

**THIS AGREEMENT CONTAINS A BINDING, IRREVOCABLE AGREEMENT TO  
ARBITRATE AND IS SUBJECT TO ARBITRATION PURSUANT TO TITLE 15,  
CHAPTER 48 (UNIFORM ARBITRATION ACT) OF THE CODE OF LAWS OF  
SOUTH CAROLINA**

RETURN TO  
BELLAMY, RUTENBERG, COPELAND  
EPPS, GRAVELY & BOWERS, P.A.  
POST OFFICE BOX 357 *Apex*  
MYRTLE BEACH, SC 29578  
843-448-2400

MASTER DEED  
FOR  
FOUNTAIN POINTE  
HORIZONTAL PROPERTY REGIME

Instrument#: 2007000020643, DEED BK:  
3220 PG: 1036 DOCTYPE: 082 02/08/2007  
at 11:06:22 AM, 1 OF 69, EXEMPT,  
BALLERY V. SKIPPER, Horry County,  
SC REGISTRAR OF DEEDS

Prepared By  
Bellamy, Rutenberg, Copeland,  
Epps, Gravely & Bowers, P. A.  
1000 29th Avenue North  
Myrtle Beach, SC 29577  
843-448-2400

MASTER DEED

TABLE OF CONTENTS

		<u>Page</u>
I.	Property Description	1
II.	Survey and Description of Improvement	2
III.	Additional Phases and Easements Therefore	2
IV.	Units, Common Elements and Limited Common Elements	4
V.	Ownership of Units and Appurtenant Interest in Common Elements	5
VI.	Restriction Against Further Subdividing of Units and Separate Conveyance of Appurtenant Common Elements, Etc.	5
VII.	Condominium Subject to Restrictions, Etc.	6
VIII.	Perpetual Non-Exclusive Easement in Common Elements	6
IX.	Easements for Utilities	7
X.	Easement for Unintentional and Non-Negligent Encroachments	7
XI.	Restraint Upon Separation and Partition of Common Elements	7
XII.	Percentage of Undivided Interest in Common Elements Appurtenant to Each Unit	8
XIII.	Easement for Air Space	8
XIV.	Administration of Fountain Pointe (A Condominium) by Fountain Pointe Property Owners' Association, Inc.	8
XV.	Residential Use Restriction Applicable to Units	9
XVI.	Use of Common Elements Subject to Rules of Association	9
XVII.	Condominium to be used for Lawful Purposes, Restriction Against Nuisances, Etc.	10
XVIII.	Right of Entry into Units in Emergencies	10

XIX.	Right of Entry for Maintenance of Common Elements	11
XX.	Limitation Upon Right of Owners to Alter and Modify Units	11
XXI.	Right of Association to Alter and Improve Common Elements and Assessments Therefore	12
XXII.	Maintenance and Repair by Owners of Unit	12
XXIII.	Maintenance and Repair of Common Elements by Association	13
XXIV.	Personal Liability and Risk of Loss of Owner of Unit and Separate Insurance Coverage, Etc.	14
XXV.	Insurance Coverage to be Maintained by the Association; Insurance Trustee, Appointment and Duties Approval of Insurers by Institutional Lender; Use and Distribution of Insurance Proceeds, Etc.	15
XXVI.	Apportionment of Tax or Special Assessment if Levied and Assessed Against the Condominium as a Whole	18
XXVII.	The Association to Maintain Registry of Owners and Mortgagees	19
XXVIII.	Assessment, Liability, Lien and Enforcement	20
XXIX.	Termination	25
XXX.	Amendment of Master Deed	25
XXXI.	Remedies in Event of Default	27
XXXII.	Use or Acquisition of Interest in the Condominium to Render User or Acquirer Subject to Provisions of Master Deed, Rules and Regulations	28
XXXIII.	Right of Grantor to Sell or Lease Unit Owned by it and Right of Grantor to Representation on Board of Directors of the Association	28
XXXIV.	Annual Reports to be Provided to Lender	29
XXXV.	Severability	29
XXXVI.	Liberal Construction and Adoption of Provisions of	

	Condominium Act	29
XXXVII.	Master Deed Binding Upon Grantor, its Successors and Assigns, and Subsequent Owners	29
XXXVIII.	Alternative Dispute Resolution, Arbitration	30
XXXIX.	Definitions	30

**THIS AGREEMENT CONTAINS A BINDING, IRREVOCABLE AGREEMENT TO  
ARBITRATE AND IS SUBJECT TO ARBITRATION PURSUANT TO TITLE 15,  
CHAPTER 48 (UNIFORM ARBITRATION ACT) OF THE CODE OF LAWS OF  
SOUTH CAROLINA**

MASTER DEED

for

Fountain Pointe

Horizontal Property Regime

Horry County, South Carolina

\*\*\*\*\*

Fountain Pointe Ventures, LLC, a South Carolina Limited Liability Company having its principal office at Myrtle Beach, County of Horry, State of South Carolina, hereinafter referred to as the GRANTOR, as the sole owner in fee simple of the land and improvements hereinafter described, does hereby make, declare and publish its intention and desire to submit, and does hereby submit, the land and building(s) hereinbelow described (Phase I), together with all other improvements thereon, including all easements, rights and appurtenances thereto belonging, to a Horizontal Property Regime (sometimes termed "condominium" ownership) to be known as Fountain Pointe Horizontal Property Regime, in the manner provided for by Sections 27-31-10 through 27-31-300 (both inclusive) of Chapter 31 entitled "Horizontal Property Act of the 1976 Code of Laws of South Carolina", as amended (the "Act"). In conformity with Sections 27-31-30 and 27-31-100 of said Act, the GRANTOR sets forth the following Particulars:

I.

**SUBMITTED PROPERTY**

The lands which are hereby submitted to the Horizontal Property Regime are described as follows:

FOR PROPERTY DESCRIPTION SEE ATTACHED EXHIBIT "A", WHICH IS INCORPORATED HEREIN AND MADE A PART AND PARCEL HEREOF.

II.

SURVEY AND DESCRIPTION OF IMPROVEMENTS

Annexed hereto and expressly made a part hereof, as Exhibit "B", is a plot plan showing the location of the land, building(s) and other improvements comprising Phase I, and a set of floor plans of the building(s) which shows graphically the dimensions, area, and location of each UNIT therein and the dimensions, area, and location of the COMMON ELEMENTS and LIMITED COMMON ELEMENTS affording access to each UNIT. Each UNIT is identified by a specific number on said Exhibit "B", and no UNIT bears the same designation as any other UNIT. Exhibit "B" is also recorded as a separate plat in the public records of Horry County, maintained by the Register of Deeds.

III.

ADDITIONAL PHASES AND EASEMENTS THEREFOR

In addition to the lands with improvements thereon in Phase I, the GRANTOR may construct additional UNITS on property contiguous to or near the property described in Article I herein and submit same to Fountain Pointe Horizontal Property Regime in additional phases not to exceed twenty (20) phases (including Phase I). The additional property shall be referred to as "Phase II" through "Phase XX". Except with regard to the following sentence, each additional phase shall consist of one building containing not less than six (6) UNITS and not more than twelve (12) UNITS and associated COMMON ELEMENTS. In addition, certain property and/or improvements may be submitted as COMMON ELEMENTS either as part of a Phase which includes a building containing UNITS or as a separate Phase which only includes such COMMON ELEMENTS. Finally, the GRANTOR may erect and submit all or portions of buildings containing additional UNITS on portions of the COMMON ELEMENTS previously submitted as all or portions of additional phases and all necessary or convenient easements and rights to accomplish the foregoing are hereby reserved unto the GRANTOR. In the event the GRANTOR exercises its right and option to add Phases II through XX (or any one or more of said Phases), the property of said Phase then submitted will become an integral part of Fountain Pointe Horizontal Property Regime once the appropriate amendment to this Master Deed has been filed as hereinafter provided. Further, there is reserved by the GRANTOR, for itself, its successors or assigns, in, over, across, under and upon the properties shown as Phase I (and each additional phase(s) which is submitted to the terms and provisions of this Master Deed) all easements and rights of ingress and egress necessary and convenient for the construction and submission of the said Phases II through XX, or any one or more of them, as the case may be, which such easements shall remain in full force and effect for such time as the GRANTOR, its successors and/or assigns, retains the option of submitting the said Phases II through XX, or any one or more of them, to the Regime. The easements reserved by the GRANTOR shall include, but not be limited to, the easements expressly reserved by the GRANTOR pursuant to the terms of this Master Deed and the Exhibits and Amendments hereto, as well as non-exclusive easements over the roads, driveways, and parking areas for ingress and egress (including vehicular ingress and egress) and for the installation and maintenance of utilities. Such easements may be

assigned, mortgaged or otherwise conveyed by GRANTOR, including a partial or non-exclusive assignment, mortgage or conveyance of such rights held by GRANTOR.

The GRANTOR hereby reserves unto itself, its successors or assigns, the right and option, to be exercised at its sole discretion, to submit the Phases II through XX property, or any one or more of such Phases, to the provisions of this Master Deed, thereby causing such Phase(s), to become and be a part of Fountain Pointe Horizontal Property Regime. The GRANTOR may elect to exercise this right or option as to Phases II through XX, no later than twenty (20) years from the filing of this Master Deed. Each additional Phase shall be added only upon execution by the GRANTOR, its successors or assigns, within the time specified herein, of an amendment or amendments to this Master Deed which shall be filed of record in the Office of the Register of Deeds for Horry County, South Carolina. Any such amendment shall expressly submit such Phase to all of the provisions of this Master Deed and the By-Laws of Fountain Pointe Property Owners' Association, Inc. made a part hereof, as either or both may be amended. Upon the exercise, if any, of this right or option, the provisions of this Master Deed and all Exhibits hereto shall then be construed and understood as embracing Phase I (the basic "property" herein defined) and any future Phase(s) so submitted, as appropriate, together with all improvements then or thereafter constructed. Should the GRANTOR fail to exercise its right or option within the time specified herein, then in that event, said option shall expire and be of no further force or effect.

Although the site plan or other plans for Fountain Pointe Horizontal Property Regime may show or depict certain amenities to be constructed as part of Fountain Pointe Horizontal Property Regime, the GRANTOR shall have no obligation to construct any such amenities until such time that the GRANTOR exercises its option to submit the Phase of Fountain Pointe Horizontal Property Regime actually containing such amenities. In the event that the GRANTOR does not construct and submit any Phase to the terms and provisions of this Master Deed thereby making it a part of Fountain Pointe Horizontal Property Regime, the GRANTOR shall have no obligation whatsoever to construct any amenity associated with that Phase of Fountain Pointe Horizontal Property Regime as provided for in this Article.

The right to submit the additional Phases to the Horizontal Property Regime is assignable by the GRANTOR. If GRANTOR elects to assign such right, the assignee shall be solely responsible therefor including, but not limited to, the quality of construction and compliance with this Master Deed.

The GRANTOR shall be under no obligation to construct or submit Phase II or any subsequent Phase(s). Should Phase II or any subsequent Phase be constructed and submitted, GRANTOR shall be under no obligation to submit any future Phase(s). The construction and submission of each Phase shall be at the sole option of the GRANTOR. Further, GRANTOR may submit any Phase(s) to the provisions of this Master Deed in any order notwithstanding the numerical sequence thereof or the numerical sequence of any building.

Each Phase shall be depicted on a map or plat showing the boundaries of the Phase and the location thereon of all improvements, amenities, parking, etc. Phase I and each additional Phase, as

constructed and submitted, shall constitute the entirety of the Regime, and the Regime, the Association (as hereinafter defined) and the Owners of UNITS shall not acquire any rights as to any properties not depicted thereon and specifically submitted to the provisions of this Master Deed. The "site plan," "floor plans," and all other Exhibits attached hereto, incorporated herein and/or associated herewith which depict or refer to any Phase which has not been specifically made a part hereof by amendment as herein provided shall be of no force or effect as to such additional Phase(s) until such Phase has been incorporated herein by amendment. No such "site plan," etc. shall constitute a warranty or representation that any additional Phase will be constructed or submitted or that any amenity is or will be constructed or submitted. Until such time, if at all, as an additional Phase is submitted to the terms of this Master Deed by amendment as herein required, all real estate upon which additional Phases may be added may be used for any lawful purpose by the Owner thereof.

#### IV.

#### UNITS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

The CONDOMINIUM consists of UNITS, COMMON ELEMENTS, and LIMITED COMMON ELEMENTS as said terms are hereinafter defined.

UNITS, as the term is used herein, shall mean and comprise the forty-eight (48) separate and numbered UNITS which comprise Phase I, and are described in Exhibit "B" to this Master Deed, excluding, however, all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of the perimeter walls and floors, and above the undecorated and/or unfinished inner surfaces of the ceilings of each UNIT, and further excluding all spaces and improvements lying beneath the undecorated and/or unfinished inner surfaces of all interior loadbearing walls and/or unfinished bearing partitions, and further excluding all pipes, ducts, wires, conduits, and other facilities running through any interior wall or partition for the furnishing of utility services to any other UNIT or any other UNITS and COMMON ELEMENTS.

COMMON ELEMENTS, as the term is used herein, shall mean and comprise all of the real property, improvements, and facilities of the CONDOMINIUM other than the UNITS, as same are hereinabove defined, and shall include easements through UNITS for conduits, pipes, ducts, plumbing, wiring, communication systems and other facilities for the furnishing of utility and communication service to UNITS and COMMON ELEMENTS, easements of support in every portion of a UNIT which contributes to the support of the improvements, and shall further include all personal property held and maintained for the joint use and enjoyment of all of the Owners of all such UNITS. The term "COMMON ELEMENTS" may be further defined in other provisions of this Master Deed and the Exhibits and Amendments hereto by specific designation of certain improvements and facilities as COMMON ELEMENTS. Such further designation of COMMON ELEMENTS shall not act to limit the definition of COMMON ELEMENTS as herein provided, but is intended to be in addition thereto.



LIMITED COMMON ELEMENTS as the term is used herein, shall be those COMMON ELEMENTS which are reserved for the exclusive use of a particular UNIT or UNITS as same are or may be described in the Master Deed and/or as set forth on Exhibit "B" attached hereto. Further, except for the exclusive use reserved in favor of a particular UNIT or UNITS, LIMITED COMMON ELEMENTS shall be treated as, and comprise a portion of the COMMON ELEMENTS.

V.

OWNERSHIP OF UNITS AND APPURTENANT  
INTEREST IN COMMON ELEMENTS

Each UNIT shall be conveyed and treated as an individual property capable of independent use and fee simple ownership, and the Owner or Owners of each UNIT shall own, as an appurtenance to the ownership of each said UNIT, an undivided interest in the COMMON ELEMENTS, the undivided interest appurtenant to each said UNIT being that which is hereinafter specifically assigned thereto. The percentage of undivided interest in the COMMON ELEMENTS assigned to each UNIT shall not be changed except with the unanimous consent of all of the Owners of all of the UNITS and except as provided in Article III with regard to the amendments of this Master Deed to admit additional Phase(s) into this Horizontal Property Regime. There shall also be appurtenant to each UNIT the exclusive right to the use of the LIMITED COMMON ELEMENTS appurtenant to that UNIT in accordance with the provisions of this Master Deed.

VI.

RESTRICTION AGAINST FURTHER SUBDIVIDING  
OF UNITS AND SEPARATE CONVEYANCE  
OF APPURTENANT COMMON ELEMENTS, ETC.

No UNIT may be divided or subdivided into a smaller UNIT than as shown on Exhibit "B" attached hereto, nor shall any UNIT, or portion thereof, be added to or incorporated into any other UNIT. The undivided interest in the COMMON ELEMENTS declared to be an appurtenance to each UNIT shall not be conveyed, devised, encumbered, or otherwise dealt with separately from said UNIT, and the undivided interest in COMMON ELEMENTS and the right as to the LIMITED COMMON ELEMENTS appurtenant to each UNIT shall be deemed conveyed, devised, encumbered, or otherwise included with the UNIT even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering, or otherwise dealing with such UNIT. Any conveyance, mortgage, or other instrument which purports to affect the conveyance, devise or encumbrance, or which purports to grant any right, interest or lien in, to, or upon, a UNIT, shall be null, void and of no effect insofar as the same purports to affect any interest in a UNIT and its appurtenant undivided interest in COMMON ELEMENTS, unless the same purports to convey, devise, encumber, or otherwise trade or deal with the entire UNIT. Any instrument conveying, devising, encumbering, or otherwise dealing with any UNIT which describes said UNIT by the UNIT Number assigned thereto in Exhibit "B" without limitation or exception, shall be deemed and construed to affect the entire UNIT and its appurtenant undivided interest in the COMMON

ELEMENTS and the right as to the LIMITED COMMON ELEMENTS. Nothing herein contained shall be construed as limiting or preventing ownership of any UNIT and its appurtenant undivided interest in the COMMON ELEMENTS by more than one person or entity as tenants in common, or joint tenants. Further, nothing contained herein shall be construed as limiting or preventing the GRANTOR, its successors or assigns, from adding additional Phase(s) as provided herein.

VII.

CONDOMINIUM SUBJECT TO RESTRICTIONS. ETC.

The UNITS, COMMON ELEMENTS, and LIMITED COMMON ELEMENTS shall be, and the same are hereby declared to be, subject to the restrictions, easements, conditions and covenants prescribed and established herein, governing the use of said UNITS, COMMON ELEMENTS, and LIMITED COMMON ELEMENTS, and setting forth the obligations and responsibilities incident to ownership of each UNIT and its appurtenant undivided interest in the COMMON ELEMENTS, and said UNITS, COMMON ELEMENTS, and LIMITED COMMON ELEMENTS are further declared to be subject to the restrictions, easements, conditions, and limitations now of record affecting the land and improvements of the CONDOMINIUM.

VIII.

PERPETUAL NON-EXCLUSIVE EASEMENT IN COMMON ELEMENTS

The COMMON ELEMENTS shall be, and the same are hereby declared to be, subject to a perpetual non-exclusive easement in favor of all of the Owners of UNITS in the CONDOMINIUM for their use and the use of their immediate families, guests, and invitees, for all proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said Owners of UNITS, subject to the exclusive right of use of the LIMITED COMMON ELEMENTS appurtenant to any UNIT. Notwithstanding anything above provided in this Article, Fountain Pointe Property Owners' Association, Inc., hereinafter identified, shall have the right to establish the rules and regulations pursuant to which the Owner or Owners of any UNIT may be entitled to the exclusive use of any parking space or spaces. Provided further, that if the Board of Directors of said Association determines it to be in the best interest of all of the Owners, the Board of Directors may hereafter grant easements for the benefit of the Regime Property and the Owners. Each Owner, by the acceptance of the deed to his UNIT does hereby grant to the Board of Directors an irrevocable power of attorney to execute, deliver, and record for and in the name of each Owner, such instruments as may be necessary and proper to the granting of such easements. Said Association shall also have the authority to enter into agreements with homeowners' or property owners' associations of other Horizontal Property Regimes for the joint use of amenities comprising portions of the COMMON ELEMENTS of Fountain Pointe Horizontal Property Regime by the Owners of Units, their guests, invitees, and licensees of such other Horizontal Property Regimes. Further, Fountain Pointe Property Owners' Association, Inc., may grant licenses and enter into such agreements as more particularly set forth in the By Laws attached hereto as Exhibit "E" to accomplish the foregoing.

IX.

EASEMENTS FOR UTILITIES

GRANTOR hereby reserves, for the benefit of itself, its successors and assigns, the alienable, transferable and perpetual right and easement, as well as the power and authority to grant and accept easements to and from any private or public authority, agency, public service district, public or private utility or other person or company upon, over, under and across all or any portion of the COMMON ELEMENTS for constructing, installing, replacing, repairing, operating, maintaining and using master television antenna, television cable systems, other systems for the communication of intelligence and/or telephone systems. Such easements may be granted or accepted by GRANTOR with respect to the COMMON ELEMENTS without notice to or consent by the ASSOCIATION or UNIT Owners. Telephone, master television antennas and/or cable system services may be provided to the project pursuant to the terms of agreements between the ASSOCIATION and GRANTOR, its affiliates, its successors or assigns, or third parties. However, nothing herein shall obligate GRANTOR to provide any such services.

X.

EASEMENT FOR UNINTENTIONAL AND NON-NEGLIGENT ENCROACHMENTS

If any portion of the COMMON ELEMENTS now encroaches upon any UNIT or if any UNIT now encroaches upon any other UNIT or upon any portion of the COMMON ELEMENTS as a result of the construction or repair of any building or if any such encroachment shall occur hereafter as a result of settlement or shifting of any building or otherwise, a valid easement for the encroachment and for the maintenance, shall exist, so long as the building stands. In the event any building, any UNIT, any adjoining UNIT, or any adjoining COMMON ELEMENT shall be partially or totally destroyed as the result of fire or other casualty or as the result of condemnation or eminent domain proceedings and the reconstructed building, UNIT or part of the COMMON ELEMENTS encroaches upon any UNIT or over any UNIT, or upon any portion of the COMMON ELEMENTS due to such reconstruction, the reconstruction shall be permitted and valid easements for such encroachments and maintenance thereof shall exist so long as the building shall stand.

XI.

RESTRAINT UPON SEPARATION AND PARTITION OF COMMON ELEMENTS

Recognizing that the proper use of a UNIT by any Owner or Owners is dependent upon the use and enjoyment of the COMMON ELEMENTS in common with the Owners of all other UNITS, and that it is in the interest of all Owners of UNITS that the ownership of the COMMON ELEMENTS be retained in common by the Owners of UNITS in the Condominium, it is declared that the percentage of the undivided interest in the COMMON ELEMENTS appurtenant to each UNIT shall remain undivided and no Owner of any UNIT shall bring or have any right to bring any action for partition

or division. Provided, however, the Owner's interest in the COMMON ELEMENTS may be diminished by the addition of Phase II or any additional Phase(s), as set forth in Article III herein.

XII.

PERCENTAGE OF UNDIVIDED INTEREST IN  
COMMON ELEMENTS APPURTENANT TO EACH UNIT

The undivided interest in the COMMON ELEMENTS appurtenant to each UNIT in Phase I is that percentage of undivided interest which is set forth and assigned to each UNIT in that certain Schedule which is annexed hereto and expressly made a part hereof as Exhibit "C", or, following submission of additional Phase(s), calculated in accordance with the schedule set forth in Exhibit "C".

XIII.

EASEMENT FOR AIR SPACE

The Owner of each UNIT shall have an exclusive easement for the use of the air space occupied by said UNIT as it exists at any particular time and as said UNIT may lawfully be altered or reconstructed from time to time, which easement shall be terminated automatically in any air space which is vacated from time to time.

XIV.

ADMINISTRATION OF  
FOUNTAIN POINTE, (A CONDOMINIUM)  
BY FOUNTAIN POINTE  
PROPERTY OWNERS' ASSOCIATION, INC.

To efficiently and effectively provide for the administration of the CONDOMINIUM by the Owners of UNITS, a non-profit South Carolina corporation known and designated as Fountain Pointe Property Owners' Association, Inc. has been organized, and said corporation shall administer the operation and management of the CONDOMINIUM and undertake and perform all acts and duties incident thereto in accordance with the terms, provisions, and conditions of this Master Deed, and in accordance with the terms of the Articles of Incorporation of Fountain Pointe Property Owners' Association, Inc., hereinafter and hereinbefore referred to as the ASSOCIATION, and By-Laws of said corporation. A true copy of the Articles of Incorporation and By-Laws of the ASSOCIATION are annexed hereto and expressly made a part hereof as Exhibit "D" and Exhibit "E", respectively. The Owner or Owners of each UNIT shall automatically become members of the ASSOCIATION upon his, their or its acquisition of an ownership interest in any UNIT and its appurtenant undivided interest in COMMON ELEMENTS, and the membership of such Owner or Owners shall terminate automatically upon each Owner or Owners being divested of such ownership interest in such UNIT, regardless of the means by which such ownership may be divested. No person, firm, or corporation

holding any lien, mortgage, or other encumbrance upon any UNIT shall be entitled, by virtue of such lien, mortgage, or other encumbrance, to membership in the ASSOCIATION, or to any of the rights or privileges of such membership. In the administration of the operation and management of the CONDOMINIUM, the ASSOCIATION shall have and is hereby granted the authority and power to enforce the provisions of this Master Deed, levy and collect assessments in the manner hereinafter provided, and, subject to the terms of this Master Deed, adopt, promulgate, and enforce such rules and regulations governing the use of the UNITS, COMMON ELEMENTS, and LIMITED COMMON ELEMENTS, as the Board of Directors of the ASSOCIATION may deem to be in the best interest of the CONDOMINIUM.

XV.

RESIDENTIAL USE RESTRICTION APPLICABLE TO UNITS

Each UNIT is hereby restricted to residential use by the Owner or Owners thereof, their immediate families, guests, and invitees; provided, however, there shall be no restriction as to the length of time which an Owner may rent his or their UNIT. Further provided, however, that so long as GRANTOR shall retain any interest in any UNIT or have the right to add any additional Phase(s) to the CONDOMINIUM, it may utilize a UNIT or UNITS of its choice, from time to time, for sales offices, models, and/or other usages for the purpose of selling and marketing UNITS in the CONDOMINIUM or in other projects in which GRANTOR or its affiliates may have an interest. Further still, GRANTOR may assign this commercial usage right to such other persons or entities as it may choose; provided, however, that when all UNITS have been conveyed and the GRANTOR, its successors and assigns, no longer has the right to add any additional Phase(s) to the CONDOMINIUM, this right of commercial usage shall immediately cease. Further, the GRANTOR shall have the right and easement to install and maintain signage on portions of the COMMON ELEMENTS to be used relative to GRANTOR'S marketing of UNITS within the CONDOMINIUM, and other projects in which the GRANTOR or its affiliates may have an interest, as long as GRANTOR owns a UNIT(S) within the CONDOMINIUM or has the right to add an additional Phase(s) to the CONDOMINIUM.

No UNIT or any portion thereof may be submitted to a plan of interval ownership or any form of timesharing. Provided however, nothing herein shall be construed as limiting the right of any Owner of any UNIT from renting or leasing his or its UNIT.

XVI.

USE OF COMMON ELEMENTS SUBJECT TO  
RULES OF ASSOCIATION

Subject to the terms and provisions of this Master Deed, the use of COMMON ELEMENTS by the Owner or Owners of all UNITS, and all other parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such use, or which may hereafter be prescribed and established by the ASSOCIATION.

In addition to the rules and regulations promulgated by the ASSOCIATION, the property is hereby restricted such that the only pets which are permitted within the Horizontal Property Regime including the UNITS and the COMMON ELEMENTS are companion pets such as birds, domesticated house cats, fish, dogs and other small mammals. Under no circumstances are exotic cats, non-human primates, reptiles, horses or other farm livestock, or zoo type animals permitted within the Horizontal Property Regime. Pets must be on a leash or carried when on any COMMON ELEMENTS. It shall be the Owner's obligation to dispose of waste material from pets. The Board of Directors of the ASSOCIATION, in its sole discretion, shall have the right to order the removal of any pet which is considered a nuisance, and the same shall be done without compensation to the Owner. In such event, the Board shall give written notice thereof to the pet owner, and the pet shall immediately thereafter be permanently removed from the Horizontal Property Regime. A pet not on a leash shall be deemed a nuisance. Failure to properly dispose of the waste material from a pet shall be deemed a nuisance.

In addition to the foregoing, no gas or charcoal grills may be located within a UNIT nor shall any other cooking devices be located, maintained, or used on any COMMON ELEMENT, except in areas specifically designated for their use by the ASSOCIATION. Further, the ASSOCIATION may promulgate additional rules and regulations regarding the use and storage of grills and cooking devices.

#### XVII.

#### CONDOMINIUM TO BE USED FOR LAWFUL PURPOSES, RESTRICTION AGAINST NUISANCES. ETC.

No immoral, improper, offensive or unlawful use shall be made of any UNIT or of the COMMON ELEMENTS, or any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the CONDOMINIUM shall be observed. No Owner of any UNIT shall permit or suffer anything to be done or kept in his UNIT the COMMON ELEMENTS, which will increase the rate of insurance on the CONDOMINIUM, or which will obstruct or interfere with the rights of other occupants of the building or any other building or annoy them by unreasonable noises, and no Owner shall undertake any use or practice which shall create and constitute a nuisance to any other Owner of a UNIT, or which shall interfere with the peaceful possession and proper use of any other UNIT or COMMON ELEMENTS.

#### XVIII.

#### RIGHT OF ENTRY INTO UNITS IN EMERGENCIES

In case of any emergency originating in or threatening any UNIT, regardless of whether the Owner is present at the time of such emergency, the Board of Directors of the ASSOCIATION or any other person authorized by it, shall have the right to enter such UNIT for the purpose of remedying or abating the cause of such emergency immediately. To facilitate entry in the event of any such

emergency, the Owner of each UNIT, if required by the ASSOCIATION, shall deposit under the control of the ASSOCIATION a key to such UNIT.

XIX.

RIGHT OF ENTRY FOR MAINTENANCE OF COMMON ELEMENTS

Whenever it is necessary to enter any UNIT for the purpose of performing any maintenance, alteration or repair to any portion of the COMMON ELEMENTS, the Owner of each UNIT shall permit the duly constituted and authorized Agent of the ASSOCIATION, to enter such UNIT, provided, however, except in the case of an emergency, such entry shall be made only at reasonable times and with reasonable advance notice.

XX.

LIMITATION UPON RIGHT OF OWNERS  
TO ALTER AND MODIFY UNITS

No Owner of a UNIT shall permit any structural modifications or alterations or modification or alterations which are visible from the exterior of the UNIT without first obtaining the written consent of the ASSOCIATION, which consent may be withheld in the event that a majority of the Board of Directors of the ASSOCIATION determines, in its sole discretion, that such modifications or alterations would affect or in any manner endanger the building, in part or in its entirety, or adversely affect the aesthetics of the building. If the modification or alteration desired by the Owner of any UNIT involves the removal of any permanent interior partition, the ASSOCIATION shall have the right to permit such removal so long as the permanent interior partition to be removed is not a load-bearing partition, and so long as the removal thereof would in no manner affect or interfere with the provision of utility services constituting COMMON ELEMENTS located therein. No Owner shall cause any balcony, porch, deck or patio abutting his UNIT to be enclosed, or cause any improvements or changes to be made on the exterior of the building, including painting or other decoration, or the installation of electrical wiring, television antenna, machines or air conditioning units, which may protrude through the walls or roof of the building, or in any manner change the appearance of any portion of the building not within the walls of such UNIT, or affix storm panels or awnings, without the written consent of the ASSOCIATION first being obtained. Notwithstanding the foregoing, nothing herein shall limit the right of the GRANTOR to enclose or screen balconies, decks or porches as a part of the original construction of any building.

Without limiting the foregoing, but except as hereinafter provided, no Owner shall install any receiving or transmitting device which requires any exterior protrusion, nor shall any antennas or other receiving or transmitting devices be located on any balcony, porch, patio or deck. Notwithstanding the foregoing, the following types of antennas may be installed, but only in accordance with reasonable rules and regulations to be promulgated by the ASSOCIATION:

(A) a dish antenna that is one (1) meter or less in diameter and is designed to receive direct broadcast satellite service, including direct to home satellite service; (B) an antenna that is one (1) meter or less in diameter or diagonal measurement and is designed to receive video programming services via multi-channel multi-point distribution (wireless cable) providers (MMDS); or (C) an antenna that is designed to receive television broadcast signals.

Further, no clotheslines shall be placed or maintained on the exterior of any UNIT (including on any balconies, porches, patios or decks). In addition, for the purpose of aesthetic harmony, all window treatments shall include a uniform white backing which shall be visible from the exterior of the UNIT. All patios, balconies, porches and decks which are a part of a UNIT shall be maintained in a neat and orderly appearance by the OWNER of the UNIT for which its use is intended. Patios, balconies, porches and decks shall not be used for storage.

#### XXI.

#### RIGHT OF ASSOCIATION TO ALTER AND IMPROVE COMMON ELEMENTS AND ASSESSMENTS THEREFOR

The ASSOCIATION shall not make or cause to be made alterations or improvements to the COMMON ELEMENTS which prejudice the rights of the Owner of any UNIT, unless such Owner's written consent has been obtained; provided however, the making of such alterations and improvements must be first approved by the Board of Directors of the ASSOCIATION, and, except as hereinafter provided, the cost of the alterations or improvements shall be assessed as a common expense to be collected from all of the Owners of UNITS according to the percentages set out in Exhibit "C" of the Master Deed. Where any alterations and improvements are exclusively or substantially exclusively for the benefit of the Owner or Owners of a UNIT or UNITS requesting the same, then the cost of such alterations and improvements shall be assessed against and collected solely from the Owner or Owners of the UNIT or UNITS exclusively or substantially exclusively benefitted, with the assessment to be levied in such proportion as the percentage interests of each of the UNITS being benefitted bears to the total of the percentage interests of all of the UNITS benefitted as set forth on Exhibit "C" hereto.

#### XXII.

#### MAINTENANCE AND REPAIR BY OWNERS OF UNITS

Every Owner must perform promptly all maintenance and repair work within his UNIT, if omitted, would affect the CONDOMINIUM in its entirety or any part belonging to other Owners, and shall be expressly responsible for the damages and liability which his failure to do so may engender. Further, the Owner of each UNIT shall be liable and responsible for the maintenance, repair and replacement, as the case may be, of all air conditioning and heating equipment, stoves, refrigerators, fans, dryer vents and hoses, all condensation lines serving the heating, ventilation and air-



conditioning system for any UNIT, or other appliances or equipment now or hereafter located within such UNIT or serving that particular UNIT exclusively, including any fixtures and/or their connections required to provide water, light, power, sewage and sanitary service to his UNIT. Provided, however, the ASSOCIATION, as a common expense, shall maintain, repair and replace any portions of the foregoing which are not part of a UNIT and which serve more than one (1) UNIT. Such Owner shall further be responsible and liable for maintenance, repair and replacement of any and all window glass, window screens, wall, ceiling and floor exterior surfaces, painting, decorating and furnishings, and all other accessories which such Owner may desire to place or maintain in his UNIT. Further, and notwithstanding whether same is a part of the UNIT or a COMMON ELEMENT, each UNIT Owner shall be responsible for the maintenance, repair and replacement of all doors, door frames, windows, window frames and all screens (including those in any screened porches) associated with or used in conjunction with that UNIT. The ASSOCIATION, at its expense, shall be responsible for the maintenance of all exterior portions of the buildings, including the exteriors of all exterior doors, exterior doorframes and window frames on a regular schedule. Wherever the maintenance, repair and replacement of any items for which the Owner of a UNIT is obligated to maintain, repair or replace at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the ASSOCIATION, the proceeds of the insurance received by the ASSOCIATION, or the Insurance Trustee hereinafter designated, shall be used for the purpose of making such maintenance, repair or replacement, except that the Owner of such UNIT shall be, in said instance, required to pay such portion of the costs of such maintenance, repair and replacement as shall exceed the amount of the insurance proceeds applicable to such maintenance, repair or replacement, by reason of the applicability of any deductibility provision of such insurance. Should the Owner fail to provide the maintenance and/or repairs which it is required to provide, the ASSOCIATION shall have the right to enter the UNIT to accomplish same at the sole cost and expense of the Owner and said cost and expense shall be charged against the Owner, including the expense of making a key should Owner fail to deposit a key with the ASSOCIATION pursuant to the requirements of Article XVIII. Any such costs and expenses shall become a lien on the UNIT in like manner as an assessment.

### XXIII.

#### MAINTENANCE AND REPAIR OF COMMON ELEMENTS BY ASSOCIATION & COMMON EXPENSES

The ASSOCIATION, at its expense, shall be responsible for the maintenance, repair and replacement of all of the COMMON ELEMENTS, including those portions thereof which contribute to the support of the building, and all conduits, plumbing, wiring and other facilities located in the COMMON ELEMENTS for the furnishing of utility services to the UNITS and said COMMON ELEMENTS and should any incidental damage be caused to any UNIT by virtue of any work which may be done or caused to be done by the ASSOCIATION in the maintenance, repair, or replacement of any COMMON ELEMENTS, the ASSOCIATION shall, at its expense, repair such incidental damage.

In addition to the foregoing, the Board of Directors of the ASSOCIATION shall cause to be maintained a termite bond covering the buildings comprising the CONDOMINIUM which will provide coverage for the repair, replacement or retreatment of any portion of the buildings which are damaged or destroyed by infestation of termites or other wood-boring organisms. Such bond shall be maintained in full force and effect at all times and the cost thereof shall be a common expense of the ASSOCIATION.

#### XXIV.

#### PERSONAL LIABILITY AND RISK OF LOSS OF OWNER OF UNIT AND SEPARATE INSURANCE COVERAGE. ETC.

The Owner of each UNIT may, at his own expense, obtain insurance coverage for loss of or damage to any furniture, furnishings, personal effects and other personal property belonging to such Owner and may, at his own expense and option, obtain insurance coverage against personal liability for injury to the person or property of another while within such Owner's UNIT or upon the COMMON ELEMENTS. All such insurance obtained by the Owner of each UNIT shall, wherever such provision shall be available, provide that the insurer waives its right of subrogation as to any claims against other Owners of UNITS, the ASSOCIATION, and the respective servants, agents and guests of said other Owners and the ASSOCIATION, and such other insurance coverage may be obtained from the insurance company from which the ASSOCIATION obtains coverage against the same risk, liability or peril, if the ASSOCIATION has such coverage and if it is available. Risk of loss of or damage to any furniture, furnishings, personal effects and other personal property (other than such furniture, furnishings and personal property constituting a portion of the COMMON ELEMENTS) belonging to or carried on the person of the Owner of each UNIT, or which may be stored in any UNIT or in or upon COMMON ELEMENTS shall be borne by the Owner of each such UNIT. All furniture, furnishings and personal property constituting a portion of the COMMON ELEMENTS and held for the joint use and benefit of all Owners of all UNITS shall be covered by such insurance as shall be maintained in force and effect by the ASSOCIATION as hereinafter provided. The Owner of a UNIT shall have no personal liability for any damages caused by the ASSOCIATION, any Owner or otherwise in connection with the use of the COMMON ELEMENTS. The Owner of a UNIT shall be liable for injuries or damage resulting from an accident in his own UNIT, to the same extent and degree that the Owner of a house would be liable for an accident occurring within the house.

XXV.

INSURANCE COVERAGE TO BE MAINTAINED BY THE ASSOCIATION;  
INSURANCE TRUSTEE, APPOINTMENT AND DUTIES  
APPROVAL OF INSURERS BY INSTITUTIONAL LENDER;  
USE AND DISTRIBUTION OF INSURANCE PROCEEDS, ETC.

The following insurance coverage shall be maintained in full force and effect by the ASSOCIATION covering the operation and management of the CONDOMINIUM and the said CONDOMINIUM, meaning the UNITS and COMMON ELEMENTS, to-wit:

A. Casualty insurance covering all of the UNITS, and COMMON ELEMENTS, in an amount equal to the maximum insurance replacement value thereof, exclusive of excavation and foundation costs, as determined annually by the insurance carrier, such coverage to afford protection against (i) loss or damage by fire or other hazards covered by the standard extended coverage or other perils endorsements; and (ii) such other risks of a similar or dissimilar nature as are or shall be customarily covered with respect to buildings similar in construction, location and use to the CONDOMINIUM, including but not limited to vandalism, malicious mischief, windstorm, wind driven rain damage, water damage and war risk insurance, if available.

B. Public liability and property damage insurance in such amounts and in such form, as shall be required by the ASSOCIATION to protect the ASSOCIATION and the Owners of all UNITS, including but not limited to, water damage, legal liability, hired automobile, non-owned automobile and off premises employee coverage.

C. Worker's Compensation insurance to meet the requirements of law.

D. Director's and Officer's liability coverage providing coverage for the Directors and Officers of the ASSOCIATION.

E. Such other insurance coverage, other than title insurance, as the Board of Directors of the ASSOCIATION in its sole discretion may determine from time to time to be in the best interest of the ASSOCIATION and the Owners of all of the UNITS.

Although pursuant to the foregoing, the insurance carrier for the ASSOCIATION shall determine annually the maximum insurance replacement value of the UNITS and COMMON ELEMENTS, it shall be the duty of the Board of Directors of ASSOCIATION to conduct a review of the insurance coverages maintained by ASSOCIATION to determine the adequacy thereof not less than once every three (3) years, and to increase the amount of any such insurance deemed inadequate. Upon such review, a report shall be presented to ASSOCIATION at the annual meeting next following the completion of such review, summarizing the findings of the Board of Directors of ASSOCIATION.

All liability insurance maintained by the ASSOCIATION shall contain cross liability endorsements to cover liability of all Owners of UNITS as a group as to each UNIT Owner.

All insurance coverage authorized to be purchased shall be purchased by the ASSOCIATION for itself and for the benefit of all of the Owners of all UNITS. The cost of obtaining the insurance coverage authorized above is declared to be a common expense, as are all other fees and expenses incurred which may be necessary or incidental to carrying out the provisions hereof.

All policies of casualty insurance covering the CONDOMINIUM shall provide for the insurance proceeds covering any loss to be payable to the Insurance Trustee named as hereinafter provided, or to its successor, and the insurance proceeds from any casualty loss shall be held for the use and benefit of the ASSOCIATION and all of the Owners of all UNITS and their respective mortgagees, as their interests may appear, and such insurance proceeds shall be applied or distributed in the manner herein provided. The ASSOCIATION is hereby declared to be Insurance Trustee acting by and through the Board of Directors of the ASSOCIATION and is appointed as authorized agent for all of the Owners of all UNITS for the purpose of negotiating and agreeing to a settlement as to the value and extent of any loss which may be covered under any policy of casualty insurance, and is granted full right and authority to execute in favor of any insurer a release of liability arising out of any occurrence covered by any policy or policies of casualty insurance and resulting in loss of or damage to insured property.

The ASSOCIATION shall have the right to delegate the duties of the Insurance Trustee to some other party and all parties beneficially interested in such insurance coverage shall be bound by said delegation.

The Insurance Trustee shall not be liable for the payment of premiums, for the renewal of any policy or policies of casualty insurance, for the sufficiency of coverage, for the form or content of the policies or for the failure to collect any insurance proceeds.

The sole duty of the Insurance Trustee shall be to receive such proceeds of casualty insurance as are paid and to hold same in trust for the purposes herein stated, and for the benefit of the ASSOCIATION and the Owners of all UNITS and their respective mortgagees, such insurance proceeds to be disbursed and paid by the Insurance Trustee as hereinafter provided. The ASSOCIATION, as a common expense, may pay a reasonable fee to the Insurance Trustee for its services rendered hereunder, and shall pay such costs and expenses as the Insurance Trustee may incur in the performance of any duties and obligations imposed upon it hereunder. The Insurance Trustee shall be liable only for its willful misconduct, bad faith or gross negligence, and then for only such money which comes into the possession of the Insurance Trustee. Wherever the Insurance Trustee may be required to make distribution of insurance proceeds to Owners of UNITS and their mortgagees, as their respective interests may appear, the Insurance Trustee may rely upon a Certificate of the President and Secretary of the ASSOCIATION, executed under oath, and which Certificate will be provided to the Insurance Trustee upon request of the Insurance Trustee made to the ASSOCIATION, such Certificate to certify unto said Insurance Trustee the name or names of the Owners of each UNIT, the name or names of the mortgagee or mortgagees who may hold a mortgage or mortgages encumbering each UNIT, and the respective percentages of any distribution which may be required to be made to the Owner or Owners of any UNIT or UNITS, and his or their respective mortgagee or mortgagees, as their respective interests may appear. Where any insurance

proceeds are paid to the Insurance Trustee for any casualty loss, the holder or holders of any mortgage or mortgages encumbering a UNIT shall not have the right to determine or participate in the determination of repair or replacement of any loss or damage, and shall not have the right to elect to apply insurance proceeds to the reduction of any mortgage or mortgages, unless such insurance proceeds represent a distribution to the Owner or Owners of any UNIT or UNITS, and their respective mortgagees, after such insurance proceeds have been first applied to the repair, replacement or reconstruction of any loss or damage, or unless such casualty insurance proceeds are authorized to be distributed to the Owner or Owners of any UNIT or UNITS, and their respective mortgagee or mortgagees, by reason of loss of or damage to personal property constituting a part of COMMON ELEMENTS and as to which a determination is made not to repair, replace or restore such personal property. So long as any lender shall have the right to approve the company or companies with whom said casualty insurance coverage is placed, such lender shall also have the right to approve the amount of such insurance coverage to be maintained.

In the event of the loss of or damage to COMMON ELEMENTS and/or UNITS, whether the same may be real or personal property, which loss or damage is covered by the casualty insurance, the proceeds paid to the Insurance Trustee to cover such loss or damage shall be applied to the repair, replacement or reconstruction of such loss or damage, unless one hundred percent (100%) of the Owners vote not to repair or rebuild, or unless the repair or replacement is illegal under a state statute or local health ordinance. In the event of the unanimous vote of the Owners not to repair, reconstruct or rebuild the entirety of the Property, the portion of the proceeds paid to the Insurance Trustee which are: i) attributable to the damaged COMMON ELEMENTS must be used to restore the damaged area to a condition comparable with the remainder of the property; ii) attributable to the UNITS and LIMITED COMMON ELEMENTS which are not repaired, reconstructed or rebuilt must be distributed to the Owners of the UNITS and the Owners of the UNITS to which the LIMITED COMMON ELEMENTS are appurtenant, and their respective mortgagee(s), as their respective interests may appear; iii) remaining must be distributed to the Owners of all UNIT and their respective mortgagees, if any, and shall bear the same ratio to the total excess insurance proceeds as the undivided interest in COMMON ELEMENTS appurtenant to each UNIT bears to the total undivided interests in COMMON ELEMENTS appurtenant to all UNITS. In the event of the unanimous vote of the Owners not to repair, reconstruct or rebuild a UNIT within the Regime, the percentage interest attributable to that particular UNIT is automatically reallocated upon the aforementioned unanimous vote, and the ASSOCIATION shall promptly prepare and record an amendment to this Master Deed reflecting the reallocation(s). If the insurance proceeds are in excess of the cost of the repair, replacement or reconstruction of such COMMON ELEMENTS, then such excess insurance proceeds shall be paid by the Insurance Trustee to the Owners of all UNITS and their respective mortgagees, the distribution to be separately made to the Owner of each UNIT and his said mortgagee or mortgagees, if any, and shall bear the same ratio to the total excess insurance proceeds as the undivided interest in COMMON ELEMENTS appurtenant to each UNIT bears to the total undivided interests in COMMON ELEMENTS appurtenant to all UNITS. If it appears that the insurance proceeds covering the casualty loss or damage payable to the Insurance Trustee are not sufficient to pay for the repair, replacement or reconstruction of the loss or damage, or that the insurance proceeds when collected will not be so sufficient, then the ASSOCIATION shall deposit with the Insurance Trustee a sum which, together with the insurance proceeds received

or to be received, will enable the Insurance Trustee to completely pay for the repair, replacement or reconstruction of any loss or damage, as the case may be. The monies to be deposited by the ASSOCIATION with the Insurance Trustee, in said latter event, may be paid by the ASSOCIATION out of its Reserve for Replacements Fund, and if the amount in such Reserve for Replacements Fund is not sufficient, then the ASSOCIATION shall levy and collect an assessment against all Owners and their UNITS in an amount which shall provide the funds required to pay for said repair, replacement or reconstruction.

In the event of loss of or damage to property covered by such casualty insurance, the ASSOCIATION shall, within sixty (60) days after any such occurrence, obtain reliable and detailed estimates of the cost to place the damaged property in a condition as good as that before such loss or damage, such estimates to contain and include the cost of any professional fees and premiums for such bonds as the Board of Directors of the ASSOCIATION may deem to be in the best interest of the membership of the ASSOCIATION. Wherever it shall appear that the insurance proceeds payable for such loss or damage will not be sufficient to defray the cost of the repair, replacement or reconstruction thereof, the additional monies required to completely pay for such repair, replacement or reconstruction of said loss or damage, shall, subject to this section, be deposited with the Insurance Trustee not later than thirty (30) days from the date on which the Insurance Trustee shall receive the monies payable under the policy or policies of casualty insurance.

In the event of the loss of or damage to personal property belonging to the ASSOCIATION, the insurance proceeds, when received by the Insurance Trustee, shall be paid to the ASSOCIATION. In the event of the loss of or damage to personal property constituting a portion of the COMMON ELEMENTS, and should the Board of Directors of the ASSOCIATION determine not to replace such personal property as may be lost or damaged, then the insurance proceeds received by the Insurance Trustee shall be paid to ASSOCIATION.

#### XXVI.

#### APPORTIONMENT OF TAX OR SPECIAL ASSESSMENT IF LEVIED AND ASSESSED AGAINST THE CONDOMINIUM AS A WHOLE

In the event that any taxing authority having jurisdiction over the CONDOMINIUM shall levy or assess any tax or special assessment against the CONDOMINIUM as a whole, as opposed to levying and assessing such tax or special assessment against each UNIT and its appurtenant undivided interest in COMMON ELEMENTS as now provided by law, then such tax or special assessment so levied shall be paid as a common expense by the ASSOCIATION, and any taxes or special assessments which are to be so levied shall be included, wherever possible, in the estimated annual budget of the ASSOCIATION, or shall be separately levied and collected as an assessment by the ASSOCIATION against all of the Owners of all UNITS and said UNITS if not included in said annual budget. The amount of any tax or special assessment paid or to be paid by the ASSOCIATION in the event that such tax or special assessment is levied against the CONDOMINIUM as a whole, instead of against each separate UNIT and its appurtenant undivided

interest in COMMON ELEMENTS, shall be apportioned among the Owners of all UNITS so that the amount of such tax or special assessment so paid or to be paid by the ASSOCIATION and attributable to and to be paid by the Owner or Owners of each UNIT shall be that portion of such total tax or special assessment which bears the same ratio to said total tax or special assessment as the undivided interest in COMMON ELEMENTS appurtenant to each UNIT bears to the total undivided interest in COMMON ELEMENTS appurtenant to all UNITS. In the event that any tax or special assessment shall be levied against the CONDOMINIUM in its entirety, without apportionment by the taxing authority to the UNITS and appurtenant undivided interests in COMMON ELEMENTS, then the assessment by the ASSOCIATION, which shall include the proportionate share of such tax or special assessment attributable to each UNIT and its appurtenant undivided interest in COMMON ELEMENTS, shall separately specify and identify the amount of such assessment attributable to such tax or special assessments, and the amount of such tax or special assessment so designated shall be and constitute a lien prior to all mortgages and encumbrances upon any UNIT and its appurtenant undivided interest in COMMON ELEMENTS, regardless of the date of the attachment and/or recording of such mortgage or encumbrance, to the same extent as though such tax or special assessment had been separately levied by the taxing authority upon each UNIT and its appurtenant undivided interest in COMMON ELEMENTS.

All personal property taxes levied or assessed against personal property owned by the ASSOCIATION shall be paid by the ASSOCIATION and shall be included as a common expense in the Annual Budget of the ASSOCIATION.

#### XXVII.

#### THE ASSOCIATION TO MAINTAIN REGISTRY OF OWNERS AND MORTGAGEES

The ASSOCIATION shall at all times maintain a register setting forth the names of the Owners of all of the UNITS, and in the event of the sale or transfer of any UNIT to a third party, the purchaser or transferee shall notify the ASSOCIATION in writing of his interest in such UNIT together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any UNIT. Further the Owner of each UNIT shall at all times notify the ASSOCIATION of the names of the parties holding any mortgage or mortgages on any UNIT, the amount of such mortgage or mortgages, and the recording information which shall be pertinent to identify the mortgage or mortgages. The holder of any mortgage or mortgages upon any UNIT may, if he so desires, notify the ASSOCIATION of the existence of any mortgage or mortgages held by such party on any UNIT, and upon receipt of such notice, the ASSOCIATION shall register in its records all pertinent information pertaining to the same.

XXVIII.

ASSESSMENTS: LIABILITY, LIEN AND ENFORCEMENT

The ASSOCIATION is given the authority to administer the operation and management of the CONDOMINIUM, it being recognized that the delegation of such duties to one entity is in the best interest of the Owners of all UNITS. To properly administer the operation and management of the CONDOMINIUM, the ASSOCIATION will incur, for the mutual benefit of all of the Owners of UNITS, costs and expenses which will be continuing or nonrecurring costs, as the case may be, which costs and expenses are sometimes herein referred to as "common expense." Included within the definition of "common expense" will be the cost of the maintenance of that portion of the "50' NON-EXCLUSIVE EASEMENT FOR INGRESS AND EGRESS" as shown on the Plat, which exists on the COMMON ELEMENTS of the Regime(hereinafter the "Easement Parcel"). To the extent that this Easement Parcel is not maintained by the ASSOCIATION, the owner as of the date of this MASTER DEED, or future owner(s) of neighboring parcels identified as "TRACT 2-PHASE 2" and "TRACT 2-PHASE 3" on that certain map or plat recorded in Plat Book 207 at Page 58, in the records of Horry County, South Carolina, may maintain the Easement Parcel and seek contribution from the ASSOCIATION, which the ASSOCIATION shall pay.

To provide the funds necessary for such proper operation and management, the ASSOCIATION heretofore has been granted the right to make, levy and collect assessments against the Owners of all UNITS and said UNITS. In furtherance of said grant of authority to the ASSOCIATION to make, levy and collect assessments to pay the costs and expenses for the operation and management of the CONDOMINIUM, the following provisions shall be operative and binding upon the Owners of all UNITS, to-wit:

A. All assessments levied against the Owners of UNITS and said UNITS, including the ASSOCIATION should it own any UNIT, shall be uniform and, unless specifically otherwise provided for in this Master Deed, the assessments made by the ASSOCIATION shall be in such proportion that the amount of assessment levied against each Owner of a UNIT and his UNIT shall bear the same ratio to the total assessment made against all Owners of UNITS and their UNITS as does the undivided interest in COMMON ELEMENTS appurtenant to each UNIT bear to the total undivided interest in COMMON ELEMENTS appurtenant to all UNITS.

B. The assessment levied against the Owner of each UNIT and his UNIT shall be payable in annual, quarterly or monthly installments, or in such other installments and at such times as may be determined by the Board of Directors of the ASSOCIATION.

C. The Board of Directors of the ASSOCIATION shall establish an annual budget in advance for each fiscal year, which fiscal year shall be determined by the Board of Directors, and such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management and maintenance of the CONDOMINIUM, including a reasonable allowance for contingencies and reserves (as hereinafter provided), such budget to take into account projected anticipated income which is to be applied in reduction of the amount required to be collected as an



assessment each year. Upon adoption of such annual budget by the Board of Directors of the ASSOCIATION, copies of said budget shall be delivered to each Owner of a UNIT and the assessment for said year shall be established based upon such budget, although the delivery (or non-delivery) of a copy of said budget to each Owner shall not affect the liability of any Owner for such assessment. Should the Board of Directors at any time determine, in its sole discretion, that the assessments levied are or may prove to be insufficient to pay the costs of operation and management of the CONDOMINIUM, or in the event of emergencies, the Board of Directors shall have the authority to levy such additional assessment or assessments as it shall deem to be necessary.

D. Upon the initial sale of each UNIT by the GRANTOR, each Owner purchasing such UNIT from the GRANTOR shall pay over to the ASSOCIATION the amount of \$400.00 which shall not be a prepaid assessment, but shall constitute a separate payment to provide initial operating funds.

E. The Board of Directors of the ASSOCIATION, in establishing said annual budget for the operation, management and maintenance of the CONDOMINIUM shall include therein a sum to be collected and maintained as a Reserve for Replacements Fund for replacement of COMMON ELEMENTS, which fund shall be for the purpose of enabling the ASSOCIATION to replace and/or conduct major repairs upon, structural elements and mechanical equipment constituting a part of the COMMON ELEMENTS as well as the replacement of personal property and amenities which may constitute a portion of the COMMON ELEMENTS held for the joint use and benefit of all of the Owners of all UNITS.

F. The Board of Directors of the ASSOCIATION, in establishing the annual budget for operation, management and maintenance of the CONDOMINIUM, shall include therein a sum to be collected and maintained as a general operating reserve which shall be used to provide a measure of financial stability during periods of special stress when such sums may be used to meet deficiencies from time to time existing as a result of delinquent payment of assessments by Owners of UNITS, as a result of emergencies or for other reason placing financial stress upon the ASSOCIATION.

G. All monies collected by the ASSOCIATION shall be treated as the separate property of the ASSOCIATION, and such monies may be applied by the ASSOCIATION to the payment of any expense of operating and managing the CONDOMINIUM, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Master Deed, the Articles of Incorporation and By-Laws of the ASSOCIATION and as the monies for any assessment are paid to the ASSOCIATION by any Owner of a UNIT the same may be commingled with the monies paid to the ASSOCIATION by the other Owners of UNITS. Although all funds and other assets of the ASSOCIATION, and any increments thereto or profits derived therefrom, or from the leasing or use of COMMON ELEMENTS, shall be held for the benefit of the members of the ASSOCIATION, no member of the ASSOCIATION shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his UNIT.

H. The payment of any assessment or installment thereof due to the ASSOCIATION shall be in default if such assessment, or any installment thereof, is not paid to the ASSOCIATION on or before the due date for such payment. When in default, the Board of Directors may accelerate the remaining installments of the annual assessment upon notice thereof to the UNIT Owner, whereupon the entire unpaid balance of the annual assessment shall become due upon the date stated in the notice, which shall not be less than ten (10) days after the date of the notice. In the event any assessment, installment, or accelerated installment is not paid within twenty (20) days after its due date, the ASSOCIATION, through its Board of Directors, may proceed to enforce and collect the assessment against the UNIT Owner owing the same in any manner provided for by the Act, including the rights of foreclosure and sale. When in default, the delinquent assessment or delinquent installment thereof due to the ASSOCIATION shall bear interest at the rate of 18% per annum until such delinquent assessment or installment thereof, and all interest due thereon, has been paid to the ASSOCIATION. Further, a late fee of \$25.00 shall be assessed for each installment not paid within 30 days after the due date thereof.

I. The Owner or Owners of each UNIT shall be personally liable to the ASSOCIATION for the payment of all assessments, regular or special, which may be levied by the ASSOCIATION while such person or persons is or are Owner or Owners of a UNIT in the CONDOMINIUM. In the event that any Owner or Owners are in default in payment of any assessment or installment thereof owed to the ASSOCIATION, such Owner or Owners of any UNIT shall be personally liable for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.

J. In addition to all of the foregoing, each Owner of a UNIT, at the time of the original conveyance of the UNIT from the GRANTOR, shall pay to ASSOCIATION an advance assessment for insurance in an amount to be determined by ASSOCIATION'S Board of Directors in its reasonable discretion, and such determination shall be deemed final.

K. No Owner of a UNIT may exempt himself from liability for any assessment levied against such Owner and his UNIT by waiver of the use or enjoyment of any of the COMMON ELEMENTS, or by abandonment of the UNIT, or in any other manner.

L. Recognizing that the necessity for providing proper operation and management of the CONDOMINIUM entails the continuing payment of costs and expenses therefor, which results in benefit to all of the Owners of UNITS, and that the payment of such common expense represented by the assessments levied and collected by the ASSOCIATION is necessary in order to preserve and protect the investment of the Owner of each UNIT, the ASSOCIATION is hereby granted a lien upon such UNIT and its appurtenant undivided interest in COMMON ELEMENTS, which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the Owner of each UNIT, which lien shall also secure interest and late fees, if any, which may be due on the amount of any delinquent assessments owing to the ASSOCIATION, and which lien shall also secure all costs and expenses, including a reasonable attorney's fee, which may be incurred by the ASSOCIATION in enforcing the lien upon said UNIT and its appurtenant undivided interest in the

COMMON ELEMENTS. The lien granted to the ASSOCIATION may be foreclosed in the same manner as mortgages may be foreclosed in the State of South Carolina, and in any suit for the foreclosure of said lien, the ASSOCIATION shall be entitled to rental from the Owner of any UNIT from the date on which the payment of any assessment or installment thereof became delinquent and shall be entitled to the appointment of a Receiver for said UNIT. The rental required to be paid shall be equal to the rental charged on comparable types of Units along the Grand Strand of South Carolina. The lien granted to the ASSOCIATION shall further secure such advances for taxes, and payments on account of superior mortgages, liens, or encumbrances which may be required to be advanced by the ASSOCIATION in order to preserve and protect its lien, and the ASSOCIATION shall further be entitled to interest at the legal rate as set out hereinbefore on any such advances made for such purpose. All persons, firms or corporations who shall acquire, by whatever means, any interest in the ownership of any UNIT, or who may be given or acquire a mortgage, lien or other encumbrance thereon, is hereby placed on notice of the lien granted to the ASSOCIATION, and shall acquire such interest in any UNIT expressly subject to such lien.

M. The lien herein granted to the ASSOCIATION shall be effective from and after the time of recording in the Public Records of Horry County, South Carolina, a claim of lien stating the description of the UNIT encumbered thereby, the name of the record Owner, the amount due and the date when due, and the lien shall continue in effect until all sums secured by said lien, as herein provided, shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, late fees, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the ASSOCIATION. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The claim of lien filed by the ASSOCIATION shall be subordinate to the lien of any mortgage or any other lien recorded prior to the time of recording of the ASSOCIATION'S claim of lien.

In the event that any person, firm or corporation shall acquire title to any UNIT and its appurtenant undivided interest in COMMON ELEMENTS by virtue of any foreclosure or judicial sale, such person, firm or corporation so acquiring title shall only be liable and obligated for assessments as shall accrue and become due and payable for said UNIT and its appurtenant undivided interest in COMMON ELEMENTS subsequent to the date of acquisition of such title, and shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title subject to the lien of any assessment by the ASSOCIATION representing an apportionment of taxes or special assessments levied by taxing authorities against the CONDOMINIUM in its entirety. In the event of the acquisition of title to a UNIT by foreclosure or judicial sale, any assessment or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all Owners of all UNITS as a part of the common expense, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

N. Whenever any UNIT may be sold or mortgaged by the Owner thereof, which sale shall be concluded only upon compliance with other provisions of this Master Deed, the ASSOCIATION, upon written request of the Owner of such UNIT, shall furnish to the proposed purchaser or

mortgagee a statement verifying the status of payment of any assessment which shall be due and payable to the ASSOCIATION by the Owner of such UNIT. Such statement shall be executed by any officer or agent of the ASSOCIATION and any purchaser or mortgagee may rely upon such statement in concluding the proposed purchase or mortgage transaction, and the ASSOCIATION shall be bound by such statement. In the event that a UNIT is to be sold or mortgaged at the time when payment of any assessment against the Owner of said UNIT and such UNIT due to the ASSOCIATION shall be in default (whether or not a claim of lien has been recorded by the ASSOCIATION) then the proceeds of such purchase or mortgage proceeds shall be applied by the purchaser or mortgagee first to payment of any then delinquent assessment or installment thereof due to the ASSOCIATION before the payment of any proceeds of purchase or mortgage proceeds to the Owner of any UNIT who is responsible for payment of such delinquent assessment.

In any voluntary conveyance of a UNIT, the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against grantor made prior to the time of such voluntary conveyance, without prejudice to the rights of the grantee to recover from the grantor the amounts paid by the grantee therefor.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the ASSOCIATION which shall prevent its thereafter seeking enforcement of the collection of any sums remaining owing to it by foreclosure and proceeding by foreclosure to attempt to effect such collection shall not be deemed to be an election precluding the institution of a suit at law to attempt to effect collection of any sums then remaining owing to it.

Notwithstanding anything in this Master Deed to the contrary, it is declared that until the expiration of sixty (60) days after the date of recordation of this Master Deed, each UNIT in Phase I shall be exempt from the assessment created herein until such time as the UNIT is conveyed by the GRANTOR to a Grantee and that the GRANTOR shall be assessed and pay to the ASSOCIATION in lieu of such assessment a sum equal to the amount of actual operating expenses for the period of such assessment less an amount equal to the total assessments made by the ASSOCIATION against Owners of UNITS other than those owned by GRANTOR for such period. Commencing sixty-one (61) days after the recordation of this Master Deed, the GRANTOR shall be subject to assessments as provided for in this Master Deed so that it will pay assessments on the same basis provided for under this Master Deed for other UNIT Owners. GRANTOR reserves the right in future Phases for a period not to exceed Sixty (60) days after recordation of the amendment adding each such Phase, to contribute in lieu of normal assessments the actual operation expenses attributable to the UNITS in each Phase less the amount of total assessments made by ASSOCIATION against Owners of UNITS other than those owned by GRANTOR. Notwithstanding the foregoing, GRANTOR may elect to pay assessments on unsold UNITS in the same manner as other Owners in lieu of paying the operating deficit as provided above.

XXIX.

TERMINATION

This Master Deed and said plan of CONDOMINIUM ownership may only be terminated by the unanimous consent of all of the Owners of all UNITS and all of the parties holding mortgages, liens or other encumbrances against any of said UNITS, in which event the termination of the CONDOMINIUM shall be by such plan as may be then adopted by said Owners and persons holding any mortgages, liens or other encumbrances. Such election to terminate this Master Deed and the plan of CONDOMINIUM ownership established herein shall be executed in writing by all of the aforementioned persons, and such instrument or instruments shall be recorded in the Public Records of Horry County, South Carolina.

XXX.

AMENDMENT OF MASTER DEED

Except for any alteration in the percentage of ownership in COMMON ELEMENTS appurtenant to each UNIT, or alteration of the basis for apportionment of assessments which may be levied by the ASSOCIATION in accordance with the provisions hereof, in which said instances consent of all of the Owners of all UNITS and their respective mortgagees shall be required, and except for any alteration, amendment or modification of the rights and privileges granted and reserved hereunder in favor of GRANTOR, which said rights and privileges granted and reserved unto the said GRANTOR shall only be altered, amended or modified with the express written consent of the said GRANTOR, this Master Deed may be amended in the following manner:

An amendment or amendments to this Master Deed may be proposed by the Board of Directors of the ASSOCIATION acting upon a vote of the majority of the Directors, or by the members of the ASSOCIATION owning a majority of the UNITS in the CONDOMINIUM, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to the Master Deed being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President or Secretary of the ASSOCIATION, in the absence of the President, who shall thereupon call a Special Meeting of the members of the ASSOCIATION for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the proposed amendment or amendments, and it shall be the duty of the Secretary to give to each member written or printed notice of such Special Meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such Special Meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his postal address as it appears on the records of the ASSOCIATION, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice and such waiver, when filed in the records of the ASSOCIATION, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of such notice to such member. At such meeting, the amendment or amendments

proposed must be approved by an affirmative vote of the Members owning at least two-thirds (2/3) of the undivided interest in the Common Elements of the Condominium in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of this Master Deed shall be transcribed and certified by the President and Secretary of the ASSOCIATION as having been duly adopted, and the original or an executed copy of such amendment or amendments so certified and executed with the same formalities as a deed shall be recorded in the Public Records of Horry County, South Carolina, within thirty (30) days from the date on which the same became effective, such amendment or amendments to specifically refer to the recording data identifying the Master Deed. Thereafter, a copy of said amendment or amendments in the form in which the same were placed of record by the officers of the ASSOCIATION shall be delivered to all of the Owners of all UNITS and mailed to the mortgagees listed in the registry required to be maintained by Article XXVII hereof, but delivery and mailing of a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments. At any meeting held to consider such amendment or amendments, the written vote of any member of the ASSOCIATION shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the ASSOCIATION at or prior to such meeting. Furthermore, no amendment to this Master Deed shall be adopted which would operate to affect the validity or priority of any mortgage held by a mortgagee or which would alter, amend or modify in any manner whatsoever the rights, powers and privileges granted and/or reserved herein in favor of any mortgagee or in favor of GRANTOR without the consent of all such mortgagees or GRANTOR as the case may be. Notwithstanding anything contained herein, the GRANTOR, its successors or assigns, may, without the consent of the UNIT Owners or mortgagees, at any time prior to twenty (20) years from the date of filing of this Master Deed, amend this Master Deed in the manner set forth in Article III so as to subject any additional Phase(s) to the provisions of this Master Deed and the Horizontal Property Act of South Carolina so as to make such additional Phase(s) an integral part of Fountain Pointe Horizontal Property Regime. Any such amendment shall, together with this Master Deed, contain all of the particulars required by the said Horizontal Property Regime Act of South Carolina and from and after the recording of any such amendment, Fountain Pointe Horizontal Property Regime shall include the Phase then being submitted as well as all Phases previously submitted. The UNITS in future Phases are to be of similar design as those UNITS in Phase I except as may be more particularly provided in Exhibit "C" hereto. The designation of each UNIT number and its proportionate interest in the COMMON ELEMENTS is set forth in Exhibit "C", which is attached hereto and made a part and parcel hereof. It is not contemplated that submission of additional Phase(s) will substantially increase the proportionate amount of the common expense payable by existing UNIT Owners.

The GRANTOR further reserves the right to make changes or amendments to this Master Deed, without the consent of any UNIT Owners or their mortgagees, to correct typographical, scrivener's or similar errors or to make a change required by an institutional lender, provided that any such correction or amendment shall not adversely affect the proportionate interest of any Owner or Owners in the COMMON ELEMENTS. Such change or amendment may be made by the recording of an appropriate document in the Office of the Register of Deeds for Horry County executed by the GRANTOR.

XXXI.

REMEDIES IN EVENT OF DEFAULT

The Owner or Owners of each UNIT shall be governed by and shall comply with the provisions of this Master Deed, the Articles of Incorporation, the By-Laws of the ASSOCIATION and its rules and regulations as any of the same are now constituted or as they may be adopted and/or amended from time to time. A default by the Owner or Owners of any UNIT shall entitle the ASSOCIATION or the Owner or Owners of other UNIT or UNITS to the following relief:

A. Failure to comply with any of the terms of this Master Deed or other restrictions and regulations contained in the Articles of Incorporation, By-Laws of the ASSOCIATION, or its rules and regulations, shall be grounds for relief which may include without intending to limit the same, an action to recover sums due for damages, injunctive relief, foreclosure of lien or any combination thereof and which relief may be sought by the ASSOCIATION, or, if appropriate, by an aggrieved Owner of a UNIT.

B. The Owner or Owners of each UNIT shall be liable for the expense of any maintenance, repair or replacement rendered necessary by his or their act, neglect or carelessness, or by that of any member of his or their family, or his or their guests, employees, agents or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the ASSOCIATION. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy or abandonment of a UNIT or its appurtenances. However, nothing herein contained shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

C. In any proceeding arising because of an alleged default by the Owner of any UNIT, the ASSOCIATION, if successful, shall be entitled to recover the costs of the proceedings, and such reasonable attorney's fees as may be determined by the Court.

D. The failure of the ASSOCIATION, GRANTOR or of the Owner of a UNIT to enforce any right, provision, covenant, or condition which may be granted by this Master Deed or other above mentioned documents shall not constitute a waiver of the right of the ASSOCIATION, GRANTOR or of the Owner of a UNIT to enforce such right, provision, covenant or condition in the future.

E. All rights, remedies and privileges granted to the ASSOCIATION or the Owner or Owners of a UNIT pursuant to any terms, provisions, covenants or conditions of this Master Deed or other above mentioned documents, shall be deemed to be cumulative and the exercise of any one or more shall not be deemed to constitute an election of remedies or to preclude the person thus exercising the same from exercising such other and additional rights, remedies or privileges as may be available to such person at law or in equity.

XXXII.

USE OR ACQUISITION OF INTEREST IN THE CONDOMINIUM  
TO RENDER USER OR ACQUIRER SUBJECT TO PROVISIONS OF  
MASTER DEED, RULES AND REGULATIONS

All present or future Owners, tenants or other persons who use the facilities of the CONDOMINIUM in any manner are subject to the provisions of this Master Deed and all documents appurtenant hereto and incorporated herewith, and the mere acquisition or rental or the mere act of occupancy of any UNIT, or entry upon any portion of the CONDOMINIUM shall signify that the provisions of this Master Deed are accepted and ratified in all respects.

XXXIII.

RIGHT OF GRANTOR TO SELL OR LEASE UNIT  
OWNED BY IT AND RIGHT OF GRANTOR TO REPRESENTATION  
ON BOARD OF DIRECTORS OF THE ASSOCIATION

So long as GRANTOR shall own any UNIT, the said GRANTOR shall have the absolute right to lease or sell any such UNIT to any person, firm or corporation, upon any terms and conditions as it shall deem to be in its own best interest. Further, provided that GRANTOR has not terminated "Class II" membership in the ASSOCIATION in accordance with the Articles of Incorporation and ByLaws of the ASSOCIATION, or so long as any Phase or Phases of the CONDOMINIUM project have not been submitted to the CONDOMINIUM or GRANTOR, its successors or assigns, is the Owner of Five (5) or more UNITS, then GRANTOR, its successors and assigns, shall have the right to designate and select a majority of the persons who shall serve as members of each Board of Directors of the ASSOCIATION. Whenever GRANTOR shall be entitled to designate and select any person or persons to serve on any Board of Directors of the ASSOCIATION the manner in which such person or persons shall be designated shall be as provided in the Articles of Incorporation and/or By-Laws of the ASSOCIATION, and GRANTOR shall have the right to remove any person or persons selected by it to act and serve on said Board of Directors and to replace such person or persons with another person or other persons to act and serve in the place of any Director or Directors so removed for the remainder of the unexpired term of any Director or Directors so removed. Any Director designated and selected by GRANTOR need not be an Owner of a UNIT. The power of GRANTOR to designate Directors as above referred to shall terminate no later than twenty (20) years from the date of the filing of this Master Deed.

Any representative of GRANTOR serving on the Board of Directors of the ASSOCIATION shall not be required to disqualify himself upon any vote upon any management contract or other matter between GRANTOR and the ASSOCIATION where GRANTOR may have a pecuniary or other interest. Similarly, GRANTOR, as a member of the ASSOCIATION, shall not be required to disqualify itself in any vote which may come before the membership of the ASSOCIATION upon any management contract or other matter between GRANTOR and the ASSOCIATION where GRANTOR may have a pecuniary or other interest.



XXXIV.

ANNUAL REPORTS TO BE PROVIDED TO LENDER

So long as any Lender selected by GRANTOR is the Owner or holder of a mortgage encumbering a UNIT in the CONDOMINIUM, the ASSOCIATION shall furnish said Lender, upon such Lender's request, with at least one (1) copy of the Annual Financial Statement and Report of the ASSOCIATION audited and prepared by Certified Public Accountants satisfactory to Lender and setting forth such details as the said Lender may reasonably require, including a detailed statement of annual carrying charges or income collected, and operating expenses, such Financial Statement and Report to be furnished within ninety (90) days following the end of each fiscal year.

XXXV.

SEVERABILITY

In the event that any of the terms, provisions or covenants of this Master Deed are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify or impair in any manner whatsoever any of the other terms, provisions or covenants hereof or the remaining portions of any terms, provisions or covenants held to be partially invalid or unenforceable.

XXXVI.

LIBERAL CONSTRUCTION AND ADOPTION  
OF PROVISIONS OF CONDOMINIUM ACT

The provisions of this Master Deed shall be liberally construed to effectuate its purpose of creating a uniform plan of CONDOMINIUM ownership. The South Carolina Horizontal Property Act, 1976 Code of Laws, as the same may be amended from time to time thereafter, is hereby adopted and expressly made a part hereof. In the event of any conflict between the provisions of this Master Deed and the said South Carolina Horizontal Property Act, as the same may be amended, the provisions of the Act shall take the place of any provisions in conflict with the Master Deed.

XXXVII.

MASTER DEED  
BINDING UPON GRANTOR, ITS SUCCESSORS AND ASSIGNS,  
AND SUBSEQUENT OWNERS

The restrictions and burdens imposed by the covenants of this Master Deed are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each UNIT and its appurtenant undivided interest in COMMON ELEMENTS and this Master Deed shall be binding upon GRANTOR, its successors and assigns, and upon all parties who may subsequently

become Owners of UNITS in the CONDOMINIUM and their respective heirs, legal representatives, successors and assigns.

XXXVIII.

ALTERNATIVE DISPUTE RESOLUTION, ARBITRATION

Any and all claims, disputes, demands, actions and causes of action of every nature and kind which arise out of or are in any manner whatsoever related to the development, design, construction, condition, merchantability, habitability, fitness for a particular purpose or any other implied (which have been waived) or express warranty for the common elements of or the individual UNITS in the Regime that are asserted against GRANTOR or GRANTOR's general contractor, and their respective agents, employees, owners, officers, subcontractors, consultants, successors or assigns by any entity formed to serve as the Regime's Property Owners' Association or by any person or entity which now has or hereafter acquires any interest in a UNIT in the Regime shall be subject to and resolved by final and binding arbitration conducted in Horry County, South Carolina pursuant to the terms of the South Carolina Arbitration Act found at South Carolina Code Section 15-48-10, et. Seq. All such claims, disputes, demands, actions and causes of action shall be asserted in a single arbitration proceeding and all persons and entities which are subject to this arbitration provision may be joined in said proceeding so that all issues may be resolved in one forum.

Any arbitration proceeding conducted pursuant hereto shall be entitled to written discovery and document production in accordance with the South Carolina Rules of Civil Procedure. Depositions may be taken as allowed by the arbitrator(s), who shall reasonably limit the number and duration of said depositions in order to avoid excessive expense and delay.

The arbitrator(s) shall issue a written decision identifying with specificity each claim or a cause of action asserted in and resolved by the arbitration and the principles of res judicata and collateral estoppel shall be applicable to any arbitration award. The written decision of the arbitrator(s) may be confirmed and enforced in any court of competent jurisdiction.

In the event this arbitration provision is deemed invalid or unenforceable, the parties listed as being bound hereby expressly waive their right to a trial by jury and agree that any and all claims, disputes, demands, actions and causes of action of every nature and kind which arise out of or are in any manner whatsoever related to the development, design, construction, condition, merchantability, habitability, fitness for a particular purpose, or any other implied (which have been waived) or express warranty for the common elements or the individual UNITS in the Regime shall be tried non-jury.

In the event the provisions of this Article XXXVIII shall cause an insurance provider of the GRANTOR to deny or call into question the availability of insurance coverages, any and all such provisions or subparts hereof shall be deemed invalid.

XXXIX.

DEFINITIONS

A. The term "UNIT" or "UNITS" shall be synonymous with the term "Apartment" or "Apartments" as those terms are used under the Horizontal Property Act of the 1976 Code of

Laws of South Carolina, as amended. UNIT herein may also be described as "Villas" or "Dwellings."

B. "Building" means a structure containing in the aggregate two or more UNITS comprising a part of the CONDOMINIUM.

C. "Co-owner" or "Owner" means a person, firm, corporation, partnership, association, trust, or other legal entity or any combination thereof, who owns a UNIT within a Building.

D. "Assessment" means a UNIT Owner's pro rata share of the common expense which from time to time is assessed against a UNIT Owner by the ASSOCIATION.

E. "Association" means council of co-owners as defined by the Horizontal Property Act and also means Fountain Pointe Property Owners' Association, Inc., the corporate form by which the council of co-owners shall operate Fountain Pointe Horizontal Property Regime.

F. "Common Expense" means the expenses for which the UNIT Owners are liable to the ASSOCIATION and include:

1. Expenses of administration, management, maintenance, insurance, operation, repair or replacement of the COMMON ELEMENTS and of the portions of UNITS which are the responsibility of the ASSOCIATION.

2. Expenses declared common expenses by provisions of this Master Deed;

3. Any valid charges against the CONDOMINIUM as a whole.

G. "Common Surplus" means the excess of or receipts of the ASSOCIATION, including but not limited to, assessments over the amount of common expenses.

H. "Condominium" refers to Fountain Pointe Horizontal Property Regime and means the form of individual ownership of a particular UNIT in a Building together with the common right to a share with other co-owners in the general COMMON ELEMENTS.

I. "Common Elements" means and includes the elements described in the Horizontal Property Regime Act, and in this Master Deed (including Exhibits), as "COMMON ELEMENTS" and also the following:

1. Easements through apartments for conduits, ducts, plumbing, chimneys, wiring, and other facilities for the furnishing of utility services to UNITS and the general COMMON ELEMENTS; provided, however, such easements through a UNIT shall be only according to the plans and specifications for the Building, or as the Building is constructed unless otherwise approved in writing by the UNIT Owner.

2. An easement of support in every portion of an UNIT which contributes to the support of a Building.

3. Easements through the UNITS and general COMMON ELEMENTS for maintenance, repair and replacement of the UNITS and general COMMON ELEMENTS.

4. Installations for the furnishing of utility services to more than one UNIT or to the general COMMON ELEMENTS or to a UNIT other than the one containing the installation, which installation shall include ducts, plumbing, wiring and other facilities for the rendering of such services.

5. The tangible personal property required for the maintenance and operation of the CONDOMINIUM, even though owned by the ASSOCIATION.

J. "Limited Common Elements" shall have the meaning attributed thereto in Article IV of this Master Deed.

*The remainder of this page intentionally left blank*



EXHIBIT "A"

TO MASTER DEED FOR FOUNTAIN POINTE  
HORIZONTAL PROPERTY REGIME

All and singular, all that certain piece, parcel or tract of land located in Horry County, South Carolina, containing 2.97 acres and being more particular shown and designated as "PHASE 1 129,191 SQ 2.97 AC" on that certain map or plat entitled "'AS-BUILT' SURVEY PLAT OF BUILDINGS 1-4 (PHASE 1) FOUNTAIN POINTE, LOCATED OFF CLAY POND RD, HORRY COUNTY, SOUTH CAROLINA", prepared by Jeffrey D. Solan & Associates, P.C., dated December 13, 2005, and recorded Feb 8, 2006 in Plat Book 221 at Page 184, records of Horry County, South Carolina, which plat is incorporated herein by this reference.

TOGETHER with and subject to the rights and easements set forth in that certain Declaration, Confirmation, Ratification, and Grant of Easement dated September 26, 2005 and recorded September 28, 2005 in Deed Book 2985 at Page 419, records of Horry County, South Carolina.

This is the identical property conveyed to the GRANTOR herein by deed of J. Carlisle Shelley, Inc., dated June 21, 2006 and recorded on June 23, 2006 in Deed Book 3117 at Page 1347, records of Horry County, South Carolina.

EXHIBIT "B"  
TO  
TO MASTER DEED FOR FOUNTAIN POINTE  
HORIZONTAL PROPERTY REGIME

NOTE: Exhibit "B" is a survey prepared by Jeffrey D. Solan & Associates, P.C., dated December 13, 2005 (said survey is referred to as the "Survey"), which shows the location of the building(s) and other improvements of Phase I and four (4) sets of floor plans, one of which is for Building 1, one of which is for Building 2, one of which is for Building 3, and one of which is for Building 4. (Collectively, Phase I), all of which are dated November 3, 2006, and prepared by Miller Design Services (collectively the Plans"), which show graphically the dimensions, area and location of each UNIT therein, and the dimensions, area and location of COMMON ELEMENTS affording access to each UNIT. Both the Survey and Plans are recorded in Plat Book 221, at Page 184, records of Horry County, South Carolina, and are incorporated herein by this reference. Said Exhibit further includes the following:

Phase I consists of Building 1, Building 2, Building 3, and Building 4 and associated COMMON ELEMENTS as shown on the above referenced Plat and Plans.

Building 1 contains twelve (12) UNITS. Each UNIT is identified by a separate three (3) digit UNIT identifier on the Plans. The UNIT number as shown on the Plans is preceded by the number "1" and a dash which designates the Building number. The Building is three (3) levels in height and contains four (4) UNITS on each level. The number following the dash indicates the floor of the Building on which the UNIT is located. This number is followed by a zero (0). The number following the zero (0) indicates the position of the UNIT on each floor. Each UNIT is individually numbered using the Unit number identifier shown on Exhibit "C" to this Master Deed and shown on the Plans with the addition of a "1" and a dash.

Building 2 contains twelve (12) UNITS. Each UNIT is identified by a separate three (3) digit UNIT identifier on the Plans. The UNIT number as shown on the Plans is preceded by the number "2" and a dash which designates the Building number. The Building is three (3) levels in height and contains four (4) UNITS on each level. The number following the dash indicates the floor of the Building on which the UNIT is located. This number is followed by a zero (0). The number following the zero (0) indicates the position of the UNIT on each floor. Each UNIT is individually numbered using the Unit number identifier shown on Exhibit "C" to this Master Deed and shown on the Plans with the addition of a "2" and a dash.

Building 3 contains twelve (12) UNITS. Each UNIT is identified by a separate three (3) digit UNIT identifier on the Plans. The UNIT number as shown on the Plans is preceded by the number "3" and a dash which designates the Building number. The Building is three (3) levels in height and contains four (4) UNITS on each level. The number following the dash indicates the floor of the Building on which the UNIT is located. This number is followed by a zero (0). The number following the zero (0) indicates the position of the UNIT on each floor. Each UNIT is

individually numbered using the Unit number identifier shown on Exhibit "C" to this Master Deed and shown on the Plans with the addition of a "3" and a dash.

Building 4 contains twelve (12) UNITS . Each UNIT is identified by a separate three (3) digit UNIT identifier on the Plans. The UNIT number as shown on the Plans is preceded by the number "4" and a dash which designates the Building number. The Building is three (3) levels in height and contains four (4) UNITS on each level. The number following the dash indicates the floor of the Building on which the UNIT is located. This number is followed by a zero (0). The number following the zero (0) indicates the position of the UNIT on each floor. Each UNIT is individually numbered using the Unit number identifier shown on Exhibit "C" to this Master Deed and shown on the Plans with the addition of a "4" and a dash.

Although other property of the GRANTOR may be shown on the survey, such property, shall not be deemed submitted to Fountain Pointe Horizontal Property Regime until such time, if at all, that the same is specifically submitted to the terms of this Master Deed by amendment hereto.

All Units in Phase I are two (2) and three (3) bedroom UNITS, as shown on the Plans. Each UNIT has an entrance door opening onto a corridor or walkway, as shown on the Plans, which corridor or walkway is a COMMON ELEMENT. Access to the second and third levels of each building is by way of stairways on either side of each building which stairways are COMMON ELEMENTS.

UNITS 1-302, 1-303, 2-302, 2-303, 3-302, 3-303, 4-302 and 4-303 are Two (2) Bedroom Units. Each such Two (2) Bedroom UNIT contains two (2) bedrooms, two (2) bathrooms, a den, a great room/dining area, a kitchen, a utility room, a mechanical room and closets, all as shown on the Plans. There is also an exterior storage room across the corridor or walkway from the UNIT(S) which exterior storage room is part of the UNIT on the same level which has the same three (3) digit identifier. There is also a screened porch adjacent to and accessible from each UNIT. Each screened porch is a LIMITED COMMON ELEMENT appurtenant to the UNIT to which it is adjacent and accessible.

UNITS 1-101, 1-102, 1-103, 1-104, 1-201, 1-202, 1-203, 1-204, 1-301, 1-304, 2-101, 2-102, 2-103, 2-104, 2-201, 2-202, 2-203, 2-204, 2-301, 2-304, 3-101, 3-102, 3-103, 3-104, 3-201, 3-202, 3-203, 3-204, 3-301, 3-304, 4-101, 4-102, 4-103, 4-104, 4-201, 4-202, 4-203, 4-204, 4-301, 4-304 are Three (3) Bedroom UNITS. Each such Three (3) Bedroom UNIT contains three (3) bedrooms, two (2) bathrooms, a great room/dining area, a kitchen, a utility room, a mechanical room and closets, all as shown on the Plans. There is also an exterior storage room across the corridor or walkway from the UNIT(S) which exterior storage room is part of the UNIT on the same level which has the same three (3) digit identifier. There is also a screened porch adjacent to and accessible from each UNIT. Each screened porch is a LIMITED COMMON ELEMENT appurtenant to the UNIT to which it is adjacent and accessible.

All built-in kitchen appliances, refrigerator, heating and air-conditioning units and condensers, hot water heaters and bathroom fixtures located in each UNIT are a part of the UNIT in which



they are located and are not COMMON ELEMENTS. The Air-handling units which serve each UNIT are a part of the UNIT which it serves and are not COMMON ELEMENTS, notwithstanding that such equipment may be located outside of the confines of the UNIT.

On the first floor of each Building, there is a sprinkler room and a maintenance room, as shown on the Plans, which sprinkler rooms and maintenance rooms are COMMON ELEMENTS.

References to areas as COMMON ELEMENTS or Common Areas in this Exhibit shall be in addition to, and read in conjunction with, the further designation of COMMON ELEMENTS as set out in other portions of this Master Deed and the Survey and Plans making up the balance of this Exhibit "B".

This Exhibit "B" shall be amended if Phase II through XX or any one or more of such Phases shall become a part of Fountain Pointe Horizontal Property Regime in accordance with the terms of this Master Deed.



RE: Building #1, Fountain Pointe  
Horizontal Property Regime  
P.O. Box 2466  
Myrtle Beach, SC 29578

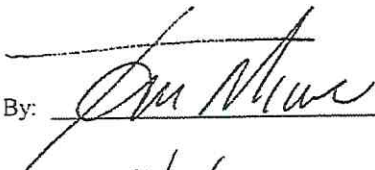
The attached plans by Miller Design Services of Myrtle Beach, SC consists of five (5) sheets numbered and dated or revised as follows:

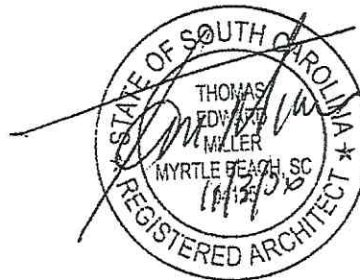
(10 Three BRM's) #'s 101, 102, 103, 104, 201, 202, 203, 204, 301, 304 and  
(2 Two BRM's) #'s 302, 303

A1	11/03/06
A2	11/03/06
A3	11/03/06
A4	11/03/06
A5	11/03/06

The visible components of the completed building, comprising Building #1 of this project, appear to conform to the attached plans. The floor plans show graphically the dimensions, area, and location of the proposed units; and the dimensions, area and location of the proposed common elements affording access to each unit. Other proposed common elements, both limited and general, are shown graphically insofar as possible. In addition, the suggested number of each unit has been shown on the plans. The undersigned is the "Architect of Record" on the subject building, but did not provide construction observation of the subject building, and therefore can make no confirmation of conformance to the attached drawings beyond the general conformance noted above.

MILLER DESIGN SERVICES

By:   
Date: 11/3/06





RE: Building #2, Fountain Pointe  
Horizontal Property Regime  
P.O. Box 2466  
Myrtle Beach, SC 29578

The attached plans by Miller Design Services of Myrtle Beach, SC consists of five (5) sheets numbered and dated or revised as follows:

(10 Three BRM's) #'s 101, 102, 103, 104, 201, 202, 203, 204, 301, 304 and  
(2 Two BRM's) #'s 302, 303

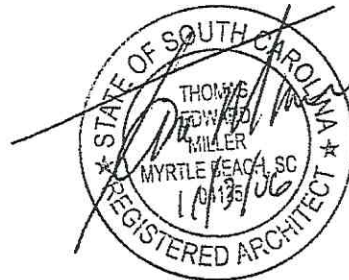
A1	11/03/06
A2	11/03/06
A3	11/03/06
A4	11/03/06
A5	11/03/06

The visible components of the completed building, comprising Building #2 of this project, appear to conform to the attached plans. The floor plans show graphically the dimensions, area, and location of the proposed units; and the dimensions, area and location of the proposed common elements affording access to each unit. Other proposed common elements, both limited and general, are shown graphically insofar as possible. In addition, the suggested number of each unit has been shown on the plans. The undersigned is the "Architect of Record" on the subject building, but did not provide construction observation of the subject building, and therefore can make no confirmation of conformance to the attached drawings beyond the general conformance noted above.

MILLER DESIGN SERVICES

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

Date: 11/3/06





RE: Building #3, Fountain Pointe  
Horizontal Property Regime  
P.O. Box 2466  
Myrtle Beach, SC 29578

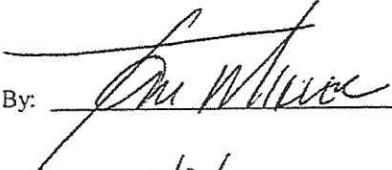
The attached plans by Miller Design Services of Myrtle Beach, SC consists of five (5) sheets numbered and dated or revised as follows:

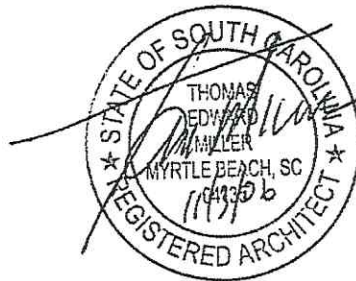
(10 Three BRM's) #'s 101, 102, 103, 104, 201, 202, 203, 204, 301, 304 and  
(2 Two BRM's) #'s 302, 303

A1	11/03/06
A2	11/03/06
A3	11/03/06
A4	11/03/06
A5	11/03/06

The visible components of the completed building, comprising Building #3 of this project, appear to conform to the attached plans. The floor plans show graphically the dimensions, area, and location of the proposed units; and the dimensions, area and location of the proposed common elements affording access to each unit. Other proposed common elements, both limited and general, are shown graphically insofar as possible. In addition, the suggested number of each unit has been shown on the plans. The undersigned is the "Architect of Record" on the subject building, but did not provide construction observation of the subject building, and therefore can make no confirmation of conformance to the attached drawings beyond the general conformance noted above.

MILLER DESIGN SERVICES

By:   
Date: 11/3/06





RE: Building #4, Fountain Pointe  
Horizontal Property Regime  
P.O. Box 2466  
Myrtle Beach, SC 29578

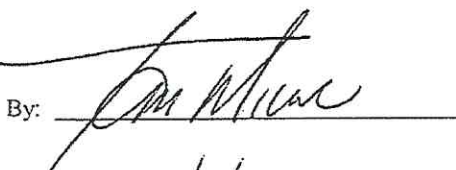
The attached plans by Miller Design Services of Myrtle Beach, SC consists of five (5) sheets numbered and dated or revised as follows:

(10 Three BRM's) #'s 101, 102, 103, 104, 201, 202, 203, 204, 301, 304 and  
(2 Two BRM's) #'s 302, 303

A1	11/03/06
A2	11/03/06
A3	11/03/06
A4	11/03/06
A5	11/03/06

The visible components of the completed building, comprising Building #4 of this project, appear to conform to the attached plans. The floor plans show graphically the dimensions, area, and location of the proposed units; and the dimensions, area and location of the proposed common elements affording access to each unit. Other proposed common elements, both limited and general, are shown graphically insofar as possible. In addition, the suggested number of each unit has been shown on the plans. The undersigned is the "Architect of Record" on the subject building, but did not provide construction observation of the subject building, and therefore can make no confirmation of conformance to the attached drawings beyond the general conformance noted above.

MILLER DESIGN SERVICES

By:   
Date: 11/3/06

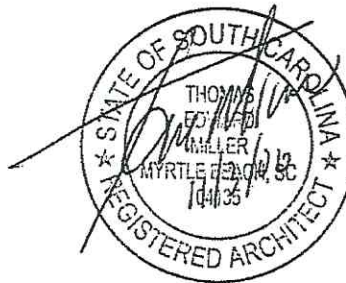


EXHIBIT "C"  
 TO  
MASTER DEED FOR FOUNTAIN POINTE  
HORIZONTAL PROPERTY REGIME

Schedule of Percentage (%) of undivided interest in the COMMON ELEMENTS appurtenant to UNITS in Fountain Pointe Horizontal Property Regime, a Condominium, including Phase I, and if developed, Phases II through XX, inclusive. Statutory Value is for statutory purposes only and has no relationship to the actual value of each UNIT.

UNIT NUMBER	Statutory Value	Percentage Interest (Phase I)
<b>PHASE I</b>		
1-101	\$1000	2.083333
1-102	\$1000	2.083333
1-103	\$1000	2.083333
1-104	\$1000	2.083333
1-201	\$1000	2.083333
1-202	\$1000	2.083333
1-203	\$1000	2.083333
1-204	\$1000	2.083333
1-301	\$1000	2.083333
1-302	\$1000	2.083333
1-303	\$1000	2.083333
1-304	\$1000	2.083333
2-101	\$1000	2.083333
2-102	\$1000	2.083333
2-103	\$1000	2.083333
2-104	\$1000	2.083333
2-201	\$1000	2.083333

2-202	\$1000	2.083333
2-203	\$1000	2.083333
2-204	\$1000	2.083333
2-301	\$1000	2.083333
2-302	\$1000	2.083333
2-303	\$1000	2.083333
2-304	\$1000	2.083333
3-101	\$1000	2.083333
3-102	\$1000	2.083333
3-103	\$1000	2.083333
3-104	\$1000	2.083333
3-201	\$1000	2.083333
3-202	\$1000	2.083333
3-203	\$1000	2.083333
3-204	\$1000	2.083333
3-301	\$1000	2.083333
3-302	\$1000	2.083333
3-303	\$1000	2.083333
3-304	\$1000	2.083333
4-101	\$1000	2.083333
4-102	\$1000	2.083333
4-103	\$1000	2.083333
4-104	\$1000	2.083333
4-201	\$1000	2.083333
4-202	\$1000	2.083333
4-203	\$1000	2.083333
4-204	\$1000	2.083333

4-301	\$1000	2.083333
4-302	\$1000	2.083333
4-303	\$1000	2.083333
4-304	\$1000	2.083333
Total Statutory Value for <i>Phase I</i>	\$48,000	100.0000% (rounded to nearest ten thousandth)

In addition, up to sixteen (16) additional buildings may be added to Fountain Pointe Horizontal Property Regime as Phases II through XX, or any one or more of them. As each Phase is added, the total statutory value of all Phases submitted and constituting Fountain Pointe Horizontal Property Regime at that time and the percentage interest of each UNIT therein may be determined using the formula hereinafter set forth. To determine the percentage interest of each UNIT, a formula shall be utilized with the statutory value of the type of each UNIT as set forth below as the numerator with the total statutory value of all of the UNITS within Fountain Pointe Horizontal Property Regime at that time (including the Phase being submitted and any Phases previously submitted) as the denominator. The resulting fraction shall then be expressed as a percentage rounded to the nearest 0.00001. Except in the event one or more phases is added solely for the purpose of adding additional COMMON ELEMENTS and no UNITS, the statutory value of each UNIT to be contained within Phases II through XX, or any of them, if constructed and submitted, shall be in accordance with the provisions set forth below.

In the event that GRANTOR elects, in accordance with the provisions of the Master Deed to which this Exhibit is attached, to proceed with the development of Phases II through Phase XX, or so many of said Phases as it might elect, within the time provided in the Master Deed, the percentage of undivided interest appurtenant to each UNIT in Phase II through Phase XX (or so many of such Phases as may be constructed and submitted), as of the date of recording the amendment incorporating each additional Phase will automatically be the percentage to be set forth in a chart(s) which GRANTOR must record as a part of its election to construct and submit Phase II through XX (unless no UNITS are being submitted as part of such phase), or so many of them as GRANTOR might elect to construct and submit to Fountain Pointe Horizontal Property Regime. Such percentage interest shall be determined by the ratio of the statutory value of the individual UNIT as the same bears to the total statutory values of all UNITS within the Condominium. Provided, however, the assigned values to be reflected below for UNITS in additional Phases must be the values provided in the following schedule depending on the type of UNIT involved as follows:

<u>Type</u>	<u>Statutory Value</u>
2 Bedroom Unit	\$1000
3 Bedroom Unit	\$1000

All UNITS in Phase II and any subsequent Phases through Phase XX will be of the types of UNITS set forth above with the corresponding statutory value of such UNITS set forth above.



Each additional Phase submitting UNITS to the Regime shall have a minimum total statutory value based on the sum of all statutory values of all UNITS within that Phase of \$6000.00, and a maximum total statutory value of all UNITS within that Phase of \$12,000.00. The minimum statutory value of an additional Phase assumes that such Phase would have the minimum number of UNITS, which is six (6), and that each UNIT in such Phase would have a statutory value of \$1000.00 for each such UNIT. The maximum statutory value of an additional Phase assumes that such Phase would have the maximum number of UNITS, which is twelve (12), and that each UNIT in such Phase would have a statutory value of \$1000.00 for each such UNIT. Therefore, the minimum and maximum percentage interest of each UNIT within Phase I, at any time during the development and submission of an additional Phase or Phases to Fountain Pointe Horizontal Property Regime may be determined by use of the formula hereinafter provided.

The actual percentage interest of each UNIT may be computed in accordance with the following formula with the result obtained from such formula being then expressed as a percentage:

$$\frac{\text{Statutory Value of the UNIT}}{\text{Total Statutory Value of all UNITS then submitted to the Horizontal Property Regime}} = \text{Percentage Interest of The UNIT (Expressed as a Percentage)}$$