

PRESENTATION OUTLINE & FORMS

Outline Presented by Mr. David Glascoe on behalf of S.H.P.D. (St. Henry's Property Development) during four (4) meetings held in December 2010.

Intent to Purchase Form

Financial Assistance Form

- Owning a condominium is different than owning a private home. When you own (have a “fee” interest in) a condominium unit, you actually own your fair share of the entire development; all the land and improvements. Your ownership also entitles you to live in that unit, and your rights know no time limit. Technically speaking, you own an “undivided interest” in the entire condominium development.
- The Cloister is unique in that when the units were first developed, what was sold were leasehold interests, not fee interests. Cloister residents own a leasehold interest in their undivided interest in the Cloister. What this means is that you purchased a leasehold interest in the land and improvements which permits you to live in your condominium unit. Your interest and the interests of future residents are time-limited by the current leases.
- The current leases will not be renewed. Depending upon your street address, your leasehold interest will cease on:
 - Phase I – August 31, 2042
 - Phase II – September 14, 2043
 - Phase III – June 3, 2045
 - Phase IV – July 15, 2046
- The fact that current Cloister residents own a leasehold interest only has, in some instances, created problems for those wishing to sell their interest, or use their interest as collateral for financing. It has also created problems for potential buyers seeking financing.
- What we are introducing today is our best effort to respond to the problems people are facing. Not every resident has the same experience, but we are concerned for residents who have trouble selling their unit, and for future residents who will have trouble financing a unit.
- Saint Henry Property Development (SHPD) owns the “fee” interest in the Cloister land and improvements. SHPD also has the right to sell its ownership of the land and improvements, subject to the leases currently in place. We believe that the best way to address resident concerns is to sell our fee interests to those interested in buying them. This removes the time limits associated with the leases.
- SHPD will sell its fee interest to those residents who wish to purchase it. **Participation in this program is strictly optional. No one is required to buy the fee interest.** This offer will remain in effect until all of the fee interests are sold, or the leases expire.
- If you decide to purchase a fee interest, the cost is \$12,000. This price includes all legal, insurance and closing expenses. This price is guaranteed for closings occurring on or before March 31, 2011.
- The cost to purchase the fee interest will be reviewed annually, and will increase after April 1, 2011.
- If you purchase a fee interest, you will receive a warranty deed at closing. You will also be provided a title insurance policy.

- If you purchase the fee interest, your undivided interest in the Cloister will not end when the lease expires. If you sell your unit, the new owner purchases your perpetual interest.
- Purchasing the fee interest is an individual decision. It is not affected by the decision of any other resident in the Cloister, including your "roof-mate." If you purchase the fee interest, you still own a leasehold interest. Your rights and obligations associated with the lease continue unchanged.
- If you decide not to purchase the fee interest, your current leasehold rights and obligations continue unchanged and undisturbed. You still own a leasehold interest which is unaffected by the decision of others to participate in the fee purchase program.
- We will schedule closings as quickly as possible. Each closing should be relatively simple, and will be handled by the closing attorney, Bill Davis.

PAUSE FOR Q AND A

- In order to make the purchase option available, a second condominium association has been created. It is called the 2010 Cloister Owners Association. **Creation of the second condominium association will have no effect on how the Cloister is operated or maintained.**
- Those residents who choose to purchase the fee interest will maintain their membership in the current "leasehold" association (the COA), and will become members of the "fee" association as well (the 2010 COA). Those residents who do not purchase the fee interest will remain members of the COA, but will not be members of the 2010 COA.
- **As long as the leases are in effect, the current COA has sole responsibility for operating and maintaining the Cloister.**

PAUSE FOR Q AND A

- A great deal of additional information regarding this opportunity is available at the following website. Dfloydasoc.com
- Attached to this handout is a form we ask that you complete if you are interested in purchasing the fee interest. This form is also available on the website, or from your Property Manager. Please complete this only if you have decided to purchase the fee interest.
- If you are interested in participating in the program, but feel that it would create a financial hardship to do so, please refer to the description of the loan program. That information is also attached, and available on the website.

FINAL Q AND A

INTENT TO PURCHASE

I have reviewed the materials pertaining to the "fee" purchase opportunity, and I wish to buy the fee interest in my condominium. I ask to be contacted to schedule a closing.

Name: _____

Address: _____

Phone: _____

e-mail: _____

This form is to be forwarded to:

David Glascoe
30 White Bridge Road
Nashville, TN 37205
Fax: 352-8591

DAVID.GLASCOE@maryqueenofangels.com

Questions? Please call my direct line:
(615) 760-4424

CLOISTER PURCHASE OPTION FINANCIAL ASSISTANCE

If you are concerned whether you can afford to purchase a fee simple interest in your share of the Cloister property, you may wish to consider the option of borrowing the needed funds. Saint Henry Property Development (SHPD) is willing to take a mortgage for those residents who qualify. **To qualify, you will need to demonstrate true financial need.** Requests for this type of assistance will be reviewed by SHPD staff who are experienced in these matters, and all information shared will be confidential.

- Assistance will take the form of a three year loan.
- The interest rate will be fixed at 5%.
- The loan is fully amortized, and payments will be made monthly via bank draft.
- Loans will be secured by a Deed of Trust on the unit. There will be a one time fee of \$150 to establish the loan.
- In the event of death or involuntary transfer, the entire loan balance would be payable when the unit is sold.

To be considered for loan assistance, you must:

- Submit a written request for an assistance loan as described above.
- Submit a Personal Financial Statement (attached).
- Submit a copy of the two most recent tax returns submitted to the IRS. These would be the complete returns including all pertinent schedules.

Please forward requests to:

Carol Wieck
30 White Bridge Road
Nashville, TN 37205

If you have questions regarding this information, please contact:

David Glascoe
Tel: (615) 760-4424, or
david.glascoe@maryqueenofangels.com

