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DECLARATION OF CONDOMINIUM

FOR _____

LAKES ESTATES HORIZONTAL PROPERTY REGIME

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DEED FOR LAKE ESTATES HORIZONTAL
PROPERTY REGIME

EXHIBIT A	Description of Property (Phase1)
EXHIBIT B	Floor Plans
EXHIBIT C	Site Plan
EXHIBIT D	Architect's Certificate
EXHIBIT E	Walk Through Description of Residence Types
EXHIBIT F	Description of Additional Property
EXHIBIT G	Table of Percentage Ownership Interests Attributed to Residences
EXHIBITS H	By-Laws of Lake Estates Property Owners Association, Inc.

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

**MASTER DEED FOR
LAKE ESTATES, LLC
HORIZONTAL PROPERTY REGIME**

THIS MASTER DEED is made this 30th day of July, 2007, by Lake Estates, LLC., a South Carolina limited liability company, being the owner of record of the fee simple title to that certain real property located within Beaufort County, South Carolina and shown on EXHIBIT "A" which is attached hereto and marked as EXHIBIT "A."

**ARTICLE I
DEFINITIONS**

As used in this Master Deed, and By-Laws and Exhibits attached hereto or referred to herein, and all amendments thereof, unless the context otherwise requires, the following definitions shall prevail:

Section 1.1 "Association" means and refers to Lake Estates Property Owners Association, Inc., a South Carolina non-profit corporation, the entity responsible for the operation and administration of the Condominium.

Section 1.2 "Board of Directors" or "Board" means and refers to the Board of Directors of the Association, the representative body responsible for administration of the Association.

Section 1.3 "By-Laws" means and refers to the By-Laws of Lake Estates Property Owners Association, Inc., as it may be from time to time amended, according to the provisions for amendment therein.

Section 1.4 "Common Elements" means and refers to the portions of the real property not included in the Residences and such other property as may be designated in this Declaration. The Common Elements shall also include items of personalty owned by the Association which are contained within Common Elements. Common Elements shall additionally include the tangible personal property required for maintenance and operation of the Property, even though owned by the Association.

Section 1.5 "Common Expenses" means and refers to all expenses and assessments incurred by the Association for the Association or as otherwise may be designed in the Declaration.

Section 1.6 "Common Surplus" means and refers to the excess of all receipts of the Association including, but not limited to, Assessments, rents, profits, and revenues on account of the Common Elements, over and above the amount of Common Expenses.

Section 1.7 "Condominium Ownership" means that a form of ownership of the Property established hereunder wherein each Residence is owned as a separate estate in real property and appurtenant to each Residence is an undivided share in the Common Elements. Sometimes hereinafter a Residence may be referred to as a Residence(s) or Coachhome(s).

Section 1.8 "Building(s)" means and refers to those two story structures which are more particularly described in Article III herein. Phase I will contain One Building that has four (4) Residences.

Section 1.9 "Assessment" means and refers to a share of the funds required for the payment of Common Expenses which, from time to time, are assessed against the Owners.

Section 1.10 "Grantor" means and refers to Lake Estates, LLC., a South Carolina limited liability company, or any successor in interest by merger or by express assignment of the rights of Grantor hereunder by instrument executed by Grantor and recorded in the Register of Deeds for Beaufort County, South Carolina, or any Mortgagee of the Grantor who acquires all of Grantor's then interest in the Property by the exercise of its remedies under any mortgage held by such Mortgagee or by deed in lieu of such exercise.

Section 1.11 "Horizontal Property Act" or "Act" means and refers to the Horizontal Property Act of the State of South Carolina, title 27, Chapter 31, Code of Laws of South Carolina, (1976, as amended).

Section 1.12 "Institutional Mortgagee" or "Mortgagee" means and refers to the Grantor or a bank, savings and loan association, insurance company or union pension fund authorized to do business in the United States of America, an agency of the United States Government, a real estate or mortgage investment trust, or a lender generally recognized in the community as an institutional type lender, which has a mortgage affecting the Property or any portion thereof or Residence constructed thereon.

Section 1.13 "Owner" means and refers to the record owner(s) of fee simple title to a Residence. Individual and entities that possess the right to utilize a Residence and such individuals and entities shall be considered an "Owner" under the provisions of this Master Deed.

Section 1.14 "Management Agreement" means and refers to that agreement or agreements which provides for the management of the Property.

Section 1.15 "Management Firm" or "Manager" means and refers to the entity or entities identified as the Management Firm in the Management Agreement, its successors and assigns. The Management Firm shall be responsible for the management of the Property as provided herein.

Section 1.16 "Master Deed" means and refers to this instrument, as it may be from time to time amended.

Section 1.17 "Occupant" means and refers to the person or persons, other than the Owner in possession of a Residence.

Section 1.18 "Person" means and refers to one or more individuals, corporations, partnerships, joint ventures or other business entities.

Section 1.19 "Property" means that certain real property and the Buildings constructed or to be constructed thereon as described on the attached EXHIBIT "A", the land described in EXHIBIT "F" on which Additional Phases to the Regime may be added, the proposed Residences which are or may be enclosed within such Buildings as described verbally in and of this Master Deed, and all other improvements and Property, real, personal, and mixed, situated upon or appurtenant thereto, which are or may be part of Lake Estates Horizontal Property Regime. Grantor may submit to the terms of this Master Deed additional property located within five (5) miles of the boundary of the Association.

Section 1.20 "Unit" means and refers to a dwelling unit being each of the separate and identified dwelling units with boundaries as defined in Article 3.3 herein and delineated on the site plan for the Property and the share of Common Elements assigned to such Unit. Sometimes hereinafter a Unit may be referred to as a Residence(s) or Coachhome(s).

Section 1.21 "Majority of Owners" shall mean the Owners owning fifty-one (51%) percent or more of the basic value of the Property as a whole.

Section 1.22 "Regime" means or refers to Lake Estates Horizontal Property Regime which is created by the Master Deed, and referenced to the Association, as herein defined, shall likewise include reference to the Regime.

Section 1.23 "Additional Property" shall mean or refer to that real property which is more particularly described on the attached Exhibit "F" which may be submitted to the terms and provisions of this Master Deed and included as part of the Regime in accordance with the provisions of Article 3.6 herein.

Section 1.24 "Additional Phases" shall mean and refer to those portions of the Additional Property which are added to the Regime by and through supplementary amendment to provisions of this Master Deed in accordance with the provisions of Article 3.6 herein.

Section 1.25 "Phase I" shall mean and refer to the Property and the improvements contained therein which are more particularly described in Article 3.1 herein.

Section 1.26 "Living Space" shall mean the total of the heated square feet together with the screened Lanai for each Residence.

Section 1.27 "Guest Parking" shall mean the thirty-six (36) parking spaces located on Hampton Lake Crossing, Mooring Line Court and Mooring Line Place roads. **EACH OWNER FOR SUCH OWNER AND OWNER'S FAMILY, GUEST AND INVITEES ACKNOWLEDGES AND AGREES BY ACCEPTING A DEED TO ANY UNIT THAT PARKING ON HAMPTON LAKE CROSSING IS LIMITED TO THE DESIGNATED GUEST PARKING SPACES AND NO OTHER PARKING ALONG HAMPTON LAKE CROSSING IS ALLOWED. ANY PERSON VIOLATING THIS RESTRICTION IS SUBJECT TO FINES AND TO HAVE VEHICLES TOWED.**

Section 1.28 "Development" shall mean the Hampton Lake Community.

Section 1.29 "Limited Common Element" shall mean and refer to those front porches and Lanai which are connected to and reserved for the use of a certain Residence to the exclusion of all other Residences.

Section 1.30 "Hampton Lake Covenants" shall mean and refer to the following (as the same by be amended from time to time):

(i) Community Charter for Hampton Lake Community dated March 24, 2006 recorded in Book 2347 at Page 1593. This creates certain obligation that are binding upon all owners at Hampton Lake and includes architectural design standards and aesthetic guidelines, and creates a Hampton Lake Community Association, Inc.;

(ii) Declaration of Covenants, Conditions and Restrictions for Buckwalter Property Owners Association dated October 22, 2001 and recorded in Book 1567 at Page 2335. These covenants govern certain portions of the Buckwalter Planned Unit Development;

(iii) Declaration of Covenants, Conditions and Restrictions for Highway 278/Bluffton Parkway Connector Road Association Inc. dated December 30, 2004 and recorded in Book

2078 at Page 658. These covenants provide for easement rights, landscaping and maintenance rights on Hampton Parkway;

(iv) Covenant for Joint Use and Maintenance At Hampton Lake dated March 24, 2006 and recorded in Book 2347 at Page 1499 and Declaration of Easements. These covenants govern use and maintenance of the lake known as Hampton Lake; and

(v) Declaration of Easement and Covenant to Share Costs for Hampton Lake Share Entry Road dated March 24, 2006 and recorded in Book 2347 at Page 1560. These covenants govern use and maintenance of the entry road into the Hampton Lake Community.

ARTICLE II

ESTABLISHMENT OF HORIZONTAL PROPERTY REGIME.

Section 2.1 Creation of Regime. Grantor is the sole owner in fee simple of the real property and the improvements located thereon as described on the as-built survey prepared and certified by Coastal Surveying Co. Inc., Mack W. Thomas III, South Carolina Registered Land Surveyor Number 14531 which real property and the improvements located thereon are more particularly described on the attached EXHIBIT "A," and the Grantor does hereby, by duly executing this Master Deed, submit such real property, together with the Buildings and improvements erected thereon, and all easements, rights and appurtenances belonging thereto, to the provisions of the Horizontal Property Act of South Carolina and does hereby state that it proposes to create and does create, with respect to the Property a horizontal property regime (the "Regime") to be governed by and subject to the provisions of this Master Deed and the provisions of the Act.

Section 2.2 As-Built Survey, Floor Plans, Site Plan and Architect's Certificate. The above-referenced as-built survey which is referenced and described in the attached Exhibit "A" not only shows the real property submitted to this Master Deed but also shows the horizontal and vertical location and dimensions of the Buildings and all the Residences contained therein and the area and location of the Common Elements submitted to the Regime as Phase I. Each Residence is identified by specific number on said as-built survey, and no Residence bears the same designation as any other Residence. Also attached to this Master Deed and made a part hereof is EXHIBIT "B", in that certain set of floor plans prepared by Arkiteknic, Inc., which graphically depict the dimensions, area and location of each type of Residence contained and to be constructed within the Regime. Attached hereto as Exhibit "C" is that certain site plan

of the Property and Additional Property showing the approximate location of the Buildings, Common Elements that may be submitted in Additional Phases of the Regime. Attached hereto as EXHIBIT "D" is the Certificate executed by Arkiteknic, Inc., certifying that the Buildings constructed on the Property and the Residences contained therein are constructed in accordance with the above-referenced floor plans.

ARTICLE III

PLAN OF DEVELOPMENT

Section 3.1 Phase I Development. The Grantor intends to develop the Property as a phased horizontal property regime consisting of twenty two building and each building will represent a new phase for a total of twenty-three (23) phases. The Property shall initially consist of Phase I with one (1) Building containing four (4) Residences together with the utility systems and other improvements serving the Residences. The Building contained within Phase I is more particularly described as follows: one (1) two-story Building containing four (4) Residences each consisting of two (2) type Keowee Residences and two (2) type Hartwell Residences. The above-described Building and the accompanying Common Areas together occupy approximately 0.471 acres of the Property.

Section 3.2 Residence Types. The Building contained within the Property and the Building to be constructed within the Additional Phases of the Regime, as more particularly described in Article 3.6, herein contain two (2) basic types of Residences. The Keowee Residence consists of approximately Three Thousand Eighty Two (3082) square feet of space under roof. The Hartwell Residence consists of approximately Four Thousand One Hundred Ninety One (4191) square feet of space under roof. All of the above-described types of Residences are more particularly shown on the floor plans attached hereto as Exhibit "B". All of the above-referenced Residence types are additionally described in the walk-through description attached hereto and incorporated herein as Exhibit "E". The description of the Residence boundaries and the description of the components of the Residences within the Regime are more particularly set forth in Article 3.2 and 3.3 herein.

Section 3.2.1 Phase I Residences. The four (4) Residences to be contained with Phase I of the Regime consist of the following Residence Types:

<u>Residence NUMBER</u>	<u>Residence TYPE</u>
1468	Keowee
1469	Hartwell
1470	Keowee
1471	Hartwell

Section 3.2.2 Statutory Residence Value of Residence Types. In order to calculate the percentage interest of ownership in the Common Elements for each Residence within the Regime and in order to comply with the provisions of the Act, each of The Keowee Residences have been assigned a statutory value which values are more particularly set forth in the table setting forth the percentage interest of the ownership in the Common Elements associated with each Residence as more particularly described in Article V Section 5.3 herein. The statutory values assigned to the above-described Hartwell Residences have been established solely to establish the percentage ownership of the Common Elements attributed to each Residence within the Regime. In the above-referenced table of percentage ownership in the Common Elements, all of the Residences to be constructed within the Additional Phases of the Property have been designated to be of two (2) particular Residence types. In order to allow for the efficient development of such Additional Phases of the Property so as to insure the value of the existing Residences within the Regime, the Grantor hereby reserves the right and power to change the Residence types within the Additional Phases of the Property to be submitted to the Regime. Grantor shall have the right to redesign the Residence types and corresponding statutory values of such future Residences prior to or contemporaneously with the inclusion of such Residences within the Regime. Once such Residences within the Additional Phases of the Property have been submitted to the Regime, the statutory value for such Residences cannot be changed unless all of the Owners within the Regime consent to any changes in such statutory values for the applicable Residences. In order to provide the flexibility in designating the Residence types in the Additional Phases of the Property as described above, each Owner shall be deemed, by acceptance of a deed to a Residence, to have thereby delivered an irrevocable limited proxy, on behalf of that Owner and his heirs, personal representatives, successors and assigns, vested in whomever shall hold the office of the Secretary of the Association from time to time. At the time of taking title to such Residence, each Owner shall also be deemed to have executed an irrevocable limited power of attorney, coupled with an interest, in favor of whomever shall hold the office of the Secretary of the Association from time to time. The irrevocable limited

proxy and the irrevocable power of attorney coupled with an interest, shall authorize and require the Secretary of the Association to cast all votes to the Association that pertain to each Residence in favor of any proposed amendment to the Master Deed or By-laws in order to allow and permit the Grantor to redesign the Residence types and the corresponding statutory values for the Residences to be submitted to the Regime within the Additional Phases of the Property. The Secretary of the Association shall have the responsibility to vote in favor of any such amendment as described above. Every Institutional Mortgagee shall be deemed, by acceptance of a mortgage to a Residence, to have thereby consented to an amendment to the Master Deed to allow and permit the Grantor to redesign the Residence types and corresponding statutory values for Residences to be contained within the Additional Phases of the Property. Every mortgage of a Residence must contain a provision that the Mortgagee consents to any future amendment to the Master Deed changing the Residence types and corresponding statutory values for the Residences to be submitted to the Regime within the Additional Phases of the Property at the direction and discretion of Grantor, and such provision is hereby deemed to be included in every such mortgage, whether or not it so appears. Any provision of any mortgage inconsistent with the provisions contained herein is void. Where Grantor wishes to change the Residence types and corresponding statutory values of the Residences to be submitted to the Regime within the Additional Phases of the Property, such change in the table of percentage ownership in the Common Elements shall be set forth in an amendment to this Master Deed executed by Grantor and duly recorded in the Register of Deeds for Beaufort County, South Carolina. Any area outside the Residence Boundaries shall be considered Common Elements as defined in Section 1.4 above and Section 5.1 below.

Section 3.3 Residence Boundaries. The lower boundary of any Residence in the Regime is a horizontal plane (or planes), the elevation of which coincides with the elevation of the upper surface of the unfinished subfloor thereof, extended to intersect with the lateral or parametrial boundaries thereof. The upper boundary of any Residence in the Regime is a horizontal plane (or planes), the elevation of which coincides with the unexposed surface of the unfinished ceiling thereof, extended to intersect the lateral or parametrial boundaries thereof. The lateral or parametrial boundaries of any Residence are the vertical planes which coincide with the unexposed surface of the perimeter dry walls thereof, extended to intersect the upper and lower boundaries thereof and to intersect with the other lateral or parametrial boundaries of the Residence.

Section 3.4 Residence Components. Equipment and appurtenances located within any Residence which are designed to serve only that Residence such as furnaces, air-conditioning equipment, mechanical equipment, range hoods, water heater (pressure relief valves and the piping leading away therefrom shall be considered a Common Element), non-bearing partition walls, floor material, outlets, electrical receptacles, water closets, fixtures, cabinets, telephones, built-in light fixtures, wires, service outlets, vent outlets, heating and cooling Residences and duct work, electrical switches, thermostats and any and all other similar mechanical or physical features which are within the boundaries of the Residences as described in Article 3.3 herein shall be considered a part of the Residence (hereinafter referred to as "Residence Components"). Equipment and appurtenances located outside of any particular Residence but designed to serve only a particular Residence (including the pipes, conduits and wires leading thereto), such as air-conditioning compressors, propane tank and pads, shall likewise be considered Residence Components which constitute a part of the Residence. All chases, bearing walls, bearing columns, sprinkler system and all other similar or mechanical fixtures whether or not they are within and partially outside the designated boundaries of the Residence, are part of the Common Elements.

Section 3.5 Use of Hampton Lake Community Common Areas. Certain outdoor walkways (Community Trail System including Perimeter Loop Trail, Cross Community Trail and Nature Trail Spurs), sidewalks, flowerbeds, lawns, hedges, landscaped areas, roadways, parking areas, swimming pools, Wilderness Campsite and Dockage, Lake, Boat Ramp at Amenity Center, Boathouse, Health and Fitness Center, Lake House (Community Clubhouse), Beach Area, Children's Playground, Tennis Courts and Picnic Area and other amenities facilities are currently located outside of the boundaries of the Property and Additional Property but within the adjacent portions of Hampton Lake Community (hereinafter referred to as the "Hampton Lake Community Common Areas"). The Owners shall be permitted to use the Hampton Lake Community Common Areas subject to the terms and conditions of the Hampton Lake Covenants.

Section 3.6 Plan of Development of Additional Property.

Section 3.6.1 Rights of Grantor. The Grantor herein expressly reserves the right and option to annex all or any portion of the Additional Property to the Regime and to add additional Residences to the Regime in phases pursuant to the provisions of §27-31-100(g) of the Act and subject to the provisions of this Article. The consent of the Association and the Owners shall not be required for such expansion and annexation of the Regime, and such expansion may be undertaken by Grantor at its sole option. The real

property which the Grantor reserves the right to annex into the Regime consists of all or any portion of that certain tract of land 7.632 acres together with balance of Parcel 1 not included in Phase I as more particularly described in Exhibit "F" attached hereto (the "Additional Property"). The option to elect whether to annex and expand the Regime will expire ten (10) years after the date of this Master Deed, if not sooner exercised; however, the Grantor may at any time prior to expansion or annexation of Additional Property terminate its option to expand or annex by executing and recording a termination of this option with the Register of Deeds for Beaufort County, South Carolina. The Grantor reserves unto itself, its successors and assigns, the right to market and convey the Residences contained in any of the Buildings in the Additional Property under the plan of Ownership.

Section 3.6.2 Additional Phases. The Additional Property will be developed in twenty one buildings each building representing a separate phase (hereinafter referred to as "Additional Phases"), which shall be known and referred to as Phases II through XXII. The Additional Phases shall contain not more than seventy (70) Residences in twenty one (21) Buildings. The Additional Property will consist of the Building footprints which contains Two Hundred Fifty Four Thousand Five Hundred Fifty Five (254,555) square feet together with parking areas, sidewalks and access areas. The total acreage contained within the Additional Property is 7.161. In the event that the Grantor exercises its option to submit the Additional Property or any part thereof, and to submit the Additional Phase, such submitted Additional Property and the Additional Phase will become part of the Regime once an amendment to this Master Deed has been filed as hereinafter provided.

Section 3.6.3 Improvements within Additional Phases. The approximate location of improvements that may be located on the Additional Property are shown on Exhibit "C", but Grantor reserves the right to change the location of such improvements if in the opinion of the Grantor such relocation is necessary or appropriate to the overall plan of development of the Regime. Improvements to be placed on the Additional Property, if submitted to the Regime, shall be comparable to the improvements in Phase I and will be of the same or similar quality of construction and materials, and the architectural style will be substantially similar to the improvements in Phase I. The Residences to be constructed on the Additional Property will be substantially similar to the Residences in Phase I, but the Grantor reserves the right to change the size, design, type, and location of such Residences in the Additional Phases.

Section 3.6.4 Reserved Easements. In the event that the Grantor exercises its option to expand the Regime and annex the Additional Property to the Regime, the Grantor hereby reserves all reasonable and necessary easements across the Property and the Additional Property which are necessary or convenient to carry out the purposes of the expansion and annexation of the Regime, including, but not limited to the construction of Buildings and other improvements within the Additional Property and the marketing and sale of Residences in the Additional Phase.

Section 3.6.5 Submission of Additional Phase. Any such expansion or annexation of the Additional Phase into the Regime shall be accomplished by the recordation in the land records for Beaufort County, South Carolina, of an amendment to this Master Deed and the modification of the as-built survey described on the attached Exhibit "A". Such amendment to the Master Deed submitting all or any portion of the Additional Phase to the Regime shall be executed by Grantor or its successors and assigns, and the execution of such amendment to the Master Deed by the Association or the Owners is not required to become effective. Upon the recording of such amendment to this Master Deed, those portions of the Additional Phases shall be deemed to be included within the Regime and subject to all of the terms and provisions contained in this Master Deed.

Section 3.6.6 Interest Subject to Plan of Development. Every purchaser of a Residence, and every Owner, and every Institutional Mortgagee and lien holder holding an interest therein shall take title, or hold such security interest with respect thereto, with notice of Grantor's plan of development as herein set forth, and Grantor shall have and does hereby specifically reserve the right to add the Additional Property or any portion or portions thereof to the Property as hereinabove provided, and, with respect to each Residence located within such Additional Property added to the Property, to convey to the Owners contained thereon the title to the Residences and its appurtenant membership and voting rights in the Association. Any provision of this Master Deed to the contrary notwithstanding, the provisions of the foregoing plan of development set forth in this Article 3 may not be abrogated, modified, rescinded, supplemented or amended in whole or in part without the prior written consent of Grantor.

Section 3.7 Expansion by Grantor. From time to time the Grantor may submit to this Master Deed additional property located within five (5) miles of the boundary of the Association by recording an Amendment to Master Deed describing the additional property to be submitted. The Grantor may record such an Amendment with the consent of the Association or owner of a residence except the owner of such

property if not the Grantor. The Grantors's right to expand the Association under this section expires 30 years after this Master Deed is recorded. Until then the Grantor may transfer or assign this right to any person or legal entity. Nothing contained in this Section shall require the Grantor or any successor to submit additional property to this Master Deed.

ARTICLE IV

INTERVAL OCCUPANCY

Section 4.1 Interval Occupancy or Ownership Prohibited. The submission of any Residence to a plan of interval ownership or interval occupancy under the terms of South Carolina Vacation Timeshare Plan Act and any amendments thereto is prohibited.

ARTICLE V

COMMON ELEMENTS

Section 5.1 Description of Common Elements. The Common Elements shall include the following:

Section 5.1.1 Property and Improvements. The Property, and the below-described portions of the Buildings and Residences, including, but not limited to: the foundations, roofs, unfinished perimeter walls, load bearing walls and partitions, slabs (and the pipes, wires or conduits located within such slabs), concrete floors, concrete pilings, pipes and valves appurtenant thereto, wires, conduits, air ducts, front porch and public utility lines included within the Buildings, including the space actually occupied by the above. The doors, windows, and other appurtenances within each Residence shall be Residence Components and shall not be part of the Common Elements.

Section 5.1.2 Utilities. All connections and installations inside the walls of the Residences for services such as power, light, telephone and water shall be Common Elements. All sewer and drainage pipes, excluding those which are the Property of the Beaufort Jasper Water Authority (BJWA) or other utility district or company, shall be Common Elements.

Section 5.1.3 Easements. Such easements through the Residences for pipes, conduits, plumbing, wiring and other facilities for the furnishing of utility services to the Residences, Common Elements and easements for access, maintenance, repair, reconstruction, or replacement of

structural members, equipment, insulations and appurtenances, and for all other services necessary or convenient to the existence, maintenance, safety and use of the Property, whether or not such easements are erected during construction of the Buildings or during reconstruction or all or any portion thereof.

Section 5.1.4 Building Common Areas. All other improvements constructed or to be constructed on the Property which are rationally considered for the common use or necessary to the existence, or upkeep and safety of the Property and in general all other devices that are installed for common use, such as mailboxes, within the Buildings, shall be part of the Common Elements.

Section 5.2 Use of Common Property of the Development. The Regime, as created and defined in this Master Deed, is situated within that certain real property which is more particularly known as Hampton Lake Community ("Development"). As the Owners of real property within the Development, the Owners are entitled to use certain common properties located within the Development, including, but not limited, to the utilization of outdoor walkways (Community Trail System including Perimeter Loop Trail, Cross Community Trail and Nature Trail Spurs), sidewalks, flowerbeds, lawns, hedges, landscaped areas, parking areas, swimming pools, Wilderness Campsite and Dockage, Lake, Boat Ramp at Amenity Center, Boathouse, Health and Fitness Center, Lake House (Community Clubhouse), Beach Area, Children's Playground, Tennis Courts and Picnic Area and the common roadway located within the Development for access purposes to the Property. Use of the common properties of the Development is subject to the terms and conditions of the Hampton Lake Covenants. Grantor does hereby partially assign to the Owners any and all rights, easements, rights-of-way and other rights it may possess within and upon the above-described common property of the Development so that the Owners may possess a reasonable and convenient means of access to the Property. Such assignment of such rights of access shall be non-exclusive in nature, and Grantor reserves the right to utilize such common properties within the Development for its own purposes in undertaking the development of the Property and Additional Property. Grantor does hereby additionally partially assign and transfer any and all rights, title and privileges that it may have in and to such other common properties within the Development which are reasonably necessary by the Owners to enjoy the use and benefit of the Property. The above-described rights and privileges to utilize the common properties of the Development shall be a Common Element of the Regime and shall be governed by the provisions of this Master Deed regarding the Common Elements of the Regime.

Section 5.3 Interest in Common Elements. There shall be appurtenant to each Residence an undivided interest in the Common Elements. The percentage of title and interest appurtenant to each Residence in the Common Elements and their proportionate share of the Common Expenses attributed to such Residence is as set forth in EXHIBIT "H" attached hereto and made a part hereof. The proportionate representation for voting purposes in the Association attributed to each Residence is additionally based upon the percentage of the ownership in the Common Elements attributed to such Residences. The proportionate representation for voting purposes and the percentage of the undivided interest in the Common Elements shall not be altered without the consent of all of the Owners representing all of the Residences and their Mortgagees, except as provided in Section 3.2.2 herein. The acceptance of a deed to a Residence by an Owner constitutes his consent to the Grantor's right to amend the provisions of Exhibit "H" in order to: (i) add the Additional Phase to the Regime as more particularly described in Article 3.6 herein; and (ii) change the Residence types and corresponding statutory values for Residences to be constructed within the Additional Phases as more particularly described in Article 3.2.2 herein. The value assigned to each Residence in EXHIBIT "H" is for purposes of determination of the proportion of representation for voting and ownership interest and does not reflect the actual market value of the Residence at any given time.

Section 5.4 No Partition of Common Elements. The fee simple title to each Residence shall include the above respective undivided interest in the Common Elements, and said undivided interest is to be deemed to be conveyed or encumbered with the Residences. The Common Elements shall remain undivided and no Owner shall bring any action for partition and/or division of his interests in the Common Elements. Any attempt to separate the fee simple title to a Residence or Residences from the undivided interest in the Common Elements appurtenant to each such Residence or Residences shall be null and void. The undivided interest in the Common Elements as described above shall not be separated from the Residence to which it appertains and shall be deemed conveyed or encumbered with the Residence even though such interest is not expressly mentioned or described in the conveyance or other instrument transferring the ownership of a Residence.

Section 5.5 Changes in Common Elements by Grantor. Grantor shall have the right, but not the obligation, for so long as Grantor: (a) owns at least one (1) Residence within the Regime; or (b) has the unexpired option to submit the Additional Property or any portion thereof to this Master Deed, to make improvements and changes to the Common Elements, and all Residences owned by Grantor, including,

without limitation: (i) installation and maintenance of any improvements in and to the Common Elements; (ii) changes in the location of the boundaries of any Residences or phases of the development of the Property owned by Grantor or of the Common Elements; and (iii) installation and maintenance of any water, sewer and other utility systems and facilities.

ARTICLE VI

HORIZONTAL PROPERTY REGIME CONSTITUTED

Section 6.1 Horizontal Property Regime. For the purposes described below, a horizontal property regime is hereby constituted under and subject to the provisions of the Act and this Master Deed to further implement the plan of Condominium Ownership. The Regime has been created to make feasible the ownership and sale of the Residences and Residences in the Regime. In order to preserve the character of the Residences and to make possible the fulfillment of the purpose of cooperative living intended, the Grantor, its successors and assigns, and all future Owners in the Regime by the acquisition of title to their respective Residences, covenant and agree that: each Residence and Residences contained therein shall for all purposes constitute a separate parcel of real property which may be owned in fee simple and which may be leased, conveyed, devised, inherited, transferred, or encumbered along with its allocated percentage in the Common Elements, in the same manner as any other parcel of real property, independently of all other Residence, subject only to the provisions of this Master Deed, the By-Laws, the Hampton Lake Covenants and the Horizontal Property Act. Additionally, the undivided interest in the Common Elements shall not be separated from the Residence to which it appertains and shall be deemed conveyed or encumbered with the Residence and the corresponding Residences even though such interest is not expressly mentioned or described in the conveyance of the Residences. EACH OWNER ACKNOWLEDGES THAT THE HAMPTON LAKE COMMUNITY ASSOCIATION, INC. MAY REQUIRE THAT ALL LEASES OF HOMES BE A MINIMUM TERM OF AT LEAST SIX (6) MONTHS.

ARTICLE VII

VOTING RIGHTS

Section 7.1 Proportionate Vote. Each Residence shall be entitled to proportionate representation for voting purposes in the Association. Each Residence's vote will be equal to the

proportionate value of that Residence to the value of the total Property. The proportionate voting rights of each Residence have been set forth in the attached EXHIBIT "H."

Section 7.2 Voting Rights of Owners. Any person who acquires title to a Residence shall be a member of the Association. Each Residence shall have a separate and distinct voting right pursuant to the provisions contained herein and the By-Laws and shall be a member of the Association. Transfer of Residences, either voluntarily or by operation of law, shall terminate membership in the Association, and said membership is to become vested in the transferee of said Residence. Where an Owner owns more than one Residence, the Owner will be entitled to cast the vote attributable to each Residence. All members of the Association shall be entitled to vote regarding any matter affecting the Regime as a whole. The Board of Directors, or the Manager, shall have the exclusive authority to determine whether such matters will be submitted to a full or limited vote of the membership of the Association. As provided in Article 13.4 herein, the voting rights of any Owner who has not paid the Assessments associated with their Residence shall be suspended until all past due Assessments and late charges have been paid in full. Said delinquent Owner may attend all meetings of the Association, but he may not vote in any voting matter of the Association until his past due Assessments and late charges have been paid in full.

Section 7.3 Majority of Owners. As used in this Master Deed and the By-Laws, a vote of the majority of the Owners shall be required in order to undertake any action or adopt any amendment to the Master Deed, with the exception of those amendments to the Master Deed which may be undertaken by the Grantor as more particularly described in Article 3.2.2.

Section 7.4 Designation of Voting Member. If a Residence is owned by one person, his right to vote shall be established by the recorded title to the Residence. If such Residence is owned by more than one person, the person entitled to cast the fractional vote attributable to his Residence shall be designated on a certificate, signed by all of the record Owners of the Residence and filed with the Secretary of the Association. If such a Residence is owned by a corporation, the officer or employee thereof entitled to cast the vote of the Residence for such corporation shall be designated in a certificate for this purpose, signed by the president or vice-president, attested to by the secretary or assistant secretary of such corporation, and filed with the Secretary of the Association. The person designated in such certificate who is entitled to cast the vote for a Residence shall be known as the Voting Member. If such a certificate is not on file with the Secretary of the Association for a Residence owned by more than one person or by a

corporation, the vote of the Residence concerned shall not be considered in determining the requirement for a quorum, or for any purpose requiring the approval of a person entitled to cast the vote for the Residence, except if said Residence is owned by a husband and wife. Such certificate shall be valid until revoked or until superseded by a subsequent certificate, or until a change in the ownership of the Residence concerned. If a Residence is owned jointly by a husband and wife, the following three provisions are applicable thereto: (i) they may, but they shall not be required to, designate a Voting Member; (ii) if they do not designate a Voting Member and if both are present at a meeting and are unable to concur in their decision upon any subject requiring a vote, they shall lose their right to vote on that subject at that meeting; (iii) where they do not designate a Voting Member, and only one is present at a meeting, the person present may cast the vote, just as though he or she owned the Residence individually, and without establishing the concurrence of the absent person.

ARTICLE VIII

NAME

Section 8. NAME The Property shall be hereinafter named Lake Estates Horizontal Property Regime.

ARTICLE IX

COMMON EXPENSE AND COMMON SURPLUS

The Common Expenses of the Property, including the obligation of each Owner under the Management Agreement, shall be shared by the Owners in proportion to his respective fractional interest in the Common Elements, as set forth in Article 5.3 herein. The Common Expenses shall be divided and attributed to the Residences within the Regime based upon the percentage of ownership of the Common Elements assigned and attributed to each Residence as set forth on Exhibit "H". After the Common Expenses have been attributed and allocated to each of the Residences within the Regime, each Owner shall be obligated to pay his portion of such Common Expenses attributed to his Residence based upon the type of Residence owned by each applicable Owner. Each Owner will be responsible for the expenses of ownership and operation of his Residence. As an additional Phase is submitted to this Master Deed, the percentage obligations of each Residence and the Owners of Residences contained within Phase I will be adjusted as

set forth in EXHIBIT "H." Any Common Surplus of the Association shall be owned by each of the Owners in the same percentage specified for sharing Common Expense.

Section 9.1 Common Expenses. The "Common Expenses" shall include those expenses for which the Owners are liable to the Association and are more particularly described as follows:

Section 9.1.1 Common Elements Maintenance Expenses. Expenses incurred in operating, maintaining, improving, repairing and replacing the Common Elements, including, but not limited to Building services, grounds services, pest control, electricity charges (Common Elements), security, insurance (Buildings/Common Elements), and amounts necessary to establish the proper reserves for the foregoing individual items.

Section 9.1.2 Interior Common Elements Expenses. Expenses incurred in operating, maintaining, improving, repairing and replacing the interior portions of the Buildings that are Common Elements, such as chases and sprinkler system.

Section 9.1.3 Administration Expenses. Expenses incurred in administering the affairs of the Association including, but not limited to, salaries, wages, and other compensation paid to a Management Firm for such purposes, reasonable attorney fees and accounting and bookkeeping service fees.

Section 9.1.4 Reserve Funds. Such amounts as the Board of Directors may deem proper to establish and maintain a general operating reserve and to establish and maintain a reserve fund for replacements of Common Elements and to make up any deficit in the Common Expenses for any prior year.

Section 9.1.5 Water and Sewer Service. For the common areas the Association will be responsible for the water and sewer service.

Section 9.1.6 Other Expenses. Any other costs related to the operation of the Property or administration of the affairs of the Association.

Section 9.2 Non-use of Residence. No Owner of a Residence may exempt himself from liability for his contribution towards the Common Expenses by waiver of the use or enjoyment of any of the Common Elements or by the abandonment of the use of his Residence.

Section 9.3 Owner Charges. All telephone service (both local and long distance service), cable television, internet access services, water and sewer charges, propane gas and electric service provided to any of the Residences shall be the expense of the Owners. Hampton Lake Community Association Inc. assessments (and the assessments due to the other Associations if such Assessments of such other Associates

are not included in the annual assessment of the Hampton Lake Community Association Inc. for any reason) shall be due and payable from Residence owners directly to Hampton Lake Community Association, Inc. IT SHALL BE THE AFFIRMATIVE OBLIGATION OF EACH OWNER TO NOTIFY THE HAMPTON LAKE COMMUNITY ASSOCIATION, INC. OF ANY INTENDED CHANGE OF OWNERSHIP AT LEAST TEN (10) DAYS PRIOR TO THE INTENDED DATE OF TRANSFER. THE HAMPTON LAKE COMMUNITY ASSOCIATION, INC. MAY ESTABLISH A PROCEDURE AND ADMINISTRATIVE FEE TO COVER COSTS, AND PRESCRIBE CERTAIN FORMS, TO BE UTILIZED BY THE TRANSFERRING OWNER TO PROVIDE SUCH NOTICE WHICH WOULD SET FORTH ANY INFORMATION AS THE HAMPTON LAKE COMMUNITY ASSOCIATION, INC. MAY REASONABLY REQUIRE.

ARTICLE X

METHOD OF AMENDMENT OF MASTER DEED

Section 10.1 Amendment Procedure. Other than the amendments undertaken by the Grantor herein, this Master Deed may be amended at any regular or special meeting of the Owners called and convened in accordance with the By-Laws by the affirmative vote of the Voting Members representing not less than fifty-one (51%) percent of the total percentage of the ownership of the Property, provided, however, this Master Deed shall not be amended to change the form or system of administration, or the method of election, replacement or dismissal of the Directors except as otherwise provided in this Master Deed or the By-Laws or to affect any rights expressly reserved by Grantor.

Section 10.2 Effect of Amendment. All amendments shall be recorded. Subject to the below-referenced provisions, any amendment shall not change the Residence's proportionate share of the Common Expenses or Common Surplus, nor the voting rights appurtenant to any Residence, unless all of the record owners thereof and all record owners of mortgages thereof shall join in the execution of the amendment. As provided in Section 3.2.2 herein, the Grantor may amend the table setting forth the percentage of ownership of each Residence in the Common Elements attached hereto as Exhibit "H" in order to change the Residence types and corresponding statutory values for Residences in the Additional Phase. No amendment shall be passed which shall impair or prejudice the rights and priorities of any mortgages or change the provisions of this Master Deed with respect to Institutional Mortgagees without the written

approval of all holders of mortgages of record, nor shall the provisions of Article 11 of this Master Deed be changed without the written approval of all Institutional Mortgagees of record affecting the Property or any portion thereof.

Section 10.3 No Charge in Grantor's Rights. No amendment to this Master Deed shall change the rights and privileges of the Grantor under the provisions of this Master Deed without the Grantor's written approval. Also, this Master Deed may not be amended so as to impose on the Grantor any additional duties, financial or otherwise, without the Grantor's written approval.

Section 10.4 Grantor Amendments. Grantor reserves the right to make the following amendments to the Master Deed without the consent of the Owners or the Association:

Section 10.4.1 Changes in Percentage Ownership Table. The Grantor shall have the right to amend and change the table setting forth the percentage ownership in the Common Elements attributable to each Residence attached hereto as Exhibit "H" in order to change the Residence types and corresponding statutory values for Residences to be constructed within the Additional Phase as said changes to Exhibit "H" as said amendments are more particularly described and authorized under the provisions of Article 3.2.2 herein.

Section 10.4.2 Interior Design. The Grantor reserves the right to change the interior design and arrangement of all Residences and to alter the boundaries between Residences, as long as the Grantor owns the Residences so altered; however, no such change shall increase the number of Residences beyond the maximum number of Residences for the Regime and/or the maximum number of Residences within the Additional Phase as more particularly described in Article 3.6.2 nor alter the boundaries of such Common Elements, except the party wall between such Residences, without amendment of this Master Deed in the manner herein. If the Grantor shall make any changes in Residences, as provided in this Article, such changes shall be reflected by an amendment of this Master Deed with a survey attached, reflecting such authorized alteration of Residences, and said amendment need only be executed and acknowledged by the Grantor.

Section 10.4.3 Development Amendments. Grantor, so long as it owns one (1) Residence within the Regime, reserves the right at any time to amend the Master Deed, as may be required by any lending institution or public body, or in such manner as the Grantor may determine in its sole discretion which are necessary to carry out the purposes of the project. Any such amendment needs only be

executed and acknowledged by the Grantor. With the exception of amendments undertaken to Exhibit "H" pursuant to the provisions of Article 3.2.2 herein, the Grantor shall not modify or amend the provisions of Exhibit "H" without the approval of all Owners.

Section 10.4.4 Typographical Changes. The Grantor reserves the right to make other changes in the Master Deed, whether to correct typographical or similar errors, provided that any such corrections shall not adversely affect the interest of any Owner, by recording an appropriate document in the Registry of Deeds for Beaufort County, South Carolina.

ARTICLE XI

ADMINISTRATION AND BY-LAWS

Section 11.1 Association and By-Laws. The Grantor has caused the Association to be incorporated under the laws of the State of South Carolina which shall constitute an incorporated council of co-owners under the terms and provisions of the Act to serve as the body by which the Owners will manage the affairs of the Regime as more particularly described in Article 12 herein. Each Owner shall have the voting rights in said Association in accordance with the terms and provisions of Article 7 herein. The administration of the Regime, and the operations of the Association shall be in accordance with the provisions of the By-Laws which are incorporated herein, made a part hereof and are attached hereto as Exhibit "I". The provisions of the By-laws are incorporated herein by this reference and made a part hereof as though more fully set forth herein.

Section 11.2 Automatic Membership and Association. Each Owner shall automatically become a member of the Association so long as he continues to own a Residence and shall exercise such voting rights in all matters as more particularly described in Section 7 herein and in accordance with the terms and provisions of the By-Laws.

Section 11.3 By-Laws Amendment Procedure. The By-Laws may be amended in the manner provided for therein, but no amendment to the By-Laws shall be adopted which would affect or impair the validity or priority of any mortgage covering any Residence, or which would change the provision of the By-Laws with respect to Institutional Mortgagees without the written approval of all Institutional

Mortgagees of record. No amendment shall change the rights and privileges of the Grantor without the Grantor's written approval.

ARTICLE XII

CONDOMINIUM ASSOCIATION

Section 12. The Operating Entity. The operating entity for the Regime shall be the Association, and the Association shall administer the Regime in accordance with the provisions of this Master Deed and the By-Laws. Every Owner, whether he has acquired title to his Residence by purchase, gift, conveyance or transfer by operation of law, or otherwise, shall be bound by this Master Deed, By-Laws, Articles of Incorporation of the Association, the Management Agreement and the Hampton Lake Community Covenants. The Association shall be responsible for maintaining, operating, repairing and replacing the Common Elements within the Regime. In undertaking the repair, renovation, replacement or reconstruction of the Common Elements, the Association is empowered and authorized to borrow funds and to mortgage the Common Elements, and as further security for the sums borrowed by the Association for such purposes, the Association may assign to the lender of such funds the right of the Association to levy and collect Assessments, but for so long as the Grantor owns any Residence within the Regime, any mortgaging of the Common Elements and assignment of the right to levy and collect Assessments must be approved in writing by the Grantor. By acceptance of a deed to his Residence, each Owner agrees and consents to the power of the Association to borrow funds to repair, replace or reconstruct the Common Elements and to mortgage the Common Elements and assign the Association's right to levy and collect Assessments as security for the repayment of such funds.

ARTICLES XIII

ASSESSMENTS, LIABILITY, LIEN AND ENFORCEMENT

Section 13.1 Establishing of Assessments. The Association, through its Board of Directors, shall have the power to fix and determine from time to time the sum or sums necessary and adequate to provide for the Common Expenses of the Property and such other Assessments as are specifically provided for in this Master Deed and Exhibits attached hereto. The procedure for the determination of such Assessments shall be as set forth in this Master Deed, the By-Laws and the Exhibits attached hereto or referred to herein.

Section 13.2 Common Expense Assessment. The Common Expenses shall be attributed to each Residence based upon the percentage of ownership of Common Elements associated with each Residence according to the provisions of Exhibit "H". The portion of the Common Expenses attributed to each Residence which will be assessed to each Owner will be based upon the percentage ownership held by each Owner in the Common Elements according to the type of Residence owned by each Owner as more particularly described in Article 5.3 herein. An annual Assessment shall be levied upon each Residence, and the Assessments for Common Expenses shall be established and levied by the Association each year. The Assessments shall be based upon the annual budget prepared by the Board of Directors and approved by the members of the Association in accordance with the terms and provisions of the By-Laws. If the Board of Directors fail to submit a proposed budget to the members of the Association or if the Association disapproves the budget proposed by the Board of Directors, the failure of the Board of Directors and the Association to establish the annual Assessments for the applicable fiscal year due to the above-described events shall not be deemed a waiver or modification in any respect of the obligations of the Owners to pay the required Assessments during the applicable fiscal year or any subsequent fiscal year. In such event, the Assessments fixed for the preceding year plus CPI for the year ended the previous December 31 shall continue in effect until a new budget has been approved by the members of the Association and a new Assessment is established. In the event the Assessments are not fixed for any successive year, the Assessment fixed for the preceding year with the addition CPI increase shall continue in effect until a new budget has been approved by the members of the Association and a new Assessment is established.

Section 13.3 No Exemption. No Owner may exempt himself from paying the Assessments by waiving the use or enjoyment of the Common Elements or by abandoning his Residence.

Section 13.4 Payment and Non-Payment of Assessments. Assessments for each Residence shall be due on an annual, semi-annual, quarterly or monthly basis on those dates established by the Board of Directors (hereinafter the "due date"). The due date(s) shall be established by the Board of Directors prior to the fiscal year in which the applicable regular Assessments are due. If the Board of Directors fails to establish due date(s) for the upcoming fiscal year, the due date(s) established during the preceding fiscal year shall be used. Assessments shall be prorated to the date of closing and paid at the closing for the year title shall pass from Grantor. Any Assessment which is not paid within ten (10) days after the due date but which is paid within sixty (60) days of the due date shall bear interest at the rate of eighteen (18%) percent from the due date until paid, and at the sole discretion of the Board of Directors of the Association, an additional

late charge of Twenty-Five and No/100 (\$25.00) shall be due and payable for all such delinquent annual Assessments which are paid within the above-described period of time. Where an Assessment is unpaid for over sixty (60) days after the due date but is paid during the calendar year in which such Assessment is levied, a late charge of eighteen (18%) percent of the total Assessment then due shall be due and payable in addition to the levied Assessment. Such delinquent Assessment which is unpaid during the calendar year in which such charge is levied shall be paid in the following calendar year, together with the applicable late charge, and such delinquent Assessment and the applicable late charge shall be paid in the succeeding calendar year at the same time as the Assessment for the subsequent calendar year is paid by the applicable Owner. As also provided in Article 7.2 herein, if any Owner is delinquent in the payment of any Assessment, his right to vote in all Association matters shall be suspended until all past due Assessments and late charges have been paid in full.

Section 13.5 Special Assessments. If during any fiscal year of the Association after the adoption of the annual budget, the Board of Directors determines that additional sums are necessary in order to maintain, repair, replace or operate the Common Elements or other portions of the Regime, the Board of Directors is empowered to adopt and establish a special Assessment which must be paid by all Owners during the fiscal year in effect at the time of the adoption of such special Assessments by the Board of Directors. Such special Assessments shall only be established when the funds held in the various reserve accounts of the Association are insufficient to pay for the maintenance, repair and operational requirements of the Regime. No more than one special Assessment may be established or levied by the Board of Directors during any single fiscal year of the Association. Such special Assessments shall be levied upon the Owners in the same manner as the annual Assessments. If the special Assessment established by the Board of Directors for any single fiscal year of the Association exceeds the annual Assessments levied upon the Owners for such fiscal year, such special Assessment shall only be levied, established and collected upon approval of a majority of the Owners at a specially called meeting of the Association.

Section 13.6 Assessments for Grantor's Residences. For all Residences owned by Grantor, the Assessment owed for each such Residence shall be the lesser of the cumulative total of all Assessments on all unsold and un conveyed Residences or the sum equal to the operating deficit experienced by the Association during the applicable calendar year, provided, however, no amount held in reserve for the replacement of Common Elements shall be included in the above-referenced sum. The above-referenced sum which is equal to the above-described operating deficit shall be determined at the end of annual accounting

period adopted by the Association, and the amount of any deficit shall be determined by subtracting the cash expenses of the operations of the Association from the total revenues received by the Association from the payment of any and all Assessments. The Assessments as may be owed on any Residences owned by the Grantor shall be due and payable on the last day of each year.

Section 13.7 Lien for Assessment. The Association shall have a lien on each Residence for unpaid Assessments, regular or any special assessment, together with interest thereon against the Owners. The lien of the Association in the Residence shall be superior to all other liens except: (i) liens for property taxes upon the Residence in favor of any taxing authority; and (ii) mortgage liens duly recorded prior to such delinquency. Reasonable attorney's fees incurred by the Association incident to the collection of such Assessments or the enforcement of such lien, together with all sums advanced and paid by the Association 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, shall be payable by the Owner(s) and secured by such lien. The Board of Directors may take such action as it deems necessary to collect Assessments by personal action or by enforcing and foreclosing said lien, and may settle and compromise the same if deemed in its best interest. The Association shall be entitled to bid at any sale held pursuant to a suit to foreclose any Assessments lien, and to apply as a cash credit against its bid, all sums due, as provided herein, covered by the lien enforced. In case of such foreclosure, the Owner shall be required to pay a reasonable rental for the Residence for the period of time said Residence is occupied by the Owner or by anyone by, through or under said Owner, and plaintiff in such foreclosure shall be entitled to the appointment of a receiver to collect same from the Owner and/or Occupant.

Section 13.8 Institutional Mortgages. Where the Institutional Mortgagee of an institutional first mortgage of record obtains title to a Residence as a result of a foreclosure of the institutional first mortgage, or when a first Institutional Mortgagee of record accepts a deed to said Residence in lieu of foreclosure, such acquirer of title, its heirs, successors and assigns, shall not be liable for the share of Common Expenses or Assessments owed to the Association pertaining to such Residence or charged to the former Owner which became due prior to acquisition of title as a result of the foreclosure or the acceptance of such deed in lieu of foreclosure. Such unpaid share of Common Expenses or Assessments shall be deemed to be Common Expenses collectible from all of the Owners, including such acquirer, their heirs, successors or assigns.

ARTICLE XIV

INSURANCE PROVISIONS

Section 14.1 Purchase of Insurance. The Board of Directors of the Association shall obtain fire, flood, wind & hail, earthquake and extended coverage insurance insuring all of the insurable improvements within the Property, together with such other insurance as the Association deems necessary in and for the interest of the Association, all Owners and their Institutional Mortgagees, as their interest may appear, in an amount which shall be equal to the maximum insurable replacement value as determined annually; and the premiums for such coverage and other expenses in connection with said insurance shall be assessed against the Owners as part of the Common Expenses. The Board of Directors of the Association shall additionally obtain contents insurance insuring all of the Residence Components together with such other insurance as the Association deems necessary in and for the interest of the Association, all Owners and their Institutional Mortgagees, as their interests may appear, in an amount which shall be equal to the maximum insurable replacement value as determined annually. The premium for such coverage and other expenses in connection with such insurance for the Residence Components shall be assessed against the Owners as part of the Common Expenses. The Insurance may be assessed annually and shall not be considered a special assessment pursuant to Paragraph 13.5. The named insured shall be the Board, individually and as agent for the Owners, without naming them, and as agent for their Institutional Mortgagees.

Section 14.1.1 Mortgages. Provisions shall be made for the issuance of Institutional Mortgagee endorsements and memoranda of insurance to the Institutional Mortgagees of Owners. Such policies shall provide that payments for losses thereunder by the insurer shall be made to the insurance trustee hereinafter designated, and all policies shall provide that payments for losses thereunder by the insurer shall be made to the insurance trustee hereinafter designated, and all policies and endorsements thereon shall be deposited with the insurance trustee. All Owners shall supply the Association with the name and address of their respective Institutional Mortgagee. The Association is charged with the responsibility of issuing the above-referenced endorsements and memoranda of insurance to the Institutional Mortgagees of Owners for the policies of insurance acquired by the Association.

Section 14.1.2 Separate Owners Insurance. Owners shall obtain insurance coverage at their own expense upon their own individual personal property, for the costs of replacement to any

upgrades to the Residence and for their personal liability not covered by the master policy obtained by the Board and their own living expenses.

Section 14.2 Coverage. In addition to the coverage required under Article 14.1 herein, the Board of Directors shall obtain:

Section 14.2.1 Residence Coverage. Public liability in such amounts and with such coverage as shall be required by the Board of Directors of the Association, casualty and liability insurance, as needed, on the Property, and a worker's compensation policy to meet the requirements of law.

Section 14.2.2 Residence Components. Separate and additional contents and liability insurance, as needed, on the Residence Components shall be insurable to fully insure and cover the destruction or theft of the Residence Components. The cost of such insurance shall be paid by the Owners and shall constitute a Common Expense under this Master Deed.

Section 14.2.3 Worker's Compensation. Worker's compensation policy to meet the requirements of law.

Section 14.2.4 Other Insurance. Such other insurance as the Board of Directors of the Association shall determine from time to time desirable.

Section 14.3 Premiums. Premiums upon insurance policies purchased by the Association shall be paid by the Association as a Common Expense.

Section 14.4 Insurance Trustee; Share of Proceeds. All insurance policies purchased by the Board shall be for the benefit of the Association and the Owners and their Institutional Mortgagees, as their interests may appear, and shall provide that all proceeds covering property losses shall be paid to the Board as insurance trustee (hereinafter referred to as the "Insurance Trustee" with regard to the provisions of this Article 14 herein). Those insurance policies purchased by the Board shall also provide that the insurance carriers must provide the Board with thirty (30) days' prior written notice of any cancellation of such insurance policies, and the Board shall then, as Insurance Trustee, promptly notify the Owners and their Institutional Mortgagees of such a cancellation. The Board as Insurance Trustee shall not be liable for payment of premiums nor for the renewal or the sufficiency of policies, nor for the failure to collect any insurance proceeds. The duty of the Board as Insurance Trustee shall be to receive such proceeds as are paid and to hold the same in trust for the purposes elsewhere stated herein and for the benefit of the Owners and their Institutional Mortgagees in the following shares, but which shares need not be set forth on the records of the Board as Insurance Trustee:

Section 14.4.1 Common Elements. An undivided share for each Owner, such share being the same as the undivided share in the Common Elements appurtenant to the Residence with respect to proceeds on account of damage to Common Elements.

Section 14.4.2 Residences. Proceeds on account of damage to Residences shall be held in the following undivided shares:

Section 14.4.2.1 When the Building Containing the Damaged Residences is to be restored. The proceeds for the Owners of Residences within such damaged Residences shall be held in proportion to the cost of repairing the damage suffered by each Owner, which cost shall be determined by the Association.

Section 14.4.2.2 When the Building Containing the Damaged Residences is not to be Restored. The proceeds for the Owners of Residences within such damaged Residences will be held as an undivided share for each Owner, such share being the same as the undivided share in the Common Elements appurtenant to his Residence.

Section 14.4.3 Institutional Mortgagees. In the event a mortgage endorsement has been issued to a Residence, the share of the Owners shall be held in trust for the Institutional Mortgagee and the Owners as their interests may appear; the Institutional Mortgagee shall have the right to participate in the determination as to whether or not any damaged property shall be reconstructed or repaired, according to the provisions of Article 15.1 herein, and an Institutional Mortgagee shall only have the right to apply or have applied to the reduction of a mortgage debt any insurance proceeds as provided in the provisions of this Master Deed.

Section 14.5 Distribution of Proceeds. Proceeds of insurance policies received by the Board as Insurance Trustee shall be distributed to or for the benefit of the Owners affected by damage to or loss of Residences or contents thereof in the following manner:

Section 14.5.1 Expense of the Trust. All expenses of the Board as Insurance Trustee shall be first paid or provision made therefore.

Section 14.5.2 Reconstruction or Repair. If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as elsewhere provided. Any proceeds remaining after defraying such costs shall be distributed to the Owners of Residences with the repaired or reconstructed Residences in proportion to the respective interest of such Owners in the Common Elements. Remittance shall be made to the Institutional Mortgagees of the Owners

of Residences within such damaged Residences, provided such an Owner has validly assigned such proceeds to his Institutional Mortgagee. In the event that such an assignment has not been made, then such remittance shall be made to Owners and their Institutional Mortgagees being payable jointly to them. This is a covenant for the benefit of any Institutional Mortgagee of a Residence and may be enforced by such Institutional Mortgagee.

Section 14.5.3 Failure to Reconstruct or Repair. If it is determined in the manner elsewhere provided that the damage for which the proceeds are paid shall not be reconstructed, repaired or replaced, the remaining proceeds shall be distributed to the Owners affected by damage to or loss of any Residence or contents thereof, remittances to Owners and their Institutional Mortgagees being payable jointly to them. This is a covenant for the benefit of any Institutional Mortgagee a Residence and may be enforced by such Institutional Mortgagee.

Section 14.5.4 Certificate. In making distribution to Owners and their Institutional Mortgagees, the Board as Insurance Trustee may rely upon a certificate of the Association made by its President and Secretary as to the name of the Owners and their respective shares of the distribution.

Section 14.6 Association as Agent. The Association is hereby irrevocably appointed agent for each Owner and for each holder of a mortgage or other lien upon a Residence and for each Owner of any other interest in the Property. Such agency shall empower the Association to adjust all claims arising under insurance policies purchased by the Association and to execute and deliver releases upon the payment of claims.

Section 14.7 Notice of Insurance Coverage. In any legal action in which the Association may be exposed to liability in excess of insurance coverage protecting it and the Owners, the Association will give notice of the exposure within a reasonable time to all Owners and their Institutional Mortgagees who may be exposed to the liability and they shall have the right to intervene and defend.

Section 14.8 Inspection of Insurance Policy. A copy of each insurance policy obtained by the Association shall be made available for inspection by Owners and their Institutional Mortgagees at reasonable times.

ARTICLE XV

RECONSTRUCTION OR REPAIR AFTER CASUALTY

Section 15.1 Reconstruction. In the event of casualty, loss or damage to the Residences contained in a Building, the Board shall be responsible for applying the proceeds of all casualty insurance to the repair or reconstruction of the Residence or Residences in accordance with the provisions of this Article. Reconstruction or repair shall be mandatory unless both of the following conditions are satisfied: (i) two-thirds (2/3) or more of the Residences within the Property and their appurtenant Common Elements within the damaged Property are destroyed or substantially damaged to such an extent that in the opinion of the Board of Directors of the Association such Residences are not tenantable; and (ii) a minimum of two-thirds (2/3) of the Owners of Residences within such damaged or destroyed Residences identified by the Board of Directors of the Association as being destroyed and untenable and their Institutional Mortgagees, if such damaged or destroyed Residences are encumbered by the interests of Institutional Mortgagees, must agree and consent in writing not to reconstruct or restore their damaged or destroyed Residences. However, if Grantor owns any Residence in whole ownership or any Residence in a Residence damaged or destroyed in the above-described manner which has been declared untenable by the Board of Directors of the Association, Grantor can compel the reconstruction or repair of all such damaged Residences regardless of the actions taken according to this Article by the Board of Directors of the Association, Owners of Residences within such damaged Residences or the Institutional Mortgagees possessing an interest therein. If two-thirds (2/3) or more of the Residences within the Property are destroyed or substantially damaged to the extent described above, the insurance indemnity received by the Board shall be distributed pro rata first to the Institutional Mortgagees of the Owners of Residences within the destroyed Residences in proportion to the respective interest of such Owners in the Common Elements. The Institutional Mortgagees of the Owners within such destroyed Residences shall use such funds to satisfy any outstanding mortgage debts, and any proceeds remaining after the satisfaction of such mortgage debts shall be transferred to the Owners of such destroyed and reconstructed Residences. The remaining interest in the destroyed Residences shall be subject to an action for partition at the suit of any Owner or Institutional Mortgagee as if owned in common. In the event of suit for partition, the net proceeds of sale, together with the net proceeds of insurance policies, shall be considered one fund and distributed pro rata among all Owners and their Institutional Mortgagees jointly in proportion to their respective interest in Common Elements. If the

above-referenced damaged or destroyed Residences are to be repaired or reconstructed, repairs shall be conducted in the following manner:

Section 15.1.1 Reconstruction Under Original Plans. Any reconstruction or repair must follow substantially the original plans and specifications of the Property as set forth on Exhibit "B" unless the Owner(s) of all Residences within the Regime holding seventy-five (75%) percent or more of the total interest in Common Elements and their Institutional Mortgagees, if any, vote to adopt different plans and specifications and all Owner(s) of Residences within such Residences that are affected by the alterations unanimously consent.

Section 15.1.2 Estimates of Reconstruction. The Board shall promptly obtain estimates of the cost required to restore the damaged property to its condition before the casualty occurred. Such costs may include professional fees and premiums for insurance or bonds as the Board deems necessary.

Section 15.1.3 Insufficient Proceeds. If the insurance proceeds paid to the Board are insufficient to cover the cost of reconstruction, the deficiency shall be paid as a special Assessment by the Owner(s) whose Residences are directly affected by the damage in proportion to the value of their respective Residences.

Section 15.1.4 Construction Fund Disbursements. The insurance proceeds received by the Board and any special Assessments collected to cover a deficiency in insurance shall constitute a construction fund from which the Board shall disburse payment of the costs of reconstruction and repair. It shall be presumed that the first disbursements from the construction fund are insurance proceeds, and if there is a balance in the fund after payment of all costs of reconstruction and repair, it shall be distributed to the Owner(s) who paid special Assessments in proportion to their payments. Any balance remaining after such distribution shall be that of the Association.

Section 15.2 Insurance Trust. In the event of a casualty loss to a Residence, all insurance proceeds indemnifying the loss or damage shall be paid to the Board as Insurance Trustee. The Board, acting as Insurance Trustee, shall receive and hold all insurance proceeds in trust for the purposes stated in this Article, and for the benefit of the Association, the Owner(s), and their respective Institutional Mortgagees in the following shares:

Section 15.2.1 Damage to Common Elements. Insurance proceeds paid on account of loss or damage to the Common Elements only shall be held in the same proportion as the undivided interests in the Common Elements which are appurtenant to each of the Residences.

Section 15.2.2 Reconstructed Residences. Insurance proceeds paid on account of loss or damage to less than all of the Residences, when the damage is to be restored, shall be held for the Owner(s) and their Institutional Mortgagees in proportion to the cost of repairing each damaged Residence.

Section 15.2.3 Unreconstructed Residences. Insurance proceeds paid when a Residence is not to be restored shall be held as an individual share for the benefit of the Owner(s) within that Residence with such share being the same as the individual share in the Common Elements appurtenant to his Residence.

Section 15.2.4 Mortgagees. In the event a Certificate of Insurance has been issued to the Owner(s) bearing an Institutional Mortgagee endorsement, the share of the Owner(s) proceeds shall be held in trust for the Institutional Mortgagee and the Owner(s) as their interests may appear; provided, however, that no Institutional Mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired, and no Institutional Mortgagee shall have any right to apply or have applied to the reduction of a mortgage debt any insurance proceeds except for insurance proceeds paid jointly to the Owner(s) and their respective Institutional Mortgagees pursuant to the provisions of this Master Deed.

Section 15.3 Adjustment. Each Owner(s) shall be deemed to have delegated to the Board his right to adjust with insurance companies all losses under policies purchased by the Association, subject to the rights of Institutional Mortgagees of such Owner(s).

ARTICLE XVI

EASEMENTS, ENCROACHMENTS AND RIGHT TO ACCESS

Section 16.1 Utility Easements. Each Owner shall have a nonexclusive easement appurtenant to his Residence for the use in common with the other Owners of all pipes, wires, ducts, flues, cables, conduits, public utility lines and other Common Elements located with the Property serving his Residence.

Section 16.2 Encroachments. There shall be an easement in favor of the Association to the extent that any portion of the Common Elements encroaches upon any Residence, and there shall be an

easement appurtenant to any Residence to the extent that any portion of the Residence encroaches upon the Common Elements or upon another Residence, whether such encroachment presently exists or occurs hereafter, as a result of (i) settling or shifting of any part of Property; (ii) alteration or reconstruction of the Common Elements by the Association or with its consent; (iii) repair or reconstruction necessitated by fire or other casualty; or (iv) as a result of condemnation of any part of the Property. Any such easements shall be permitted and maintained so long as this Master Deed remains in effect and the Property remains subject to the Act.

Section 16.3 Public Utility Easements. The Property is subject to utility easements for installation, operation and maintenance of electric and telephone distribution lines and for the installation, operation, and maintenance of water and sewer lines. The Board may grant easements and relocate existing easements for the installation of utilities if such easements are beneficial to the operation of the Property. If within the judgement of the Board the location or nature of any utility easement is adverse to the Property or is of doubtful benefit, the Board may grant such easements only when authorized by a vote of the Association.

Section 16.4 Right of Access. The Association shall have the right of access to each Residence during reasonable hours and with reasonable notice for maintaining, repairing, or replacing any Common Elements located within or accessible through the Residence or for making emergency repairs within the Residence necessary to prevent damage to the Common Elements or to any other Residence and for regular pest control treatment. This easement and right of access may be exercised by the Board, its agents, its employees, and by any Management Firm to which the responsibility of maintaining the Property has been delegated. Damages resulting to any Residence because of such maintenance shall be corrected promptly at the expense of the Association.

Section 16.5 Board Granted Easements. The Board may grant easements on, over, across and under the Common Elements with the approval of at least two-thirds (2/3) of the total members of the Board where the Board has reasonably found that the granting of such easement will not adversely affect the Residences or Common Elements, provided that the Grantor must approve the granting of such easement for so long as the Grantor owns a Residence within the Regime.

ARTICLE XVII

USE AND OCCUPANCY

Section 17.1 Use Restrictions. The Owner shall occupy and use his Residence as a private dwelling for himself and the members of his family, his social guests, lessees, licensees and invitees. No retail or wholesale commercial business activities shall be conducted on any portion of the Property, with the exception that Grantor may utilize his unsold Residences in the marketing and sale of Residences within the Regime, including the use of unsold Residences as model Residences. Provided Owners may use their Residences for home office if the use will not result in increased traffic and parking demands on the Property. Except for the prohibition on the establishment and/or operation of interval occupancy or interval ownership plans within Residences as described in Article 4 herein, Residences may be utilized for long-term rental of a minimum of six (6) months occupancy purposes, and nothing in this Article 17 shall be construed or limiting the right of an Owner to rent his Residence of the tenancy. Additionally, nothing in this Master Deed shall be construed to restrict the Owner(s) from selling, reconveying, or in any other way, transferring same, at any time under said plan of Ownership.

Section 17.2 No Noxious Activities. The Owners shall not permit or suffer anything to be done or kept in the Residence which will increase the rate of insurance on the Residence, or which will obstruct or interfere with the rights of other Owners, nor commit or permit any nuisance, immoral or illegal acts in or about the Residence.

Section 17.3 Emergency Entry. In case of any emergency originating in or threatening any Residence, regardless of whether the Owner or his tenant, if any, is present at the time of such emergency, the Board of Directors and all managerial personnel of Management's Firm shall have the right to enter such Residence for the purpose of abating the cause of such emergency, and such right of entry shall be immediate. To facilitate entry in the event of any such emergency, the Owners, if required by the Association, shall deposit under the control of the Association a key to such Residence.

Section 17.4 Restrictions on Alterations. The Owners shall not cause anything to be affixed or attached to, hung, displayed or placed on the exterior walls, doors, or windows of the Residence, nor shall they cause any type of ground coverage to be installed nor shall they grow any type of plant, shrubbery, flower, vine or grass outside the Residence, nor shall they cause awnings, storm shutters, screens, enclosures or the like to be affixed or attached to the Residence or Common Elements, nor shall they place any furniture or equipment outside the Residence except in conformity with the rules and regulations adopted by the Board

of Directors or otherwise without the prior written consent of the Board. No clothes line or similar device shall be allowed on any portion of the Property, nor shall clothes be hung anywhere except where designated by the Board of Directors of the Association. Further, all changes and any additions to the exterior of a Unit requires the prior written approval of the Architectural Review Board of the Hampton Lake Community Association, Inc. When approval of the Architectural Review Board of the Hampton Lake Community Association, Inc. is applicable, a review fee may be payable as set forth in the Design Guidelines of the Hampton Lake Community Association, Inc. and all submittals must meet requirements of such Design Guidelines

Section 17.5 Common Elements No person shall use the Common Elements, or a Residence, or any part thereof, in any manner contrary to or not in accordance with such rules and regulations pertaining thereto as from time to time promulgated by the Association.

Section 17.6 Prohibited Acts and Rules and Regulations. All Owners shall comply with the below-referenced rules and regulations adopted by the Board of Directors of the Association, and the Owner shall comply with the following rules of conduct for the Regime: (i) each Owner shall keep his Residence in a good state of preservation and cleanliness. He shall not allow anything whatever to hang or fall from the windows or doors of the premises, nor shall he sweep or throw from the premises any dirt or other substance into any of the ventilators or elsewhere in the Buildings or upon the grounds. Refuse shall be placed in containers in such manner and at such times and places as established by the Board or the Manager; (ii) the parking in common areas, entrances, vestibules and landings must not be obstructed, encumbered, or used for any purposes other than ingress and egress to and from the Residences within the Buildings. No parking permitted for any period of time that will block Owner from ingress and egress to the driveway servicing the Owner's Residence and for access to the Owner's garage. No overnight parking or parking for an extended period of time is permitted in the driveway of the Residences (extended period of time shall mean greater than three (3) hours consecutive time). No motor homes, boats, trailers, or commercial trucks are permitted in the guest parking areas; (iii) Owners shall not cause or permit any disturbing noises or objectionable odors to be produced upon or to emulate from their Residences; (iv) Owners shall not permit or keep in their Residence any flammable, combustible or explosive material, chemical or substance; (v) water closets and other water apparatus in the Buildings shall not be used for any purpose other than those for which they were designed, nor shall any sweepings, rags or other articles or materials be thrown into the same. Any damage resulting from misuse of any water closets or other apparatus

in a Residence shall be repaired and paid for by the Owner causing such damage; (vi) no vehicle belonging to an Owner or to a visitor, licensee or employee of an Owner shall be parked in such a manner so as to impede or prevent ready access to any entrance to or exit from the Buildings or parking lots by any other vehicles; (vii) Owners, their employees, tenants or visitors shall not at any time or for any reason whatsoever enter upon or attempt to enter upon the roof of any Buildings; provided, however, that repair personnel of the Association or Manager may enter upon the roofs of the Buildings to repair said roof or to maintain or repair any air conditioning compressors located on the roofs of the Buildings; (viii) complaints regarding the services of the Buildings shall be made in writing to the Board or the Manager, except in case of an emergency; (ix) Owners shall be permitted to have propane gas or electric grills in the enclosed Lanai. Owners shall not operate or utilize any charcoal or gas grills, either permanent or portable in any other areas including but not limited to entrance ways, driveways, walkways and common areas; (x) no Owner shall operate, park or store on the Property any recreational vehicles, motor homes, or boats. No Owner shall operate, park or store on the Property any trucks or commercial vans. In addition to the above enumerated rules of conduct, the Board of Directors of the Association is hereby authorized and empowered to adopt rules and regulations regarding the use of Residences within the Regime. Such rules and regulations regarding the use of Residences within the Regime shall become effective within 30 days of their adoption by the Board, unless an emergency situation requires their immediate implementation as determined by the Board. The Board may amend the rules and regulation from time to time in the same manner as the initial adoption of said rules and regulations. Such regulations may reasonably regulate and control all aspects of the use and occupancy of all Residences within the Regime and the Common Elements, including, but not limited to, the number of Occupants that reside within the Residences on a temporary or permanent basis regardless of length of occupancy as well as control and limit the number and type of automobiles that may be parked within parking spaces within the Regime and the surrounding portions of the Development. The Board may initially adopt the rules and regulations and subsequently amend the rules and regulations without the approval of the Owners, but the rules and regulations and any amendments thereto must be in compliance with the Master Deed and the By-Laws and must be approved by the Grantor for so long as the Grantor owns any Residence within the Regime. The Association shall supply all owners with a copy of the rules and regulations at the time of the acquisition of their Residence, as well as supplying all Owners with copies of any amendments to the rules and regulations. The Board is further empowered and authorized to establish a reasonable system and/or schedule of fines for violations of the rules and regulations and the Master Deed

and By-Laws. The failure to pay any such fines by an Owner shall have the same effect as the failure to pay Assessments, and the Association shall have a lien upon the applicable Owner's Residence to pay such fine in the same manner set forth in Article 13 herein.

ARTICLE XVIII

MAINTENANCE AND ALTERATIONS

Section 18.1 Responsibility of Owners. Each Owner is responsible for maintenance, repair and upkeep of his Residence and Residence Components associated therewith, as such terms are defined in Article 3, subject to the rules, regulations, covenants and conditions set forth herein, which are incorporated hereby by reference.

Section 18.2 Management Agreement and Manager. The Board of Directors of the Association may enter into a contract with any firm, person or corporation, or may join with other associations and entities in contracting for the maintenance and repair of the Common Elements and may contract for or may join with other associations in contracting for the management of the Regime and may delegate to the Manager all the powers and duties of the Association, except such as are specifically required by this Master Deed or by the By-Laws to have the approval of the Board of Directors or the membership of the Association. The Manager may be authorized to determine the budget, make Assessments for Common Expenses and collect Assessments, as provided by this Master Deed, By-Laws, and Exhibits attached hereto and thereto. The Association, through its Board of Directors, has entered into a Management Agreement, which encompasses the provisions of this Article.

Section 18.3 Residence Components. The maintenance, alteration, repair, cleaning and upkeep of the Residence Components and other personalty located within the boundaries of Residences and all of their corresponding Residences shall be the responsibility of the respective Owners.

Section 18.4 Access for Maintenance. The Association shall have the right of access to each Residence during reasonable hours and with reasonable notice for maintaining, repairing or replacing the Common Elements as provided for in Article 16.4 and for regular pest control treatment..

Section 18.5 No Signs. Owners shall not place any signs, advertisements or notices of any type in any windows, on the exterior of the Residence, or on the Common Elements, nor shall they erect any exterior antenna or aerials, except as consented to by the Board of Directors of the Association. Owners shall be permitted to install satellite television dishes provided they are no larger than 18 inches in diameter and

are hidden from view as much as possible to still remain operational and the location is approved by the Association and Hampton Lake Community Association, Inc..

Section 18.6 Failure to Maintain Residence. In the event any Owner(s) fails to maintain his Residence and the Residence Components appurtenant thereto during his Residence, as required herein, or if any Owner makes any alterations or additions to the Common Elements without the required written consent of the Association, or otherwise violates or threatens to violate the provisions hereof, the Association shall have the right to proceed in a court of equity for an injunction seeking compliance with the provisions hereof. In lieu thereof and in addition thereto, the Association shall have the right to levy an Assessment against such Owner(s) for such sums necessary to remove any unauthorized addition or alteration and to restore the Residence, Residence Components, Common Elements or Property in good condition and repair. Where said failure, alteration, addition, or other violation is attributable to an Owner(s), any such levy of an Assessment shall be limited to the Residence(s) owned by said Owner(s) and shall be of no force and effect as to any other Owner(s) or their Residences. Said Assessment shall have the same force and effect as all other special Assessments. The Association shall have the further right to have its employees or agents, or any subcontractors appointed by it, enter the Residence at all reasonable times to do such work as is deemed necessary by the Board of Directors of the Association to enforce compliance with the provisions hereof.

Section 18.7 Exterior Walls. The Association shall determine the exterior color scheme of the Buildings and all exterior surfaces thereof, and the interior color scheme of any Common Elements reasonably requiring painting and shall be responsible for the maintenance thereof. No Owner shall paint an exterior wall, door, window, or any exterior surface, or replace anything thereon or affixed thereto, without the written approval and consent of the Board of Directors of the Association. For the protection of the integrity of the entire Property and to address the esthetics of the overall Property, all interior blinds, shades or other window treatments for all Residences must be approved in writing by the Board of Directors of the Association. Any interior blinds must be a minimum of two inches or Plantation Blinds in approved colors of white, off-white or wood tone. All interior window treatments shall be lined in white or off-white fabric. Further, all changes and any additions to the exterior of a Residence requires the prior written approval of the Architectural Review Board of the Hampton Lake Community Association, Inc. When approval of the Architectural Review Board of the Hampton Lake Community Association, Inc. is applicable, a review fee may be payable as set forth in the Design Guidelines of the Hampton Lake Community Association, Inc. and all submittals must meet requires of such Design Guidelines.

Section 18.8 Association Maintenance. The Association shall be responsible for the maintenance, repair and replacement of the Common Elements and all real and personal property not required to be maintained, repaired and/or replaced by the Owners. The Association shall expressly be responsible for maintaining all common areas located or developed with the Property including but not limited to entrances features, common area, any amenities, right of way of all roads of the Hampton Lake Community Association Inc. adjacent to the Property (excluding the sides of the road right of way adjacent to the park area) any bulkhead installed by Grantor for the Property, the areas between the Property and the water level of the Lake (excluding the two triangular areas between the Property, the Lake and the road/bridge, one triangular area adjacent to Pad 09-A of Parcel 5 and the other being adjacent to the building pad 09-B of Parcel 6. Notwithstanding the Owner's duty of maintenance, repair, replacement and other responsibilities, the Association may (but shall not be required to) enter into agreements with such firms or companies as it may determine to provide certain services and maintenance for Residences and Residence Components and other property not required to be maintained by the Association on behalf of the Owners whereby maintenance and services are provided on a regularly scheduled basis. Such agreements may include, but shall not be limited to, air conditioning maintenance and service and appurtenances thereto, exterminating services and other types of maintenance and services as the Association deems advisable and for such period of time and on such basis as it determines. Said agreements shall be on behalf of all Owners and the annual Assessment due from each Owner for Common Expenses may be increased by such sum as the Association deems fair and equitable under the circumstances in relation to the annual charges under the Agreements. Each Owner shall be deemed a party to said agreement with the same force and effect as though said Owner had executed said Agreement, and it is understood and agreed that the Association shall execute said agreements as the Agent for the Owners. The aforesaid Assessment shall be deemed to be an Assessment under the provisions of Article 3 of this Master Deed.

Section 18.9 Hampton Lake Community Approval. The Grantor, Association and Residence Owners acknowledge and agrees that no changes to the outside of any Unit may be made without the written approval of the Hampton Lake Community Association, Inc. Architectural Review Board together with approvals required from the Association and any government authority with jurisdiction.

ARTICLE XIX

TERMINATION

Section 19.1 Destruction of Residences. If all Owners and holders of all liens and mortgages affecting any of the Property execute and duly record an instrument terminating this Master Deed, or if major damage occurs to the required number of Residences and such Residences will not be repaired in accordance with the provisions of Article 15 hereunder, then in either event, this Master Deed may be terminated and the Property shall thereafter be owned as tenants in common by the Owners. The undivided interest in the Property owned in common by each Owner shall be the percentage of the undivided interest previously owned by such Owner in the Common Elements upon termination of this Master Deed. Any assets of the Association, any funds held by the Board, and any insurance proceeds shall also be the property of the Owners as tenants in common in the aforesaid percentage of ownership upon termination. Upon termination of this Regime, the holders of mortgages and liens upon the individual Residences shall have mortgages upon the respective undivided interest of their respective mortgagors. The costs incurred by the Board in connection with termination of the Regime shall be considered a Common Expense.

Section 19.1.1 Initial Term of Condominium Ownership. The Board of Directors of the Condominium Owners Association shall, not less than thirty (30) days nor more than sixty (60) days prior to the fiftieth (50th) anniversary date of this Master Deed, call a meeting of all Owners within thirty (30) days thereafter. At such meeting, a vote shall be taken to decide the disposition of the Property. Upon the affirmative vote of all of the Owners and all holders of liens and mortgages upon Residences and any and all other portions of the Property, the Master Deed may be terminated pursuant to the provisions of Section 27-30-130 of the Act, and the Property shall thereafter be owned as tenants-in-common by the Owners. If such vote is not taken or fails to secure approval of all of the Owners and holders of liens and mortgages upon all Residences and all other portions of the Property, this Master Deed and the Regime will be continued, in which case the restrictive covenants set forth below will be adopted as covenants running with the land for an additional period of ten (10) years. The Board of Directors of the Association shall, no less than thirty (30) days nor more than sixty (60) days prior to the expiration of said ten (10) year period, call a meeting of all Owners and holders of liens and mortgages within the Property for the purposes set forth hereinabove. The Owners and holders of all liens and mortgages within the Property may then vote to continue or discontinue this Master Deed in the above-described fashion for an additional ten (10) year period. This process shall be repeated at the end of each successive ten (10) year period. Should the all of

the Owners and holders of all liens and mortgages within the Property vote to terminate this Master Deed at any such meeting, then the Board of Directors of the Association shall file suit in a court of competent jurisdiction in Beaufort County, South Carolina, for partition of the Property by a majority vote of the Owners as tenants-in-common of the Property.

Section 19.1.2 Continuation of Regime. In the event the vote of the Owners acts to continue this Master Deed as provided above, then each Owner shall have the exclusive right to occupy his Residence, and, as among Owners, to use and enjoy the Common Elements and Association properties of the Property, the rights and easements appurtenant to his Residence. Where the term of this Master Deed has been continued by virtue of the above-described vote of the Association as provided herein, all Owners shall occupy their respective Residence and exercise any other rights of ownership in respect of this Residence according to the terms and provisions of this Master Deed and the By-Laws.

Section 19.1.3 No Partition. No Owner or other person or entity acquiring any right, title or interest in a Residence or Residences shall seek or obtain judicial partition of the Residence contained therein or sale of the Residence or Residences contained therein in lieu of partition through any legal procedures, prior to the expiration of the initial fifty (50) year term of this Master Deed and any successive ten (10) year period. If, however, any Residences shall be owned by two or more persons as tenants-in-common or as joint tenants, nothing herein contained shall prohibit a judicial sale of the Residences in lieu of partition as between such co-tenant or joint tenants.

ARTICLE XX

USE OF COMMON ELEMENTS AND FACILITIES

Section 20.1 No Partition; Compliance with Rules. The Association, its members, the Grantor and its successors and assigns and all parties who own an interest in and to the aforesaid Common Elements agree that, in the absence of a termination of this Regime, they shall not have any right to bring any action for partition or division of the real property that constitutes said Common Elements, and said parties do hereby waive said rights of partition or division of said facilities. The initial rules and regulations, and all amendments and revisions thereof, pertaining to use of the Common Elements shall be posted in conspicuous places on the Common Elements. The Owners hereby covenant and agree to be bound by all such rules and regulations and shall obey the same and be responsible that such rules are obeyed by their families, guests, invitees, licensees, lessees and servants.

Section 20.2 Suspension of Use of Common Elements. Should any Owner fail to pay an assessment for Common Expenses, as required under the terms of this Master Deed for the period of time specified herein whereby said assessment becomes delinquent, the Association may deny the Owner or his authorized user the use of the Common Elements or both the use and enjoyment of same until such time as all Assessments are paid. The Association shall further have the right in its sole discretion to suspend any Owners or authorized user of said Common Elements or both from the use of same for a period not to exceed seven (7) days for violating any of the rules and regulations governing the uses of such facilities. Should the Owners or authorized user of said facilities or both have their right to use suspended, there shall be no reduction in the Assessments due and payable by said Owners or authorized user. All sanctions, as outlined above, shall be limited to the delinquent Owners and shall be of no force and effect against non-delinquent Owners.

Section 20.3 Use of Common Elements. Any person who is an Owner, and his family, social guests, lessees, invitees and licensees, may use the Common Elements. Where a corporation is an Owner, the use of said facilities shall be limited at any one time to such officers, directors, employees or guests of said corporation who are in actual residence and such individuals shall be deemed to be the Owner for the purposes of this Article. Where a party owns a Residence and leases same, the lessee shall be entitled to the use of the facilities and said lessee's rights thereto shall be the same as though said lessee were the Owner, and during the term of said lease, the Owner and his family shall not be entitled to the use of the facilities. Use of the facilities by an Owner or any other persons using the facilities through said Owner shall be limited to such Owner's Residence.

ARTICLE XXI

EMINENT DOMAIN

Section 21.1 Notice. Whenever any proceeding is instituted that could result in the temporary or permanent taking, injury or destruction of all or part of the Common Elements or one or more Residences or portions thereof by the exercise of the power of or power in the nature of eminent domain or by an action or deed in lieu of condemnation, the Board of Directors of the Association and each Owner shall

be entitled to notice thereof and the Board of Directors shall, and the Owners at their respective expense may, participate in the proceedings incident thereto.

Section 21.2 Condemnation of Common Elements. With respect to the Common Elements, any damages or awards shall be determined for such taking, injury or destruction as a whole and not for each Owner's interest therein. After such determination, each Owner shall be entitled to a share in the damages in the same proportion as his percentage of undivided interest in the Common Elements. This provision does not prohibit a majority of the Owners from authorizing the Board of Directors to use such damages or awards for replacing or restoring the Common Elements so taken on the remaining land, or on other acquired land.

Section 21.3 Condemnation of Residences. With respect to one or more Residences or portions thereof, the damages or awards for such taking shall be deemed to be proceeds from insurance on account of damage or destruction as provided in Article 14.4 and 14.5 herein, and shall be deposited with the Insurance Trustee as defined therein. Even though the damages or awards may be payable to one or more Owners, the Owners shall deposit the damages or awards with the Insurance Trustee, and in the event of failure to do so, at the option of the Board of Directors, either a special assessment shall be made against a defaulting Owner in the amount of such award or the amount of such award shall be set off against the sums hereafter made payable to such Owner. The proceeds of the damages or awards shall be distributed or used in the manner provided for in Article 14 herein, and the Owners within the affected Residences shall have the rights provided in this Master Deed for insurance proceeds provided the condemned portion of the Property is removed from the Regime and from the provisions of the Act as may be allowed by applicable law. If the condemned portion of the Property is not removed from the Regime and from the provisions of the Act, and one or more Residences are taken, in whole or in part, the taking shall have the following effects:

Section 21.3.1 Partial Taking. If the taking reduces the size of a Residence and the remaining portion of the Residence may be made tenantable, the Residence shall be made tenantable. If the cost of such work of making the Residence tenantable exceeds the amount of the award, the additional funds required shall be assessed against the Owners within the Residence. The balance of the award, if any,

shall be distributed equally to the mortgagees (if any) of Residences within the Residence to the extent of the unpaid balance of their mortgages, and the excess (if any) shall be distributed to the Owners. If a balance of the award is distributed to an Owner or a Mortgagee, the Owner's percentage of undivided interest in the Common Elements and facilities shall be equitably reduced to the extent allowed by law. This reduction shall be done by reducing such interest in the proportion by which the value of the Residence is reduced by the taking in proportion to the adjusted value of the Property, and then the percentages of undivided interest of all Owners in the Common Elements shall be recomputed;

Section 21.3.2 Total Taking. If the taking destroys or so reduces the size of a Residence that it cannot be made tenantable, the award shall be paid equally to the Mortgagees (if any) of the Residences within the Residence to the extent of the unpaid balance of their mortgages, and the excess (if any) shall be equally distributed to the Owner and the remainder of the Residence shall become a part of the Common Elements and shall be placed in condition for use by all Owners in the manner approved by the Board of Directors. The percentages of undivided interest in the Common Elements appurtenant to the Residences that continue as a part of the Property shall, to the extent allowed by law, be equitably adjusted to distribute the ownership of the Common Elements among the reduced number of Owners; and

Section 21.3.3 Amendments. Changes in Residences and in the Common Elements that are affected by the taking referred to in this Article 24 shall be evidenced by an appropriate amendment to this Master Deed, which must be approved by a majority of the Owners.

ARTICLE XXII

MISCELLANEOUS PROVISIONS

Section 22.1 Compliance with Master Deed and By-Laws. Each Owner and the Association shall be governed by and shall comply with this Master Deed and the By-Laws, and each Owner shall comply with the rules and regulations adopted by the Board as set forth in Article 17.6 herein. Failure to do so shall entitle the Association or any Owner to recover sums due for damages or injunctive relief or both. Such actions may be maintained by or against an Owner or the Association in a proper case by or

against one or more Owners, and the prevailing party shall be entitled to receive reasonable attorney's fees. Such relief shall not be exclusive of other remedies provided by law.

Section 22.2 Gender and Grammar. Whenever the context so requires, the use of any gender shall be deemed to include all genders, and the use of the singular shall include the plural, and the plural shall include the singular. The provisions of the Master Deed shall be liberally construed to effectuate its purpose of creating a uniform plan for the ownership, use, possession, maintenance and operation of the Property.

Section 22.3 Captions. The captions used in this Master Deed and Exhibits attached hereto or referred to herein are inserted solely as a matter of convenience and shall not be relied upon and/or used in construing the effect or meaning of any of the text of this Master Deed or Exhibits hereto annexed.

Section 22.4 Institutional Mortgages. Where an institutional first mortgage, by some circumstance, fails to be a first mortgage, but it is evident that it is intended to be a first mortgage, it shall, nevertheless, for the purpose of this Master Deed and Exhibits annexed, be deemed to be an institutional first mortgage.

Section 22.5 Association and Owner Approval. The Association, by its adoption of and execution of the By-Laws shall be deemed to have approved the foregoing and all of the covenants, terms and conditions, duties and obligations set forth in this Master Deed and the Exhibits attached hereto or referred to herein. The Owners, by virtue of their acceptance of a deed of conveyance and other parties, by virtue of their occupancy of the Residence, hereby approve the foregoing and all of the terms and conditions, duties and obligations of this Master Deed and Exhibits attached hereto and thereto.

Section 22.6 Deeds to Residences. On transfer of a Residence, a deed effectuating that transfer shall convey all of the seller's interests in that Residence to the purchaser including the seller's interests in the real and personal property of the Association, any reserved accounts applicable to the Residence containing the Residence, and in any cause of action or chose in action either of the Association or arising out of his ownership of his Residence, whether or not those interests are expressly described in such deed.

Section 22.7 Applicable Law. This Master Deed is set forth to comply with the requirements of the Horizontal Property Act of South Carolina as presently constituted or as hereinafter amended. Where any of the provisions contained herein conflict with the provisions of the Act, the provisions of the Act shall control.

Section 22.8 Exhibits. All Exhibits to this Master Deed shall be an integral part of this instrument, and shall be deemed to be included as a part herein.

Section 22.9 Covenants Running with Land. All provisions of this Master Deed and Exhibits attached hereto or referred to herein, and amendments thereof, shall be construed as covenants running with the land and of every part thereof.

Section 22.10 Survival of Provisions of Master Deed. If any of the provisions of this Master Deed and Exhibits attached hereto, the By-Laws, the Articles of Incorporation of the Association, the Management Agreement, or any section, clause, phrase, word, or the application therefore, in any circumstance, is held invalid, the validity of the remainder of this Master Deed, the By-Laws, Articles of Incorporation of the Association and the Management Agreement, and of the application of any such provision, action, sentence, clause, phrase or word, in other circumstances, shall not be affected thereby.

Section 22.11 Notices. Whenever notices are required to be sent hereunder, the same may be delivered to the Owners either personally or by mail, addressed to each Owner at his place of residence on file with the Association from time to time. Proof of such mailing or personal delivery by the Association or any Management Firm shall be given by the affidavit of the person mailing or personally delivering said Notices. Notices to the Association shall be delivered by mail to the Secretary of the Association, or the President of the Association, or to any member of the Board of Directors of the Association. The change of mailing address of any party as specified herein shall not require an Amendment to this Master Deed. All notices shall be deemed and considered sent when mailed. Any party may change his or its mailing address by written notice, duly received for. Notices required to be given the personal representatives of a deceased Owner or devisee, when there is no personal representative, may be delivered either personally or by mail to such party at his or its address appearing in the records of the court wherein

the estate of such deceased Owner is being administered. The change of the mailing address of any party, as specified herein, shall not require an Amendment to the Master Deed.

Section 22.12 Use of Common Elements for Marketing. The Grantor shall have the right to use any portion of the Common Elements for the purposes of aiding the sale of Residences including the right to use portions of the Property for parking for prospective purchasers and such other parties as Grantor determines. The foregoing right shall mean and include the right to display and erect signs, billboards, and placards and store, keep and exhibit same and distribute audio and visual promotional materials upon the Common Elements, and to maintain one or more model Residences for sales purposes.

Section 22.13 No Warranty. Grantor specifically disclaims any intent to make any warranty or representation in connection with the Property or this Master Deed or By-Laws, except as specifically set forth herein or therein, and no person shall rely upon any warranty or representation not so specifically made herein or therein unless otherwise stated. Common Expenses, taxes or other charges are estimates only and no warranty, guaranty or representation of the amounts thereof is made or intended, nor may one be relied upon. At the time of the submission of a Residence to the Regime, Grantor shall transfer to the Association all of Grantor's right, title and interest in and to any manufacturer's warranty furnished to Grantor covering any of the Residence Components or other equipment or appliances installed within such Residence, and Grantor makes no warranty or agreement of any kind with respect to such Residence Components, equipment or appliance. Grantor makes no warranty or representation, express or implied, as to the fitness, design or condition of the Residences, Common Elements, Residence Components, Property and any other items of real or tangible personal property or fixtures, or their merchantability or fitness for a particular purpose.

Section 22.14 Right to Grant Easements. The Property is additionally subject to taxes, applicable land use control ordinances now existing or which hereafter exist, easements for ingress and egress for pedestrian and vehicular purposes, easements for utility service and drainage now existing or hereafter granted by the Grantor for the benefit of such persons as the Grantor designates, and for so long as Grantor owns at least one Residence contained within the Regime, Grantor shall have the right to grant such easements and designate the beneficiaries thereof for such time as it determines in its sole discretion,

and thereafter, the Board of Directors of the Association shall be empowered to grant such easements on behalf of its members as set forth in Article 16.5 herein. During the period of time that the Grantor has the right to grant the foregoing easements, the consent and approval of the Association and its members shall not be required. The right to grant the foregoing easements is permitted provided said easements do not structurally weaken the Buildings and improvements upon the Property and do not unreasonably interfere with the enjoyment of the Property by the Association's members.

Section 22.15 Water and Sewer Service. In order to provide the Property with adequate and uniform water service and sewage disposal service, the Grantor shall contract for such services. Pursuant to the foregoing, the Grantor shall contract with Beaufort Jasper Water Authority, or any other future entity which may service the Property, for the furnishing of said services before any Residences can be conveyed by the Grantor. At the time of the recording of this Master Deed, the individual Residences will be separately metered for water and sewer service. The water and sewer charges for the individual Residences will be the responsibilities of the individual Owners. Provided, however, Grantor/Association shall be permitted to install wells on the Property which must obtain water from underground sources and not the Lake for the purposes shall be limited solely to irrigating landscape areas that do not impact any buildings or other improvements (i.e. so that no such well water gets on any buildings, curbs, walkways or other improvements, thus potentially discoloring or staining such areas, unless filters and/or other technology or steps are utilized to prevent the buildings and/or other improvements from being discolored or stained by the well water. If Hampton Lake Community Association Inc. determines that the steps taken to prevent discoloration or stain of buildings and/or other improvements are not working, then Grantor/Association must use horizontal soakers, water from BJWSA water system or other means approved by Hampton Lake Community Association, Inc. so that the buildings and/or other improvements do not become discolored or stained.

Section 22.16 Easement Over Common Elements. Owners shall have as an appurtenance thereto a perpetual easement for ingress and egress to and from their Residences over stairs, terraces, balconies, walks and other Common Elements.

Section 22.17 Easement Over Common Property. The Owners shall have an easement for ingress and egress, over such streets, walks and other rights-of-way within the Development as described in Article 5.2 herein and serving the Residences within the Property as may be necessary to provide reasonable access to said streets and walks, and such easement shall extend to the invitees and licensees of said Owners.

Section 22.18 Grantor Control of Board of Directors. NOTWITHSTANDING ANY OTHER LANGUAGE OR PROVISION TO THE CONTRARY IN THIS MASTER DEED AND THE ARTICLES OF INCORPORATION OF THE ASSOCIATION OR IN THE BY-LAWS, GRANTOR HEREBY RETAINS THE RIGHT TO APPOINT AND REMOVE ANY MEMBER OR MEMBERS OF THE BOARD OF DIRECTORS OF THE ASSOCIATION AND ANY OFFICER OR OFFICERS OF THE ASSOCIATION UNTIL SUCH TIME AS THE FIRST OF THE FOLLOWING EVENTS SHALL OCCUR: (i) The expiration of ten (10) years after the date of the recording of this Master Deed; (ii) the sale of all Residences within the Regime by the Grantor to Owners; or (iii) the surrender by Grantor of the authority to appoint and remove Directors and Officers of the Association by an express amendment to this Master Deed executed and recorded by Grantor. Each Owner, by acceptance of a deed or other conveyance of a Residence, vests in Grantor such authority to appoint and remove Directors and Officers of the Association as provided herein. Every Owner, by acceptance of a deed or other conveyance of his Residence or Residences, agrees that Grantor shall have the authority to appoint and remove Directors and Officer of the Association in accordance with the foregoing provisions. Upon expiration of the period of the Grantor's right to appoint and remove Directors and Officers of the Association, such right shall pass to the Owners, and a special meeting of the Association shall be called within a reasonable time thereafter. At such special meeting the Owners shall elect a new Board of Directors in compliance with the terms of the By-Laws and this Master Deed which shall undertake the responsibilities of the Board of Directors, and Grantor shall deliver all books, accounts and records, if any, which Grantor has kept on behalf of the Association and any agreements or contracts executed by or on behalf of the Association during such period in which Grantor has had in its possession.

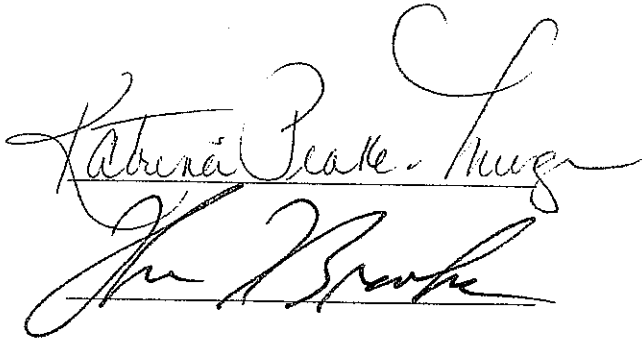
Section 22.19 Repurchase Right by the Grantor. In consideration of the affirmative obligations of and benefits to all Owners provided by the Grantor under this Master Deed, when any Residence within the Property is offered for sale by successors in title to the Grantor, the Grantor shall have the exclusive option to purchase such Residence at the price and on the terms of any bona fide offer for such Residence made in writing to the Owner at such time and submitted to Grantor for verification. Each Owner shall notify Grantor of its intent to sell its Residence with such notice setting forth in full the certified terms and conditions of the sale and including the full name and primary address of the prospective true buyer (as distinguished from agents and intermediaries). Grantor shall have thirty (30) days after presentation of such notice to Grantor to exercise this purchase option. If Grantor has not executed a contract for purchase during this period, the record Owners may freely convey the property to the subject offeror. Should, however, such sale to a third party not be consummated within six (6) months of the date the offer is transmitted to Grantor at the price and on the terms offered or a price more favorable to the Owner, the terms and limitation of this Section shall again be imposed upon any sale by the Owner. If Grantor elects to purchase such property, the transaction shall be consummated on the terms offered; provided, however, the Grantor shall have a minimum of thirty (30) days from the delivery of notice to consummate the transaction. This right of repurchase in favor of the Grantor shall expire upon the sale of all of the Residences.

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IN WITNESS WHEREOF, Lake Estates, LLC., a South Carolina Limited Liability Company, has caused these presents to be signed in its name this 30th day of July, 2007

Signed, sealed and delivered in the presence of:

WITNESSES:



Lake Estates, a South Carolina Limited Liability Company

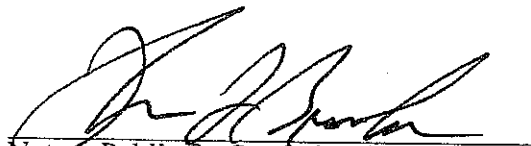
By: 
Warren E. Flick, Manager

By: 
Russell Miller, Manager

STATE OF SOUTH CAROLINA
COUNTY OF BEAUFORT

} ACKNOWLEDGMENT

I, the undersigned Notary Public for the state of South Carolina, do hereby certify that Warren E. Flick and Russell Miller, Managers of Lake Estates, LLC., personally appeared before me this date and acknowledged the due execution of the foregoing instrument.


Notary Public for South Carolina
My Commission Expires: 4/24/16

INDEX OF EXHIBITS TO MASTER
DEED FOR LAKE ESTATES HORIZONTAL
PROPERTY REGIME

EXHIBIT A	Description of Property (Phase I)
EXHIBIT B	Floor Plans
EXHIBIT C	Site Plan
EXHIBIT D	Architect's Certificate
EXHIBIT E	Walk Through Description of Residence Types
EXHIBIT F	Description of Additional Property
EXHIBIT G	Table of Percentage Ownership Interests Attributed to Residences
EXHIBIT H	By-Laws of Lake Estates Property Owners Association, Inc.