

The following information is provided as required by Tennessee Code Annotated §66-27-503

1. **Declarant's Name:** St. Henry Property Development, Inc., a Tennessee not for Profit Corporation

Declarant Principal

Address: 2908 Poston Avenue
Nashville, Tennessee 37203

The Association: The 2010 Cloister Owners' Association, Inc.
(the "**Fee Association**")
2908 Poston Avenue
Nashville, Tennessee 37203

The Condominium: The Cloister At St. Henry, A Condominium (the "**Fee Condominium**")
2908 Poston Avenue
Nashville, Tennessee 37203

St. Henry's Property Development, Inc., ("Declarant") is the owner of certain real property located in Nashville, Davidson County, Tennessee. Beginning in 1983, pursuant to four Ground Leases and Leasehold Condominium Documents (both more particularly defined below) Declarant established a leasehold condominium regime in four (4) phases containing one hundred twenty (120) duplex residences containing a total of two hundred forty (240) Leasehold Units and amenities, and subjected the leasehold interests in the real property to the condominium form of ownership (the "**Leasehold Condominium**"). Each of the Ground Leases has a stated term of sixty (60) years; none of the Ground Leases have common termination dates. The Association for the Leasehold Condominium is The Cloister Owners' Association, Inc (the "**Leasehold Association**").

When a Ground Lease expires at the end of its stated duration, the Leasehold Condominium regime established under that Ground Lease will also terminate. The Fee Condominium has been established to provide for the seamless transition from leasehold condominium ownership to fee simple condominium ownership, and the continued orderly operation of The Cloister. Until the expiration of the Ground Leases, Leasehold Association has the principal and primary duty for managing, maintaining and insuring the condominium project, as required by the Leasehold Condominium Documents.

The Leasehold Association and the Board of Directors of the Leasehold Condominium shall remain the governing body of the Condominium project for all matters involving the operation, maintenance, budgets, expenses and approvals for the project until the Leasehold Condominium terminates. The Fee Association's powers and duties during this period will be limited to insuring that the Leasehold Association complies with the terms of the Ground Leases. It is anticipated that no significant activity will be conducted by the Fee Association until such time as: 1) the Ground Lease related to a phase of the Leasehold Condominium regime has been terminated, or 2) or the date the Leasehold Association and Fee Association are merged.

The management of both the Fee Association and the Leasehold Association is through David Floyd & Associates, Inc., a Property Management Company Incorporated under the laws of Tennessee. (Mgt. Co. Website is Dfloydasoc.com)

The Declaration is of record in instrument # 20101228-0102374 Register's Office Davidson County, Tennessee.

The By-laws of The 2010 Cloister Owners' Association, Inc. are here:

The Charter of the 2010 Cloisters Owners' Association, Inc.

The Fee Association has adopted the Rules and Regulations of the Leasehold Association (the "Homeowners Manual") as same may be amended from time to time. The Rules and Regulations are here.

The Fee Association has not approved a budget. At the present time, the principal activity of the Fee Association is to enforce the Ground Leases. So long as the Leasehold Association adopts and funds a budget for the operation of the Leasehold Condominium, the Leasehold Association will be in compliance with certain obligations under the Ground Lease. It is anticipated that no significant activity will be conducted by the Fee Association until such time as: 1) the Ground Lease related to a phase of the Leasehold Condominium regime has been terminated, or 2) or the date the Leasehold Association and Fee Association are merged.

Declarant anticipates that at or before the expiration of all the Ground Leases, the budget of the Leasehold Association will be adopted by the Fee Association and any reserves held by the Leasehold Association will be transferred, by merger, to the Fee Association. The Leasehold Association budget can be accessed through the following link:

There are no reserves or studies of the reserves for the Fee Condominium. It is anticipated the Declarant will fund any annual expenses through the Transition Period (as defined in the Declaration).

At the time monthly common assessments are made, each unit will have a common element expense liability of one two hundred and fortieth (1/240th) of the total common element expense liability.

At this time there is no indebtedness secured by the common elements or amenities, nor are there leases to third parties affecting the common elements or the other amenities available for the use by unit owners.

The Fee Condominium is subject to the Ground Leases upon which the Leasehold Condominium was established pursuant to the Leasehold Condominium Documents:

1) Ground Leases means any of the following, as amended: (1) Ground Lease dated August 31, 1982, as of record in Book 5961, Page 657, Register's Office for Davidson County, Tennessee, (2) Ground Lease dated September 14, 1983, as of record in Book 6203, Page 137, Register's Office for Davidson County, Tennessee, (3) Ground Lease dated June 3, 1985, as of record in Book 6596, Page 608, Register's Office for Davidson County, Tennessee, and (4) Ground Lease dated July 15, 1986, as of record in Book 6922, Page 282, Register's Office for Davidson County, Tennessee.

2) Leasehold Condominium Documents means: (1) Master Deed for The Cloister at St. Henry Phase 1A, of record in Book 6042, Page 602, Register's Office for Davidson County, Tennessee, as amended and/or corrected; (2) Master Deed for The Cloister at St. Henry Phase 1B, of record in Book 6237, Page 665, Register's Office for Davidson County, Tennessee, as amended and/or corrected; (3) Master Deed for The Cloister at St. Henry Phase 1C, of record in Book 6675, Page 173, Register's Office for Davidson County, Tennessee, as amended and/or corrected; and (4) Master Deed for The Cloister at St. Henry Phase 1D, of record in Book 6933, Page 927, Register's Office for Davidson County, Tennessee, as amended and/or corrected.

The Minutes of the Meeting of the Members or Board of Directors for the Fee Association may be accessed here **(See Minutes)**

There are currently no assessments made directly by the Fee Association. Assessments regarding the Leasehold Association. **(See Leasehold Budget)**

A transfer fee of **\$300.00** will be charged by the Management Company. Such Fee shall not be due upon purchase from Declarant.

During the Transition Period, insurance for the Units is, and will be, covered under the existing Leasehold Association's policies until such time as the Leasehold Association is terminated or the Leasehold Association and the Fee Association are merged. Residents must insure their contents as required by the Homeowners Manual and the Declaration. **(See Certificate of Insurance)**

Declarant remains in control of the Association during the Transition Period. Transition Period means the period prior to the earlier of: (i) one hundred twenty (120) days following the date on which the fee simple interests to seventy-five percent (75%) of the condominium units have been conveyed to unit owners other than Declarant, or (ii) Five (5) years after the first date on which fee simple title to a unit has been conveyed to a purchaser or unit owner other than a Declarant, or a successor to, or assignee of, "development rights" and/or "special declarant rights" retained by Declarant pursuant to of the Declaration of the Fee Condominium.

THE CLOISTER OWNERS ASSOCIATION

Budget Analysis

January through December 2010 vs. 2011

	<u>Jan - Dec '10</u>	<u>Jan - Dec '11</u>	<u>Difference</u>
Ordinary Income/Expense			
Income			
Interest Income	6,000.00	6,000.00	0.00
Maintenance Fees	720,000.00	720,000.00	0.00
Total Income	<u>726,000.00</u>	<u>726,000.00</u>	
Expense			
Cable - 6741	105,000.00	105,000.00	0.00
Clubhouse Maint - 6743	5,000.04	5,000.04	0.00
Clubhouse Supplies - 6744	999.96	1,000.00	0.04
Exterminating - 6745	6,000.00	6,000.00	0.00
Fees-Legal/ Professional - 6746	5,000.04	1,000.00	-4,000.04
Grass Cutting - 6747	48,000.00	79,779.24	31,779.24
Gutter/Downspout - 6748	500.04	1,000.00	499.96
Insurance - 6749	45,000.00	48,000.00	3,000.00
Interior Repairs-COA - 6750	9,999.96	5,000.00	-4,999.96
Landscape Maint - 6751	3,000.00	5,000.00	2,000.00
Mgt. Admin Fees - 6753	36,000.00	34,650.00	-1,350.00
Pool Maint/Suppl - 7037	6,000.00	5,000.00	-1,000.00
Roof Maint - 7039	999.96	1,000.00	0.04
Siding Maint - 7040	999.96	1,000.00	0.04
Sidewalks/Curb - 7041	999.96	1,000.00	0.04
Stone/Brick/Walls - 7043	999.96	1,000.00	0.04
Street Light Maint - 7044	3,999.96	4,000.00	0.04
Utilities - 7042	24,000.00	23,000.00	-1,000.00
Total Expense	<u>302,499.84</u>	<u>327,429.28</u>	<u>24,929.44</u>
Net Ordinary Income	423,500.16	398,570.72	-24,929.44
Other Income/Expense			
Other Expense			
RESERVE EXPENSES			
Capital Expenses			
C House Improvements	24,999.96	1,000.00	-23,999.96
Contingencies - 2010	28,500.00	28,500.00	0.00
Deck Replacement - 9210	8,000.20	14,000.00	5,999.80
Drainage - Homes - 9209	30,000.00	45,000.00	15,000.00
Driveway/Walk/Stoop - 9212	15,000.00	15,000.00	0.00
Paint/Caulk Wood TR - 9213	39,999.96	45,000.00	5,000.04
Patio Fence Replacement - 9215	6,000.00	7,000.00	1,000.00
Patios - 9214	999.96	1,000.00	0.04
Road-Street Sealing Project	0.00	30,000.00	30,000.00
Rotten Wood Repair - 9319	15,000.00	45,000.00	30,000.00
Slab Raising - 9316	5,000.04	15,000.00	9,999.96
Stone Walls	50,000.04	150,000.00	99,999.96
Total Capital Expenses	<u>223,500.16</u>	<u>396,500.00</u>	172,999.84
Total RESERVE EXPENSES	<u>223,500.16</u>	<u>396,500.00</u>	172,999.84

THE CLOISTER OWNERS ASSOCIATION
Budget Analysis
January through December 2010 vs. 2011

	<u>Jan - Dec '10</u>	<u>Jan - Dec '11</u>	<u>Difference</u>
Net Income	<u>200,000.00</u>	<u>2,070.72</u>	-197,929.28

*Includes additional \$30,279.24 for other Maintenance as recommended by Finance Committee.

*Projected Reserve Balance as of 12/31/10 is \$300,000+

ACORD™ CERTIFICATE OF LIABILITY INSURANCE DATE (MM/DD/YYYY)
12/29/2010

PRODUCER (615)327-0105 FAX: (615)321-0880
Fridrich, Pinson & Rothberg Insurance Agency
 3825 Bedford Ave.
 Suite 203
 Nashville TN 37215

INSURED
 The Cloisters at St. Henry's Condo Association
 c/o David Floyd & Assoc.
 P.O. Box 150947
 Nashville TN 37215

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

INSURERS AFFORDING COVERAGE	NAIC #
INSURER A: QBE Insurance Corporation	
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	

COVERAGES
 THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. AGGREGATE LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	ADD'L INSRD	TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS								
A		GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC	CAU303464	5/15/2009	5/15/2012	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ n/a PRODUCTS - COMP/OP AGG \$ 2,000,000 D&O Liability 2,000,000								
A		AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> HIRED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS	CAU303464	5/15/2009	5/15/2012	COMBINED SINGLE LIMIT (Ea accident) \$ 2,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$								
		GARAGE LIABILITY <input type="checkbox"/> ANY AUTO				AUTO ONLY - EA ACCIDENT \$ OTHER THAN EA ACC \$ AUTO ONLY: AGG \$								
		EXCESS/UMBRELLA LIABILITY <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS MADE DEDUCTIBLE \$ RETENTION \$				EACH OCCURRENCE \$ AGGREGATE \$ \$ \$ \$								
		WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? If yes, describe under SPECIAL PROVISIONS below				<table border="1"> <tr> <td>WC STATU-TORY LIMITS</td> <td>OTH-ER</td> </tr> <tr> <td>E.L. EACH ACCIDENT</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - EA EMPLOYEE</td> <td>\$</td> </tr> <tr> <td>E.L. DISEASE - POLICY LIMIT</td> <td>\$</td> </tr> </table>	WC STATU-TORY LIMITS	OTH-ER	E.L. EACH ACCIDENT	\$	E.L. DISEASE - EA EMPLOYEE	\$	E.L. DISEASE - POLICY LIMIT	\$
WC STATU-TORY LIMITS	OTH-ER													
E.L. EACH ACCIDENT	\$													
E.L. DISEASE - EA EMPLOYEE	\$													
E.L. DISEASE - POLICY LIMIT	\$													
A		OTHER Property - Blanket Guar Repl Cost Special Form	CAU303464	5/15/2009	5/15/2012	Bldgs - No Limit \$2500 Deduc Fidelity-\$500,000								

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/EXCLUSIONS ADDED BY ENDORSEMENT/SPECIAL PROVISIONS
 The 2010 Cloister Owners' Association, Inc. is named as additional insured on the policy.

CERTIFICATE HOLDER
 Insurance Verification

CANCELLATION
 SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING INSURER WILL ENDEAVOR TO MAIL 10 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO DO SO SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE INSURER, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE
 James Rothberg/JS *James A. Rothberg*