

The Cloisters

CONTRACT FOR SALE AND PURCHASE OF REAL ESTATE

(FOR USE WITH LAND)

When executed by all parties, this document shall become a legally binding contract.

1. **Offer Date:** _____ **Contract Effective Date:** _____
2. (Date of offer) (Date of execution by both parties, see paragraph 27)
3. **1. PARTIES:** This Contract is made and entered into by and between [**Print Full Names**]:
4. RDC,III LLC
5. ("Seller"), and
6. _____
7. ("Purchaser") [**Show Relationship Between Parties If More Than One and Marital Status**],
8. As used herein, where applicable, "Purchaser" and "Seller" include the plural; masculine includes the feminine.
9. **2. EARNEST MONEY DEPOSIT:** Received of Purchaser the sum of _____ Dollars (\$ _____)
10. as Earnest Money in the form of CHECK # _____ to secure Purchaser's performance of this Contract and to be applied as
11. part payment of the purchase price. Purchaser and Seller agree that the Listing Broker (or Selling Broker if there is no Listing Broker) will hold
12. Earnest Money in trust, subject to the terms of this Contract.
13. **3. REAL PROPERTY:** Subject to the terms and conditions of this Contract, Seller agrees to sell and Purchaser agrees to purchase the following
14. described real property (including the personal property described in Paragraph 4 hereof) located in the County of FAYETTE,
15. State of Tennessee, being more particularly described as follows: LOT NO. , THE CLOISTERS SUBDIVISION PH. AND
16. CONTAINING ACRES OF LAND AS SHOWN ON ATTACHED SITE PLAN OF DEVELOPMENT
17. and all permanent improvements thereon. Said real property and improvements thereon are hereinafter collectively referred to as "Property".
18. **4. PERSONAL PROPERTY** [List, If Any]:
19. NONE
20. **5. PURCHASE PRICE:** The total purchase price for Property (including personal property described in Paragraph 4 hereof), payable all cash at
21. closing, of which Earnest Money is a part, shall be _____ Dollars (\$ _____)
22. **6. CONVEYANCE AND TITLE:** Seller hereby agrees to sell and convey Property (including the personal property described in Paragraph 4
23. hereof), or cause it to be conveyed, by good and sufficient warranty deed, unto Purchaser or unto such persons Purchaser may designate; however,
24. Purchaser shall not be released from any of Purchaser's agreements and undertakings as set forth herein, unless otherwise stated herein; and
25. Purchaser hereby agrees to purchase Property from Seller, subject to and upon the terms and conditions set forth in this Contract. Title is to be
26. conveyed subject to all restrictions, general utility, sewer and drainage easements of record upon which building(s) do not encroach, zoning
27. ordinances and all other laws of any governmental authority, covenants of record, articles of association or incorporation, by-laws, master deed,
28. and rules and regulations. Seller agrees to furnish to Purchaser, for Examination only, either title search or adequate abstracts of title, taxes,
29. judgments and liens, covering Property, as soon as same can be prepared, or, at Seller's option, an owner's title insurance policy for the amount of
30. the above purchase price issued by one of the title insurance companies having offices in Memphis, Tennessee, insuring a good and marketable title,
31. which title policy shall constitute and be accepted by Purchaser as conclusive evidence of a good and marketable title. Adequate abstracts of title,
32. taxes, judgments, and liens are those required by the title insurance companies as the basis for the issuance of title insurance.
33. **7. BROKER'S FEE:** SELLER AGREES TO PAY listing and/or selling Broker at closing the commission specified by separate agreement. The
34. Listing Broker will direct the closing agent/attorney to pay the Selling Broker, from the commission received, an amount in accordance with the
35. terms and provisions specified by separate agreement between the Listing Broker and Selling Broker.
36. **8. CLOSING, ATTORNEYS AND TITLE COMPANY:** The closing shall be on or before _____ (Closing Date").
37. The closing agent/attorney for Purchaser shall be BRYAN SMITH, ATTY – PIETRANGELO & COOK LAW FIRM – (901) 685-2662
38. _____,
39. and for Seller shall be BRYAN SMITH, ATTY – PIETRANGELO & COOK LAW FIRM - (901) 685-2662
40. The title company shall be CHOSEN BY CLOSING ATTORNEY. TIME IS OF THE ESSENCE AS TO THE CLOSING DATE. If Purchaser
41. fails to close on the Closing Date set out above, through no fault of Seller, Seller may, avail itself of the remedies set out herein, however if
42. Purchaser requests an extension of Closing Date, Seller may, in its sole and absolute discretion, grant an extension of time for Purchaser to close. In
43. the event of such extension and unless otherwise agreed in writing, Purchaser agrees to pay to Seller a daily extension fee in an amount to be
44. determined by multiplying the Purchase Price by 0.000274, commencing on the day following the original Closing Date until and including the date
45. of actual closing. The extension fee shall be collected at Closing. If Purchaser fails to close by the expiration of the extension(s) granted by Seller,
46. Seller may enforce and recover the extension fee, in addition to Seller's other remedies set out herein.
47. **9. OCCUPANCY/POSSESSION:** occupancy will be given on (date) DAY OF CLOSING at (time of day) 5:00PM,
48. or TWO hours after closing, whichever shall later occur.
49. **10. SALES EXPENSES TO BE PAID IN CASH AT OR PRIOR TO CLOSING:**
50. **(a) Seller's Expenses:** Seller shall pay prepayment penalties on any existing loans paid at closing, plus cost of releasing such loans and recording
51. releases; Seller's closing fee, document preparation fee and/or attorney fee; fee for preparation of deed; notary fee on deed and cost of title search
52. or abstract. Seller authorizes closing agent or attorney to order title search or abstract from the title company set forth above.
53. **(b) Purchaser's Expenses:** Purchaser shall pay state transfer tax and recording fee on deed of conveyance; Purchaser's closing fee, document
54. preparation fee and/or attorney fee; and title examination, title opinion acceptable to Purchaser's title insurance company, or title insurance, if any.
55. Purchaser shall also pay any costs incident to obtaining and closing loan, including but not limited to: origination, discount points, application,
56. commitment, underwriting, document review, courier, assignment, photo, tax service and notary fees; preparation of note, deed of trust, and other

57. loan documents; state transfer tax and recording fee on deed of trust; survey; credit report; mortgagee's title insurance policy; required premiums
58. for private mortgage; hazard and flood insurance; required reserve deposits for insurance premiums and taxes; prepaid interest; and reinstitution
59. fees pursuant to appraisal.
60. **11. PRORATIONS:** rents, if any, all real estate taxes for the current year and homeowner or condominium fees and maintenance fees, if any ,are
61. to be prorated as of closing. The date of closing shall be charged to the Purchaser. All prior unpaid taxes or liens, including front foot assessments,
62. are to be paid by Seller, unless otherwise specified. Seller should notify Seller's insurance agent of this Contract.
63. **12. DEFECTIVE TITLE:** If the title is not good and cannot be made good within a reasonable time after written notice has been given that the
64. title is defective, specifically pointing out the defects, Earnest Money shall be returned to Purchaser and the commission as specified in the listing
65. or other agreement between the Broker(s) and the Seller, plus all costs of collection, including attorney fees, shall be paid by Seller to the Listing
66. and/or Selling Broker(s).
67. **13. BREACH OF CONTRACT BY PURCHASER:** If this Contract is breached by Purchaser or if Purchaser fails for any reason to complete his
68. purchase of Property in accordance with the terms set for the herein, Seller shall have the right to elect to declare this Contract null and void; and
69. upon such election, Earnest Money shall be divided, one-half (1/2) retained by Seller as liquidated damages and one-half (1/2) retained by the
70. Listing and/or Selling Brokers as commission (said commission amount to be divided between the Listing and Selling Brokers as agreed by
71. separate agreement), but in no event shall the Listing and/or Selling Broker's share exceed the Broker's commission as specified in the listing or
72. other agreement between the Broker(s) and the Seller. The right given Seller to make the above election shall not be Seller's exclusive remedy, as
73. he shall have the right to elect to affirm this Contract and enforce its specific performance or recover full damages for its breach. Seller's retention
74. of Earnest Money shall not be evidence of an election to declare this Contract null and void, as Seller shall have the right to retain his portion of
75. Earnest Money to be credited against damages actually sustained. In addition to any other remedies available against Purchaser by Seller because
76. of Purchaser's default or failure to close for any reasons other than those permitted by this Contract, Purchaser shall be obligated to pay the
77. commission provided for in the listing or other agreement between the Broker(s) and the Seller, plus all costs of collection, including attorney fees,
78. of which the Listing and/or selling Broker's share of retained Earnest Money is a part. Nothing herein is intended to negate any agreement which
79. may exist between Listing Broker and any cooperating Broker or buyer's Broker concerning commission splitting or other payment.
80. **14. BREACH OF CONTRACT BY SELLER:** If this Contract is breached by Seller or if Seller fails for any reason to complete the sale of
81. Property in accordance with the terms set forth herein, then Seller shall pay the commission provided for in the listing or other agreement between
82. the Broker(s) and the Seller, plus all costs of collection, including attorney fees, and the Purchaser shall have the right to: (a) affirm this Contract
83. and enforce its specific performance; or (b) require the immediate return of Earnest Money and recover full damages for its breach.
84. **15. COSTS TO ENFORCE CONTRACT:** Should any party to this Contract bring an action against any other party to this Contract to enforce
85. any claim hereunder, the prevailing party or parties shall be entitled to recover all costs of said action and reasonable attorney fees. The term
86. "prevailing party or parties" as used in this paragraph shall be defined as the party or parties in whose favor a court shall rule or against whom no
87. relief is granted, provided such ruling becomes final and non-appealable.
88. **16. ESCROW:** Earnest Money is deposited in escrow with the Listing Broker (or Selling Broker if there is no Listing Broker) ("Escrow Agent")
89. with the understanding that Escrow Agent: (a) is not a party to this Contract and does not assume or have any liability for performance or non-
90. performance of Seller or Purchaser; (b) has the right to require form Seller and Purchaser a written release of liability of Escrow Agent which
91. authorizes the disbursement of Earnest Money; (c) is not liable for interest or other charge on Earnest Money; and (d) may choose to place Earnest
92. Money with a court of competent jurisdiction in the event of any dispute. If the Escrow Agent shall file any interpleader, Escrow Agent shall be
93. entitled to recover its attorney fees and expenses from, but not limited to, the earnest money deposit. If Seller or Purchaser unreasonably fails to
94. deliver promptly the document described in (b) above, then such party shall be liable as provided in Paragraph 21. At closing, Earnest Money shall
95. be applied to any cash down payment required, and then to Purchaser's closing costs, and any excess shall be refunded to Purchaser. If Purchaser
96. is entitled to a refund of Earnest Money and requests such refund less than fourteen (14) days after deposit of a check for Earnest Money with
97. Escrow Agent, as a prerequisite to such refund, Purchaser shall furnish to Escrow Agent written evidence of clearance of such check.
98. **17. SPECIAL PROVISIONS:**
99. _____
100. _____
101. _____
102. _____
103. **18. ENTIRE AGREEMENT:** This Contract, contains the entire agreement of the parties relating to the subject matter hereof and cannot be
104. changed except by their written consent. The following addendum or addenda are a part of this Contract
105. **CONCEPTUAL PLAN OF DEVELOPMENT FOR THE CLOISTERS SUBDIVISION – EXHIBIT 'A'**
106. **19. NOTICES:** All notices shall be in writing and effective upon delivery to each party at the appropriate address shown below.
107. **20. EXECUTED BY** seller and Purchaser in multiple originals on the date(s) shown below their respective signatures. The date upon which this
108. Contract is fully executed and finally accepted by Seller and Purchaser and the date Earnest Money is available for deposit is the date shown above
109. as this Contract effective Date.
110. Purchaser acknowledges that Purchaser has sole and exclusive responsibility for the choice of type of loan or terms of any particular loan program,
111. and the obtaining or use of any attorney and title company and any of the services or programs that those companies may offer and hereby holds
112. Broker and Broker's associated salespersons harmless for the choice thereof.
113. **PURCHASER:**
114. _____
115. _____
116. **Address:** _____
117. **Phone:** _____
118. **Date / Time:** _____
119. **EARNEST MONEY RECEIPT:** Subject to clearance of any check given by, or on behalf of Purchaser, Escrow Agent hereby acknowledges
120. receipt of Earnest Money (\$ _____), which is to be held by Escrow Agent in trust in accordance with the terms and provisions of the
121. foregoing Contract and the Tennessee Real Estate Commission.
122. Escrow Agent/Firm RENAISSANCE REALTY
123. Address: 3157 US Highway 64, Suite 200 Eads, TN 38028 (901) 758-2728
124. _____

SELLER:

RDC III LLC
Address: 3157 US Highway 64, Suite 200 Eads, TN 38028
Phone: (901) 758-2728
Date / Time: _____

By: _____



RENAISSANCE REALTY

CONFIRMATION OF AGENCY STATUS

Every real estate licensee is required to disclose his or her agency status in a real estate transaction to any buyer or seller who is not represented by an agent and with whom the licensee is working directly in the transaction. The purpose of this Confirmation of Agency Status is to acknowledge that this disclosure occurred. Copies of this confirmation must be provided to any signatory thereof. Notice is hereby given that the agency status of this licensee (or licensee's company) is as follows in this transaction:

The Company, Renaissance Realty, LLC in the real estate transaction involving the
COMPANY NAME

Property located at _____
PROPERTY ADDRESS

[CHECK ONE ONLY]:

is serving as a **Transaction Broker** or **Facilitator** (not an agent for either party).

is serving as an **Agent or Subagent for the Seller.**

is serving as an **Agent for the Buyer.**

is serving as a **Disclosed Dual Agent (for both parties)**, with the consent of both the Buyer and the Seller in this transaction.

has appointed _____ to serve as **Designated Agent for the Seller.**

has appointed _____ to serve as **Designated Agent for the Buyer.**

This form was delivered in writing, as prescribed by law, to any unrepresented buyer **prior to the preparation of any offer to purchase**, OR to any unrepresented seller **prior to presentation of an offer to purchase**; OR (if the licensee is listing a property without an agency agreement) **prior to execution of that listing agreement**. This document also serves as confirmation that the licensee's Agency or Transaction Broker status was communicated orally before any real estate services were provided. **This notice by itself, however, does not constitute an agency agreement or establish an agency relationship.**

Date: _____ Licensee's Signature: _____
Douglas C. Swink, Principal Broker

Acknowledgment:
I acknowledge the above confirmation of agency status.

Date: _____ Signature of Buyer or Seller: _____

Date: _____ Signature of Buyer or Seller: _____

Date: _____ Signature of Buyer or Seller: _____

Date: _____ Signature of Buyer or Seller: _____

FAXED SIGNATURES WILL SUFFICE FOR ACKNOWLEDGMENT(S) OF THE ABOVE CONFIRMATION



RENAISSANCE REALTY

Personal Interest Disclosure & Consent

[As Required By Tennessee License Law]

On Occasion a real estate licensee may become involved in a real estate transaction BOTH as a licensed real estate professional AND as a party – directly or indirectly – to the transaction. Tennessee License Law requires that a licensee’s personal interest in any transaction be disclosed.

As used below: “Personal Interest” refers to any situation in which the licensee, a relative or family member of the licensee or an entity in which the licensee has a personal interest is involved in a transaction as a prospective Buyer or Seller.

A. Disclosure and Consent as to Licensee’s Personal Interest

[BUYER OR SELLER SHALL INDICATE CONSENT BY INITIALING BELOW AS APPROPRIATE]

_____ Buyer acknowledges that the licensee named below, because of personal interest, will represent the Seller of the property located at _____. At the request of Buyer, the Managing Broker of the licensee’s company will appoint another _____ licensee to advocate the Buyer’s interests from this point forward.

_____ Seller acknowledges that the licensee named below, because of personal interest, will only represent the Buyer of the property located at _____. At the request of Seller, the Managing Broker of the licensee’s company will appoint another _____ licensee to advocate the Seller’s interests from this point forward.

_____ Buyer acknowledges that the licensee named below, because of personal interest, will only represent another prospective buyer of the property located at _____. At the request of Buyer, the Managing Broker of the licensee’s company will appoint another _____ licensee to advocate the Buyer’s interests from this point forward.

To Be Signed Prior to Execution of a Real Estate Contract:

Date: _____ Licensee’s Signature: _____

Licensee’s Name [PLEASE PRINT]: Douglas C. Swink

Date: _____ Buyer’s Signature: _____

Date: _____ Buyer’s Signature: _____

Date: _____ Seller’s Signature: _____

Date: _____ Seller’s Signature: _____

The Cloisters

DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR THE CLOISTERS SUBDIVISION PHASE III - Lots 27 thru 68

THIS DECLARATION is made, published and declared this 15th day of November, 2005, by Renaissance Development Company III, a Tennessee General Partnership comprised of Douglas C. Swink, William S. Ollar and Donnie W. Culver (the "Declarant" or "Developer") and any and all persons, firms or corporations hereinafter acquiring any of the within described property:

WHEREAS, the Declarant is the fee simple owner of real property described as The Cloisters in Fayette County, Tennessee; and

WHEREAS, the Developer has caused to be prepared a plan for the development of the Property, to be known as "The Cloisters" into residential estate parcels; and

WHEREAS, the Developer has designed The Cloisters as a preservation development designed to preserve the natural beauty of the site. Great care has been taken to preserve the mature trees, natural features and majestic views found on the property. The lots within the development are estate sized lots with the storm drainage carried in natural creeks existing on the property.

WHEREAS, the Developer has caused a plat of the Property to be prepared and recorded at Plat Book _____, Page ____ in the Register's office of Fayette County ("Plat"); and

WHEREAS, it is to the benefit, interest and advantage of the Declarant, the Lot Owners, and of each and every person or other entity hereafter acquiring any interest in the Property that certain conditions, restrictions, covenants, reservations and easements be established, fixed, set forth and declared as covenants running with the land;

NOW, THEREFORE, in consideration of the premises, the Declarant does hereby publish and declare that all or any portion of the Property described as The Cloisters, Phase III shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the following covenants, conditions, restrictions, uses, limitations and obligations (and subject to all easements, conditions, restrictions, etc., as set out in the Plat), all of which are declared and agreed to be in furtherance of a plan for the development and improvement of the said Property, and the said covenants, conditions, restrictions, uses, limitations and obligations shall run with the land and shall be a burden and a benefit to the Declarant, its successors and assigns, and any person or legal entity acquiring or owning any interest in any portion of the said Property or any improvements thereon, their grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE I DEFINITIONS

1. "Declarant" shall mean Renaissance Development Company III – 104 Timber Creek Drive Suite 100, Cordova, Tennessee 38018, their successors and assigns. "Declarant" shall be synonymous with "Developer" for purposes of this Declaration.
2. "Declaration" shall mean this Declaration of Covenants, Conditions, and Restrictions, and any supplementary declaration filed hereto, as this Declaration may, from time to time, be amended in accordance with its terms.

3. "Lots" shall mean and refer to the lots of land designated and shown on the recorded Final Plan of subdivision of The Cloisters – Phase III as recorded in the Register's office of Fayette County, Tennessee.
4. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of fee simple title to any Lot which is a part of The Cloisters, but excluding those having such interest merely as security for the performance of an obligation, provided, however, that the purchaser at a foreclosure sale or trustee's sale shall be deemed an Owner.
5. "Association" shall mean and refer to The Cloisters's Home Owners Association, Inc., a nonprofit, non-stock corporation incorporated under the laws of the State of Tennessee, its successors and assigns. The Association's Charter and Bylaws are, or shall be, recorded in the Register's Office of Fayette County, Tennessee.
6. "Person" means any individual, firm, corporation, partnership, association, trust or other legal entity or any combination thereof.
7. "Property" or "Properties" shall mean that real property being each lot contained within The Cloisters – Phase III & V as recorded in the Register's office of Fayette County.
8. "Improvements" shall mean the structures, walls, pavement, plantings and other additions built or placed on the Lots.

ARTICLE II

PROPERTY SUBJECT TO THESE PROTECTIVE COVENANTS AND RESTRICTIONS

The real property described as The Cloisters – Phase III, as platted and recorded in the Register's office of Fayette County, located in Fayette County, Tennessee, which is, and shall be, held, conveyed, transferred and sold subject to the conditions, restrictions, covenants, reservations and easements herein contained. Such lots contained in The Cloisters are referred to hereinafter collectively as the "Development".

ARTICLE III

PURPOSE OF PROTECTIVE COVENANTS AND RESTRICTIONS

The conditions, restrictions, covenants, reservations and easements herein contained are made and imposed upon said subdivision and each lot contained therein to insure the best use and the most aesthetically appropriate development and improvement of each lot; to protect each owner of each lot against improper use of surrounding lots; to preserve, so far as practicable, the unique character of said subdivision; to encourage and secure the construction of attractive homes on such lots; and in general, to provide adequately for a superior quality of improvements on such lots, and thereby enhance the value of investments made by purchasers of such lots.

ARTICLE IV

DURATION OF PROTECTIVE COVENANTS AND RESTRICTIONS

The conditions, restrictions, covenants, reservations and easements herein contained shall run with and bind each and all of the lots of said subdivision and shall be binding on all parties and all persons claiming under them until January 1, 2025, at which time said covenants shall be automatically extended for successive periods of ten (10) years each. These conditions, restrictions, covenants, reservations and easements, or any one or more of them may be amended, prior to and on such date, by an instrument duly executed and notarized by not less than a simple (1/2+1) majority of the then owners of such lots (one vote per lot) and recorded in the Office of the Fayette County Register; however, these covenants and restrictions may be altered or amended by the Developer, or its assigns or successors by written instrument duly executed and notarized and recorded in the Fayette County Register's Office without the prior approval of any owner of any lot in said subdivision as long as the Developer retains ownership of any lot or lots in said subdivision or retains a majority of votes (as set out above) which from time to time is entitled to vote in the Association, as provided in the Bylaws thereof, including votes arising from Future Phases, as provided in said Bylaws.

ARTICLE V
ENFORCEMENT OF PROTECTIVE COVENANTS AND RESTRICTIONS

The Developer, Association and / or any owner of any lot in said subdivision shall have the right to enforce, by any proceedings at law or in equity, all conditions, restrictions, covenants, reservations and easements herein or hereinafter contained or otherwise contained in any deed to any lot in said subdivision against any person or persons violating or attempting to violate any of said conditions, restrictions, covenants, reservations and easements; either to restrain violation or to recover damages for any such violation including, but not limited to, reasonable attorney fees and court costs. Failure by any owner to enforce any of such conditions, restrictions, covenants, reservations and easements shall in no event be deemed a waiver of the right to do so thereafter. Invalidation of any one or more of the covenants or restrictions or other provisions herein or hereinafter contained by judgement or court order shall in no way affect any of the other covenants and restrictions herein or hereinafter contained which shall remain in full force and effect.

ARTICLE VI
SPECIFIC RESTRICTIONS

The Developer reserves unto itself the right to impose additional specific restrictions upon any lot in said subdivision at the time of sale by said Developer of any of such lots. Such additional restrictions may be made by appropriate provision in the deed, without otherwise modifying the covenants and provisions contained herein. Such additional restrictions as are so made shall apply to the lot or lots on which they are specifically imposed. Any additional restrictions or any variations imposed by the Developer do not set a precedent for future construction.

ARTICLE VII
ARCHITECTURAL CONTROL

Architectural control - to promote architectural compatibility and to preserve the value of homes and land within the subdivision, all improvements to the Lots within The Cloisters shall be reviewed and approved by The The Cloisters Architectural Control Committee (referred to herein as "Architectural Control Committee"), its representative, or committee duly appointed by said Architectural Control Committee. Said Architectural Control Committee shall consist of all of the members of Renaissance Development Company III or its successor or assigns and may consist of such other parties as the Developer may designate. Mr. Douglas C. Swink (or his successor) shall serve as chairman of said Architectural Control Committee. This covenant shall not be construed to govern the interior design of dwellings nor shall any approval be unreasonably or arbitrarily withheld. In the event that the Architectural Control Committee, or its representative, fails to approve or disapprove such design and site plan within thirty (30) working days after said plans have been submitted, such approval will not be required and this covenant shall be deemed to have been fully complied with. For the purpose of this provision, the term "working days" shall mean Monday through Friday, but excluding any Federal Holidays. The Architectural Control Committee may, at its sole discretion, delegate its obligations, duties, and functions to a third party and in the event of such delegation, said third party shall be vested with the same authority and powers as the Architectural Control Committee as set out herein. The Architectural Control Committee may, at its discretion, retain the services of a third party to assist in the performance of its obligations, duties and functions arising hereunder.

The Architectural Control Committee may promulgate rules governing the form and content of plans to be submitted for approval or requiring specific improvements on the Lots including, without limitation, the exterior lighting and planting and may issue statements of policy with respect to approval or disapproval of the architectural styles or details or other matters which may be presented for approval. Such rules and such statements of policy may be amended or revoked by the Architectural Control Committee at any time and no inclusion in or omission from or amendment of any such rule or statement shall be deemed to bind the Architectural Control Committee to approve or disapprove any feature or matter subject to approval or to waive the exercise of the Architectural Control Committee's discretion as to any such matter, but no change of policy shall affect the finality of the Lot of any plans or specifications previously submitted to and approved by the Architectural Control Committee but such approval shall not be deemed a waiver by the Architectural Control Committee in its discretion to disapprove such plans or specifications or any features or elements included therein if such plans, specifications, features or elements are subsequently submitted for use on any other Lot. Approval of any such plans and specifications relating to any Lot, however, shall be final as to the Lot and such approval may not be revoked or rescinded thereafter provided that the plans and specifications as approved and any condition attached to any such approval have been adhered to and complied with in regard to all structures, fences, hardscapes or barriers on the uses of the Lot in question.

The Architectural Control Committee may charge and collect a reasonable fee for the examination of any plans and specifications submitted for approval pursuant to these restrictions payable at the time such plans and specifications are so submitted.

1. With the exception of the Developer, no structure of any kind or nature, or any fence, entranceway, gate or barrier shall be commenced, erected, placed, or permitted to remain on any of the Lots within The Cloisters, nor shall any existing structure, fence or barrier upon any Lot be altered in any way which substantially changes the exterior appearance thereof without the written consent of the Architectural Control Committee; nor shall any new use be commenced on any Lot unless plans and specification shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Control Committee. Such plans and specifications shall be professionally prepared to industry standards and shall contain such information as may be required by the Architectural Control Committee, but in any event shall include:

A site plan of the Parcel showing the overall nature, materials, color and location of all improvements; including front, sides and rear setbacks of all structures, fences, gates or barriers, and location of driveways, turnarounds, parking spaces, decks, air conditioning equipment, refuse storage and screening; and

Said site plan shall also show the minimum interior heated and cooled area of a single family dwelling, exclusive of open porches and garages, to be 3,200 square feet for a one story dwelling or the minimum interior heated and cooled area for a one and a half story or two story dwelling to be 3,800 square feet and shall additionally have at least 2,200 square feet on the ground floor provided, however, the Architectural Control committee shall have the right to vary the minimum square footage requirement for any Lot for the orderly development of and integrity of The Cloisters; and

Existing and proposed grading plan, tree clearing plan and proposed landscaping and hardscaping plans for the Lot; and

Mailboxes and front yard exterior light standards if desired, the design, material and location to be specified by the Architectural Control Committee, said light standards to be operated by a photo cell; and

Where a drainage pipe may be required for a driveway, a masonry head wall of decorative stone used in the theme of the development or brick which matches the residence on the Lot shall be required on each end of the drive culvert at the lot entranceway and the design, material and location must be approved by the Architectural Control Committee; and

Architectural plans shall include floor plans, all exterior elevations, building sections and details of cornice, front entrance, porches, rails, and other details, etc. of special or unique importance or character. Said plans shall include adequate data and detail as to the overall exterior materials, and color scheme and the overall kind, style, shape, height, materials and quality of the proposed structure and other improvements. Architectural plans shall also include a plan and elevations of any planned lot entranceway and/or gate structure of either automatic or manual function. All entrance improvements shall be subject to the review and approval of the Architectural Control Committee even if said improvements are not done concurrently with home construction.

NOTE: The Architectural Control Committee may require additional data or more detailed plans should the items noted above not be adequately covered or should a design of unique quality or merit require such for full review and approval.

2. In the event the Architectural Control Committee fails to approve or disapprove any plans and specifications as herein provided within thirty (30) working days after submission thereof, the same shall be deemed to have been approved as submitted and no further action shall be required.

3. If any structure, fence, or barrier shall be altered, erected, placed or maintained (including exterior maintenance) upon any Lot or any new use commenced on any Lot, otherwise than in accordance with plans and specifications approved by the Architectural Control Committee as required herein, such alteration, erection, maintenance, or use shall be deemed to have been undertaken in violation of the restrictions herein and without the approval required herein, and unless deemed acceptable or appropriate upon written notice from the Architectural Control Committee any such structure, fence, hardscape or barrier so altered, erected, placed or maintained upon any Lot in violation hereof shall be removed or re-altered, and such use shall be terminated so as to extinguish such violation. If fifteen (15) days after the notice of such violation, the Owner or Owners of the Lot upon which such violation exists shall not have taken reasonable steps towards the removal or termination of the same, the Developer or the Association by its officers or directors shall have the right through its agents and employees to enter upon such Lot and to take such steps as may be necessary to extinguish such violation, and the costs thereof shall be a binding personal obligation of such Owner as well as a lien upon the Lot in question upon the recording of such with the Office of the Register of Fayette County, Tennessee.
4. Any agent of Developer or of the Architectural Control Committee may, at reasonable times, enter upon and observe any Lot and any improvements thereon for the purposes of ascertaining whether the maintenance of such Lot and the maintenance, construction, or alteration of structures thereon are in compliance with the provisions of these restrictions, and no such persons shall be deemed to have committed a trespass or other wrongful acts by reason of such entry or observation.
5. The Architectural Control Committee shall use its best efforts in the exercise of its duties; however, the Committee, and its members shall not be liable for any decision made in the exercise of its duties, or for any comments, suggestions and/or redesigns resulting from the Design Review Process.
6. The Architectural Control Committee shall have the right to enforce by any proceeding at law or in equity all architectural conditions and restrictions placed upon any Lot against any person or persons violating or attempting to violate any of said conditions or restrictions; either to restrain violation or to recover damages for any such violation including, but not limited to, reasonable attorney fees and court costs. Failure by the Architectural Control Committee to enforce any of such proceedings shall in no event be deemed a waiver of the right to do so thereafter.
7. Should a request to the Committee come from a Committee member, the other members of the Committee shall select a disinterested Lot Owner to take the place of the Committee member making the request.
8. Upon completion of the construction or alteration of any structure in accordance with the plans and specifications approved by the Architectural Control Committee, the Architectural Control Committee shall, upon written request of the Owner thereof, issue a letter of compliance in form suitable for recordation, identifying such structure and the Lot on which such structure is placed and stating that the plans and specifications, location of such structure and the use or uses to be conducted thereon have been approved and that such structure complies therewith. Preparation and recording of such letter shall be at the expense of the Owner of such Lot. Any letter of compliance issued in accordance with the provisions of this paragraph shall be prima facie evidence of the facts therein stated, and as to any purchaser or encumbrancer in good faith and for value or as to any title insurer, such letter shall be conclusive evidence that all structures and the use or uses described therein comply with all the requirements of these restrictions and all other requirements as to which the Architectural Control Committee exercises any discretionary or interpretive powers.

ARTICLE VIII PROTECTIVE COVENANTS, RESTRICTIONS AND EASEMENTS

1. All homes within The Cloisters shall be constructed or supervised by a licensed and registered builder with the State of Tennessee. In order to promote architectural compatibility, overall construction quality and to preserve the value of homes and land within the subdivision, all builders must be approved by the Developer. The Developer will prepare and provide a "Preferred Builders List" indicating those Builders approved to construct homes within The Cloisters. The Developer, at it's sole discretion, may add or remove builders to or from said list.

2. All lots in The Cloisters are hereby restricted to private residential dwellings for residential use. All of such lots shall be known and described as single family residential lots and are not to be re-subdivided into smaller lots without the prior written approval of the Developer. No structures of a temporary character, trailer, basement, tent, shack, garage, barn or other building of temporary character shall be used on any portion of said Property at any time as a permanent residence, either temporarily or permanently.
3. The minimum square footage for a residence shall be 3,200 heated and cooled square feet if a one-story residence. A one and one-half or two-story residence shall have at least 3,800 heated and cooled square feet and shall, additionally, have at least 2,200 square feet on the ground floor. The Architectural Control Committee shall, in its sole discretion, have the ability to vary the minimum square footage.
4. Notwithstanding any provisions herein contained to the contrary, it shall be expressly permissible for the Developer to maintain, during the period of the sale of said Lots, upon such portion of the premises as Developer deems necessary, such facilities as, in the sole opinion of Developer, may be reasonably required, convenient or incidental to the sale of said Lots, including, but without limitation, a business office, storage area, construction yard, signs, model units, and sales office.
5. Construction of any dwelling, once begun, shall be completed within two hundred seventy (270) days upon commencement of any site work being done on the lot, and failure to comply with this condition shall result in a payment by the Lot Owner of \$50.00 per day to the Developer until the dwelling is completed. The Developer shall, in its sole discretion, have the ability to lengthen the time for completion.
6. No building material of any kind or character shall be placed or stored upon any lots until the owner is ready to commence construction. Building materials shall not be placed or stored in the street right-of-way or within 30 feet of the edge of the road pavement. Contractors performing work shall have placed on the lot a commercial refuse container for holding all construction refuse and construction sites shall be cleaned prior to each weekend during all phases of building construction or remodeling. Owner's conducting remodeling operations or construction operations shall use commercial steel refuse bins. The burning or burying of trash or refuse is prohibited.
7. All buildings, including any freestanding buildings or other structures erected, shall conform to the applicable setback requirements of the zoning law having jurisdiction, provided, additionally, that on no lot shall any structure or accessory building be located nearer to the street than the rear building line of the principal building without the prior written consent of The The Cloisters Architectural Review Committee.
8. The presently required building setbacks, as shown and noted on the Final Plat, are subject to change, either by (1) amendment of Fayette County Zoning Resolution, (2) because of an extension of public sanitary sewer into the subdivision or (3) by attachment of a municipal jurisdiction resulting from annexation or incorporation. In no event, however, shall such change necessitate the recording of a revised plat or cause any building, conforming to the protective covenants at the time of its erection or placement, to be thereafter considered in violation of the covenants.
9. All residences must have a private, fully-enclosed garage which will accommodate a minimum of three (3), but not more than five (5) automobiles for vehicle parking. No garage door shall exceed ten (10) feet in width and each garage door shall be of the "carriage style". No principal front loading garages shall be allowed. Detached secondary garages may face the public street with written approval from the Architectural Control Committee. Carports and freestanding canopies of any kind are not permitted without the prior written approval of the Architectural Control Committee.
10. No recreation vehicles or commercial vehicles, including but not limited to boats, boat trailers, house trailers, motorhomes, camping trailers, motorcycles, all terrain vehicles, pick-up trucks, or similar type items shall be kept other than in the garage or otherwise screened from the view of neighbors or the public streets.
11. All equipment, utility meters, garbage cans, service yards, woodpiles or storage piles shall be kept screened by adequate planting or fencing so as to conceal them from view of neighbors or the roads. All rubbish, trash, or garbage shall be regularly removed from the premises and shall not be allowed to accumulate thereon.
12. All secondary electric service lines shall be run underground from its primary source to the residence and/or any outbuildings at the owner's sole expense. Electric meters shall be placed adjacent to the residence and not located at the public streets. Gas meters shall not be located adjacent to the residence.

13. Without prior written approval and the authorization of the Architectural Control Committee, no exterior television or radio antennas or satellite dishes of any sort with the exception of a satellite dish no larger than 18" in diameter, if located out of public view, shall be placed, allowed, or maintained upon any portion of the improvements located upon the Property nor upon any structure situated upon the Property.
14. Exterior security lighting shall be directed toward the ground and not toward adjacent parcels or the roads.
15. No fences, walls or other such features shall be erected on any lot without the prior written approval of the Architectural Control Committee. Fences constructed along side property lines may extend from the rear of the property to the front corner of the residence. Fences along side property lines may extend past the front corner of the residence towards the road only with the express written approval of the Architectural Control Committee, at its sole discretion. Fences constructed along any property line shall be in conformance with the accepted fence design for The Cloisters Subdivision. Privacy fences shall not be permitted along the property lines of each Lot without the express written approval of the Architectural Control Committee. Privacy fences may be approved on the interior of the property for the purpose of screening a portion of the property around pools, gardens, etc..
16. All driveways shall be of a concrete surface. Any security gate installed by any Lot owner on any Lot must meet the requirements of the fire code of Fayette County and shall be configured to allow two standard size automobiles to enter the drive without blocking the public roadway.
17. In order to preserve the natural beauty of the development, no tree larger than eight (8) inches in diameter measured twelve (12) inches from the grade shall be removed, unless it is dead and poses a threat to the safety and health of the individuals residing in the residence, without the approval of the Architectural Control Committee. Each Lot owner shall be responsible for planting a minimum of two deciduous trees (three inches in caliper) between the front of the residence and the road prior to taking occupancy of the residence.
18. The owner of each lot(s) shall be responsible and held liable for maintaining, whether or not any improvements have been made thereon, the condition of his/its lot(s), including but in no way limited to, clearing of any trash or litter, having the grass cut to a reasonable length and keeping the property in a general state of repair so as not to disturb or aesthetically offend the character of the surrounding lots. If a lot owner fails to comply with this condition within ten (10) days after written notice to the last known address of such lot owner, the Developer may perform such maintenance and recover the cost thereof from the lot owner, including reasonable collection and attorney's fees.
19. Perpetual easements for utility and drainage are reserved as shown on the Final Plat recorded in Register's office of Fayette County. No owner shall, within any such easement areas or at other locations whether within or without designated areas, place or permit any structures, fencing, plants or other materials which may damage or interfere with the installation and maintenance of utilities and/or interfere with the positive natural drainage established by the Developer. Further, no owner shall install any improvements or modify any existing grades in such a manner as would impair the positive natural flow of water from or onto the owner's lot. The easement area and drainage facilities on each lot shall be maintained continuously by the owner of such lot.
20. All swimming pools must be sunken in the ground. No above ground pools will be permitted.
21. All vegetable gardens shall be located no closer to the street than the rear of the house.
22. It shall be the sole responsibility of the lot owner or owner's agents, employees, contractors, sub-contractors, or assignees to determine if erosion control measures including, but not limited to, silt fencing may be required to comply with all local, state and federal ordinances, laws, rules and regulations. If such erosion control measures are required then, in that event, it shall be the sole responsibility of the lot owner, or its agents or contractors to take all steps necessary to insure that all erosion control measures are fully complied with and maintained prior to, during and after construction of the referenced property.
23. The lot owner shall establish and maintain a fully grassed or sodded side ditch along all public right-of-ways to the satisfaction of the Developer and the Fayette County Public Works officials. No lot shall have a private drainage structure within its boundaries, excluding public right of ways, greater than 6 inches in internal diameter unless provided with child guards to prevent small children from being carried into the culvert by force of water.

24. The Cloisters is not serviced by an overall sewer system. All lots have already been "pre-approved", but the location and design of individual systems must be coordinated with Groundwater Protection. Each Lot owner shall be responsible for the installation and maintenance of an individual septic system which shall be approved by the local health authorities. The system is to be installed according to Ground Water Safety standards with the approval of all appropriate agencies as determined by Fayette County and the Tennessee Department of Environment and Conservation – Ground Water Division. Lot Owners must contact the Fayette County Division of Groundwater Protection in Somerville prior to any lot grading or construction to determine the location and design of the individual septic system.
25. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot; except dogs, cats, or other household pets may be kept, provided they are not kept, bred or maintained for any commercial purpose. No kennel or dog run shall be placed in a location, which is visible from streets or creates a neighborhood nuisance and any fencing for same shall be subject to other restrictions herein as applies to fencing.
26. No commercial sign of any kind or in any form shall be located on any lot or in the street right-of-way without the express written consent of the Architectural Control Committee – at its sole discretion, except a single sign not larger than six (6) square feet advertising real estate for sale or rent, said real estate signs must meet the sign requirements of the Architectural Control Committee. The Developer reserves the right to place such signs, billboards, posters, and other advertising devices as it deems appropriate within the subdivision in accordance with Fayette County Zoning Regulations, until all lots in the subdivision have been sold by said Developer. No political sign, poster or other standard or banner shall be placed in a visible location on any lot that is larger than four (6) square feet in total area. Political signs may be placed in lots no earlier than 45 days prior to the event of election and shall be removed within 48 hours of the completion of the event of election and shall not exceed one per current elective race.
27. No commercial use shall be made of any lot except a discreet and incidental home occupation conforming to all applicable provisions of the zoning law having jurisdiction. No lot may be used for incidental or principal outdoor storage, maintenance or repair of any equipment used in the conduct of a business elsewhere.
28. Each Lot shall be conveyed as a separately designated and legally described freehold estate subject to the terms, conditions and provisions hereof and all easements, restrictions and covenants set out in the Final Plat of The Cloisters as recorded in the Register's Office of Fayette County.
29. No obnoxious or offensive trade or activity shall be carried on upon any Parcel in this development nor shall anything be done thereon which may be or become an annoyance or nuisance to other Owners within The Cloisters.
30. Declarant hereby reserves for itself and the Association a perpetual easement over and upon the Lots within The Cloisters, for the purpose of erecting, maintaining, repairing or replacing the The Cloisters entrance structures, subdivision identification features, and split-rail fencing. The easement will be located where the entrance structures, subdivision identification features, and split-rail fencing are constructed.
31. Declarant hereby reserves for itself and the Association a perpetual, non-exclusive easement across those portions of Lots 18 and 19 of the Subdivision which lie northwest of the centerline of the United States of America's easement as shown on the Plat. Declarant or the Association may use the reserved easement area for purposes which are, in their sole discretion, for the mutual benefit of the Owners and all Lots in the subdivision. The Owners of Lots 18 and 19 shall not construct any improvements, landscaping, hardscaping, or make any other alterations to the reserved easement area. The Association shall be responsible for all upkeep and maintenance of such easement area, provided, however, that if the Owners of Lots 18 and/or 19 are required by the health department to install any portion of their septic field lines onto such easement area, or if the Declarant or the Association grants permission, in their sole discretion, to the Lot 18 and 19 Owners to locate other improvements, landscaping or hardscaping onto the easement area, the Association shall not be responsible for the maintenance or upkeep of such septic fields lines, landscaping, hardscaping or other improvements.

Declarant

Renaissance Development Company III

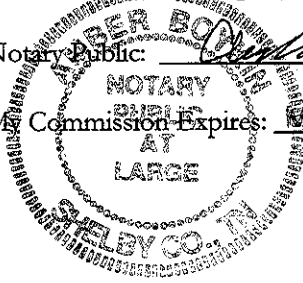
Douglas C. Swink, General Partner

State of Tennessee – County of Shelby

On this 15th day of Nov, 2005, before me personally appeared Douglas C. Swink, to me known to be the person described in and who executed the foregoing instrument, and who acknowledged himself to be the general partner of Renaissance Development Company, III a Tennessee general partnership, and who further acknowledged that, being duly authorized, he executed the forgoing instrument for the purposes therein contained on behalf of said partnership by signing the name of the partnership, by himself as such general partner.

Notary Public: _____

My Commission Expires: My Comm. Exp. June 26, 2007



BK/PG:D806/930-938

05010371

9 PGS : AL - RESTRICTIVE COVENANTS	
ED BATCH: 17705	
11/16/2005 - 10:10 AM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	45.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	47.00

STATE OF TENNESSEE, FAYETTE COUNTY

EDWARD PATTAI
REGISTER OF DEEDS

**DECLARATION BY DEVELOPER
THE CLOISTERS SUBDIVISION, PHASE III
(LOTS 27 - 68)**

The undersigned, Renaissance Development Company III, a Tennessee general partnership, ("Developer") as developer of certain real property in Fayette County, Tennessee known as The Cloisters Subdivision, Phase III (Lots 27 - 68) as shown on plat thereof of record at Plat Book B, Page 126 in the Register's Office of Fayette County, Tennessee (the "Subdivision") and in accordance with the bylaws of The Cloisters of Hickory Withe Home Owner's Association, Inc. (the "Association") of record at Book 802, Page 522 in the Register's Office of Fayette County, Tennessee (the "Bylaws"), does hereby elect that the Subdivision be a Future Phase (as defined in the Bylaws) of The Cloisters Subdivision, that all Lots in the Subdivision be subject to the Bylaws, and the Owner or Owners of each Lot in the Subdivision be Members of the Association as provided therein, duly entitled to all rights, obligations and privileges associated with such membership. Any party who purchases or otherwise acquires or comes to hold title to any lot or lots within the Subdivision shall take such lot or lots subject to the terms of the Bylaws and the Charter of the Association.

The Bylaws of the Association are hereby amended to reflect the inclusion of The Cloisters Subdivision, Phase III (Lots 27 - 68).

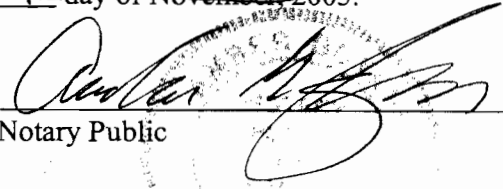
Renaissance Development Company III

By: 
William S. Ollar, General Partner

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, the undersigned Notary Public in and for the aforesaid jurisdiction, personally appeared William S. Ollar, personally known by me or proven upon satisfactory evidence, to be the person described in the foregoing instrument, and who acknowledged himself to be the general partner of Renaissance Development Company III, the within named bargainor, a Tennessee general partnership, and who further acknowledged that, being duly authorized, he executed the foregoing instrument for the purpose therein contained by signing the name of the partnership, by himself as such general partner.

Witness my hand and Official Seal at office this the 4th day of ~~November 2005~~ January 2006.


Notary Public

My Commission Expires: _____

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2 PGS : AL - BY LAWS	
JOYCE BATCH: 18595	
01/04/2006 - 12:10 PM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	10.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	12.00

STATE of TENNESSEE, FAYETTE COUNTY

EDWARD PATTAT
REGISTER OF DEEDS

**FIRST AMENDMENT
TO
DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS
FOR THE CLOISTERS SUBDIVISION
PHASES I & II (LOTS 1 - 26)**

This First Amendment to the Declaration of Protective Covenants and Restrictions for The Cloisters Subdivision Phases I & II is made as of the 30 day of AUG, 2005 by Renaissance Development Company III, hereinafter referred to as "Declarant" or "Developer".

WITNESSETH:

Whereas, Declarant did enter into that certain Declaration of Protective Covenants and Restrictions for The Cloisters Subdivision Phases I & II dated AUG. 24, 2005, the same being of record at Book 198, Page 203 in the Register's Office of Fayette County, Tennessee (the "Declaration"); and


Whereas, Declarant does desire to amend said Declaration as follows:

Now, therefore, Declarant does hereby amend the Declaration as follows:

1. All Lots in The Cloisters Subdivision Phases I & II shall be subject to the Charter and Bylaws of The Cloisters of Hickory Withe Home Owner's Association, Inc., copies of which are hereby ratified and approved, and are attached hereto and incorporated herein by reference.
2. All other provisions of the Declaration not herein specifically amended shall remain in full force and effect.

In witness whereof, the undersigned Declarant herein has set hereunto set forth its hand as of the 30 day of September, 2005.


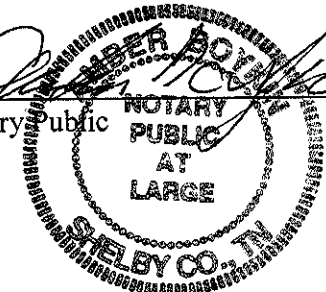
Renaissance Development Company III
a Tennessee general partnership

By: 
Douglas C. Swink, general partner

STATE OF TENNESSEE
COUNTY OF SHELBY

Before me, the undersigned Notary Public in and for the aforesaid jurisdiction, personally appeared Douglas C. Swink, personally known to me or proven upon satisfactory evidence to be the person described in the foregoing instrument, and who acknowledged himself to be the general partner of Renaissance Development Company III, a Tennessee general partnership, and who further acknowledged that, being duly authorized, he executed the foregoing instrument for the purposes therein contained on behalf of said partnership by signign the name of the partnership by himself as such general partner.

Witness my hand and official seal this the 30 day of September, 2005.


Notary Public 

My Commission Expires: My Comm. Exp. June 26, 2007

BYLAWS
OF
THE CLOISTERS OF HICKORY WITHE HOME OWNER'S ASSOCIATION, INC.

ARTICLE I

Name. The name of this corporation is The Cloisters of Hickory Withe Home Owner's Association, Inc.

ARTICLE II

Applicability. These Bylaws and each provision thereof shall be applicable to (1) all Lots and Members, as defined in the Declaration of Protective Covenants and Restrictions for The Cloisters Subdivision, as the same is of record in Book 798, Page 203 in the Register's Office of Fayette County, Tennessee, as amended hereby (collectively the "Declaration" or the "Covenants"), and as the same may be subsequently amended, AND (2) all Lots and Members of additional residential phases of The Cloisters Subdivision which may be developed by Developer, (the "Future Phases"), and for which Developer elects to make a part of the Association. The Cloisters Subdivision Phases I & II is a subdivision in Fayette County, Tennessee, as the same is more particularly described in Plat Book 8 Page 110-111, in the Register's Office of Fayette County, Tennessee, as the same may be from time to time amended, and such subdivision, and the Future Phases thereof which may hereafter be developed are hereinafter sometimes collectively referred to as the "Development". Declarant may, now or at any time in the future until one year following the date Developer conveys (by voluntary execution of a deed on behalf of the Developer and not as an involuntary conveyance resulting from court order or operation of law) its last Lot in the Development, and in its sole discretion, regardless of whether Developer retains any lots in the Development, create additional residential phases of The Cloisters Subdivision and may elect to add those Future Phases to the Association, in which event, the Owner or Owners of each lot in such Future Phases shall become Members of the Association as provided herein, duly entitled to all rights, obligations and privileges associated with such membership. Future Phases shall be deemed to be residential developments of land contiguous, adjacent or abutting to The Cloisters Subdivision (provided however that the separation of such lands from The Cloisters Subdivision by a river, creek, stream or other tributary or by a roadway shall not render such land as not being contiguous, adjacent or abutting to The Cloisters), which is now owned by Developer or which may become owned by Developer and is so owned at the time the election is made for such development to become part of The Cloisters Subdivision, and for which development a subdivision plat is recorded in the Register's Office of Fayette County, Tennessee, and an election is made by Developer, during the time period specified herein, to make such development a part of The Cloisters Subdivision and to make the Owner or Owners of Lots therein members of the Association and the recordation of such election in the Office of the Register of Fayette County, Tennessee. The development of Future Phases may be a single or multiple developments and each such multiple development shall be deemed a separate Future Phase of The Cloisters Subdivision, as provided herein.

ARTICLE III

Section 1. Eligibility. The Owner or Owners, as defined in said Declaration or similar declaration relating to the Future Phases, of a Lot, who have become such in compliance with all of the requirements and conditions contained in the Declaration, similar declaration relating to Future Phases, and these Bylaws, shall be entitled to attend and vote at all meetings of the Association. The Declarant shall be considered the Owner of each Lot which has not been conveyed by it to other parties by voluntary execution of a deed on behalf of the Developer. Ownership of a Lot shall be the sole qualification for membership in the Association, except for Declarant, which shall remain a Member of the Association for a period of time until one year following the date Developer conveys its last Lot by voluntary execution of a deed on behalf of the Developer (and not as an involuntary conveyance resulting from court order or operation of law) in the Development, as such time period may be extended by the development and addition of Future Phases.

Section 2. Classification of Members and Voting Rights. Members shall be divided into two classes, denominated as Class A Members and Class B Members, defined as follows:

Class A. Class A Members shall be the Owners and shall be entitled to one (1) vote for each Lot owned at all meetings of the Association. When more than one person holds an interest in any Lot, all such persons shall be Members, however there shall be only one (1) vote by and among the collective owners of any one (1) Lot. The vote allocated to that Lot shall be cast by the one authorized by such two or more Owners, and in the event of failure of such authorization, no vote shall be recorded for that Lot. Where only one of two or more Owners of a lot is present in person at a meeting, such one shall be presumed to be authorized by all Owners of said Lot and shall be entitled to cast the vote with respect for that Lot. Where one person or a group of persons owns more than one Lot, such person or group shall be entitled to cast one (1) vote for each Lot owned. In no event shall more than one (1) vote be cast with respect to any Lot.

Class B. Class B Members shall be the Declarant. Class B Members shall be entitled to a number of votes for each Lot owned in the Development and any Future Phases thereof which have been developed into residential lots and a plat thereof recorded, which number of votes for each such Lot shall be the total number of Lots in the Development PLUS one (1), until such time or times as the Future Phases have been developed, in whole or in part, a plat thereof recorded, and an election made of record by Declarant that such Future Phase or Phases become part of the Association, at which time the Class B Members shall have a number of votes for each Lot owned equaling the total number of Lots in the Development and the Future Phases which have plats recorded, PLUS one (1). Upon the addition of one or more Future Phase(s) of the subdivision, as provided herein, the number of votes among the Class B Membership shall be readjusted based upon the number of lots in the Future Phases, as provided herein. The Class B Membership shall cease and shall be converted to Class A Membership on the happening of either of the following events, whichever occurs first:

- (a) Declarant owns no Lots in the Development or Future Phases which have been made a part of the Association; or

(b) When the Declarant determines, in its sole discretion, it to be in the best interest of the Association to cease Class B Membership and elects to terminate said Class B Membership.

The Class B Membership shall be automatically reinstated upon the recordation of the plat of Future Phase(s) of the subdivision and upon recordation of the election of such future phase to become part of the Subdivision and of the Association, as provided herein.

ARTICLE IV

Section 1. Place of Meeting. Meetings of the membership shall be held at the principal office or the place of business of the Association or at such other suitable place convenient to the membership as may be designated by the board of directors.

Section 2. Annual Meetings. The annual meetings of the Members of the Association shall be held at 7:00 P.M. on the second Tuesday in April of each year, beginning in 2006. At such meeting there shall be elected by secret written ballot of the Members a Board of Directors in accordance with the requirements of Section 5 of Article V of these Bylaws. The Members may also transact such other business of the Association as may properly come before them.

Section 3. Special Meetings. It shall be the duty of the President to call a special meeting of the Members as directed by resolution of the Board of Directors or upon a petition signed by Members representing at least ten percent (10%) of the total number of votes entitled to be cast on any issue proposed to be considered at the proposed special meeting having been presented to the Secretary. 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 notice of each annual or special meeting, stating the purpose thereof as well as the time and place where it is to be held, to each Member of record, at his address as it appears on the membership book of the association, if any, or if no such address appears, at his last known place of address, at least ten (10) days but no more than two (2) months prior to such meeting. Service may also be accomplished by the delivery of an such notice to the Member at his last known address by deposit in the box or slot for the United States mail. Notice by either such method shall be considered as notice served. Attendance by a Member at any meeting of the Members shall be a waiver of notice by him of the time, place and purpose thereof.

Section 5. Quorum. The presence, either in person or by proxy, of Members representing at least one-half plus one (1) of the total votes of Members entitled to be cast with respect to any question, shall be requisite for, and shall constitute a quorum for, the transaction of business at all meetings of Members. It is not necessary that the presence of Members or proxies entitled to cast one half plus one (1) of all the votes of each class of membership be present to constitute a quorum so long as one half plus one (1) of all the vote of all classes of membership combined are present. If the required quorum is not present, the Members who are present, either present or by proxy, may except as provided by law, adjourn the meeting to a time not less than 48 hours from the time the original meeting was called. If the number of Members at a meeting

drops below the quorum and the question of a lack of a quorum is raised, no business may thereafter be transacted.

Section 6. Adjourned Meeting. If any meeting of Members cannot be organized because a quorum has not attended, the Members who are present, either in person or by proxy, may, except as otherwise provided by law, adjourn the meeting to a time not less than forty-eight (48) hours from the time the original meeting was called.

Section 7. Voting. At every meeting of the Members, each of the Members shall have the right to cast his vote on each question. The vote of Members representing a one half plus one (1) majority of the total votes cast, in person or by proxy, provided a quorum exists, shall decide any question brought before such meeting, unless the question is one upon which, by express provision of statute or the Charter of Incorporation, or the Declaration, or of these Bylaws, a different vote is required, in which case such express provision shall govern and control. No Member shall be eligible to vote, either in person or by proxy, or be elected to the Board of Directors, who is shown on the books or management accounts of the Association to be more than sixty (60) days delinquent in any payment due the Association.

Section 8. Proxies. Any Member may appoint any other Member or the Developer or any other person permitted by law or by these Bylaws as his proxy. In no case may any Member (except the Developer) cast more than one vote by proxy in addition to his own vote. Any proxy must be in writing and must comply with all requirements imposed by law or by these Bylaws.

Section 9. Action Without Meeting. Whenever the vote of Members at a meeting thereof is required or permitted to take any action in accordance with any statute, the Declaration or these Bylaws, such meeting and vote may be dispensed with if all Members who would have been entitled to vote upon such action receive a written ballot from the Association. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Approvals shall be valid only when the number of votes cast by ballot equals or exceeds the quorum required to be present at any meeting authorizing the action, and the number of approvals equals or exceeds the number of votes that would be required to approve the matter at a meeting at which the total number of votes cast was the same as the number of votes cast by ballot.

Section 10. Order of Business. The order of business at all regularly scheduled meetings of the Members shall be as follows:

- (a) Roll call and certificate of proxies.
- (b) Proof of notice of meeting or waiver of notice.
- (c) Reading of minutes of preceding meeting.
- (d) Reports of Officers, if any.
- (e) Reports of committees, if any.

- (f) Unfinished business.
- (g) New business.
- (h) Election or appointment of inspectors of election.
- (i) Election of directors.

In the case of a special meeting, items (a) through (d) shall be applicable and thereafter the agenda shall consist of the items specified in the notice of the meeting.

ARTICLE V.

Section 1. Number and Qualification of Board. The affairs of the Association shall be governed by the Board of Directors composed of at least two (2) persons and not more than seven (7) persons, a majority of whom shall be Members of the Association, except as provided herein. Until such time as the Class B membership has ceased as provided herein, non-members of the Association may serve as directors and officers of the Association and any prohibition or restriction contained herein of non-members so serving shall not apply until such time as the Class B membership has been terminated as provided hereby. Any prohibition against non-members of the Association so serving shall be suspended again upon the reinstatement of the Class B Membership following the addition of Future Phases, as provided herein.

Section 2. Initial Directors. The initial directors shall be elected by the Developer and need not be members of the Association. The names of the Directors who shall act as such from the date upon which the Declaration are recorded in the Register's Office of Fayette County, Tennessee, until the first annual meeting of the Members or until such time as their successors are duly chosen and qualified are as follows:

William S. Ollar and Douglas C. Swink

Section 3. Power and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and the subdivision and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the Members. The powers and duties of the Board of Directors shall include, but not be limited to, the following:

To provide for:

(a) Care and upkeep of the common open space and common features, including without limitation, walls, fences, entrance features and landscaping as shown on the Plat of the subdivision and any other properties charged to the care of the Association, including establishing reserves for repairs or replacements.

(b) Establishment and collection of assessments and/or carrying charges from the Members and for the assessment and/or enforcement of liens therefor in a manner consistent with law and the provisions of these Bylaws and the Declaration.

(c) Designation, hiring and/or dismissal of the personnel necessary for the good working order of the Development and to provide services for the community in a manner consistent with law and the provisions of these Bylaws and the Declaration.

(d) Enforcing the protective covenants, restrictions, and easements as shown on the Plat of the subdivision, contained in the Declaration or set out herein, and the promulgation and enforcement of such rules and regulations and such restrictions or requirements as may be deemed proper respecting the use, occupancy and maintenance of the Development, all of which shall be consistent with law and the provisions of these Bylaws and Declaration.

(e) From time to time, to assess each Owner with its prorata share of the operating expenses of the Association, which may include the costs of maintaining the common open space and common features, administration of the affairs of the Association, and such other items as may be permitted or required pursuant to the Declaration, these Bylaws or by law. Any such assessments shall be prorated among the Lots by dividing the total of such expenses by the number of Lots in the Development. The Board of Directors may determine at what frequency it will make such assessments, but the same shall be made no less than annually.

Section 4. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a Member of the Board of Directors, and one or more Members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the Members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among Members or non-members.

Section 5. Election and Term of Office. The term of the Directors named herein shall expire when their successors have been elected at the first annual meeting of Members and are duly qualified. At the first annual meeting of the Members, the Members shall determine the number of Directors consistent with these Bylaws, who shall constitute the Board of Directors to serve until the next annual meeting and until their successors have been elected and duly qualified. The term of office of each Director thereafter shall be for a period of one (1) year or until their successors shall have been elected and hold their first meeting.

Section 6. Vacancies. Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled by vote of the majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a director until a successor is elected by the Members at the next annual meeting.

Section 7. Removal of Directors. At a regular meeting or special meeting duly called for such purpose, any Director may be removed with or without cause by the affirmative vote of the majority of the entire membership of record and a successor may then and there be elected to fill the vacancy thus created. Any Director whose removal has been proposed by the Members

shall be given an opportunity to be heard at the meeting. The term of any Director who becomes more than sixty (60) days delinquent in payment of any assessments and/or carrying charges due the Association shall be automatically terminated and the remaining Directors shall appoint his successor as provided in Section 6 of this Article.

Section 8. Compensation. No compensation shall be paid to Directors for their services as Directors. After the first annual meeting of the members, no remuneration shall be paid to a Director who is also a Member of the Association for services performed for the Association in any other capacity unless a resolution authorizing such remuneration shall have been adopted by the Board of Directors before the services are undertaken.

Section 9. Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at which such Directors were elected, and no notice shall be necessary to the newly-elected Directors in order legally to constitute such meeting, provided a majority of the whole Board of Directors shall be present.

Section 10. 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 Directors, but at least two (2) such meetings shall be held during each calendar year. Notice of regular meetings of the Board of Directors shall be given to each Director, personally or by mail, telephone or telegraph, at least two (2) days prior to the day named for such meeting.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by the President on two (2) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the date, time and place (as hereinabove provided), but not necessarily the purpose, of the meeting. Special meetings of the Board of Directors shall be called by the President or Secretary in like manner and on like notice on the written request of at least one-third of the Directors.

Section 12. Waiver of Notice. Before or at any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall be a waiver of notice by him of the time, place and purpose thereof. If all the Directors are present and remain present at any meeting of the Board of Directors, no notice shall be required and any business may be, transacted at such meeting.

Section 13. Quorum. At all meetings of the Board of Directors a majority of the Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors present at a meeting at which a quorum is present shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 14. Action Without Meeting. Any action of the Board of Directors required or permitted to be taken at any meeting may be taken without a meeting if all of the members of the Board of Directors shall individually or collectively consent in writing to take such action without

a meeting. Such written consent or consents describing the action taken and signed by each Director shall be filed with the minutes of the proceedings of the Board of Directors. If all Directors consent to taking such action without a meeting, the affirmative vote of the number of Directors that would be necessary to take such action at a meeting is the act of the Board.

Section 15. Fidelity Bonds. The Board of Directors may require that all officers and employees of the Association handling or responsible for the Association's trust funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

ARTICLE VI.

Section 1. Designation. The principal officers of the Corporation shall be a President, Secretary and Treasurer, all of whom shall be elected by the Board of Directors. Prior to the first annual meeting of Members, the officers of the Association need not be Members of the Association. The Directors may appoint an assistant secretary and an assistant treasurer and such other officers as in their judgment may be necessary. The offices of Secretary and Treasurer may be filled by the same person.

Section 2. Election of Officers. The officers of the Association shall be elected annually by the Board of Directors at the organizational meeting of each new Board and shall hold office at the pleasure of the Board of Directors.

Section 3. Removal of Officers. Upon an 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 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. In the event he is also a member of the Board of Directors, he shall preside at all meetings of the Members and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the membership from time to time as he may, in his discretion, decide is appropriate to assist in the conduct of the affairs of the Association.

Section 5. Vice President. If there shall be one elected, the Vice President shall take the place of the President and perform his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board shall appoint some other member of the Board to do so on an interim basis. The Vice President shall also perform such other duties as shall from time to time be delegated to him by the Board of Directors.

Section 6. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Members of the Association; he shall have custody of the seal of the Association, if any; he shall have charge of the membership transfer books and of such other books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of Secretary.

Section 7. Treasurer. The Treasurer shall have responsibility for corporate funds and securities and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

ARTICLE VII.

Section 1. Liability and Indemnification of Officers and Directors. The Association shall indemnify every officer and Director of the Association against any and all expenses, including counsel fees, reasonably incurred by or imposed upon any officer or Director in connection with any action, suit or other proceeding (including the settlement of any such suit or proceeding) if approved by the then Board of Directors of the Association to which he may be made a party by reason of being or having been an officer or Director of the Association, whether or not such person is an officer or Director at the time such expenses are incurred. The officers and Directors of the Association shall not be liable to the Members of the Association for any mistake of judgment, negligence, or otherwise, except for their own individual willful misconduct or bad faith. The officers and Directors of the Association shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association of the Development (except to the extent that such officers or Director) may also be Owners of Lots within the subdivision), and the Association shall indemnify and forever hold each such officer and Director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or Director of the Association or former officer or Director of the Association may be entitled.

Section 2. Common or Interested Directors. The Directors shall exercise their powers and duties in good faith and with a view to the interest of the Association and the subdivision. No contract or other transaction between the Association and one or more of its Directors, or between the Association and any corporation, firm or association (including the Developer) in which one or more of the Directors of this Association are Directors or officers or are pecuniarily or otherwise interested, is either void or voidable because such Director or Directors are present at a meeting of the Board of Directors or any committee thereof which authorizes or approves the contract or transaction, or because his or their votes are counted for such purpose, if any of the conditions specified in any of the following subparagraphs exist:

(a) The fact of the common directorate or interest is disclosed or known to the Board of Directors or a majority thereof or noted in the minutes, and the Board authorizes, approves, or ratifies such contract or transaction in good faith by a vote sufficient for the purpose; and

(b) The contract or transaction is commercially reasonable to the Association. at the time it is authorized, ratified, approved or executed.

Common or interested Directors may be counted in determining the presence of a quorum of any meeting of the Board of Directors or committee thereof which authorizes,

approves or ratifies any contract or transaction with like force and effect as if he were not such Director or officer of such other corporation or not so interested.

ARTICLE VIII.

Section 1. Management and Common Expenses. The Association, acting by and through its Board of Directors, shall manage, and operate the affairs of the Association and, for the benefit of the Lots and the Owners thereof shall enforce the provisions hereof and shall pay out of the common expense fund herein and elsewhere provided for, the following:

- (a) the cost of such insurance as the Association may effect;
- (b) The cost of providing such legal and accounting services as may be considered necessary to the operation of the Development;
- (c) The cost of any and all materials, supplies, labor, services, maintenance, repairs, taxes, assessments or the like, which the Association secures in the discretion of the Board of Directors or by the vote of the Members shall be deemed necessary or proper.
- (d) The cost of the maintenance or repair on any Lot in the event such maintenance or repair is reasonably necessary in the discretion of the Board of Directors to protect the common open space or to preserve the appearance or value of the Development or is otherwise in the interest of the general welfare of all Owners of the Lots; provided, however, that no such maintenance or repair shall be undertaken without a resolution by the Board of Directors and not without reasonable written notice to the Owner of the Lot proposed to be maintained and provided, further, that the cost thereof shall be assessed against the Lot on which such maintenance or repair is performed and, when so assessed, a statement for the amount thereof shall be sent promptly to the then Owner of said Lot at which time the assessment shall become due and payable and a continuing lien and obligation of said Owner.
- (e) The cost of maintenance and repair of the common features of the subdivision, including without limitation, walls, fences, entrance features, common landscaping and lighting.
- (f) The cost of any property or other taxes owed by the Association or levied against any property of the Association.
- (e) All other items which are listed as responsibilities of the Association as found in the Declaration or these Bylaws.

Section 2. Duty to Maintain. Except for maintenance requirements herein imposed upon the Association, the Owner of any Lot shall, at his own expense, maintain the interior and exterior of any improvements on his Lot, including all driveways and any and all equipment, and fixtures therein situate, and its other appurtenances, in good order, condition and repair, and in clean and sanitary condition, and shall do all redecorating, painting and the like which may at any time be necessary to maintain the good appearance of his Lot and appurtenances. All exterior maintenance is subject to approval of the Architectural Control Committee.

Section 3. Right of Entry. For the purpose solely of performing any of the repairs or maintenance required or authorized by these Bylaws, or in the event of a bonafide emergency involving illness or potential danger to life or property, the Association, through its duly authorized agents or employees, shall have the right, after reasonable efforts to give notice to the Owner or occupant, to enter upon any Lot at any hour considered to be reasonable under the circumstances.

Section 4. Right of Lien. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association such assessments, charges, dues, or fees, whether regular, special or emergency, as may from time to time be fixed, charged, assessed or determined by the Board of Directors. Such assessments or charges, together with interests thereon and costs of collection thereof shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest and costs thereon shall be the personal obligation of the Person who was the Owner of the Lot at the time when the assessment fell due.

Section 5. Non-payment of Assessments / Enforcement of Liens. Any assessment levied pursuant to the Declaration or these Bylaws or any installment thereof, which is not paid on the date when due shall be delinquent and shall, together with interest thereon and the costs of collection thereof, thereupon become a continuing lien upon the Lot or Lots belonging to the Member against whom such assessment is levied and shall bind such Lot or Lots in the hands of the then Owner, his heirs, devisees, personal representatives and assigns. To evidence the lien of any unpaid and delinquent assessments, the Board of Directors shall prepare a written notice setting out the amount of the unpaid indebtedness, the name of the Owner of the Lot, and description of the Lot. Said notice shall be signed by a member of the Board of Directors and recorded in the Office of the Register of Fayette County, Tennessee. The personal obligation of the Member to pay such assessment shall, however, remain his personal obligation for the statutory period, and a suit to recover a money judgment for non-payment of any assessment levied pursuant to the Declaration or these Bylaws, of any installment thereof, may be maintained without foreclosing or waiving the lien created herein. Any assessment levied pursuant hereto or any installment thereof which is not paid within ten (10) days after it is due, may, upon resolution of the Board of Directors, bear interest at a rate not to exceed the highest rate allowed under the laws of the State of Tennessee, and may, by resolution of the Board of Directors, subject the Member obligated to pay the same to the payment of such penalty or late charge as the Board may fix. The Association may bring an action at law against the Member personally obligated to pay the same, or foreclose the lien against the Lot or Lots subject to prior mortgages or deeds of trust upon the Lot or Lots, then belonging to the said Member; in either event, the Association may collect from the said Member interest, costs and reasonable attorney's fees. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or common open spaces or abandonment of his Lot. For the purpose of enforcing the lien of any unpaid and delinquent assessment, each Owner grants to the Board of Directors, irrevocably, the power to sell his Lot at public outcry to the highest and best bidder for cash. The Board of Directors is authorized to make such public sale if and only if such sale is made subordinate to any prior recorded mortgage or deed of trust upon the Lot. The Association is hereby authorized to take any and all courses of action available to them for collection of the assessment which the laws of the State of Tennessee allow. Any such sale shall be made after

first advertising the sale of said property for twenty-one (21) days by three (3) weekly publications in some newspaper in the County of Fayette, State of Tennessee, giving notice of the time and place of such sale and by written notice of the time and place of such sale to the Owner of the Lot at his last known address. Any sale of a Lot to enforce a lien for delinquent and unpaid assessments shall be free from equity of redemption, including the statutory right of redemption, homestead, and dower and all other exemptions, all of which are expressly waived by the Lot Owners; and any such sale and the lien enforced thereby shall take precedence over and have priority over any and all other liens of every nature against the Lot, except real estate and ad valorem taxes assessed against the Lot and prior recorded mortgages or deeds of trust. The proceeds of any such sale, whether under the power of sale or by foreclosure, suit, shall be applied first to the payment of the expenses of protecting the Lot and the expenses of litigation, attorneys' fees, and sales commissions; and second to payment of real estate and ad valorem taxes assessed against the Lot and any prior recorded mortgages or deeds of trust (unless sold subject to said mortgage or deed of trust); and third to the payment of all amounts due the Association under the terms of the Declaration, these Bylaws, or otherwise, and the balance, if any, to the Lot Owner whose Lot is sold, and his assigns. Upon any default in the payment of any assessment, the Board of Directors shall have the right to all rents, issues, and profits from the Lot in default and shall have the right to secure the payment through notice to those in possession of the Lot or by entry into possession in the same manner as a mortgagee entering into possession following default. The Association may enforce its lien by whatever means available, including power of sale granted herein or filing suit for foreclosure in any appropriate court. All rights, remedies, and privileges granted to the Board of Directors or Lot Owner, pursuant to any terms, provisions and covenants hereof shall be deemed cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies or privileges as may be granted to such party by the Declaration and Bylaws or at law or in equity. The Association may notify the holder of the first mortgage on any Lot for which any assessment levied pursuant hereto becomes delinquent for a period in excess of sixty (60) days and in any other case where the Owner of such Lot is in default with respect to the performance of any other obligation hereunder for a period in excess of ninety (90) days.

Section 6. Priority of Lien. The lien established hereby shall have preference over any other assessments, liens, judgments or charges of whatever nature, except the following:

- (a) General and special assessments for real estate taxes on a Lot; and
- (b) The liens of any deeds of trust, mortgage instruments or encumbrances duly recorded on the Lot prior to the assessment of the lien thereon or duly recorded on said Lot after receipt of a written statement from the Board of Directors reflecting that payments on said lien were current as of the date of recordation of said deed of trust, mortgage instrument or encumbrance.

ARTICLE IX.

Section 1. Fiscal Year. The fiscal year of the Association shall begin on the first day of January every year, except for the first fiscal year of the Association, which shall begin at the

date of incorporation. The commencement day of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate.

Section 2. Books and Accounts. Books and accounts of the Association shall be kept under the direction of the Treasurer in accordance with good accounting practice. The same shall include books with detailed accounts, in chronological order, of receipts and of the expenditures affecting the Development and its administration and shall specify the maintenance and repair expenses incurred. That amount of any assessment required for payment of any capital expenditures of the Association shall be credited upon the books of the Association to the Paid-in-Surplus account as capital contributions by Members.

Section 3. Reports. The Association shall furnish its Members, and the holder of first mortgages requesting same in writing within ninety (90) days from the date of close of each fiscal year, with an annual financial statement, including the income and disbursements of the Association.

Section 4. Inspection of Books. The books and accounts of the Association, and vouchers accrediting the entries made thereupon, shall be available for examination by the Members of the Association, and/or their duly authorized agents or attorneys, and to the institutional holder of any first mortgage on any Lot and/or its duly authorized agents or attorneys, during normal business hours and for purposes reasonably related to their interest as Members.

Section 5. Execution of Association Documents. With the prior authorization of the Board of Directors, all notes and contracts shall be executed on behalf of the Association by either the President or Vice President, if one exists, and all checks shall be executed on behalf of the Association by such officers, agents, or other persons as are from time to time so authorized by the Board of Directors.

Section 6. Employment of Management Company. The Association shall be authorized to employ a management company to aid the Association in carrying out its duties and responsibilities. Prior to passage of control of the Association from the Developer, no management or service contract shall be entered into unless there is a right of termination, without cause, upon ninety (90) days' written notice.

ARTICLE X.

Section 1. Amendments. These Bylaws may be amended by the affirmative vote of Members holding not less than two-thirds (2/3) (unless the Declaration calls for a greater number with respect to a particular clause) of all votes entitled to be cast at any meeting of the Members duly called for such purpose, and only after thirty (30) days' prior written notice to the institutional holders of all first mortgages on the Lots in the Development. Amendments may be proposed by the Board of Directors or by petition signed by Members representing at least thirty percent (30%) of the total number of votes entitled to be cast. A description of any proposed amendment shall accompany the notice of any regular or special meeting at which such proposed amendment is to be voted upon.

ARTICLE XI.

Section 1. Notice to Board of Directors. Any Owner of any Lot in the subdivision who mortgages such Lot shall promptly notify the Board of Directors of the name and address of his mortgagee and, if requested so to do, shall file a conformed copy of such mortgage with the Board of Directors. The Board of Directors may maintain suitable records pertaining to such mortgages.

Section 2. Definition. As used in this Article, the term "mortgagee" shall mean any mortgagee and shall not be limited to institutional mortgagees and the term "mortgage" shall include deed of trust. As used generally in these Bylaws, the term "institutional holder" or "institutional mortgagee" shall include banks, trust companies, insurance companies, savings and loan associations pension funds and any corporation, including a corporation of, or affiliated with, the United States government, or any agency thereof.

ARTICLE XII

Section 1. Resident Agent. The resident agent shall be designated as the person authorized to accept service of process in any action relating to two or more Lots or to the Common Areas.

Section 2. Notices. Unless another type of notice is herein or elsewhere specifically provided for, any and all notices called for in the Declaration or these Bylaws shall be given in writing.

Section 3. Severability. In the event any provision or provisions of these Bylaws shall be determined to be invalid, void or unenforceable, such determination shall not render invalid, void or unenforceable any other provisions hereof which can be given effect.


Section 4. Waiver. No restriction, condition, obligation or provision of these Bylaws shall be deemed to have been abrogated or waived by reason of any failure or failures to enforce the same.


Section 5. Captions. The captions contained in these Bylaws are by convenience only and are not a part of these Bylaws and are not intended in any way to limit or enlarge the terms and provisions of the Bylaws.

Section 6. Gender, Etc. Whenever in these Bylaws the context so requires, the singular number shall include the plural and the converse; and the use of any gender shall be deemed to include all genders.

Section 7. Conflicts. These Bylaws are to be read and construed in conjunction with the Declaration. All of the terms hereof, except where clearly repugnant to the context, shall have the same meaning as in the Declaration. In the event of any conflict between these Bylaws and the Declaration, the provisions of the Declaration shall control, and in the event of any conflict between the aforesaid declaration, and any of the laws of the State of Tennessee, the provisions of the statute shall control.

Renaissance Development Company III,
a Tennessee general partnership,
as Owner of all Lots in The Cloisters Subdivision
and as sole member of The Cloisters of Hickory
With Home Owner's Association, Inc.

By: 
Douglas C. Swink, general partner

By: 
William S. Ollar, general partner

By: 
Donnie Culver, general partner

BK/PG:D802/522-538
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17 PGS : AL - AMENDMENT	
JOYCE BATCH: 17134	
10/19/2005 - 09:20 AM	
VALUE	0.00
MORTGAGE TAX	0.00
TRANSFER TAX	0.00
RECORDING FEE	85.00
DP FEE	2.00
REGISTER'S FEE	0.00
TOTAL AMOUNT	87.00

STATE OF TENNESSEE, FAYETTE COUNTY
EDWARD PATTAT
REGISTER OF DEEDS

