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# DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS OF THE FATHERLAND-LILLIAN HOMES EAST, A HORIZONTAL PROPERTY REGIME WITH PRIVATE ELEMENTS

This Declaration of Covenants, Conditions and Restrictions, hereinafter sometimes referred to as the "Declaration", set forth and entered into this the 25 day of October, 2019, by the undersigned, Derek A. Leggio, hereinafter sometimes referred to as the "Declarant":

## W I T N E S S E T H:

WHEREAS, Declarant is the owner of certain real property in Nashville, Davidson County, Tennessee, known as the Fatherland-Lillian Homes East, the Legal Description of which is attached hereto as Exhibit "A" to which reference is hereby made for a more complete description; and

WHEREAS, Declarant is desirous of establishing a horizontal property regime as provided in Section 66-27-101 *et seq.* of the Act, as amended, and thereby to cause a horizontal property regime to be properly organized and developed under Tennessee law, pursuant to the Act, as amended;

NOW, THEREFORE, Declarant hereby declares that all of the properties described above 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 and be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.

## ARTICLE I

## DEFINITIONS

**SECTION 1. Definitions.** As used herein, unless the context otherwise requires:

a. "Association" shall mean and refer to Fatherland-Lillian Homes East Homeowner's Association, Inc., a Tennessee not-for-profit corporation, its successors and assigns.

b. "Board" means the Board of Directors of Fatherland-Lillian Homes East Homeowner's Association, Inc.

c. "By-Laws" means the By-Laws of Fatherland-Lillian Homes East Homeowners Association, Inc., attached hereto as Exhibit "C" and made a part hereof, as amended from time to time.

d. "Owner" shall mean and refer to the record Owners, whether one or more persons or entities, of a fee simple title to any Unit which is a part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

e. "Parcel" means the parcel or tract of real estate which is the subject of this Declaration as more particularly described on Exhibit "A" hereto.

f. "Property" (whether singular or plural) means all the land, property and space comprising the Parcel, and all improvements and structures erected, constructed or contained therein or thereon, including the Buildings and all easements, rights and appurtenances belonging thereto, and all furniture, furnishings, fixtures and equipment intended for the mutual use, benefit or enjoyment of the Owners.

g. "Limited Common Elements" means all Common Elements contiguous to and serving exclusively a single Unit as depicted on the Plat, the enjoyment, benefit or use of which is reserved to the lawful Occupants of such Unit either in this Declaration, on the Plat, or by the Board.

h. "Common Area" or "Common Elements" shall mean all real property, owned by the Association for the common use and enjoyment of the Owners.

i. "Unit" means the attached but separate residential improvements shown on the Plat which are not owned in common with the Owners of other Units. Each Unit is numbered and the boundaries of which are shown thereon.

j. "Member" shall mean and refer to every person or entity who holds membership in the Association.

k. "Declarant" means Derek A. Leggio and its successors and/or assigns, provided such successors or assigns are designated in writing by Declarant as a successor or assignee of the rights of Declarant set forth herein.

l. "Building" means the building or buildings located on the Parcel and forming part of the Property and containing the Units. The "Building" is delineated on the

Plat. When more than one building is shown on the Plat (or an amended survey), then the word "Building" shall be used in the plural context.

m. "Occupant" means a person or persons in possession of a Unit, regardless of whether said person is a Unit Owner.

n. "Person" means a natural individual, corporation, partnership, trustee or other legal entity capable of holding title to real property.

o. "Plat" means the surveyor's representation of the Property attached hereto as Exhibit "B", to which reference is hereby made, showing the number of each Unit and expressing its area, location and other data necessary for identification

p. "Majority" or "majority of the Unit Owners" means the Owners of more than fifty percent (50%) of the membership in the Association, present and then eligible to vote. Any specific percentage of Unit Owners means that percentage of Unit Owners who in the aggregate own such specified percentage of the entire membership in the Association, present and then eligible to vote.

q. "Lot" shall mean and refer to any numbered plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area and dedicated streets.

r. "Act" shall mean the Tennessee Horizontal Property Act, as amended, (Chapter 27 of Title 66 of Tennessee Code Annotated). All definitions contained in the Act shall be deemed to be definitions for purposes of this Declaration, including the definition of "Private Elements" and "Corporation".

s. "Private Elements" means and includes the lot area upon which an individual Unit is located as shown on the Plat. The Private Elements designated for each Unit depicted thereon for which fee simple ownership and exclusive use is reserved to that Owner only.

t. "Attorney's Opinion" shall mean that Attorney's Opinion attached as Exhibit "D", which opinion is obtained for purposes of Tennessee Code Annotated Section 66-27-103(b), which Attorney's Opinion reference to the attached certificate of a professional engineer or architect required by T.C.A. 66-27-104, for the purposes contained therein.

## ARTICLE II

## UNITS

**SECTION 1. Description.** The legal description of each Unit shall consist of the identifying number or symbol of such Unit as shown on the Plat. Every deed, lease,

mortgage, deed of trust or other instrument shall legally describe a Unit by its identifying number or symbol as shown on the Plat and every such description shall be deemed good and sufficient for all purposes. No Unit Owner shall, by deed, plat, court decree or otherwise, subdivide or in any other manner cause his Unit to be separated into any tracts or parcels different from the whole Unit as shown on the survey.

**SECTION 2. Mortgages and Deeds of Trust.** Each Owner shall have the right, subject to the provisions herein, to make separate mortgages and deeds of trust for his respective Unit together with his respective ownership interest in the Association. No Owner shall have the right or authority to make or create, or cause to be made or created from the date hereof, any mortgage, deed of trust or other lien on or affecting the property or any part thereof, except only to the extent of his own Unit and the respective percentage interest in the Association corresponding thereto.

## ARTICLE III

## ASSOCIATION OF OWNERS AND ADMINISTRATION AND OPERATION OF THE PROPERTY

**SECTION 1. (a) Formation.** There has been or will be formed an Association having the name Fatherland-Lillian Homes East Homeowners Association, Inc. a Tennessee not for profit corporation, which Association shall be the governing body for all of the Owners, for the maintenance, repair, replacement, administration and operation of the Property, this Declaration and the By-Laws. The By-Laws for the Association shall be the By-Laws attached to the Declaration as Exhibit "C" and made a part hereof. The Board of Directors of the Association shall be elected and shall serve in accordance with the provisions of the By-Laws. The fiscal year of the Association shall be determined by the Board, and may be changed from time to time as the Board deems advisable. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be held and applied by it for the use and benefit of Owners in accordance with the provisions of the Declaration and By-Laws. Each Owner shall be a member of the Association so long as he is an Owner. An Owner's membership shall automatically terminate when he ceases to be an Owner. Upon the conveyance or transfer of an Owner's ownership interest to a new Owner, the new Owner shall simultaneously succeed to the former Owner's membership in the Association. The aggregate number of votes for all members of the Association shall be equal to two. Each Owner's respective percentage of ownership interests in the Association shall be the result of a fraction, the numerator being one and the denominator being two (the number of the Units submitted by the Plat).

**Non-Liability of the Directors, Board, Officers and Declarant.** Neither the directors, Board, officers of the Association, nor the Declarant shall be personally liable to the Owners for any mistake of judgment or for any other acts or omissions of any nature whatsoever as such directors, Board, officers of the Association or Declarant, except for any acts or omissions found by a court to constitute gross negligence or actual

fraud. The Unit Owners shall indemnify and hold harmless each of the directors, Board, officers of the Association, or Declarant, and his respective heirs, executors, administrators, successors and assigns in accordance with the By-Laws.

**SECTION 2. Board's Determination Binding.** In the event of any dispute or disagreement between any Owners relating to the Property, or any questions of interpretation of application of the provisions of the Declaration or By-Laws, the determination thereof by the Board shall be final and binding on each and all such Owners.

**SECTION 3. Ownership of the Association.** Each Owner shall be entitled fifty percent (50.0%) of the ownership in the Association, as set out in Section 1(a) hereof. The percentage of ownership interests shall remain constant unless amended pursuant to the reservation set forth herein, or unless hereafter changed by recorded amendment to this Declaration as provided for herein or consented to in writing by the necessary Owners and first mortgages. The ownership of each Unit shall not be conveyed separate from the percentage of ownership in the Association corresponding to said Unit. The ownership in the Association corresponding to any Unit shall be appurtenant to the ownership of the Unit and shall be deemed conveyed or encumbered with that Unit, even though the legal description in the instrument conveying or encumbering said Unit may refer only to the fee title to that Unit.

**SECTION 4. Use of the Common Elements.** Each Owner shall have the right to use the Common Elements (except the Limited Common Elements) in common with all other Owners, as may be required for the purposes of access, ingress to, egress from, use, occupancy and enjoyment of the respective Unit owned by such Owner. Such right to use the Common Elements shall extend to not only each Owner, but also to his agents, servants, tenants, family members, customers, invitees and licensees. However, each Unit Owner shall have the right to exclusive use and possession of the Limited Common Elements contiguous to and serving such Unit alone. Such rights to use the Common Elements, including the Limited Common Elements, shall be subject to and governed by the provisions of the Declaration, By-Laws and rules and regulations of the Association. In addition, the Association shall have the authority to lease, grant concessions or grant easements with respect to parts of the Common Elements, subject to the provisions of the Declaration and By-Laws. All income derived by the Association from leases, concessions or other sources shall be held and used for the benefit of the members of the Association, pursuant to such rules, resolutions or regulations as the Board may adopt or prescribe.

**SECTION 5. Common Expenses.** Each Owner shall pay his proportionate share of the expenses of the administration and operation of the Common Elements, if any, and of any other expenses incurred in conformance with the Declaration and By-Laws (which expenses are herein sometimes referred to as "common expenses"), including, but not limited to, the maintenance and repair thereof and any and all replacements and additions thereto. Such proportionate share of the common expenses for each Owner shall be in accordance with his percentage of ownership in the

Association. Payment of common expenses shall be in such amounts and at such times as determined in the manner provided in the By-Laws. No Owner shall be exempt from payment of his proportionate share of the common expenses by waiver or non use or enjoyment of the Common Elements or by abandonment of his Unit. The Board's decision as to reasonableness shall be binding upon all parties, and such payment, together with such late payment charge (the "Indebtedness"), shall constitute a lien on the interest of such Owner in the Property.

## ARTICLE IV

## PROPERTY RIGHTS

**SECTION 1. Owners' Easements of Enjoyment.** Every Owner shall have a right and easement of enjoyment in and to the Common Area which shall be appurtenant to and shall pass with the title to every Unit, subject to the following provisions:

a. the right of the Association (acting by the Board) to dedicate or transfer all or any part of the Common Area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the Members. No such dedication or transfer shall be effective unless an instrument signed by at least three-quarters (3/4) of Members, agreeing to such dedication or transfer, has been recorded; providing, however, that such consent shall not be required for the dedication of utility or service easements;

b. the right of the Association (acting by the Board) to grant private access and/or private utility or drainage easements to private individuals or entities, to serve neighboring properties.

**SECTION 2. Delegation of Use.** Any Owner may delegate, in accordance with the By-Laws, his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property. Membership in the Association may not be conveyed separate from ownership in the Unit.

## ARTICLE V

## COVENANTS FOR MAINTENANCE ASSESSMENTS

**SECTION 1. Creation of the Lien and Personal Obligation of Assessments.** The Declarant, for each Unit owned within the Property, hereby covenant, and each

Owner of any Unit, by acceptance of a deed of conveyance, 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, if any, such assessments, if any, 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 property against which each such assessment is made. Each such assessment, together with interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due. The personal obligation for the delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

**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 of the Property, and in particular for the acquisition, improvement and maintenance of properties, services and facilities devoted to this purpose, or for the use and enjoyment of the Common Area, if any, including but not limited to, the costs of repairs, replacements and additions, the cost of labor, equipment, materials, management and supervision, the payment of taxes assessed against the Common Area, if any, the procurement and maintenance of insurance, if necessary, in accordance with the By-Laws, the employment of attorneys to represent the Association when necessary, payment of common expenses, and such other needs as may arise.

**SECTION 3. Maximum Annual Assessment.** Until January 1, 2020, the maximum annual assessment shall be ONE THOUSAND DOLLARS ($1,000.00) per Unit.

a. From and after January 1, 2020, the maximum annual assessment may be increased each year not more than five percent (5%) above the maximum assessment for the previous year without a vote of the membership.

b. The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

**SECTION 4. Payable Annual Assessment.** The Board of Directors shall fix the payable annual assessment at an amount not in excess of the maximum annual assessment.

**SECTION 5. Special Assessments for Capital Improvements.** In addition to the annual assessment authorized above, the Association (acting by and through the Board) may levy, in any calendar year, a special assessment applicable to that year only

for the purpose of defraying in whole or in part, the costs of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Area, if any, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of a majority of the votes of Members who are voting in person or by proxy at a meeting duly called for this purpose, or for any common expense approved by the Board of Directors. All special assessments shall be fixed at a uniform rate for all Units and may be collected on a monthly basis, without additional fee or cost to such members paying on a monthly basis.

**SECTION 6. Rate of Annual Assessment.** Annual assessment must be fixed at a uniform rate for all Units and may be collected on a monthly basis. The books and records for the Association will be kept in such a manner that it is possible to determine and ascertain (i) such sums as are expended by the Association for development, improvement, maintenance and upkeep of all recreational facilities of the Association, and (ii) such sums as are expended for other purposes.

**SECTION 7. Date and Commencement of Annual Assessments; Due Dates.** The annual assessments provided for herein shall commence as to all Unit(s) on the first day of the first month following the recording of this Declaration. At least thirty (30) days in advance of each annual assessment period, the Board of Directors shall fix the amount of the annual assessment to every Owner subject thereto. Written notice of such assessment shall be sent to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period. 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 specified Unit(s) have been paid. A properly executed certificate of the Association as to the status of the assessments on a Unit is binding upon the Association as of the date of its issuance.

**SECTION 8. Effect of Nonpayment of Assessments; Remedies of the Association.** Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the then maximum applicable formula rate of interest legally chargeable under Title 47, Chapter 14, Sections 101 et seq., Tennessee Code Annotated, as it may be amended from time to time, on a per annum basis until reinstatement or the completion of foreclosure. The Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of such action or foreclosure shall be added to the amount of such assessments. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the Common Area, if any, or abandonment of his Unit.

**SECTION 9. Subordination of the Lien to Mortgages.** The liens provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Unit shall not affect the assessment lien or liens provided for in the preceding section. However, the same or transfer of any Unit which is subject to any first mortgage or deed of trust; pursuant to a foreclosure thereof or any proceeding in lieu of foreclosure thereof,

shall extinguish the lien of such assessments as the payment thereof which become due prior to such sale or transfer (provided, that such unpaid assessment shall be reallocated among the other Units). No such sale or transfer shall relieve such Unit from liability for any assessments thereafter becoming due or from the lien thereof.

**SECTION 10. Exempt Property.** All property dedicated to, and accepted by, a local public authority and all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Tennessee shall be exempt from the assessments created herein. However, no land or improvements devoted to dwelling use shall be exempt from said assessments in any case.

## ARTICLE VI

## MAINTENANCE, REPAIRS AND REPLACEMENTS

Each Owner, at his own expense, shall furnish and be responsible for all maintenance of, repairs to and replacements within and to his Unit and the Limited Common Elements exclusively serving his Unit or the Board may cause the same to be done at the expense of the Owner. Maintenance of, repairs to and replacements to the Common Elements, if any, except those referred to in the preceding sentence, shall be the responsibility of and shall be furnished by the Association. All Limited Common Elements including decks, patios and backyards shall be the maintenance, repair and replacement responsibility of the individual Owner to which they attach.

If, due to the act or neglect of an Owner, or of his agent, servant, tenant, family member, invitee, licensee or household pet, damage shall be caused to the Common Elements, if any, or to a Unit or Units owned by others, or maintenance, repair or replacement are required which would otherwise be a common expense, then such Owner shall pay for such damage or such maintenance, repair and replacements, as may be determined by the Association, to the extent not covered by the Association's insurance or sufficient proceeds are not collected from the insurance carrier.

## ARTICLE VII

## INSURANCE

**SECTION 1. Insurance Required by the Association.**

a. **Casualty Insurance on Insurable Area.** The Association shall keep all insurable improvements and fixtures of the Common Area, if any, insured against loss or damage by fire for the full insurance replacements cost thereof, and may obtain insurance against such other hazards and casualties as the Association may deem desirable. The Association may also insure any other property

whether real or personal, owned by the Association, against loss or damage by fire and such other hazards as the Association may deem desirable, with the Association as the owner and beneficiary of such insurance. The insurance coverage with respect to the Common Area 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.

b. **General Liability and Other Insurance.** The Association shall also have authority to obtain comprehensive public liability insurance, in such amounts as it deems desirable, and workmen's compensation insurance and other liability insurance as it deems desirable, insuring each Owner, mortgagee of record, if any, the Association, its officers, directors, Board and employees from liability in connection with the Common Elements, if any. The premiums for such insurance shall be a common expense. However, at the option of the Board, and upon written notice to all Owners, premiums for such insurance shall be separately billed to each Owner for his corresponding percentage of ownership in the Association. The Board shall retain in safe keeping any such public liability policy for fifteen (15) years after the expiration date of the policy.

c. **Officers' and Directors' Liability Insurance.** At its option, the Association shall obtain officers' and directors' liability insurance.

**SECTION 2. Owner's Insurance Obligation.** Each Owner shall be responsible for obtaining his own insurance on his Unit, the contents of his Unit and the Limited Common Elements serving his Unit, as well as his additions and improvements thereto, decorating, furnishings, fixtures, and personal property therein, and personal property stored elsewhere on the Property. The insurance policy shall afford, as a minimum protection against the following:

a. loss or damage by fire or other perils normally covered by the standard extended coverage;

b. all other perils which are customarily covered with respect to projects similar in construction, location and use, including all perils normally covered by the standard "all risk" endorsement, where such is available.

The policy shall be in an amount equal to 100% of current replacement cost of the Unit, exclusive of land, foundation, excavation and other items normally excluded from coverage.

**SECTION 3. Annual Review of Policies.** 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.

**SECTION 4. Notice to First Mortgagees.** In the event of substantial damage to or destruction of any Unit or any part of the Common Elements, the institutional holder of any first deed of trust or mortgage on a Unit will be entitled to timely written notice of any such damage or destruction and no provision of any document establishing the Property will entitle the Owner of a Unit or other party to priority over such institutional holder with respect to the distribution to such Unit of any insurance proceeds.

**SECTION 5. Federal National Mortgage Association Requirement.** All insurance covered by the Association and the Owners shall comply, to the extent possible, with the requirements of the FNMA Conventional Home Mortgage Seller's and Services Lending Guide.

**SECTION 6. Mortgage Clauses.** All policies of insurance shall contain or have attached thereto a "standard" or "union" mortgage clause (without contribution) in the form customarily used in Tennessee.

**SECTION 7. Notice of Cancellation or Modification.** Policies may not be canceled or substantially modified without at least 10 days' prior written notice to the Association and to each holder of a first mortgage which is listed as a scheduled holder of a first mortgage in the insurance policy.

## ARTICLE VIII

## EASEMENTS

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the Plat. Within these easements no structure, planting or other material shall be placed or permitted to remain which may interfere with the installation and maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements.

## ARTICLE IX

## FEDERAL NATIONAL MORTGAGE ASSOCIATION AND FEDERAL HOME LOAN MORTGAGE CORPORATION REGULATIONS, ETC.

Notwithstanding anything to the contrary contained in this Declaration, or in the By-Laws which are attached hereto, all terms, conditions and regulations which are now existing, or which may be amended from time to time, by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation pertaining to planned unit developments are hereby incorporated as terms and conditions of the Declaration and By-Laws and such shall be governing upon the Property and the Association.

Specifically, without limitation upon the foregoing, the following declarations shall be fully effective and controlling over any terms of the Declaration or By-Laws which are in conflict. Any portions of such Declaration or By-Laws which are in conflict with this Section, or any portion of Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association regulations pertaining to planned unit developments are hereby deleted, such regulations are substituted herefor and to the extent that it is necessary to amend this instrument so that the Seller's Warranties will be deemed to be true (as defined in the Sellers Guide, issued by the Federal Home Loan Mortgage Corporation, Part III, Subsection 3.207), then this instrument and the accompanying By-Laws shall be deemed to be so amended to conform thereto, and so that the legal guidelines and underwriting standards set forth in Sections 401 through 611 of the "FNMA Lending Guide" shall be incorporated herein by reference, and any conflicting provisions herein shall be deemed to be amended to conform thereto, anything herein to the contrary notwithstanding. The following additional rights of mortgages are itemized as follows:

a. A first mortgagee under a Unit at his request is entitled to written notification from the Association of any default by the mortgagor of such Unit in the performance of such mortgagor's obligations under the Declaration, By-Laws, or any of the documents, which is not cured within thirty (30) days.

b. Any first mortgagee of a Unit who comes into possession of the Unit pursuant to the remedies provided in the mortgage, deed of trust, foreclosure of the mortgage or deed of trust, or deed in lieu of foreclosure shall take the property free of any claims for any unpaid assessments or charges against the mortgaged Unit, which Unit (except for claims for a prorata share of such assessments or charges resulting from a prorata reallocation of such assessments or charges to all Units including the mortgage Unit).

c. Unless at least seventy-five percent (75%) of the first Mortgages (based upon one (1) vote for each mortgage owned) of Units have given their prior written approval, the Association shall not be entitled to:

- Change the prorata interest or obligations of any Unit for (a) purposes of levying assessments or

charges or allocating distributions of hazard insurance proceeds or condemnation awards and for (b) determining the prorata share of each Unit in the Association.

- Use hazard insurance proceeds for losses to any property (whether to individual Units or Common Elements) for other than the repair, replacement, or reconstructions of such improvements, in case of substantial loss to the Units and/or Common Elements.

- Amend the Declaration, By-Laws or survey in such a manner as to adversely affect the rights or security enjoyed by a first mortgage lien holder.

d. First mortgagees shall have the right to examine the books and records of the Association and/or the Property; and upon request, be permitted or entitled to receive an annual audited financial statement of the Property within 90 days following the end of any fiscal year of the Property; and written notice of all meetings of the Association and be permitted to designate a representative to attend all such meetings.

e. An adequate reserve fund for the replacement of Common Elements and the Buildings' exteriors will be established and funded by regular monthly payments rather than by special assessments.

f. All taxes, assessments and charges which may become liens prior to the first mortgage under the laws of the State of Tennessee shall relate only to the individual Unit and not to the Property as a whole.

g. No Owner, or any other party shall have priority over any rights of the first mortgages of Units pursuant to their mortgages in the case of a distribution to owners of insurance proceeds or condemnation awards for losses to or a taking of Units and/or Common Elements.

h. The Association shall give to the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association by the Federal Home Loan Mortgage Corporation and the Federal National Mortgage Association, notice in writing of any loss to or the taking of, the Units or the Common Elements of the project if such loss or taking exceeds Ten Thousand Dollars ($10,000.00).

The Association may rely upon the information contained in the book entitled "Mortgages of Units" as must be established pursuant to the By-Laws, for a list of mortgages to be notified hereby. All first mortgagees shall register with the "Book of Mortgagees".

i. The interest of a first mortgagee in a mortgaged Unit shall be superior to the interests of any other person, group, partnership, corporation or entity of any kind, including any interest the Board or any Owner may have in any portion of the premises, regardless of the nature of the interest or the manner in which it is acquired.

j. Notwithstanding the above, any first mortgagee shall have all of the rights granted to a first mortgagee herein, and in addition shall have all of the rights granted to an institutional first mortgagee under its Deed of Trust, and under the Laws of the State of Tennessee.

k. To the extent that the Federal National Mortgage Association shall have an interest in, or be the owner of, or participate in, any first mortgages or deeds of trust affecting any of the Units, then:

- Any lien of the Association resulting from nonpayment of assessments against a Unit must be subordinate to the first mortgage or deed of trust lien against that Unit.

- An adequate reserve fund for replacement of common element components must be established, which must be funded by monthly payments rather than extraordinary special assessments. A working capital fund shall be established for the initial months of the operation equal to at least a two months' established common expense charge for each Unit. Each Unit's share of the working capital fund must be collected and transferred to the Association at the time of closing of the sale of each Unit and maintained in a segregated account for the use and benefit of the Association. The purpose of the fund is to insure that the Association's Board of Directors will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the Board. Amounts paid into the fund are not to be considered as advance payment of regular assessments.

- The Association shall give the holders of first deeds of trust and mortgages prompt notice of any default in the Unit mortgagor's obligations under the documents not cured within 30 days of default.

- The holders of first deeds of trust or mortgages shall have the right to examine the books and records of the Association and to require annual reports and other financial data.

- A reasonable method for dealing with any condemnation of the Property shall be provided, specifying written notice to first mortgages of any such proceedings and not disturbing mortgagee's first lien priority.

- The Association shall have the right to maintain existing improvements regardless of any present or future encroachments of the Common Elements or a Unit upon another Unit.

- The Unit shall not be subject to any unreasonable restraints on alienation which would adversely affect the title or marketability of the Unit, or the ability of the mortgage holder to foreclose its first mortgage lien and thereafter to sell or lease the mortgaged Unit.

- The Association may require appropriate fidelity bond coverage for any person or entity handling funds of the Association, including, but not limited to, employees of the professional managers.
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## ARTICLE X

## TRANSFER OF A UNIT – NOTICE TO ASSOCIATION

**SECTION 1. Unrestricted Transfers.** Subject to the provisions of this Article, an Owner may sell, give, devise, lease or otherwise transfer his Unit, or any interest therein, to any person.

**SECTION 2. Notice to Board.** Any Owner who wishes to make a transfer of his Unit shall notify the Board in writing and provide the Board with a copy of the contract, lease or other document evidencing such transfer.

**SECTION 3. Restrictions on Leases.** Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration and the By-Laws and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be required to be in writing.

**SECTION 4. Miscellaneous.**

a. All notices referred to or required under this Paragraph shall be given in the manner provided in this Declaration for the giving of notices.

b. The Board may adopt rules and regulations, from time to time, not inconsistent with the provisions of this Article, for the purpose of implementing and effectuating said provisions.

c. If any transfer or lease of a Unit is made or attempted without complying with the provisions of this Paragraph, such transfer or lease shall be subject to each and all of the rights of, and remedies and actions available to, the Association hereunder and otherwise.

## ARTICLE XI

## REMEDIES

In the event of any violation of the provisions of the Declaration, By-Laws or rules and regulations of the Board or Association by an Owner (either by his own conduct or by the conduct or any other occupant of his Unit) the Association, or its successors or assigns, or the board, or its agent, shall have each and all of the rights and remedies which may be provided for in the Declaration, By-Laws, or said rules and regulations, or action or other proceedings against such defaulting Owner and/or others for enforcement of any lien and the appointment of a receiver for the Unit and ownership interest of such Owner, or for damages or injunction or specific performance, or for judgment for payment of money and collection thereof, or the right to take possession of the Unit and to sell the same as provided hereinabove and as provided hereinafter, or for any combination of remedies, or for any other relief. All expenses of the Board in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses and all damages, liquidated or otherwise, together with interest thereon at the then maximum applicable formula rate of interest legally chargeable under Title 47, Chapter 14, Sections 101 et seq., Tennessee Code Annotated, as it may be amended from time to time, on a per annum basis until reinstatement or the completion of foreclosure or at the then highest contract rate of interest then legally collectible in Tennessee, shall be charged to and assessed against such defaulting Owner, and shall be added to and deemed part of his respective share of the common expenses, upon the Unit and ownership

interest in the Association of such defaulting Owner and upon all of his additions and improvements thereto and upon all of this personal property in his Unit or located elsewhere on the Property, provided, however, that such lien shall be subordinate to the lien of a recorded first mortgage or deed of trust on the interest of such Owner, except for the amount of the proportionate share of said common expenses which become due and payable from and after the date on which the said mortgage or deed of trust owner or holder accepts a conveyance of any interest therein (other than as a security) or forecloses the lien of its mortgage or deed of trust. In the event of any such default by any Owner, the Board shall have the authority to correct such default, and to do whatever may be necessary for such purpose and all expenses in connection therewith shall be charged to and assessed against such defaulting Owner. Any and all such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Board. This paragraph shall not be amended, changed, modified or rescinded without the prior consent of all holders of record of mortgage and deed of trust liens against Units in the Building.

## ARTICLE XII

## GENERAL PROVISIONS

**SECTION 1. Enforcement.** The Association, or any Owner, shall have the rights to enforce, by an proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Declaration. Failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

**SECTION 2. Severability.** Invalidation of any one of the covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

If any provision of the Declaration or By-Laws, or any section, sentence, clause, phrase, word, or the application thereof in any circumstance, is held invalid, the validity of the remainder of this Declaration and the By-Laws and of the application of any such provision, section, sentence, clause, phrase or word in any other circumstances shall not be affected thereby and the remainder of this Declaration or the By-Laws shall be construed as if such invalid part was never included therein.

**SECTION 3. Amendment.** The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) 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 changed, modified or rescinded during the first thirty (30) year period by an instrument in writing, setting forth such change, modification or rescission, signed by not less than seventy-five percent (75%) of the Owners, and acknowledged, and thereafter, by an instrument signed by not

less than fifty percent (50%) of the Owners, provided that no amendment shall alter any obligation to pay ad valorem taxes or assessments for public improvements as herein provided, or affect any lien for the payment thereof established herein, and provided that all lien holders of record have been notified by certified mail of such change, modification or rescission, and an affidavit by the secretary of the Association certifying to such mailing is made a part of such instrument. Any amendment must be properly recorded.

However, if the Declaration or the By-Laws require the consent or agreement of all Owners or of all lien holders for any action specified in this Declaration, then any instrument changing, modifying or rescinding any provision of this Declaration with respect to such action shall be signed by all the Owners or all lien holders or both as required by the Declaration. The change, modification or rescission, whether accomplished under either of the provisions of these paragraphs, shall be effective upon recording of such instrument in the Office for the Register of Deeds of Davidson County, Tennessee.

**SECTION 4. Encroachment.** If any portions of the Common Elements, if any, shall actually encroach upon any Unit or any Private Elements of any Unit, or if any Unit or any Private Elements of any Unit shall actually encroach upon any portions of the Common Elements, if any, or if any Private Elements of any Unit or Unit shall actually encroach upon another Unit, as the Common Elements, Private Elements, and Units are shown on the survey, these shall be deemed to be mutual easements in favor of the Association and be deemed to be mutual easements in favor of the Association and the respective Owners involved, to the extent of such encroachments, so long as the same shall exist.

**SECTION 5. Restrictions on Use of Units.** In order to provide for congenial occupancy of the Property and for the protection of the values of the Units, the use of the Property shall be restricted to and shall be in accordance with the following provisions:

a. Each of the Units shall be used for single family residences only. This provision shall not preclude use and occupancy by two adults not married to each other.

b. The Common Elements shall be used only for the furnishing of the services and facilities for which they are reasonably suited and which are incident to the use and occupancy of Units.

c. No nuisances shall be allowed on the Property nor shall any use or practice be allowed which is a source of annoyance to its residents or which interferes with the peaceful possession or proper use of the property by its residents.

d. No immoral, improper, offensive or unlawful use shall be made of the Property or any part thereof, and all valid laws, zoning

ordinances and regulations of all governmental bodies having jurisdiction thereof, relating to any portion of the property, shall be complied with, by and at the sole expense of the respective Owners or the Board of Directors, whichever shall have the obligation to maintain or repair such portion of the Property.

e. Each Owner shall maintain his Unit in good condition and in good order and repair, at his own expense, and shall not do or allow anything to be done in his Unit which may increase the cost or cause the cancellation of insurance on other Units or on the Common Elements, if any. No owner shall display, hang, store or use any clothing, sheets, blankets, laundry or other articles outside his Unit (other than draperies, curtains, or shades of a customary nature and appearance, subject to the rules and regulations of the Board), or paint or decorate or adorn the outside of his Unit, or install outside his Unit any canopy or awning, or outside radio or television antenna, or C.B. Radio transmitters, or other equipment, fixtures or items of any kind, without the prior written permission of the Board. No Owner of a Unit, shall display, hang, store or use any sign outside his Unit, in a hallway or elsewhere, or which may be visible from the outside of his Unit without the prior written permission of the Board.

**SECTION 6. Notices.** Notices provided for in the Declaration or By-Laws shall be in writing, and shall be addressed to the Association or Board, or any Unit Owner, as the case may be, at their respective street. The Association or Board may designate a different address or addresses for notices to them, respectively, by giving written notice of such change of address to all Owners. Any Owner may designate a different address for notices to him (other than to his or her Unit) by giving written notice to the Association. Notices addressed as above shall be deemed delivered when mailed by United States registered or certified mail, or when delivered in person with written acknowledgment of the receipt thereof.

Upon written request to the Board, the holder of any recorded mortgage or trust deed encumbering any Unit shall be given a copy of all notices permitted or required by this Declaration to be given to the Owner or Owners whose Unit is subject to such mortgage or trust deed.

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

a. Any condemnation loss or any casualty loss which affects a material portion of the project or any Unit estate on which there is

a first mortgage held, insured, or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;

b. Any delinquency in the payment of assessments or charges owned by an Owner of a Unit estate subject to a first mortgage held, insured or guaranteed by such eligible holder or eligible insurer or guarantor, which remains uncured for a period of sixty (60) days;

c. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;

d. Any proposed action which would require the consent of a specified percentage of mortgage holders.

**SECTION 7. Perpetuities and Restrains on Alienation.** If any of the options, privileges, covenants or rights created by this Declaration shall be unlawful, void or voidable for violation of the rule against perpetuities, then such provision shall continue only until twenty-one (21) years after the death of the survivor of the now living descendants of the Governor of Tennessee, Bill Haslam.

**SECTION 8. Rights and Obligations.** Each Grantee of the Declarant, by the acceptance of a deed of conveyance accepts the same subject to all restrictions, conditions, covenants, reservations, liens and charges, and the jurisdiction, rights and powers created or reserved by this Declaration. All future Owners and Occupants shall be subject to and shall comply with the provisions of this Declaration. All rights, benefits and privileges of every character hereby imposed shall be deemed and taken to be covenants running with the land, and shall bind any person having at any time any interest or estate in said land, and shall inure to the benefit of such grantee in like manner as though the provisions of this Declaration were recited and stipulated at length in each and every deed of conveyance or contract for conveyance.

All present and future Owners, tenants and Occupants of a Unit shall be subject to, and shall comply with, the provisions of the By-Laws appended hereto and recorded herewith. The acceptance of a deed of conveyance devise or of a lease to a Unit, or the entering into occupancy of any Unit shall constitute an agreement that the provisions of the said By-Laws and any Rules and Regulations promulgated thereunder, as they may be amended from time to time, are assumed, accepted and ratified by such Owner, tenant or Occupant, and all of such provisions shall be deemed and taken to be covenants running with the land and shall bind any person having at any time any interest or estate in such Unit, as though such provisions were recited and stipulated at length in each and every deed, conveyance or lease, thereof.

The terms and conditions of the Declaration, By-Laws and Rules and Regulations may be incorporated by reference in, and become part of, the agreement between any first mortgagee and any present or future Owner who enters into such an agreement with a first mortgagee. When so incorporated, any default in the terms and conditions of the

Declaration, By-Laws and Rules and Regulations may be considered as a default by the first mortgagee, whereupon said first mortgagee, after exercising its option to declare a default, shall then have all of the rights and privileges arising as a result of a default under its agreement with said Owner.

**SECTION 9. Separate Real Estate Taxes.** Real estate taxes shall be separately taxed to each Owner for his Unit and his corresponding percentage of ownership in the Association. In the event that such taxes for any year are not separately taxed to each Owner, but rather are taxed on the Property as a whole, then each Owner shall pay his proportionate share thereof in accordance with his respective percentage of ownership interest in the Association.

**SECTION 10. Condemnation.** In the event of a taking in condemnation or by eminent domain of a part of the Common Elements, if any, or Unit, the award made for such taking shall be payable to the Board for an on behalf of the Association and/or the Owners directly affected thereby, as their interest may appear. If a majority of the Board in their sole and absolute discretion approve the repair and restoration of such Unit(s) or Common Elements the Board shall arrange for the repair and restoration of such Unit(s) or Common Elements, and the Board shall disburse the proceeds of such award to the contractors engaged in such repair and restoration in appropriate progress payments. In the event that the board does not approve the repair and commence restoration of such Unit(s) or Common Elements within 120 days after taking by the public or private authority, the Board shall disburse the net proceeds of such award on a fair and reasonable basis to the mortgages directly affected by the condemnation and the balance to the Owners directly affected. The decision of the Board as to fairness and reasonableness shall be binding upon all parties if such decision reasonable relates to the given facts.

If any Unit or portion thereof or the Common Elements or any portion thereof is made the subject matter of any condemnation or eminent domain proceeding or is otherwise sought to be acquired by a condemning authority, then the institutional holder of any first deed of trust or mortgage on a Unit will be entitled to timely written notice of any such proceeding or proposed acquisition and no provision of any document establishing the Property will entitle the Owner of a Unit or other party to priority over such institutional holder with respect to the distribution to such Unit of the proceeds of any award or settlement.

IN WITNESS WHEREOF, the undersigned Declarant(s) have executed this instrument on this the 25 day of October, 2019.

DECLARANT:

Derek A. Leggio

STATE OF Virginia
COUNTY OF Arlington

Personally appeared before me, the undersigned, a Notary Public in and for the said County and State, the within named **Derek A. Leggio,** with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), being authorized to do so executed the foregoing instrument on behalf of said company for the purposes therein contained.

Witness my hand and seal at office in Virginia, this 25 day of October 2019.

My Commission Expires:
04/30/2021

JOANNE M. ONIKO
NOTARY PUBLIC
REG # 331874
MY COMMISSION EXPIRES
4/30/2021
COMMONWEALTH OF VIRGINIA

Notary Public

Exhibit "A"

**Legal Description**

Property is shown as Parcel 115.00 on Davidson County property map no. 083-13 and being part of Lot No. 109 on the Map of East Edgefield of record in Plat Book 21, Page 147, Register's Office for Davidson County, Tennessee, and being more particularly described according to a survey provided by Jack Whitson, R.L.S. #1732 dated August 2, 2019 as follows:

Beginning at an Iron Pipe (Old) on the southerly right-of-way of Fatherland Street (50' R.O.W.), being the northeast corner of the property conveyed to Frances Jean Bradford of record in Deed Book 8149, Page 407, Register's Office for Davidson County, Tennessee and being the northwest corner of this tract;

Thence, following the southerly right-of-way of said Fatherland Street, South 82 Degrees 37 Minutes 13 Seconds East, 44.12 Feet to an Iron Rod (Old), being the northwest corner of the property conveyed to Glenn and Robin Fugett of record in Instrument No. 20160408-0033827, Register's Office for Davidson County, Tennessee;

Thence, leaving said Fatherland Street and following the westerly boundary of said Fugett property and continuing with the westerly boundary of the property conveyed to Jeremy and Lauren Levin of record in Instrument No. 20190617-0058144, Register's Office for Davidson County, Tennessee, South 06 Degrees 55 Minutes 17 Seconds West, 212.91 Feet to an Iron Rod (New) on the northerly right-of-way of Lillian Street (50' R.O.W.), being the southwest corner of said Levin property;

Thence, following the northerly right-of-way of said Lillian Street, North 83 Degrees 03 Minutes 06 Seconds West, 44.12 Feet to a point in a 10" Hackberry Tree, being the southeast corner of the aforementioned Bradford property;

Thence, leaving said Lillian Street and following the easterly boundary of said Bradford property, North 06 Degrees 55 Minutes 17 Seconds East, 213.25 Feet to the Point of Beginning.

Containing 9,401 Square Feet or 0.22 Acres.

Being the same property conveyed to Derek Leggio of record in Instrument No. 20190122-0005733, Register's Office for Davidson County, Tennessee.

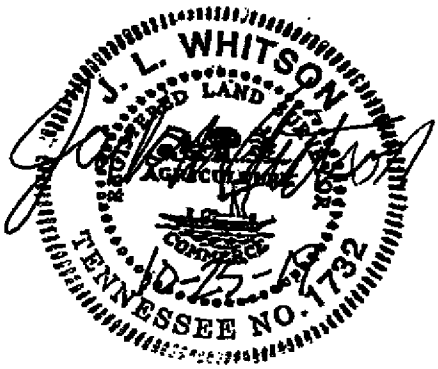
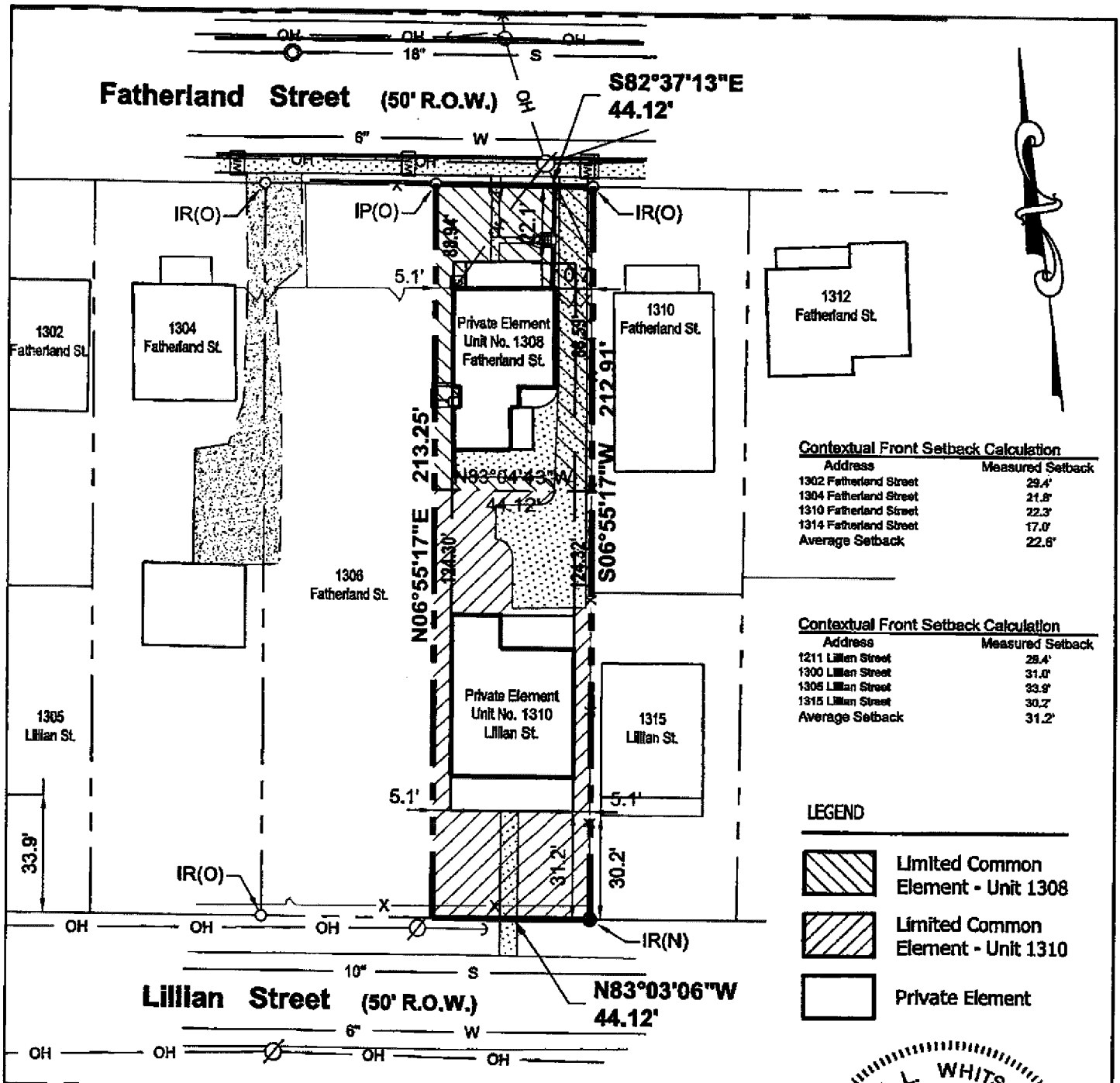


EXHIBIT "B"




**Contextual Front Setback Calculation**

| Address | Measured Setback |
|---|---|
| 1302 Fatherland Street | 29.4' |
| 1304 Fatherland Street | 21.8' |
| 1310 Fatherland Street | 22.3' |
| 1314 Fatherland Street | 17.0' |
| Average Setback | 22.6' |

**Contextual Front Setback Calculation**

| Address | Measured Setback |
|---|---|
| 1211 Lillian Street | 28.4' |
| 1300 Lillian Street | 31.0' |
| 1305 Lillian Street | 33.9' |
| 1315 Lillian Street | 30.2' |
| Average Setback | 31.2' |

LEGEND

- Limited Common Element - Unit 1308
- Limited Common Element - Unit 1310
- Private Element

## Notes

1. The property is designated as parcel 115.00 on Metro Davidson County Property Map 83-13.
2. The current owner of record is Derek Leggio of record in Instrument No. 20190122-0005733, R.O.D.C., Tn.
3. The entire property is located in an area designated as Zone "X" (Areas determined to be outside the 0.2% annual chance floodplain) as shown on FEMA FIRM Community Map Panel No. 47037C0261H, Effective date April 5, 2017.
4. Being Lot 108 and part of Lot 109 on the Map of East Edgefield of record in Plat Book 21, Page 147, R.O.D.C., Tn.
5. The Exhibit contains all the information required by TCA Section 66-27-309.

Horizontal Property Regime

OF

# 1308 FATHERLAND STREET

NASHVILLE, DAVIDSON COUNTY, TENNESSEE

FOR

## DEREK LEGGIO

40' 0' 40' 80'

SCALE IN FEET

Date: October 20, 2019

J. L. WHITSON REGISTERED LAND SURVEYOR TENNESSEE NO. 1732 1-6-19

SURVEYOR:

**Jack Whitson**

Registered Land Surveyor

P.O. Box 219, Pegram, Tn 37143

(615) 533-8151

**Exhibit "C"**

# BY-LAWS OF THE FATHERLAND-LILLIAN HOMES EAST HOMEOWNERS ASSOCIATION, INC.

## ARTICLE I

## FORM OF UNIT ADMINISTRATION

**SECTION 1. Property Subject Hereto.** The property to which these By-Laws shall apply is described as Fatherland-Lillian Homes East, a horizontal property regime with private elements, located at 1308 Fatherland Streeet, Nashville, Davidson County, Tennessee, said property having been submitted to the provisions of the Act, codified as Section 66-27-101 et seq. of the Tennessee Code Annotated, by Declaration to which these By-Laws are exhibited, and with which these By-Laws are being recorded. The definitions contained in the Declaration shall be deemed to be definitions hereof.

**SECTION 2. Administration and Operation of the Property.** The administration and operation of the property shall be conducted by a homeowners' association under the name of "Fatherland-Lillian Homes East Homeowners Association, Inc." The By-Laws contained in this instrument shall be and become the By-Laws for the said homeowners' association, and "Association" as hereinafter used shall mean and refer to Fatherland-Lillian Homes East Homeowners Association, Inc. The Association shall not be deemed to be conducting a business of any kind. All activities undertaken by the Association shall be for the sole benefit of Owners, and all funds received by the Association shall be held and applied by it for the use and benefit of Owners in accordance with the Declaration and By-Laws. Each Owner shall be a member of the Association so long as he is an Owner. An Owner's membership shall automatically terminate when he ceases to be an Owner. Upon the conveyance or transfer of an Owner's ownership interest to a new Owner, the new Owner shall simultaneously succeed to the former Owner's membership in the Association. The term "Owner" when used hereinafter shall be deemed to be the same as a "Member" as described in this provision. In the transaction of business of the Association, each member shall have one vote and each Unit shall constitute one unit of membership even if a Unit is owned by multiple Owners.

**SECTION 3. Applicability of By-Laws.** The provisions of these By-Laws are applicable to the Property and the Association and to the use and occupancy thereof.

**SECTION 4. Applications.** These By-Laws and each change made in accordance herewith are, and shall be, covenants running with each Unit and binding on each successive Owner, lessee or mortgagee of each Unit in the planned unit development. All present and future Owners, mortgagees, lessees and occupants of Units and their employees, and any other persons who may use the facilities of the property in any manner are subject to these By-Laws and the Declaration. The acceptance of a deed or conveyance, or mortgage, or the entering into a lease with an Owner, or the act of

occupancy of a Unit shall constitute a covenant and an agreement by the grantee, conveyee, mortgagee, lessee or occupant that these By-Laws and the provisions of the Declaration, as they may be amended from time to time, are accepted, ratified, and will be complied with, and further, that he will make the provisions herein known to any subsequent purchaser, lessee or mortgagee.

**SECTION 5. Office.** The office of the Association and of the Board of Directors shall be located at the property, or at such other location as the Board of Directors may from time to time designate.

## ARTICLE II

## BOARD OF DIRECTORS

**SECTION 1. Number, Qualifications and Term of Office.** The affairs of the Association shall be governed by a Board of Directors. The initial Board of Directors shall consist of a representative from each Unit. The Board of Directors shall be composed of one Owner or spouse of an Owner of each Unit. If there is more than one Owner of an individual Unit, the Owners or that Unit shall decide among themselves who is to serve as the board member for that Unit. A board member shall serve until the Owner or Owners decide that another Owner, a spouse or an Owner instead of that Owner or another Owner's spouse should serve and so replace the current board member.

**SECTION 2. Powers and Duties.** The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the planned unit development and may do all such acts and things except as by law or by the Declaration or by these By-Laws may not be delegated to the Board of Directors by the Owners. Such powers and duties of the Board of Directors shall include, but not be limited to, the following:

a. Operation, care, upkeep and maintenance of the common elements, if any, in accordance with the other provisions of these By-Laws.

b. Determination of the common expenses required for the affairs of the Association, including, without limitation, the operation and maintenance of the property.

c. Collection of the common charges from the Owners.

d. Employment and dismissal of the personnel necessary for the maintenance and operation of the common elements.

e. Adoption and amendments of rules and regulations covering the details of the operation and use of the property.

f. Opening of bank accounts on behalf of the Association and designating the signatories required mortgages.

g. Purchasing or leasing or otherwise acquiring in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all Owners, Units offered for sale or lease or surrendered by their Owners to the Board of Directors.

h. Purchasing of Units at foreclosure or other judicial sales in the name of the Board of Directors, or its designee, corporate or otherwise, on behalf of all Owners.

i. Selling, leasing, mortgaging voting the votes appurtenant to (other than for the election of members of the Board of Directors), or otherwise dealing with Units, acquired by and subleasing Units leased by the Board of Directors or its designee, corporate or otherwise, on behalf of all Owners.

j. Organizing corporations to act as designees of the Board of Directors in acquiring title to or leasing of Units on behalf of all Owners.

k. Obtaining of insurance for the property, including the Units, pursuant to the provisions of Article V, Section 2, hereof.

l. Making of repairs, additions and improvements to or alterations of the property and repairs to and restoration of the Property, in accordance with the other provisions of these By-Laws, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings.

m. Granting permits, licenses and/or easements over the common areas, if any, for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the project.

**SECTION 3. Organization Meeting.** The first meeting of the members of the Board of Directors following the annual meeting of the Owners shall be held within ten (10) days thereafter, at such time and place as shall be fixed by the Owners at the meeting at which such Board of Directors shall have been elected, and no notice shall be necessary to the newly elected members of the Board of Directors in order legally to constitute such meeting, providing a majority of the whole Board of Directors shall be present thereat.

**SECTION 4. Regular Meetings.** Regular meetings of the Board of Directors may be held at such time and place as shall be determined from time to time by a majority of the members of the Board of Directors, but at least one such meeting shall be held each fiscal year. Notice of regular meetings of the Board of Directors shall be given to each member of the Board of Directors, by mail, telegraph or in person, at least three (3) days (excluding Saturdays, Sundays and bank holidays recognized in Nashville, Tennessee) prior to the day named for such meeting.

**SECTION 5. Special Meetings.** Special meetings of the Board of Directors may be called by any of the Directors upon three (3) business days' notice to the other given in person or by mail, electronic mail or telegram, which notice shall state the time, place and purpose of the meeting.

**SECTION 6. Waiver of Notice.** Any member of the Board of Directors may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a member of the Board of Directors at any meeting of the Board or the execution of the minutes thereof shall constitute a waiver of notice by him of the time and place thereof. If all the members of the Board of Directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

**SECTION 7. Quorum of Board of Directors.** At all meetings of the Board of Directors, two board members must be present in order to constitute a quorum for the transaction of business, and a unanimous vote of the members of the Board of Directors shall constitute the decision of the Board of Directors.

**SECTION 8. Fidelity Bonds.** The Board of Directors shall have the right to obtain adequate fidelity bonds for all officers and employees of the Association handling or responsible for Association funds. The premiums on such bonds shall constitute a common expense.

**SECTION 9. Liability of the Board of Directors.** The members of the Board of Directors shall not be liable to the Owners for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The Owner shall indemnify and hold contractual liability to others arising out of contracts made by the Board of Directors on behalf of the Association unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these By-Laws. It is intended that the members of the Board of Directors shall have no personal liability with respect to any contract made by them on behalf of the Association. It is also intended that the liability of any Owner arising out of any contract made by the Board of Directors, or out of the aforesaid indemnity, in favor of the members of the Board of Directors, shall be limited to such proportion of the total liability thereunder as his interest in the Association bears to the interests of all the Owners in the Association. Every agreement made by the Board of Directors shall provide that the members of the Board of Directors shall have not personal liability thereunder (except as Owners), and that each Owner's liability thereunder shall be limited to such proportion of the total liability thereunder as his interest in the Association bears to the interest of all the Owners in the Association.

**SECTION 10. Declaration of Default.** Should one Owner/Board Member determine that another Owner/Board Member is in default in the performance of any of Owner's obligations contained in the Declaration, or these By-Laws, or if such Owner should be in violation of any of the same or any rules and regulations established by the Board of Directors, then the Owner/Board Member who is asserting that there is a default

or violation shall send written notice of such default to the defaulting Owner and if such default or violation is not cured within a reasonable time (not in excess of two weeks from the date of sending notice), or if the Owners/Board Members do not agree that a violation or default exists, the deadlock procedure outlined in Section 7 of this article shall be utilized for the purpose of determining whether a violation or default exists. If the existence of a violation or default is established and the defaulting Owner does not cure it within two weeks, the other Owner/Board Members shall have the authority to, unilaterally, enforce the remedies given herein and by law.

## ARTICLE III

## OWNERS

**SECTION 1. Annual Meetings.** At, or before, the expiration of its term of office, the initial Board of Directors shall notify all Owners, and a meeting of the Owners shall be held within thirty (30) days thereafter on a call issued by the President. Thereafter, the annual meetings of the Owners shall be held on the 15th day of January of each succeeding year, unless such date shall occur on a Saturday or Sunday, in which event the meeting shall be held on the succeeding Monday.

**SECTION 2. Place of Meetings.** Meetings of the Owners shall be held at the principal office of the Association or at such other suitable place convenient to the Owners as may be designated by the Board of Directors.

**SECTION 3. Special Meetings.** It shall be the duty of the President to call a special meeting of the Owners if so directed by resolution of the Board of Directors. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice.

**SECTION 4. Notice of Meetings.** It shall be the duty of the Secretary to mail a written notice of such meeting of the Owners, at least ten (10), but not more than twenty (20) days prior to such meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Owner of record, at the building or at such other address as such Owner shall have designated by notice in writing to the Secretary. The mailing of such notice of meeting in the manner provided in this Section shall be considered service of notice.

**SECTION 5. Adjournment of Meetings.** If any meeting of Owners cannot be held because a quorum has not attended, a majority of the Owners who are present at such meeting, either in person or by proxy, may adjourn the meeting to a time approved by a majority of those then present.

**SECTION 6. Order of Business.** The order of business at all meetings of the Owners shall be as follows:

a. Roll call;

b. Proof of notice of meeting;

c. Reading of minutes of preceding meeting;

d. Reports of Officers;

e. Report of Board of Directors;

f. Reports of committees;

g. Election of Inspectors of Elections (when so required);

h. Election of member of the Board of Directors (when so required);

i. Unfinished business;

j. New business.

**SECTION 7. Title to Units.** Title to Units may be taken in the name of an individual or in the name of two or more persons, as tenants in common or as joint tenants or as tenants by the entirety, or in the name of a corporation or partnership, or in the name of a fiduciary.

**SECTION 8. Voting.** The Owner or Owners of each Unit, or some person designated by such Owner or Owners to act as proxy on his or their behalf of whom need not be an Owner, shall be entitled to cast the vote appurtenant to such Unit at all meetings of Owners. The designation of any such proxy shall be made in writing to the Secretary, and shall be revocable at any time by written notice to the Secretary by the Owner or Owners so designating. Any or all of such Owners may be present at any meeting of the Owners and (those constituting a group acting unanimously), may vote or take any action as a Owner either in person or proxy.

**SECTION 9. Quorum of Owners.** Except as otherwise provided in these By-Laws, the presence in person or by proxy of Owners representing both of the Units in the planned unit development shall constitute a quorum at all meetings of the Owners, and a unanimous vote of such Owners or their proxy shall constitute the decision of the Owners

## ARTICLE IV

## OFFICERS

**SECTION 1. Designation.** The principal officers of the Association shall be the President and the Secretary-Treasurer, both of whom shall be elected by the Board of Directors.

**SECTION 2. Election of Officers.** The officers of the Association shall be elected annually by the Board of Directors at the first meeting of each fiscal year and shall hold office at the pleasure of the Board of Directors.

**SECTION 3. Removal of Officers.** Upon the affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

**SECTION 4. President.** The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Owners and of the Board of Directors. He shall have all of the powers and perform those duties vested in him by the Board of Directors.

**SECTION 5. Secretary-Treasurer.** The Secretary-Treasurer shall keep the minutes of all meetings of the Association and of the Board of Directors, and he shall have charge of such books and papers as the Board of Directors may direct. The Secretary-Treasurer shall have the responsibility for Association funds and securities, and shall be responsible for keeping in chronological order, full and accurate financial records and books of account showing all receipts and disbursements affecting the building and their administration and specifying the maintenance and repair expenses of the common elements, if any, and any other expenses incurred and for the preparation of all required financial data. He shall be responsible for the deposit of all monies and other valuable effects in such depositories as may from time to time be designated by the Board of Directors, and he shall, in general, perform all the duties incident to the office of Secretary-Treasurer of a stock corporation and perform such other duties as the Board of Directors shall impose upon him, and such other functions as are generally performed by a Secretary-Treasurer of a business organization.

**SECTION 6. Agreements, Contracts, Deeds, Checks, Etc.** All agreements, contracts, deeds, leases, checks and other instruments of the Association shall be executed by both officers of the Association.

## ARTICLE V

## OPERATION OF THE PROPERTY

**SECTION 1. Determination of Common Expenses and Fixing of Common Charges.** The Board of Directors shall from time to time, and at least annually, prepare a budget for the planned unit development, determine the amount of the common charges payable by the Owners to meet the expenses of administration and of maintenance and repair of the general common elements, if any, and in the proper case, of the private elements of the property and any other expenses lawfully agreed upon. The allocations shall be applied uniformly to all Owners of like situations. The common expenses may also include such amounts as the Board of Directors may deem proper for the operation and maintenance of the property, including without limitation, an amount for working capital of the planned unit development, for a general operating reserve, for a reserve fund for replacements, and to make up any deficit in the common expenses for any prior year. The common charges also include such amounts as may be required for the purchase or lease by the Board of Directors of its designee, corporate or otherwise, on behalf of all Owners, of any Unit whose Owner has elected to sell or lease such Unit or of any Unit which is to be sold at a foreclosure or other judicial sale, as well as the assessed cost to the Board of Directors with regard to any utilities (including but not limited to, gas, electricity, water, sewers, and the like), or other services serving the property which are not separately charged or metered on the property. The Board of Directors shall advise all Owners, promptly and in writing, of the amount of common charges payable by each of them, respectively, as determined by the Board of Directors, as aforesaid, and shall furnish copies of each budget on which such common charges are based, to all Owners and their mortgages.

**SECTION 2. Insurance.** The Board shall obtain all insurance required by the Declaration. Each Owner shall be required to obtain and maintain insurance insuring his Unit, the private elements for said Unit and the Limited Common Elements appurtenant to said Unit, in the amounts set forth in the Declaration.

At the option of the Owners of both Units and subject to availability, the total insurance requirements hereunder may be combined in one policy, provided that the content of such policy satisfies the combined and consolidated insurance needs as set forth in the Declaration.

## ARTICLE VI

## AMENDMENT TO BY-LAWS

**SECTION 1. Amendment to By-Laws.** These By-Laws may be modified or amended by the written consent or unanimous vote of all Owners of the Units. If the Owners cannot reach agreement on a modification or an amendment, the deadlock procedure set forth in Article II, Section 7 hereof shall be utilized with the ex-officio Member's vote being decisive. Such modifications or amendments shall not be effective until filed for record in the Office of the Register of Deeds for Davidson County, Tennessee.

The foregoing constitutes the Bylaws of this corporation as adopted and in full force and effect on this 25 day of October, 2019

Derek A. Leggio

**Exhibit "D"**

## ATTORNEY'S CERTIFICATE

This document is intended to serve as the attorney's opinion which is required under the terms of Tennessee Code Annotated Section 66-27-103(b). The undersigned, John A. Bell, Jr., an attorney licensed to practice law in the State of Tennessee, hereby declares that upon proper recording of this certificate and the following additional documents, all of which are intended to be recorded simultaneously herewith, all legal requirements for the creation of a horizontal property regime under the terms of the Tennessee Horizontal Property Act, Tennessee Code Annotated Section 66-27-101 et seq., will have been met:

a. The Declaration of Covenants, Conditions and Restrictions for Fatherland-Lillian Homes East.

b. By-Laws of Fatherland-Lillian Homes East Corporation, Inc., which By-Laws are Exhibit "C" to the Declaration.

c. The private element plat for Fatherland-Lillian Homes East prepared by Jack Whitson to which reference is hereby made, showing the number of each Unit and expressing its area, location and other data necessary for identification and attached hereto as Exhibit "B".

d. The Charter of Fatherland-Lillian Homes East Homeowners Association, Inc. attached hereto as Exhibit "F".

e. The Legal Description of the parcel attached hereto as Exhibit "A".

f. Percentage of each Unit's undivided ownership interest in the Common Elements certificate attached hereto as Exhibit "E".

This opinion is subject to the terms and conditions of the horizontal property regime documents and to all applicable municipal ordinances and regulations.

Witness my hand as of this 25TH day of October, 2019

John A. Bell, Jr. BPR# 026197

Exhibit "E"

Percentage of each Unit's undivided ownership interest in the Common Elements certificate

| | |
|---|---|
| **Unit A** | **50.0%** |
| **Unit B** | **50.0%** |

**Exhibit "F"**

# CHARTER OF FATHERLAND-LILLIAN HOMES EAST HOMEOWNER'S ASSOCIATION, INC.

The undersigned, acting as the incorporator(s) of a corporation under the Tennessee Nonprofit Corporation Act, adopt(s) the following Charter for such corporation:

1. The name of the corporation is: Fatherland-Lillian Homes East Homeowner's Association, Inc.

2. This corporation is a mutual benefit corporation.

3. The street address of the initial registered office of the corporation is 1304 Fatherland Street, Nashville, TN 37206, and the initial registered agent for the corporation at that office is Derek A. Leggio.

4. The name and address of the incorporator is: Derek A. Leggio, 1304 Fatherland St., Nashville, TN 37206.

5. The street address of the principal office of the corporation is 1304 Fatherland St., Nashville, TN 37206.

6. The corporation is not for profit.

7. The corporation shall have members. The members of the corporation shall be the owners of townhome units of the Fatherland-Lillian Homes East. Upon the conveyance or transfer of the ownership interest in a unit of the townhomes, the new owner or owners shall succeed to the former unit owner or owners' membership, and the membership of the former unit owner or owners shall terminate.

8. To the extent allowed by the laws of the State of Tennessee, no present or future director of the corporation (or his or her estate, heirs and personal representatives) shall be liable to the corporation or its members for monetary damages for breach of fiduciary duty as a director of the corporation. Any liability of a director (or his or her estate, heirs and personal representatives) shall be further eliminated or limited to the fullest extent allowed by the laws of the State of Tennessee, as may hereafter be adopted or amended.

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

10. The purposes for which the corporation is organized are: to operate a townhome management association solely to provide for the acquisition, construction, management, maintenance and care of association property; and generally to engage in any other lawful endeavor or activity in furtherance of the foregoing, so long as such endeavor or activity does not prevent the corporation from being, or maintaining its status as, an owners association as defined by Section 528(c)(l ) of the Internal Revenue Code of 1986 as amended or corresponding section of any future federal income tax code.

11. No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to, its directors, officers, members or other private individuals or persons, except that the corporation shall be authorized and empowered to (a) pay reasonable compensation for goods and services rendered, (b) rebate excess membership dues, fees or assessments, and (c) make payments in furtherance of the purposes set forth in the paragraph just above.

12. Upon dissolution, after all creditors of the corporation have been paid and any excess membership dues, fees or assessments have been rebated, its assets shall be distributed to the members of the corporation.

13. The initial Board of Directors shall have two (2) directors.

14. The Corporation shall have all of the powers conferred upon non-profit corporations by common law and statutes of the State of Tennessee as the same are in effect from time to time.

15. The Corporation may be dissolved upon the affirmative vote or written consent of not less than two-thirds (2/3) of the votes of members other than the Declarant (as such term is defined in the Declaration), the consent of the Declarant (so long as the Declarant owns any property subject to the Declaration or which may be unilaterally subjected to the Declaration by the Declarant). Upon dissolution of the Association, other than incident to a merger or consolidation, so long as the U.S. Department of Veterans Affairs ("VA") is guaranteeing and/or U.S. Department of Housing and Urban Development ("HUD") is insuring any mortgage in the development, and unless otherwise agreed in writing by HUD or VA, as applicable, any remaining real property 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-profit corporation, association, trust or other organization to be devoted to such similar purposes. No such restriction shall exist if VA is not guaranteeing or HUD is not insuring any mortgage in the Development; provided, however, HUD and/or VA must be notified of such dissolution.

16. The Charter may be amended as provided by the Tennessee Nonprofit Corporation Code pursuant to a resolution duly adopted by the Board of Directors and approved by the affirmative vote of the members of the Association entitled to cast at least two-thirds (2/3) of the votes which members present in person or by proxy cast at a

meeting of the members of the Association or by members casting at least a majority of the Total Association Vote, whichever is less; provided that, no members shall be entitled to vote on any amendment to this Charter which is for the sole purpose of complying with the requirements of any governmental (including, without limitation, HUD or VA) or quasi-governmental entity authorized to fund, insure or guarantee mortgages on individual units in the Townhomes, which amendment may be adopted by the Board of Directors acting alone.

17. As long as the Developer has the right to appoint and remove the directors and officers of the Association as provided in the By-Laws, the following actions shall require the prior approval of the VA so long as the VA is guaranteeing any mortgage in the Townhome, and HUD so long as HUD is insuring any mortgage in the Townhome; annexation of additional property to the Townhome; mergers and consolidations, mortgaging of Common Elements (as such term is defined in the Declaration); dedication of Common Elements to any public entity; dissolution; and amendment of this Charter.

DATED this the 25 day of October, 2019

Incorporator: Derek A. Leggio

**True Copy Certification**

I, Dellana Loehorn, do hereby make an oath that I am a licensed attorney and/or the custodian of the electronic version of the attached document tendered herewith and that this is a true and correct copy of the original document executed and authenticated according to law.

Signature

STATE OF TN
COUNTY OF Davidson

Personally appeared before me, S Thompson, a notary public for this county and state, Dellana Loehorn, who acknowledged that this certification of an identical document is true and correct and whose signature I have witnessed.

Notary's Signature

My Commission Expires: 12.03.19