shall be held within one (1) year from such time as seventy-five percent (75%) of 98 Lots in the Property have been conveyed to Lot purchasers, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:00 o'clock p.m. If the day of the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following, which is not a legal holiday.

Section 2: Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3: Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and; in the case of a special meeting, the purpose of the meeting.

Section 4: Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Charter of the Association, the Declaration, or these By-Laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time without notice other than an announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5: Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his/her Lot.

#### DIRECTORS

Section 1: Number. The affairs of the Association shall be managed by a Board of seven (7) directors, who need not be members of the Association.

Section 2: Term in Office. At the first annual meeting, the members shall elect three (3) directors for a term of one (1) year, two (2) directors for a term of two (2) years, and two (2) directors for a term of three (3) years; and at each annual meeting

thereafter the members shall elect three (3) directors for a term of one (1) year and others as required.

Section 3: Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his/her successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his/her predecessor.

Section 4: Compensation. Directors shall not receive compensation for any service they may render to the Association. However, any director may be reimbursed for their actual expenses incurred in the performance of their respective duties.

Section 5: Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

Section 6: Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from members or non-members.

Section 7: Election. Election to the Board of Directors shall be made by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes or as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Section 8: Meetings. Regular meetings of the Board of Directors shall be held monthly without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors after not less than three (3) days' written notice to each director. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

Section 9: Powers. The Board of Directors shall have the power to:

(a) Adopt and publish rules and regulations governing the use of the common areas and facilities and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

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

(c) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-Laws, the Charter of the Association, or the Declaration of Covenants, Conditions and Restrictions;

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

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

Section 10: Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

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

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

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

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

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

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

assessment has been paid, such certificate shall be conclusive evidence of such payment;

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

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

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

#### OFFICERS

Section 1: Enumeration of Offices. The officers of the Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2: Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3: Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4: Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5: Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6: Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he/she replaces.

Section 7: Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

#### Section 8: Officers' Duties

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

(b) The vice-president shall act in the place and stead of the president in the event of his/her absence, inability or refusal to act as required of him/her by the Board.

(c) The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by public accountant at the completion of each fiscal year; 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.

#### COMMITTEES

The Board of Directors shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided in these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

#### BOOKS AND RECORDS

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

#### ASSESSMENTS

As more fully provided in the Declaration, and except as otherwise provided herein or in the Declaration of Covenants, Conditions and Restrictions, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the Owner(s) personally obligated to pay the same or foreclose the lien against the property; and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. Owner(s) may not waive or otherwise escape liability for the assessments provided for herein by nonuse of any Common Areas or abandonment of his/her Lot. Declarant shall be a Member of the Association so long as it owns any lot in the subdivision but shall be exempt from the payment of annual and special assessments and the provisions of this Section.

AMENDMENTS

Section 1: These By-Laws may be amended at a regular or special meeting of the members by a vote of a majority of a quorum of members present in person or by proxy; provided that, as long as a Class B membership exists in the Association, any amendment of these By-Laws shall be approved in writing by the Veterans Administration and the Federal Housing Administration and consented to by Declarant.

Section 2: In the case of any conflict between the Charter of the Association and these By-Laws, the Charter shall control; and in the case of any conflict between the Declaration and these By-Laws, the Declaration shall control.

MISCELLANEOUS

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

Section 2: In the event that the Association is dissolved, all remaining assets, after payment of all expenses, debts, and liabilities, shall be dedicated to a public body or conveyed to a non-profit organization with purposes similar to the Association's.

Section 3: The Association shall not have a corporate seal.

IN WITNESS WHEREOF, the undersigned being the sole interim director of MOSS CREEK VILLAS HOMEOWNERS' ASSOCIATION have hereunto set their respective hand this \_\_\_\_ day of May, 1996.

MOSS CREEK VILLAS  
HOMEOWNERS' ASSOCIATION

By: \_\_\_\_\_  
Director

CERTIFICATION

I, the undersigned, do hereby certify that I am the acting secretary of MOSS CREEK VILLAS HOMEOWNERS' ASSOCIATION, whose principal office is in Knox County, Tennessee; and

That the foregoing By-Laws constitute the original By-Laws of said corporation, as duly adopted at a meeting of the Board of Directors thereof, held on the \_\_\_\_ day of \_\_\_\_\_, 1996.

IN WITNESS WHEREOF, I have hereto subscribed the name of the corporation by signing my name thereto as secretary this \_\_\_\_ day of \_\_\_\_\_, 1996.

MOSS CREEK VILLAS  
HOMEOWNERS' ASSOCIATION

By: \_\_\_\_\_  
Secretary

EXHIBIT A

SITUATED in District No. 5 of Knox County, Tennessee, and within the 40th Ward of the City of Knoxville, Tennessee, and being known and designated as three common areas as shown by map of Unit 1, Moss Creek Villas, a Planned Unit Development, by David M. Poe, Surveyor, R.L.S. No. 1647, of Batson, Hymas, Norvell & Poe, 4334 Papermill Drive, Knoxville, Tennessee 37909, dated July 18, 1995, bearing Drawing No. 17,545-1-FP, of record in Map Cabinet O, Slide 17-D, in the Knox County Register's Office, said common areas being more particularly bounded and described as follows:

PARCEL I:

BEGINNING at a point in the northwest right-of-way of Knob Creek Lane, said point marking the southernmost corner of Lot 61 and the easternmost corner of the parcel herein described; thence from said BEGINNING point and with the southwestern line of Lot 61, North 48 deg. 50 min. West 116.25 feet to an iron pin marking the northwestern corner of said Lot 61; thence North 47 deg. 24 min. West 9.44 feet to an iron pin marking the northeasternmost corner of Lot 62; thence with the northeastern line of said Lot 62, South 15 deg. 25 min. East 119.70 feet to a point in the northwest right-of-way of Knob Creek Lane; thence with said right-of-way following the arc of a curve to the left having a radius of 225 feet, a chord bearing and distance of North 62 deg. 36 min. East, 70.56 feet along an arc distance of 70.85 feet to the point of BEGINNING herein.

PARCEL II:

BEGINNING at a point in the north right-of-way of Pleasant Ridge Road, said point being located South 74 deg. 09 min. West 38.29 feet from the point of intersection of the north right-of-way of Pleasant Ridge Road with the west right-of-way of Moss Creek Road; thence from said point of BEGINNING North 74 deg. 09 min. West 79.07 feet to an iron pin; thence with the line of Pearl Ruth Naugher Lyons (Deed Book 1199, page 439) three calls and distances as follows: North 5 deg. 59 min. East 173.01 feet to an iron pin; North 75 deg. 27 min. West 104.28 feet to an iron pin; and North 4 deg. 51 min. East 369.71 feet to an iron pin; thence North 24 deg. 05 min. West 68.99 feet to an iron pin; thence South 85 deg. 30 min. East 51.59 feet to a point marking the northwestmost corner of Lot 85; thence with the western line of Lots 85 and 84, South 4 deg. 30 min. West 100.00 feet to an iron pin; thence with the southern line of Lot 84, South 85 deg. 30 min. East 100.00 feet to a point in the west right-of-way of Moss Creek Road; thence with said right-of-way South 4 deg. 30 min. West 40.00 feet to a point; thence with the northern line of Lot 83, North 85 deg. 30 min. West 100.00 feet to an iron pin; thence with the western lines of Lots 83 and 82, South 4 deg. 30 min. West 100.00 feet to an iron pin; thence with the southern line of Lot 82, South 85 deg. 30 min. East 100.00 feet to a point in the west right-of-way of Moss Creek Road; thence with said right-of-way South 4 deg. 30 min. West 45.00 feet to a point in said right-of-way; thence with the northern line of Lot 81, South 74 deg. 35 min. East 107.64 feet to an iron pin; thence with the western lines of Lots 81 and 80, South 4 deg. 51 min. West 91.87 feet to an iron pin; thence with the southern and southeastern lines of Lot 80, South 75 deg. 27 min. East 27.66 feet to an iron pin and North 74 deg. 35 min. East 92.86 feet to a point in the west right of way of Moss Creek Road; thence with said right-of-way following the arc of a curve to the left having a radius of 275 feet, a chord bearing and distance of South 16 deg. 31 min. East 33.45 feet along an arc distance of 33.47 feet to a point; thence continuing with said right of way, South 20 deg. 00

min. East 94.78 feet to a point; thence with the arc of a curve to the right having a radius of 225 feet, a chord bearing and distance of South 5 deg. 36 min. East 111.90 feet along an arc distance of 113.08 feet to a point; thence with the arc of a curve to the right having a radius of 25 feet, along an arc distance of 42.35 feet to a point in the north right-of-way of Pleasant Ridge Road, being the point of BEGINNING herein.

PARCEL III:

BEGINNING at a point in the east right-of-way of Moss Creek Road, said point being North 11 deg. 09 min. East 23.03 feet from the point of intersection of the north right-of-way of Pleasant Ridge Road with the east right of way of Moss Creek Road; thence from said BEGINNING point and with the east right-of-way of Moss Creek Road along the arc of a curve to the left having a radius of 275 feet, a chord bearing and distance of North 4 deg. 25 min. West 147.70 feet along an arc distance of 149.54 feet to a point in said right-of-way; thence North 20 deg 00 min. West 43.01 feet to a point in said right-of-way; thence with the arc of a curve to the right having a radius of 25 feet, along an arc distance of 41.27 feet, to a point in the south right-of-way of Knob Creek Lane marking the northwesternmost corner of Lot 1; thence with the west line of said Lot 1, South 15 deg. 25 min. East 120.00 feet to an iron pin; thence with the southern lines of Lots 1, 2, and 3, North 74 deg. 35 min. East 113.70 feet to an iron pin; thence with the eastern line of Lot 3, North 15 deg. 25 min. West 120.00 feet to a point in the south right-of-way of Knob Creek Lane; thence with said right-of-way North 74 deg. 35 min. East 20.00 feet to a point; thence with the western line of Lot 4, South 15 deg. 25 min. East 120.00 feet to an iron pin; thence with the southern lines of Lots 4, 5, and 6, North 74 deg. 35 min. East 113.70 feet to an iron pin; thence with the eastern line of Lot 6, North 15 deg. 25 min. West 120.28 feet to a point in the south right-of-way of Knob Creek Lane; thence with said right-of-way following the arc of a curve to the left having an arc distance of 25.23 feet, a chord bearing and distance of North 89 deg. 22 min. East 25.23 feet to a point marking the northwestern corner of Lot 7; thence with the southwestern line of Lot 7, South 33 deg. 00 min East 130.00 feet to an iron pin; thence with the southeast lines of Lots 7, 8, and 9, North 57 deg. 00 min. East 113.70 feet to an iron pin; thence with the northeastern line of Lot 9, North 33 deg. 00 min West 134.38 feet to a point in the southeast right-of-way of Knob Creek Lane; thence with said right-of-way following an arc of a curve to the left having a radius of 275 feet, a chord bearing and distance of North 41 deg. 08 min. East 16.48 feet along an arc distance of 16.48 feet to an iron pin; thence South 66 deg. 30 min. East 153.39 feet to an iron pin; thence with the northwestern line of Creek Ridge Apartments (Deed Book 1912, page 990) South 17 deg. 57 min. West 433.80 feet to an iron pin; thence South 25 deg. 53 min. East 22.45 feet to an iron pin in the north right-of-way of Pleasant Ridge Road; thence with said right-of-way, following the arc of a curve to the left having a radius of 680.24 feet, a chord bearing and distance of North 74 deg. 19 min. West 71.72 feet along an arc distance of 71.75 feet to an iron pin in said right-of-way; thence continuing with said right-of-way, North 77 deg. 20 min. West 154.63 feet to an iron pin and North 74 deg. 09 min. West 140.69 feet to a point in said right-of-way; thence with the arc of a curve to the right having a radius of 25 feet along an arc distance of 37.22 feet to a point in the east right-of-way of Moss Creek Road, being the point of BEGINNING herein.

200311190055158  
ME ADDRESS  
2705 Knob Creek Lane  
Knoxville, TN 37912

AMENDMENT TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
FOR  
MOSS CREEK VILLAS  
A PLANNED UNIT DEVELOPMENT

STEVE HALL  
REGISTER OF DEEDS  
KNOX COUNTY

This AMENDMENT, made and entered by Moss Creek Villas Homeowners' Association, a neutral benefit not for profit corporation, organized and existing under the Laws of the State of Tennessee, with it's principle office being located in Knox County, Tennessee, hereinafter being referred to as "Declarant".

WITNESSETH:

Whereas the Declarant is the Successor to Moss Creek Villas, L.L.C., and said Association in accord with By-Laws and Article IV, Covenant for Maintenance Assessments, Section Three, Maximum Annual Assessment, and has had an Affirmative Vote approved by more than two-thirds (2/3) of members eligible to vote and properly called for the purpose of establishing Annual Assessment do revise the following affected section, Article IV, Covenant for Maintenance Assessments, Section Three, Maximum Annual Assessment, and substitute the following:

Article IV, Section 3: Maximum Annual Assessment. The Maximum Annual Assessment shall be Nine Hundred Dollars (\$900.00), per lot. Payable in lump sums or installments as Members of MOSS CREEK VILLAS HOMEOWNERS' ASSOCIATION may establish.

- (a) The Maximum Annual Assessment may be increased each year without a vote of the Members, if such increase is not in excess of the increase in the Consumer Price Index (CPI) as established by the Department of Labor and published in the July proceeding the increase in the Annual Assessment.
- (b) The Maximum Annual Assessment may be increased each year above that established by the Consumer Price Index (CPI) by a vote of the members with a two-thirds (2/3) Affirmative Vote of members who are eligible to vote, whether voting in person or by proxy, at a meeting dually called for establishing said Annual Assessment.

Instr: 200311190055158 Page: 1 OF 3  
REG'D FOR REC 11/19/2003 3:00:12PM  
RECORD FEE: \$17.00  
M. TAX: \$0.00 T. TAX: \$0.00

- (c) The Board of Directors may fix the Annual Assessment and an amount not in excess of the Maximum set forth herein subject to the provisions of Sections Six and Seven hereof.

ENTERED this 19 day of NOVEMBER, 2003.

**Moss Creek Villas Homeowners' Association**

BY: [Signature]  
Sandra Snodderly, President

**CERTIFICATION**

I, the undersigned, do hereby certify that I am the acting secretary of the Moss Creek Villas Homeowners' association, whose principal office is in Knox County, Tennessee; and That the foregoing was duly adopted and ratified at the annual general meeting of the Association held on November 13, 2003.

IN WITNESS WHEREOF, I have hereto subscribed the name of the corporation by signing my name thereto as Secretary.

ENTERED this 19th day of November, 2003.

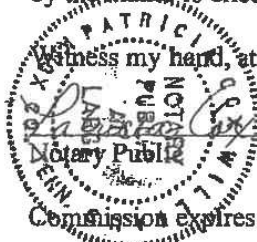
**Moss Creek Villas Homeowners' Association**

BY: [Signature]  
Elizabeth R. Gryder, Secretary

STATE OF TENNESSEE  
COUNTY OF KNOX

Personally appeared before me, Patricia Cox Williams duly commissioned Notary Public in and for this county and state, Sandra Snodderly, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that she executed the within instrument for the purposes therein contained, and who further acknowledged that she is the President of the maker, Moss Creek Villas Homeowners' Association, or a constituent of the maker and is authorized by the maker or by its constituent, the constituent being authorized by the maker to execute this instrument on behalf of the maker.

Witness my hand, at office in Knoxville, Tennessee this 17th day of November, 2003.



Commission expires: 1-30-05

STATE OF TENNESSEE  
COUNTY OF KNOX

Personally appeared before me, Patricia Cox Williams a duly commissioned Notary Public in and for this county and state, Elizabeth R. Gryder, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that she executed the within instrument for the purposes therein contained, and who further acknowledged that she is the **Secretary** of the maker, **Moss Creek Villas Homeowners' Association**, or a constituent of the maker and is authorized by the maker or by its constituent, the constituent being authorized by the maker to execute this instrument on behalf of the maker.

Witness my hand, at office in Knoxville, Tennessee, this 19<sup>th</sup> day of November, 2003.



This Instrument Prepared By:  
**David B. Hamilton, Attorney**  
1810 Merchant Drive  
Knoxville, TN 37912  
865.219.9250

AMENDMENT TO DECLARATION OF COVENANTS,  
CONDITIONS AND RESTRICTIONS  
FOR  
MOSS CREEK VILLAS  
A PLANNED UNIT DEVELOPMENT

This AMENDMENT, made and entered by Moss Creek Villas Home Owners Association, a neutral benefit not for profit corporation, organized and existing under the Laws of the State of Tennessee, with it's principle office being located in Knox County, Tennessee, hereinafter being referred to "Declarant."

WITNESSETH

Whereas the Declarant is the Successor to Moss Creek Villas, L.L.C., and said Association in accord with by-laws and Article IV, Covenant for Maintenance Assessments, Section Three, Maximum Annual Assessment, "B" has had an Affirmative Vote approved by more than two-thirds (2/3) of each class of members eligible to vote and admitting dually called for the purpose of establishing Annual Assessment do revise the following affected section, Article IV, Covenant for Maintenance Assessments, Section Three, Maximum Annual Assessment, and substitute the following:

Article IV, Section 3: Maximum Annual Assessment. The Maximum Annual Assessment shall be Six Hundred Dollars (\$ 600.00), per lot. Payable in lump sums or installments as Members of MOSS CREEK VILLAS HOMEOWNERS ASSOCIATION may establish.

- (a) The Maximum Annual Assessment may be increased each year without a vote of the Members, if such increase is not in excess of the increase in the Consumer Price Index (CPI) as established by the Department of Labor and published in the July proceeding the increase in the Annual Assessment.
- (b) The Maximum Annual Assessment may be increased each year above that established by the Consumer Price Index (CPI) by a vote of the members with a two-thirds (2/3) Affirmative Vote of each class of members who are eligible to vote, whether voting in person or by proxy, at a meeting dually called for establishing said Annual Assessment.

**STEVE HALL**  
CLERK OF DEEDS

  
Instr: 200112200060372 Page: 1 of 3  
REC'D FOR REC 12/20/2001 11:18:35AM  
RECORD FEE: \$17.00  
M. TAX: \$0.00 T. TAX: \$0.00

- (c) The Board of Directors may fix the Annual Assessment and an amount not in excess of the Maximum set forth herein subject to the provisions of Sections Six and Seven hereof.

ENTERED this 20 day of December, 2001.

**Moss Creek Villas Home Owners Association**

BY: Lloyd Kahler  
Lloyd Kahler, President

**CERTIFICATION**

I, the undersigned, do hereby certify that I am the acting secretary of Moss Creek Villas Homeowners' Association, whose principal office is in Knox County, Tennessee; and

That the foregoing was duly adopted at a general meeting of the Association, held on May 2, 2000, as ratified on May 17, 2001, at the annual general meeting of the Association.

IN WITNESS WHEREOF, I have hereto subscribed the name of the corporation by signing my name thereto as Secretary.

ENTERED this 20 day of December, 2001.

**Moss Creek Villas Home Owners Association**

BY: Betty J. Beattie  
Betty J. Beattie, Secretary

STATE OF TENNESSEE  
COUNTY OF KNOX

Personally appeared before me, David B. Hamilton a duly commissioned Notary Public in and for this county and state, Lloyd Kahler, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that he executed the



within instrument for the purposes therein contained, and who further acknowledged that he is the President of the maker, Moss Creek Villas Home Owners Association, or a constituent of the maker and is authorized by the maker or by its constituent, the constituent being authorized by the maker to execute this instrument on behalf of the maker.

Witness my hand, at office in Knoxville, Tennessee, this 20 day of December, 2001.

  
Notary Public

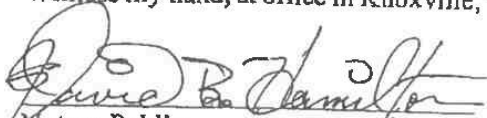


Commission expires: July 3, 2005.

STATE OF TENNESSEE  
COUNTY OF KNOX

Personally appeared before me, DAVID B. HAMILTON a duly commissioned Notary Public in and for this county and state, Betty J. Beattie, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who acknowledged that she executed the within instrument for the purposes therein contained, and who further acknowledged that she is the Secretary of the maker, Moss Creek Villas Home Owners Association, or a constituent of the maker and is authorized by the maker or by its constituent, the constituent being authorized by the maker to execute this instrument on behalf of the maker.

Witness my hand, at office in Knoxville, Tennessee, this 20 day of December, 2001.

  
Notary Public



Commission expires: July 3, 2005.



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RILEY GARHELL  
SECRETARY OF STATE

CHARTER

OF

MOSS CREEK VILLAS HOMEOWNERS' ASSOCIATION

The undersigned corporation, having the capacity to contract and acting as the Incorporator of a not-for-profit, mutual-benefit corporation under the Tennessee Nonprofit Corporation Act, adopts the following charter for said corporation:

ARTICLE I

The name of the corporation is MOSS CREEK VILLAS HOMEOWNERS' ASSOCIATION, hereafter referred to as the "Association," being a corporation organized and existing under the laws of the State of Tennessee.

ARTICLE II

The Initial Registered Office and Principal Office of the Association is located at 2601 Western Avenue, Knoxville, Tennessee 37912; and its initial registered agent at this office is James S. Schaad.

ARTICLE III

The Incorporator of the not-for-profit, mutual-benefit corporation is James S. Schaad, whose principal place of business is 2601 Western Avenue, Knoxville, Knox County, Tennessee 37912.

ARTICLE IV

The Association does not contemplate pecuniary gain or profit to the members thereof, and the specific purpose for which it is formed is as a not-for-profit, mutual-benefit corporation to provide for the maintenance, preservation, and architectural control of the residential Lots, Common Areas and Easements within that certain tract of real property (the "Property") being more particularly described as follows, to-wit:

SITUATED in District No. Five (5) of Knox County, Tennessee, and within the 40th Ward of the City of Knoxville, Tennessee, and being known and designated as Unit 1, Moss Creek Villas, A Planned Unit Development, as shown by map of record in Map Cabinet O, Slide 17-D, in the Register's Office for Knox County, Tennessee, to which map specific reference is here made, and such other units as may be added to said subdivision by Moss Creek Villas, L.L.C., a Tennessee limited liability company, its successors and assigns, from time to time.

and to promote the health, safety, and welfare of the residents within the above-described Property and any addition(s) thereto as may hereafter be brought within the jurisdiction of the Association, and for this purpose to:

1. Exercise all powers and privileges and to perform all of the duties of the Association as set forth in that certain Declaration of Covenants, Conditions and Restrictions, hereinafter called the "Declaration," applicable to the property and to be recorded in the Office of the Register of Deeds of Knox County, Tennessee, as the same may be amended from time to time as therein

RECEIVED  
OFFICE OF THE SECRETARY OF STATE

So provided, said Declaration being incorporated herein as if set forth verbatim;

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

3. Acquire, own, hold, improve, build upon, operate, maintain, convey, sell, lease, transfer, dedicate for public use or otherwise dispose of real and/or personal property in connection with the affairs of the Association;

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

5. Participate in mergers and consolidations with other non-profit, mutual-benefit corporations organized for the same purposes or annex additional residential property, provided that any such merger, consolidation, or annexation shall have the assent of two-thirds (2/3) of any class(es) of members;

6. Dedicate, sell, transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members; such dedication or transfer shall not be effective unless an instrument has been signed by two-thirds (2/3) of any class(es) of members, agreeing to such dedication, sale or transfer;

7. Have and to exercise any and all powers, rights, and privileges, which a not-for-profit, mutual-benefit corporation organized under the Tennessee Nonprofit Corporation Act by law may now or hereafter have or exercise.

#### ARTICLE V

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

#### ARTICLE VI

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

Class A: Class A members shall be all Owner(s) of the Lots within the Property, with the exception of Moss Creek Villas, L.L.C., a Tennessee limited liability company, and its successors and assigns, and shall be entitled to one (1) vote for each Lot owned; all such person(s) shall be member(s). The vote for any such Lot shall be exercised as the Owner(s) may determine, but in no event shall more than one (1) vote be cast with respect to any one Lot.

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RILEY DARNELL  
SECRETARY OF STATE  
Class B members shall be Moss Creek Villas, L.L.C., a Tennessee limited liability company, its successors and assigns (as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership at such time as seventy-five percent (75%) of 98 Lots in the Property have been conveyed to Lot Purchaser(s).

#### ARTICLE VII

##### BOARD OF DIRECTORS

The affairs of this Association shall be managed by a Board of seven (7) Directors, who need not be members of the Association. The number of directors may be changed by amendment of the By-Laws of the Association. The name and address of the person who is to act in the capacity of the sole interim director until the selection of his successors is:

James S. Schaad  
2601 Western Avenue  
Knoxville, TN 37912

The first annual meeting of the Board of Directors shall take place as provided in the By-Laws of the Association after seventy-five percent (75%) of 98 Lots in the Property have been conveyed to Lot Purchaser(s). At the first annual meeting, the members shall elect three (3) directors for a term of one (1) year, two (2) directors for a term of two (2) years and two (2) directors for a term of three (3) years; and at each annual meeting thereafter the members shall elect three (3) directors for a term of one (1) year and other directors as required.

#### ARTICLE VIII

##### DISSOLUTION

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

#### ARTICLE IX

##### DURATION

The corporation shall exist perpetually.

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SECRETARY OF STATE

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ARTICLE X


RILEY DARNELL  
SECRETARY OF STATE

AMENDMENTS

Amendment of these Articles shall require the assent of 75 percent (75%) of the entire membership, provided that, as long as a Class B membership exists in the Association, any amendment of this charter shall be approved in writing by the Veterans' Administration and the Federal Housing Administration.

IN WITNESS WHEREOF, for the purpose of forming this not-for-profit mutual-benefit corporation under the laws of the State of Tennessee, the undersigned, constituting the incorporator of this Association, has executed this Charter for incorporation this 10<sup>th</sup> day of May, 1996.

Incorporator



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ARTICLE X

RILEY DARRHILL  
SECRETARY OF STATE

AMENDMENTS

Amendment of these Articles shall require the assent of 75 percent (75%) of the entire membership, provided that, as long as a Class B membership exists in the Association, any amendment of this charter shall be approved in writing by the Veterans' Administration and the Federal Housing Administration.

IN WITNESS WHEREOF, for the purpose of forming this not-for-profit mutual-benefit corporation under the laws of the State of Tennessee, the undersigned, constituting the incorporator of this Association, has executed this Charter for Incorporation this 10th day of may, 1996.

  
Incorporator

## MOSS CREEK VILLAS HOA – GENERAL POLICIES SUMMARY

These policies are designed to:

1. Maintain the overall attractiveness and value of our development
2. Keep the Homeowners Association on a sound financial base

These policies are intended to serve the Board of Directors as a guide to implementation of the directives of our governing documents. They are not intended to replace or revise, but to supplement these documents. Keep this document with your copies of the Covenants, Bylaws, and Charter of the Moss Creek Villas HOA.

These policies are updated from time to time by the Board of Directors to address changing maintenance needs.  
 First Published: October 10, 2006      Last updated: October 26, 2021

<b>ROOF REPLACEMENT and REPAIR</b> (including gutters and downspouts):	<b>Homeowner responsibility</b> per 3 <sup>rd</sup> Amendment to the MCV Covenants, effective June 27, 2016
<b>RENTAL RESTRICTIONS</b> apply for persons not related to the unit's owner:	<b>CAP on third-party rentals</b> per 4 <sup>th</sup> Amendment to the MCV Covenants, effective September 21, 2021
<b>PLANNED UNIT DEVELOPMENT (PUD):</b> Moss Creek Villas is a PUD, <i>not</i> condominiums:	<b>You own your entire unit</b> and the specific lot it sits on. The HOA has no ownership in any part of a building.

**ANIMALS.** See Covenants, Article VIII, Section 3

- a. All animals must be securely contained or on a leash at all times when in MCV.
- b. Pet owners **must** remove any feces deposited by their animal on the grounds of the development. This includes common areas and private property.
- c. When walking your pet allow them to urinate in the common areas only.
- d. Knoxville City Ordinances regarding ownership and care of animals apply.

**ANNUAL FEES**

As permitted by the Covenants, Article IV, Section 3, Article a, the annual fee will be adjusted yearly by the CPI figures for July of each year. The new fee amount will become effective on the first of January of the following year.

Fees are payable monthly. **They are due on the 1<sup>st</sup> of every month** and are delinquent after the 10<sup>th</sup>.  
**A fifty dollar (\$ 50) late fee will be added for payments received after the 10<sup>th</sup>.**

**PARKING:** See Covenants, Article VIII, Sections 10, 11, & 12

- a. Residents and overnight guests must park their vehicles in their garage or on their driveway.
- b. **Absolutely no parking on any planted area in Moss Creek Villas.**
- c. Commercial vehicles, i.e. oversized pickup trucks, vans, construction equipment or trailers, are not permitted to be parked overnight on the premises of MCV.
- d. **Recreational Vehicles are not allowed.** See Article VIII, Section 11 of the Covenants.
- e. Knoxville City Ordinances regulating on-street parking and front-yard parking apply.

**TERMITE AND PEST CONTROL**

Sentricon Termite Control: The HOA will pay the yearly renewal fee for the termite control. The HOA will also pay for quarterly Pest Control on the outside. These two contracts are with Russell's Pest Control. Termite letters are available from Russell's Pest Control as needed. Russell's will treat inside at the homeowner's expense.

**APPLICABLE GUIDELINES FOR ARCHITECTURAL CHANGES**

All Guidelines were reviewed by the Board and updated/approved as of **September / October 2021**. These updated Guidelines replace prior guidelines. Please be sure to refer to these most recent guidelines as your ACR may be rejected until all current requirements are met. The updated Guidelines (*Roof / Tree & Shrub / Fence / Miscellaneous*) are available from the property manager.

**ARCHITECTURAL CONTROL.** See Covenants, Article V

1. All proposed changes or additions to property must be submitted *in writing* to the Board by the homeowner. An **Architectural Change Request form (ACR)** is included in the Welcome package or available from the property manager.
2. Approval or rejection is provided *in writing* and determined by a majority vote of the Board of Directors.
3. Projects must be completed just as submitted and approved by the Board.
4. The homeowner is responsible for the maintenance of any homeowner made additions including those made by a previous owner.
5. An **ACR is required** for the following:

• Removal of healthy trees (including river birches)	• Fences
• Roof replacement/repair	• Satellite dishes (placement)
• Pergolas	• Front door replacement
• Awnings	• Front and rear storm door replacement
• Garage door replacement	• Resurfacing driveway
• Enlarging existing patio	• Landscaping projects and other structures in back yards
• Security lights, security cameras (placement)	• Moving outside AC unit

To maintain conformity, all changes must follow current MCV guidelines. Should no specific guidelines exist, any *permanent* changes/attachments to an exterior building surface must be approved by the Board (*excluding* seasonal decorations). If in doubt, please submit an ACR (for items not listed above) prior to starting any work.

Please note: A conversation with (an) individual Board member(s) does not constitute approval.

**EXTERIOR MAINTENANCE.** See Covenants, Article VII

The Homeowners Association will arrange and pay for the repainting and cleaning of some of the items listed below *on a cyclical basis*. Repairing or replacement of some items, insofar as the damage was *not* due to negligence or inflicted by the homeowner or their guests, will be done on an *as needed* basis. Contact our Property Manager to report the need for a repair or replacement.

ITEMS COVERED BY HOA FEES:

1. Vinyl siding
2. Sidewalks
3. Exterior surface of garage door (cleaning)
4. House trim
5. Porch railings
6. Front shutters
7. Front and rear entrance doors and door on patio storage room (maintenance)
8. Mailboxes and posts
9. Cosmetic repairs to exterior building surfaces
10. Gutter and downspout cleaning (annually, as HOA courtesy, subject to change)
11. Stucco (DryVit)

HOMEOWNER RESPONSIBILITY:

Repairs and replacement of the following items will be supervised by the MCVHOA Board, but *they will be paid for by the homeowner* and not financed from existing Homeowners Association Funds.

1. Glass surfaces
2. Garage door (repair & replacement)
3. All added exterior structures including, but not limited to, fences, arbors, and pergolas
4. Driveways
5. Front and rear entrance doors, storm doors, patio storage room door (replacement)
6. Light fixtures on front and rear, doorbells
7. Shutters (if any) on the side windows of the unit
8. Patios
9. Structural malfunctions
10. Roofs, gutters, and downspouts (See **Roof Guidelines, Sept. 2021**)
11. Flashing on roof touching stucco surfaces (See **Roof Guidelines, Sept. 2021**)

## LANDSCAPING

### Responsibilities of HOA

1. Mowing of all grass-covered common areas
2. Mowing of grass on homeowners property not enclosed by fences or shrubbery
3. Trimming of trees and shrubs on common areas
4. Trimming of evergreen shrubs on homeowner property (front only), twice a year
5. Removal of *dead or dying* shade trees in front yards and on common area
6. Mulching of homeowner's front flower beds, once a year
7. Mulching of planted common areas
8. Maintenance and improvement of all plant covered common area
9. Fall leaf pickup (several rounds)

### Responsibilities of Homeowner

1. Planted beds weed removal
2. Watering of trees, shrubs, and plants on own property
3. Keeping property free of trash and hindrances to landscaping maintenance
4. Maintenance of areas enclosed by fences
5. Removal of undesirable shrubs and ornamental trees
6. Removal of *any healthy* shade trees on homeowner property;  
Board approval **required** per **updated Tree & Shrub Guidelines Sept. 2021**
7. Replanting trees and shrubs as desired, in accordance with **Tree & Shrub Guidelines Sept. 2021**
8. Placing mulch around any homeowner added shrubs, trees, or flowers
9. Repairing of water drainage problems on homeowner property

### GARBAGE COLLECTION (currently on Wednesday mornings)

Garbage may be placed on the curb no earlier than 6 PM the day before weekly pickup. The containers must be placed back **inside** the unit by 9 PM of the day of pickup. **Only garbage carts provided by the City of Knoxville may be used.** If you move, the cart must be left behind for the new owner. Call 311 if your cart is damaged or lost.

**Recycling pickup service** is available by calling 311 for information.

## INSURANCE

Liability and hazard insurance is carried on all of the **common areas** by the HOA.

Individual homeowners need to carry homeowner insurance and/or full liability insurance on their own unit. Moss Creek Villas is a planned unit development (PUD), not condominiums.

## NO SOLICITATION POLICY

Individuals or representatives of companies and organizations are not allowed to make solicitations or to sell services or goods door to door on the grounds of MCV.

## SIGNS

Signs of any kind are prohibited with the exception of one (1) professional sign advertising the property for sale. See Covenants Article VIII Section 5.

*Political signs:* Within 60 days of a general election, political signs may be displayed per *TN Freedom of Speech Act*.

Sign may not hinder mowing. HOA may establish rules if necessary. See City of Knoxville website:

[https://www.knoxcounty.org/election/signage\\_code.php](https://www.knoxcounty.org/election/signage_code.php)