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STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)
)
STERLING LAND VENTURES I, LTD.)
)
)
TO)
)
THE PRESERVE AT INDIGO RUN)
HORIZONTAL PROPERTY REGIME)

FIFTH AMENDMENT
TO
MASTER DEED OF
THE PRESERVE AT INDIGO RUN
HORIZONTAL PROPERTY REGIME
(PHASE II-F)

WHEREAS, on the 13th day of November, 2003, Sterling Land Ventures I, Ltd., a Georgia limited partnership, hereinafter referred to as "Declarant", executed a certain Master Deed establishing The Preserve at Indigo Run Horizontal Property Regime, ("Regime") which Master Deed was recorded on the 14th day of November, 2003, in Book 1872 at Page 633 and in Plat Book 96 at Page 63 in the Land Records for Beaufort County, South Carolina; and

WHEREAS, said Master Deed reserved the right at the sole option of the Declarant, its successors, grantees or assigns, that said project could be divided into one or more phases, Phase I being established by the aforementioned Master Deed with the provision that future phases of said project could be made a part of Regime at the election of the Declarant and upon the filing of an Amendment submitting said property to said Regime; and

WHEREAS, it is the intent and desire of Declarant herein to also amend the Master Deed pursuant to its reserved rights so as to add to the Regime substages of proposed Phase II, to be known as Phase II-F.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that Sterling Land Ventures I, Ltd., the "Declarant", does hereby declare:

1. **EXERCISE BY DECLARANT.** Declarant does hereby elect to exercise and does hereby exercise the options and rights hereinabove referred to and more particularly set forth in the Master Deed of **The Preserve at Indigo Run Horizontal Property Regime** recorded in the Land Records for Beaufort County, South Carolina, in Deed Book 1872 at Page 633, *et seq.* (hereinafter "Master Deed"), to amend said Master Deed to include the Phase II-F Property more particularly described and set forth in Exhibit "A" hereto as a part of **The Preserve at Indigo Run Horizontal Property Regime** (hereinafter "Regime") in such a way that the said Regime shall be composed of Phases I, and Phases II-A through II-F. Effective upon the filing of this Amendment, the property included in the Regime shall be as described in Exhibit "A-1" hereto which description includes the Phase I, Phase II-A, Phase II-B, Phase II-C, Phase II-D and Phase II-E and now, Phase II-F properties.

2. **LAND.** Declarant is the sole owner of the Phase II-F land described in Exhibit "A" herein, which land is shown on a plat thereof, and being incorporated by reference having been recorded in the Land Records for Beaufort County, South Carolina, in Plat Book 99 at Page 139

RECORDED

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BETHEA, JORDAN
& GRIFFIN, P.A.
ATTORNEYS AND
COUNSELORS AT LAW

(330514.2) 15582-002

Fifth Amendment to Master Deed - The Preserve at Indigo Run HPR

- Page 1 of 9 -

BEAUFORT COUNTY TAX MAP REFERENCE

Dist.	Map	Submap	Page
510	8		686

3. **SUBMISSION TO ACT.** Declarant does hereby, by duly executing this Amendment to the Master Deed, submit the land referred to in Article 2, together with the buildings and improvements erected thereon, and all easements, rights and appurtenances belonging thereto (hereinafter referred to as the "Property") to the provisions of the Master Deed and the provisions of the Horizontal Property Act of the State of South Carolina (the "Act") and does hereby state that it proposes to make the Property a part of the Regime to be governed by the provisions of the aforementioned Master Deed and the provisions of the Act.

4. **SURVEYS/PLANS.** The improvements constructed on and forming a part of the Property are constructed in accordance with the as built survey referenced on Exhibit "A" hereto (the "Plat") and the floor plans referenced on Exhibit "C-1" to the original Master Deed (the "Plans"), which survey was prepared by Gasque & Associates, Inc., David S. Gasque, R.L.S. No. 10506, and floor plans which were prepared by Humphrey & Partners Architects, architects duly licensed to practice in the State of South Carolina under Registration Certificate Number 98055. Attached to this Amendment as Exhibit "B" is a certificate by said architect previously provided to Declarant that the Phases II-F condominium Villas (in this case, those contained in Buildings 11, 13, 15, and 17) constructed on the Property were substantially completed in compliance with said plans. Also attached as Exhibit "B" are copies of the Certificates of Occupancy for each of the Buildings issued by the local municipal authority.

5. **IMPROVEMENTS.**

a. The Property within Phase II-F which is being added to and combined with the previous Phase Property of the Regime consists of two parts: (i) dwelling units ("Villas"); and (ii) Common Elements. The Common Elements are described in Article 8 below. The Villas are all included in four (4) buildings and consist of twenty-four (24) individual Villas, all as more fully described below. The Phase II-F Villas are constructed with similar basic materials as the Phase I Villas, and are of a similar form and design. The Villas are capable of individual utilization on account of having their own exits to the common elements of the Property, and a particular and exclusive property right thereto, and also an undivided interest in the General and Limited Common Elements of the Property, as set forth in the Master Deed and as hereinafter set forth, necessary for their adequate use and enjoyment (hereinafter referred to as "Common Elements"), all of the above in accordance with the Act.

b. The basic floor plans for all of the aforementioned dwelling Villas are more particularly shown on the Plans attached as Exhibit "C-1" to the Master Deed, which Plans are incorporated herein in the same manner as if expressly set forth in this Section 5 and said Plans, together with the Villa numbers and square footage of area in each Unit, and likewise together with the description of Villa boundaries as set forth in Section 5.5 of the Master Deed, shall constitute a complete description of the Villas within the Regime.

c. The individual dwelling Villa types are the same types as the Phase I Villas, reference being made to the Architect's "walk-through" descriptions set forth in Section 5.3 of the Master Deed.

6. **VILLAS/NUMBERING SYSTEM/TYPE.** The twelve (12) Villas contained in the Phase II-F Buildings are located and numbered as follows:

Building 11-Phase II-F

<u>Villa No.</u>	<u>Type</u>
1110	Hawthorne
1111	Azalea
1120	Magnolia
1121	Palmetto
1122	Camellia
1123	Cypress

Building 13-Phase II-F

<u>Villa No.</u>	<u>Type</u>
1310	Azalea
1311	Hawthorne
1320	Cypress
1321	Camellia
1322	Palmetto
1323	Magnolia

Building 15-Phase II-F

<u>Villa No.</u>	<u>Type</u>
1510	Azalea
1511	Hawthorne
1520	Cypress
1521	Camellia
1522	Palmetto
1523	Magnolia

Building 17-Phase II-F

<u>Villa No.</u>	<u>Type</u>
1710	Hawthorne
1711	Azalea
1720	Magnolia
1721	Palmetto
1722	Camellia
1723	Cypress

The mailing address for an individual Villa is 4 Indigo Run Drive, Villa No. ____, Hilton Head Island, South Carolina 29926."

7. **AREA COMPRISING PROPERTY.**

a. The land comprising Phase II-F has a total of approximately 4.28 acres on which is situated four (4) residential buildings occupying approximately 24,520 square feet and the remaining approximately 161,813 square feet is made up of parking, sidewalks, outside landscape areas and other Common Elements. The Villas within the Buildings are located on two (2) floors.

b. The total land of the Regime, subsequent to the filing of this Amendment and including the Phase II-F, has a total of 15.45 acres of which approximately 128,730 square feet will be occupied by Villas and approximately 544,819 square feet will be occupied by Common Elements.

8. **COMMON ELEMENTS.** The Common Elements of the Property, both General and Limited, and including all Phases shall be as set forth in the Master Deed, the provisions of which, (to wit, Sections 7.1 and 7.2 of the Master Deed) are incorporated herein and made a part hereof in the same manner as if the same were expressly set forth, except as may be herein modified or amended. It is noted that the Easement portion of the legal description contained on Exhibit "A" hereto, has been modified from the original description set forth in Exhibit "A" to the Master Deed. The attached description of the Easement portion of the legal description is intended to supercede and replace the same portion in the Master Deed.

9. **CONVERSION.** The Phase II-F improvements being submitted to the Regime were constructed by Declarant in the 2000/2001 time frame as a multi-family apartment complex. As such, the Villas referenced herein have previously been occupied. This Amendment to Master Deed is intended to satisfy all of the requirements of the Act relating to conversion of existing rental, residential properties to the condominium form of ownership. As such, attached hereto as Exhibit "C" and incorporated herein is a report from an independent registered engineer licensed to practice in South Carolina containing a good faith estimate of the remaining useful life to be expected for each item reported on, together with a list of any notices of uncured violations of building codes or other County or municipal regulations, if any, together with an estimated cost of curing those violations. Exhibit "C" is intended to be a good faith estimate of useful life and shall not constitute a warranty of Declarant or of said engineer. The intention of the report is to provide a summary of the present condition of all general Common Elements as listed in said report.

10. **PERCENTAGE INTEREST.**

10.1 **Statutory Percentage Interest.** The percentage of title and interest appurtenant to each Villa and the Villa owners title and interest in the Common Elements (both General and Limited) of the Property and the proportionate share in the profits and common monthly expenses as well as the proportionate representation for voting purposes in the meeting of the Association is based on the proportionate value of each Villa to the value of the total Property as set forth below.

For purposes of the Act and pursuant to the terms of the Master Deed, the percentage interest appurtenant to each Villa of the Regime shall be established in accordance with the following formula:

$$\frac{V}{A} = P$$

- "P" - Percentage Interest of each Villa.
- "V" - Valuation of the respect Villas as set forth in this Section 10 and in the Amendment to Master Deed for Future Phases.
- "A" - Aggregate Valuation of all Villas existing in the Regime and added to the Regime as provided in Sections 8 and 9 of the Master Deed.

10.2 **Villa Types/Statutory Values.** The six (6) basic types of Villas have the following statutory value for purposes of the Act:

Azalea	=	\$ 140,400	Magnolia	=	\$ 249,750
Hawthorne	=	\$ 192,150	Camellia	=	\$ 252,450
Palmetto	=	\$ 226,950	Cypress	=	\$ 271,950

10.3 **STATUTORY PERCENTAGE INTEREST:** Based upon the above values, the percentage of undivided interest in the Common Elements appurtenant to each Villa in the Regime subsequent to the filing of this Amendment is set forth below in Chart A:

CHART A
PHASES I Through II-F

<u>Villa/Type</u>	<u>Statutory Value</u>	<u>No. of Villas</u>	<u>Percentage Phases I through II-F Each Villa</u>	<u>Total Percentage*</u>
Azalea	140,400	21	.50%	10.50%
Hawthorne	192,150	21	.69%	14.49%
Palmetto	226,950	21	.81%	17.01%
Magnolia	249,750	21	.89%	18.69%
Camellia	252,450	21	.90%	18.90%
Cypress	271,950	21	.97%	20.37%
Totals	28,006,650	126		100%*

*N.B. Total Percentage rounded to 100%

10.4 **FUTURE PHASES.** In the event Declarant elects to expand the Regime as provided for herein, all Villas added to the Regime shall have the same statutory valuations as set forth above; provided, however, that Declarant does reserve the right to modify floor plans for Future Phase Villas and, in such event, the statutory valuation may vary.

The following Chart B demonstrates the adjustment in the percentage interest assuming that the balance of Phases III and IV are added to the Regime comprising seventy-two (72) Villas in Phase III and then fifty-four (54) Villas in Phase IV, and assuming the same average statutory valuation of Villas as Phase I. However, the exact adjustment of percentage interest is not subject to calculation until the exact number of Villas to be added to the Regime is established. There may be a fewer number of Villas. In the event that addition of Villas to the Regime results in a calculation of percentage interest in accordance with the above formula which does not total One Hundred (100%) Percent, the amount necessary to bring such total to One Hundred (100%) Percent shall be allocated by the Board of Directors or its designated Management Agent.

CHART B

ASSIGNED PERCENTAGE INTEREST ASSUMING FUTURE PHASE PROPERTY IS ADDED TO THE REGIME

INDIVIDUAL STATUTORY PERCENTAGE

CUMULATIVE TOTAL # OF Villas	Azalea	Hawthorne	Palmetto	Magnolia	Carmelia	Cypress	CUMULATIVE STATUTORY VALUE OF PROPERTY
Phase I 60 Villas	1.05%	1.44%	1.70%	1.87%	1.90%	2.04%	\$13,336,500
Phase II-A 12 Villas (72)	.88%	1.20%	1.42%	1.56%	1.58%	1.70%	\$16,003,800
Phase II-B 12 Villas (84)	.75%	1.03%	1.21%	1.34%	1.35%	1.46%	\$18,671,100
Phase II-C 6 Villas (90)	.70%	.96%	1.13%	1.25%	1.26%	1.36%	\$20,004,750
Phase II-D and II-E 12 Villas (102)	.62%	.85%	1.00%	1.10%	1.11%	1.20%	\$22,672,050
Phase II-F 24 Villas (126)	.50%	.69%	.81%	.89%	.90%	.97%	\$28,006,650
Phase III 72 Villas (198)	.32%	.44%	.52%	.57%	.57%	.62%	\$44,010,450
Phase IV 54 Villas (252)	.25%	.34%	.41%	.45%	.45%	.49%	\$56,013,300
TOTAL 252 Villas							\$56,013,300

Note: The number of phases, and the number of villas within each phase is projected and is subject to change at Declarant's sole discretion. Declarant may also bring in phases in stages, to be known as sub-phases.

10.5 **TOTAL VALUE.** The total statutory value of the Property in Phase II-F is \$5,334,600. The total value projected for all Phases is \$56,013,300. Subject to the overall limitations described in Section 8 of the Master Deed, Declarant will not exceed these estimated numbers for the Future Phase.

NOTE: THESE VALUATIONS ARE FOR PURPOSES OF THE SOUTH CAROLINA HORIZONTAL PROPERTY ACT.

10.6 **NO ALTERATIONS.** The proportionate representation for voting purpose and the percentage of the undivided interest in the Common Elements (both General and Limited) provided in this Section 10 shall not be altered without the acquiescence of the Co-Owners representing all of the Villas expressed in an amendment to the Master Deed duly recorded as required by Section 10 thereof, unless adjusted per Section 5.10 of the Master Deed, or except as provided in Sections 8, 9, and 10 with regard to the Amendment of the Master Deed to admit the Future Phase Villas.

11. **DECLARANT RESERVATION OF RIGHTS.** Reference is made to Sections 8, 9 and 10 of the original Master Deed concerning certain Declarant rights which have been reserved and which continue to be reserved by the Declarant, all as more particularly described in said Master Deed.

12. **ADMINISTRATION AND BYLAWS.** Reference is made to Section 12 of the original Master Deed and the By-Laws attached as Exhibit "D" to said Master Deed as it relates to the administration and operation of the Regime and membership of the Association.

13. **GENERAL PLAN OF DEVELOPMENT.** Reference is made to Section 8 of the original Master Deed wherein the general plan of development of Declarant was summarized. With this Amendment, the phasing of the Regime includes a total of 126 dwelling Villas. Declarant reserves the right to further amend the Master Deed for bringing in additional Phases in one or more stages, or sub-stages.

14. **TIME SHARING/INTERVAL AND FRACTIONAL OWNERSHIP.** The Declarant herein subjects all of the Phase II Property, including the Phase II-F, of the Regime to the further limitation and restriction that it shall be used and occupied for whole-time residential dwelling Villas, and such dwelling Villas shall not be utilized for purposes of time-sharing or interval ownership, time-sharing or interval licenses, time-sharing or interval leases, fractional interest or similar plans as those items are currently generally utilized in the real estate industry or as those or similar terms are expressed or defined in Title 27, Chapter 32, Code of Laws of South Carolina, 1976, as amended i.e. the South Carolina Vacation Time Sharing Act and the South Carolina Multiple Ownership Act.

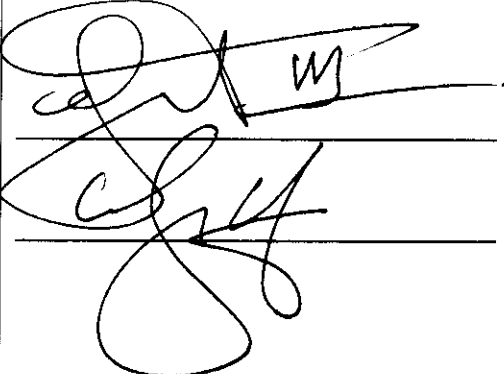
15. **MISCELLANEOUS.** The purpose of this Amendment is to add the Phase II-F Property to the Regime so as to make it an integral part of said Regime. All provisions of the Master Deed establishing the Regime as recorded in the Land Records for Beaufort County, South Carolina, which are not modified herein are expressly incorporated into and reaffirmed by this Amendment in the same manner as if the same were expressly set forth in this Amendment. In case any of the provisions stated above conflict with mandatory provisions, the provisions of the Act shall control. The provisions hereof shall be deemed independent and severable, and the invalidity in whole or in part of any section, sub-section, sentence, clause, phrase or word, or other provision of this Amendment shall not affect the validity or enforceability of the remaining portions thereof and in such event, all of the other provisions of this Amendment shall continue in full force and effect as if such invalid provision had never been included therein.

16. **JOINDER OF MORTGAGEE.** Attached as Exhibit "D" and incorporated herein is the Joinder of Mortgagee of the Declarant's lender.

IN WITNESS WHEREOF, Declarant has executed this Master Deed, and the appropriate corporate seal affixed hereto this 1st day of June in the year of Our Lord Two Thousand Four and in the Two Hundred and Twenty-eighth year of the Sovereignty and Independence of the United States of America.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

STERLING LAND VENTURES I, LTD.,
a Georgia limited partnership
By: CHURCHILL INVESTMENTS, LLC
a Georgia limited liability company,
its sole General Partner

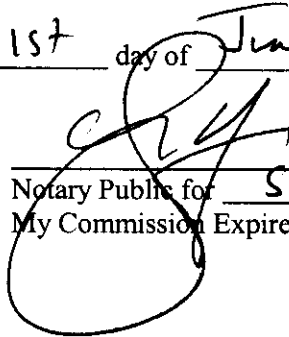


By: Todd C Andersen
Title: MANAGER

STATE OF _____)
) ACKNOWLEDGMENT
COUNTY OF _____)

I, LARRY S. GRIFFIN, do hereby certify that Todd C Andersen,
as Member of Churchill Investments, LLC, the General Partner of **STERLING LAND VENTURES I, LTD.**, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 1st day of June, 2004.

 (SEAL)
Notary Public for S.C.
My Commission Expires: 2/14/05

INDEX OF EXHIBITS

THE PRESERVE AT INDIGO RUN HORIZONTAL PROPERTY REGIME

TABLE OF CONTENTS FOR
FIFTH AMENDMENT TO MASTER DEED
THE PRESERVE AT INDIGO RUN HPR

Exhibit Description

"A"	Legal Description of Phase II-F and Future Phase Property
"B"	Architect's Certificate
"C"	Conversion Disclosure
"D"	Joinder of Mortgage

**EXHIBIT "A" TO FIFTH AMENDMENT TO MASTER DEED OF
THE PRESERVE AT INDIGO RUN HORIZONTAL PROPERTY REGIME
DESCRIPTION OF LAND**

All that certain pieces, parcels or tracts of land situate, lying and being in the Indigo Run Plantation, Hilton Head Island, Beaufort County, South Carolina, having and containing 4.28 acres, more or less, respectively, shown and described as Phase II-F on the plat entitled "As-Built Survey, The Preserve at Indigo Run Horizontal Property Regime, Phase I and, Phase II-A through Phase II-F", which plat was prepared by Gasque & Associates, Inc. and certified to by Davis S. Gasque, R.L.S. (S.C.) #10506, which said plat is dated August 25, 2003, last revised April 22, 2004, and is recorded in the Land Records of Beaufort County, South Carolina, in Plat Book 99 at Page 159. The property is described by courses and distances, metes and bounds, as follows, to-wit:

To find the **POINT OF BEGINNING** commence at the intersection of the centerline of that Right of Way known as Indigo Run Parkway and the centerline of that Right of Way known as Leg-O-Mutton Road and from said point of commencement proceeding N58°03'34"E for a distance of 89.91 feet to a point; thence proceeding N42°32'51"W for a distance of 9.90 feet to a point; thence proceeding S88°39'44"E for a distance of 177.10 feet to a point; thence proceeding along a curve for a distance of 132.54 feet in a Northeasterly direction, said curve having a radius of 374.00 feet, a chord bearing of N81°11'06"E for a chord distance of 131.85 feet to a point; thence proceeding N71°01'57"E for a distance of 104.30 feet to a point; thence proceeding N12°56'12"W for a distance of 340.42 feet to a concrete monument; thence proceeding N57°20'45"E for a distance of 207.39 feet to a concrete monument; thence proceeding N62°24'35"E for a distance of 54.27 feet to the point which marks the **POINT OF BEGINNING** for the subject Phase II-F property; from said **POINT OF BEGINNING** proceeding N10°43'04"W for a distance of 285.54 feet; thence proceeding N56°12'19"E for a distance of 260.16 feet; thence proceeding N45°53'24"E for a distance of 208.03 feet; thence proceeding S58°37'25"E for a distance of 119.93 feet; thence proceeding S07°34'01"W for a distance of 85.76 feet; thence proceeding S33°47'09"E for a distance of 231.23 feet; thence proceeding S65°28'05"W for a distance of 83.57 feet; thence proceeding S52°22'41"W for a distance of 195.75 feet; thence proceeding S75°47'32"W for a distance of 310.57 feet to the point which marks the **POINT OF BEGINNING**.

In case of conflict, if any, between the above mentioned courses and distances, metes and bounds description and the aforementioned plat, said plat shall be controlling.

TOGETHER with the following non-exclusive easements:

- a. Access Easement granted by Indigo Run Plantation Owners Association, Inc. in that certain Access Easement Agreement dated December 3, 1997, and recorded in the Beaufort County Records in Book 995 at Page 904.
- b. Drainage Easement granted by The Town of Hilton Head Island, South Carolina in that certain Drainage Easement Agreement dated December 3, 1997, and recorded in the Beaufort County Records in Book 995 at Page 926.
- c. Sign Easement granted by The Town of Hilton Head Island, South Carolina in that certain Sign Easement dated December 3, 1997, and recorded in the Beaufort County Records in Book 995 at Page 930.

SAVE AND EXCEPT THEREFROM, the right of ingress and egress over and across all roads and walkways shown on the above described plat of The Preserve at Indigo Run Horizontal Property Regime, said

reservation being unto the Declarant herein, its successors and assigns and Grantees, said reserved easement expressly for, but not limited to, the purpose of construction and all construction related activities on the Future Phase Property.

FURTHER, the Declarant expressly reserves the right to improve the aforementioned Property by clearing, tree pruning, constructing additional parking and common facilities, including, but not necessarily limited to a controlled access facility, recreational facilities, drainage facilities, and the like, pertaining to The Preserve at Indigo Run Horizontal Property Regime and/or adjacent Future Phase Property.

FURTHER, Declarant expressly reserves the right to install lines, equipment and facilities for utility and drainage purposes and to grant easements over the property for the installation of additional lines, equipment or facilities for utility and drainage purposes from time to time.

FURTHER, Declarant reserves the right, but not the obligation, to improve and/or to maintain the Common Elements of the Regime. In the event any of the improvements constituting common elements of the Regime herein are not being maintained by the Association in a manner in keeping with the overall image of The Preserve at Indigo Run for as long as Declarant is the owner of any villa in the Regime or any of the Future Phase Property, Declarant, in the Declarant's reasonable discretion, may provide notice to the Association of the deficiencies; and in the event that the Association does not take remedial action within thirty (30) days from the date of said notice, then Declarant may take necessary action to improve and/or maintain the Common Elements and shall be reimbursed by the Association for the reasonable costs expended.

FURTHER, the above property is submitted to The Preserve at Indigo Run Horizontal Property Regime subject to the following:

1. Covenants and restrictions as described in that certain document entitled Declaration of Restrictive Covenant Regarding Wetlands Site recorded in Book 1186 at Page 2011, and First Amendment recorded in Book 1435 at Page 2172, Beaufort County Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c), but this policy insures that a violation thereof will not cause a forfeiture of title.
2. Easement granted to Hilton Head Public Service District No. 1 recorded December 9, 1991 in Book 588 at Page 773, Beaufort County Records.
3. Roadway Construction and Access Easement Agreement with Coastal Concrete, Inc. recorded December 27, 1991 in Book 589 at Page 1402, Beaufort County Records.
4. Drainage easement granted to the Town of Hilton Head Island recorded in Book 995 at Page 912, Beaufort County Records.
5. Landscape and buffer easement granted to the Town of Hilton Head Island recorded in Book 995 at Page 917, Beaufort County Records.
6. Pathway Easement Agreement granted to the Town of Hilton Head Island recorded in Book 995 at Page 934, Beaufort County Records.
7. Easements granted to Hargray Telephone Company, Inc. recorded in the Beaufort County Records in Book 1253 at Pages 2565 and 2570.

8. Easement granted to Palmetto Electric Cooperative, Inc. recorded in the Beaufort County Records in Book 1273 at Page 2164.
9. Easement granted to Hilton Head No. 1 Public Service District recorded in the Beaufort County Records in Book 1297 at Page 1732.
10. All matters disclosed on the above described Survey prepared by Gasque & Associates, Inc., dated August 25, 2003, as revised October 30, 2003.
11. Terms and conditions of that certain Access Easement Agreement by and between Indigo Run Plantation Owners Association, Inc. and Sterling Land Ventures I, Ltd., dated December 3, 1997, recorded in the Beaufort County Records in Book 995 at Page 904.
12. Terms and conditions of that certain Drainage Easement Agreement by and between The Town of Hilton Head Island, South Carolina, and Sterling Land Ventures I, Ltd., dated December 3, 1997, recorded in the Beaufort County Records in Book 995 at Page 926.
13. Terms and conditions of that certain Sign Easement granted by The Town of Hilton Head Island, South Carolina in that certain Sign Easement dated December 3, 1997, and recorded in the Beaufort County Records in Book 995 at Page 930.

It is noted that the listing of the above matters 1 through 13 by Declarant is not intended to burden the Property with such matters if, in fact, they do not already apply to the Property, or portions thereof.

FURTHER, the above property is submitted to the Horizontal Property Regime subject to all easements as shown on the above plat of record and to all existing utility easements or easements to be granted in favor of the Hilton Head No.1 Public Service District, Palmetto Electric Cooperative, Adelphia Cablevision, Hargray Telephone Company, of record in the RMC Office for Beaufort County, South Carolina.

Derivation

The property described above is a portion of the property conveyed to Sterling Land Ventures I, Ltd., by Deed of Indigo Run Limited Partnership dated December 3, 1997, recorded in the RMC Office for Beaufort County, South Carolina, in Book 995 at Page 894.

Future Phase Property

All those certain pieces, parcels or tracts of land situate, lying and being in the Indigo Run Plantation, Hilton Head Island, Beaufort County, South Carolina, having and containing 18.46 acres more or less, as identified on Sheet 1 of 4 as Future Phase, and that otherwise appear on Sheets 2, 3, and 4 of 4 that are not incorporated into Phase I through Phase II-F, all as shown and described on the plat entitled "As-Built Survey, The Preserve at Indigo Run Horizontal Property Regime, Phase I, Phase II-A through II-F", which plat was prepared by Gasque & Associates, Inc. and certified to by David S. Gasque, R.L.S. (S.C.) #10506, which said plat is dated August 25, 2003, last revised April 22, 2004, and is recorded in the Land Records of Beaufort County, South Carolina, in Plat Book 99 at Page 159. In addition to the Future Phase Property labeled on Sheet 1 of 4, the Future Phase Property is generally that portion of the property depicted on the aforementioned plat that contains Buildings 1 through 10, 12, 14, 16 and 25 through 32.

Easement (revised from Master Deed)

AND ALSO, a general use easement for those amenities, byways, lanes, paths, walkways, internal roadways, bike trails, and certain of the other common areas on the Future Phase Property owned by Declarant, such amenities and common facilities including, e.g., those improvements generally referred to as the Pool, the exercise room, and the mail Kiosk, all of which are intended for the general use of all property owners and tenants of The Preserve at Indigo Run and their proper guests and invitees, which said use shall be upon the terms and conditions as may be established from time to time by Declarant, its successors and assigns for all such property owners, tenants and guests, it being understood that these facilities are, and shall be, restricted as to access, such restrictions reserved as defined in certain covenants of record and as set forth in this Master Deed. The within granted easements are intended to be easements appurtenant to the Villas within The Preserve at Indigo Run Horizontal Property Regime more particularly described above and are for the use, benefit, and to be incident to the ownership of the above described Property, as applicable, and any portions thereof, or any condominium located therein, or thereon, now or at any time in the future; provided further, however, that the use of these facilities is subject also to an allocable share of the maintenance, repair, upkeep, and reserve of such facilities, all of which shall be a part of the Common Expenses of the Regime.

PROVIDED FURTHER, that Declarant specifically excludes from the within Grant of Easement the common facilities generally referred to as the Pool Cabana and the Clubhouse, both of which facilities will be subject to Declarant's sole use, at its discretion, until all Future Phase Villas have been made a part of the Regime and all Villas have been sold and conveyed.

{330523.1} 15582-00211

EXHIBIT "B"
TO FIFTH AMENDMENT TO MASTER DEED

Attached are Architect's Certificates for Buildings 11, 13, 15 and 17, the Buildings comprising Phase II-F of the Regime, said certificates being executed August 31, 2000 (Building 11), October 31, 2000 (Building 13) and November 13, 2000 (Buildings 15 and 17). Also attached are copies of the Certificates of Occupancy issued by the Town of Hilton Head Island for each of the respective Buildings dated as follows:

Building 11	August 31, 2000
Building 13	November 9, 2000
Building 15	November 10, 2000
Building 17	December 6, 2000

*Exhibit "B" to Fifth Amendment to Master Deed
The Preserve at Indigo Run Horizontal Property Regime*

BETHEA, JORDAN
& GRIFFIN, P.A.
ATTORNEYS AND
COUNSELORS AT LAW

{330515.1} 15582-00211

**Permission to Occupy
Project Mortgages**

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0001
(Exp. 06/1/2002)

Public Reporting Burden for this collection of information is estimated to average 18 hours per response, including the time for reviewing instructions, reviewing existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Information is being collected under Public Law 101-685 which requires the Department of to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 228, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rents, property appraisals, and mortgage amounts, and to execute a firm commitment. Confidentiality to respondents is ensured if it would result in competitive harm under the various Sections of the Housing legislation.

Project Name	The Preserve at Indigo Run	Project Number	054-35602
Project Location	4 Indigo Run Drive, Hilton Head Island, SC 29926	Request Number	14

Request for Permission to Occupy
Federal Housing Administration

Permission is requested for the occupancy of (Number) six (6) living units

Identified as
Building #11

and located in (Describe structure, wing, entrance, etc.)

Phase III (Behind Mail Kiosk)

All work in connection therewith has been substantially completed and all of the above-described living units are suitable for occupancy, with the fixtures and equipment installed and in operating condition. Light, heat, water, gas, and sanitary services have been connected and are available for use. The premises have been inspected by the public authorities having jurisdiction and permission to occupy granted by them as evidenced by the certificates attached herewith and adequate approaches to the site and the aforesaid living units have been provided, including temporary or permanent guard rails, barricades, walkways, and other provisions necessary to the protection of tenants and the public. Proposed rental schedule or monthly charges in triplicate and mortgagee's proposal for management of the project and compensation to be paid therefor, if and as requested by corporate charter have been or are herewith submitted.

Sterling Land Ventures I, Ltd.

Mortgagee

Date (mm/dd/yyyy) 8/31/00 By Steph P. Klee

Contractor's Certificate of Substantial Completion

I have inspected the units listed above and have found construction to be sufficiently complete and in accordance with contract requirements so that owners may occupy the above described living or service units for the uses intended. I have examined all required certificates of permission to occupy as issued by public authorities having jurisdiction and found same to be in proper order.

Humphreys & Partners

Contractor

Date (mm/dd/yyyy) 31 Aug 00 By [Signature]

Contractor's Certification

This is to certify that all work or correction necessary to complete the above-described living units in accordance with the contract requirements and in a manner acceptable to the Federal Housing Administration will be performed without delay and at no additional cost regardless of any adverse conditions resulting from the occupancy of the aforesaid living units.

Sterling Services II, LLC

Contractor

Date (mm/dd/yyyy) 8/31/00 By Steph P. Klee

Mortgagee's Statement

Federal Housing Administration

All insurance risks have been covered in conformity with Federal Housing Administration Hazard Insurance requirements issued in connection with this project. The above request is acceptable to the undersigned.

Continental Wingate Associates

Mortgagee

Date (mm/dd/yyyy) 1/23/01 By [Signature]

Name of Mortgagee, Street Address, City, State, Zip

Continental Wingate Associates
5. Hendrick Street
Needham, MA 02494

Date Submitted (mm/dd/yyyy)

1/23/01

Examination of the living units described above, including the available means of access thereto, reveals they are suitable for occupancy with the exception of those enumerated below, which are considered unsuitable for occupancy at this time for the reasons stated.

Inspected 8-31-00 By [Signature]
(Date mm/dd/yyyy) Architectural Construction Representative

Approved as reported above; as modified by me [Signature]
 Chief Architecture & Engineering Section Deputy

Approved: Date 1-31-01 By [Signature]
(mm/dd/yyyy) Chief Underwriter Assistant Director for Technical Services Deputy

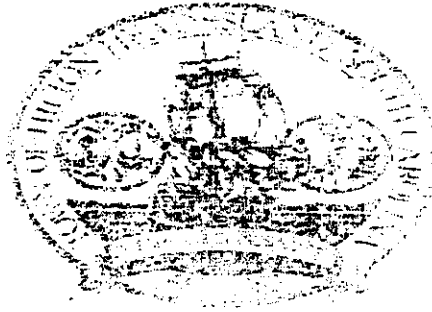
Permission to Occupy

Permission is granted for the occupancy of the living units identified on the FHA Inspection Report portion of this form as suitable for occupancy. It is understood that this does not constitute and shall not be construed as acceptable of construction and that completion of these living units in accordance with the contract documents is essential and will be performed prior to acceptance of the construction.

Federal Housing Administration,

By [Signature]
(Authorized agent)

Date (mm/dd/yyyy) 1-31-01



CERTIFICATE OF OCCUPANCY

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

THIS IS TO CERTIFY THAT THE STRUCTURE SITUATED AT

LOT:
ADDRESS: 4 INDIGO RUN DRIVE
DISTRICT/MAP/PARCEL: R51000800000980000
BUILDING: 11

HAS BEEN CONSTRUCTED IN ACCORDANCE WITH THE STANDARD BUILDING CODE AND THE ZONING ORDINANCE FOR HILTON HEAD ISLAND AND INCLUDING ANY AND ALL RELATED CODES OR ORDINANCES ADOPTED BY THE TOWN OF HILTON HEAD ISLAND. IT IS FURTHER DECLARED THAT THE STRUCTURE HAS BEEN INSPECTED AND IS PHYSICALLY SOUND AND STRUCTURALLY AND MECHANICALLY SAFE FOR HUMAN OCCUPANCY.

OWNER: STERLING LAND VENTURES I LT
OCCUPANCY: Residential
TO BE USED AS: RES
BUILDING PERMIT NO: B9901497
DATE CO ISSUED: 08/31/2000


STERLING SERVICES II, LLC

400 NORTHRIDGE ROAD, STE 320
ATLANTA, GA 30350

WHITE: OFFICE COPY YELLOW: CONTRACTOR'S COPY PINK: OWNER'S COPY GOLDEN: TAX ASSESSOR'S COPY

**Permission to Occupy
Project Mortgages**

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0001
(Exp. 2/01/2002)

Public Reporting Burden for this collection of information is estimated to average 18 hours per response, including the time for reviewing instructions, reviewing existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number. Information is being collected under Public Law 101-685 which requires the Department of to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 228, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rents, property appraisals, and mortgage amounts, and to execute a firm commitment. Confidentiality to respondents is ensured if it would result in competitive harm in accord with the Freedom of Information Act (FOIA) provisions or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the Housing legislation.

Project Name The Preserve at Indigo Run	Project Number 054-35602
Project Location 4 Indigo Run Drive, Hilton Head Island, SC 29926	Request Number 22

**Request for Permission to Occupy
Federal Housing Administration**

Permission is requested for the occupancy of (Number) six (6) living units identified as

Building #13

and located in (Describe structure, wing, entrance, etc.)

Phase III (Behind Mail Kiosk)

All work in connection therewith has been substantially completed and all of the above-described living units are suitable for occupancy, with the fixtures and equipment installed and in operating condition. Light, heat, water, gas, and sanitary services have been connected and are available for use. The premises have been inspected by the public authorities having jurisdiction and permission to occupy granted by them as evidenced by the certificate attached hereto. Safe and adequate approaches to the site and the aforesaid living units have been provided, including temporary or permanent guard rails, handrails, walks, lights, and other provisions necessary to the protection of tenants and the public. Proposed rental schedules or monthly charges in duplicate and mortgage's proposal for management of the project and compensation to be paid therefor, if and as requested by corporate charter have been or are herewith submitted.

Sterling Land Ventures I, Ltd.

Mortgagee

Date (mm/dd/yyyy) 10/31/00

By Steph P. Klee

Architect's Certificate of Substantial Completion

I have inspected the units listed above and have found construction to be sufficiently complete and in accordance with contract requirements so that owners may occupy the above described living or service units for the uses intended. I have examined all required certificates of permission to occupy as issued by public authorities having jurisdiction and found same to be in proper order.

Humphreys & Partners

Architect

Date (mm/dd/yyyy) 31 Oct 00

By [Signature]

Contractor's Certification

This is to certify that all work or correction necessary to complete the above-described living units in accordance with the contract requirements and in a manner acceptable to the Federal Housing Administration will be performed without delay and at no additional cost regardless of any adverse conditions resulting from the occupancy of the aforesaid living units.

Sterling Services II, LLC

Contractor

Date (mm/dd/yyyy) 10/31/00

By Steph P. Klee

Mortgagee's Statement

Federal Housing Administration

All insurance risks have been covered in conformity with Federal Housing Administration Hazard Insurance requirements issued in connection with this project. The above request is acceptable to the undersigned.

Continental Wingate Associates

Mortgagee

Date (mm/dd/yyyy) 1/23/01

By Beverly Rice

2 (Name of Mortgagee, Street Address, City, State, Zip)

Date Submitted (mm/dd/yyyy)

Continental Wingate Associates

1/23/01

65 Kendrick Street

Needham, MA 02494

Submission of the living units described above, including the available means of access thereto, reveals they are suitable for occupancy with the exception of those enumerated below, which are considered unsuitable for occupancy at this time for the reasons stated.

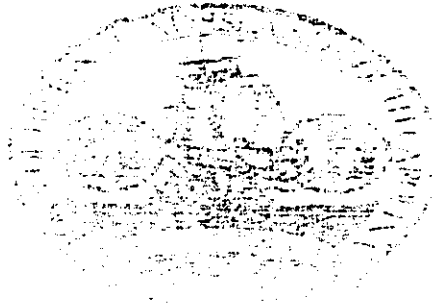
Inspected 10.31.00 By [Signature]
(Date mm/dd/yyyy) Architect Construction Representative

Approved as reported above; as modified by me [Signature]
 Chief Architect & Engineering Section Deputy

Approved: Date 1.31.01 By [Signature]
(mm/dd/yyyy) Chief Underwriter Assistant Director for Technical Services Deputy

Permission to Occupy
Permission is granted for the occupancy of the living units identified on the FIA Inspection Report portion of this form as suitable for occupancy. It is understood that this does not constitute and shall not be construed as acceptable of construction and that completion of those living units in accordance with the contract documents is essential and will be performed prior to acceptance of the construction.

Federal Housing Administration,
By [Signature]
(Authorized agent)
Date (mm/dd/yyyy) 1.31.01



CERTIFICATE OF OCCUPANCY

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

THIS IS TO CERTIFY THAT THE STRUCTURE SITUATED AT

LOT:
ADDRESS: 4 INDIGO RUN DRIVE
DISTRICT/MAP/PARCEL: R51000800000980000
BUILDING: 13

HAS BEEN CONSTRUCTED IN ACCORDANCE WITH THE STANDARD BUILDING CODE AND THE ZONING ORDINANCE FOR HILTON HEAD ISLAND AND INCLUDING ANY AND ALL RELATED CODES OR ORDINANCES ADOPTED BY THE TOWN OF HILTON HEAD ISLAND. IT IS FURTHER DECLARED THAT THE STRUCTURE HAS BEEN INSPECTED AND IS PHYSICALLY SOUND AND STRUCTURALLY AND MECHANICALLY SAFE FOR HUMAN OCCUPANCY.

OWNER: STERLING LAND VENTURES I LT
OCCUPANCY: Residential
TO BE USED AS: RES
BUILDING PERMIT NO: B9901498
DATE CO ISSUED: 11/09/2000

STERLING SERVICES II, LLC

400 NORTHRIDGE ROAD, STE 320
ATLANTA, GA 30350

WHITE: OFFICE COPY YELLOW: CONTRACTOR'S COPY PINK: OWNER'S COPY GOLDEN: TAX ASSESSOR'S COPY

Permission to Occupy Project Mortgages

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0001
(Exp. 3/31/2002)

Public Reporting Burden for this collection of information is estimated to average 18 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

This information is being collected under Public Law 101-625 which requires the Department of to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 223, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rents, property appraisals, and mortgage amounts, and to execute a firm commitment. Confidentiality to respondents is ensured if it would result in competitive harm in accord with the Freedom of Information Act (FOIA) provisions or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the Housing legislation.

Project Name	The Preserve at Indigo Run	Project Number	054-35602
Project Location	4 Indigo Run Drive, Hilton Head Island, SC 29926	Request Number	23

**Request for Permission to Occupy
Federal Housing Administration**

Permission is requested for the occupancy of (Number) six (6) living units identified as

Building #15

and located in (Describe structure, wing, entrance, etc.)

Phase III (Behind Mail Kiosk)

All work in connection therewith has been substantially completed and all of the above-described living units are suitable for occupancy, with the fixtures and equipment installed and in operating condition. Light, heat, water, gas, and sanitary services have been connected and are available for use. The premises have been inspected by the public authorities having jurisdiction and permission to occupy granted by them as evidenced by the certificates attached hereto. Safe and adequate approaches to the site and the aforesaid living units have been provided, including temporary or permanent guard rails, barricades, walkways, lights, and other provisions necessary to the protection of tenants and the public. Proposed rental schedules or monthly charges in triplicate and mortgagor's proposal for management of the project and compensation to be paid therefor, if and as requested by corporate charter have been or are herewith submitted.

Sterling Land Ventures I, Ltd.

Mortgagor

Date (mm/dd/yyyy) 13 Nov. 00 By Jerry B. Kemp

Architect's Certificate of Substantial Completion

I have inspected the units listed above and have found construction to be sufficiently complete and in accordance with contract requirements so that owners may occupy the above described living or service units for the uses intended. I have examined all required certificates of permission to occupy as issued by public authorities having jurisdiction and found same to be in proper order.

Humphreys & Partners

Architect

Date (mm/dd/yyyy) 13 Nov 00 By [Signature]

Contractor's Certification

This is to certify that all work or correction necessary to complete the above-described living units in accordance with the contract requirements and in a manner acceptable to the Federal Housing Administration will be performed without delay and at no additional cost regardless of any adverse conditions resulting from the occupancy of the aforesaid living units.

Sterling Services II, LLC

Contractor

Date (mm/dd/yyyy) 13 Nov. 00 By Jerry B. Kemp

Mortgagee's Statement

Federal Housing Administration

All insurance risks have been covered in conformity with Federal Housing Administration Hazard Insurance requirements issued in connection with the project. The above request is acceptable to the undersigned.

Continental Wingate Associates

Mortgagee

Date (mm/dd/yyyy) 1/23/01 By Beverly Rice

Name of Mortgagee, Street Address, City, State, Zip

Continental Wingate Associates

63 Kendrick Street

Needham, MA 02494

Date Submitted (mm/dd/yyyy)

1/23/01

Examination of the living units described above, including the available means of access thereto, reveals they are suitable for occupancy with the exception of those enumerated below, which are considered unsuitable for occupancy at this time for the reasons stated.

Inspected 1-4-01 (mm/dd/yyyy) By [Signature]
 Architectural Construction Representative

Approved as reported above; as modified by me [Signature]
 Chief Architecture & Engineering Section Chief

Approved: Date 1-31-01 (mm/dd/yyyy) By [Signature]
 Chief Underwriter; Assistant Director for Technical Services Chief

Permission to Occupy
Permission is granted for the occupancy of the living units identified on the FHA Inspection Report portion of this form as suitable for occupancy, understood that this does not constitute and shall not be construed as acceptance of construction and that completion of those living units in accordance with the contract documents is essential and will be performed prior to acceptance of the construction.

Federal Housing Administration,
By [Signature]
(Authorized agent)
Date (mm/dd/yyyy) 1-31-01



CERTIFICATE OF OCCUPANCY

TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

THIS IS TO CERTIFY THAT THE STRUCTURE SITUATED AT

LOT:
ADDRESS: 4 INDIGO RUN DRIVE
DISTRICT/MAP/PARCEL: R51000800000980000
BUILDING: 15

HAS BEEN CONSTRUCTED IN ACCORDANCE WITH THE STANDARD BUILDING CODE AND THE ZONING ORDINANCE FOR HILTON HEAD ISLAND AND INCLUDING ANY AND ALL RELATED CODES OR ORDINANCES ADOPTED BY THE TOWN OF HILTON HEAD ISLAND. IT IS FURTHER DECLARED THAT THE STRUCTURE HAS BEEN INSPECTED AND IS PHYSICALLY SOUND AND STRUCTURALLY AND MECHANICALLY SAFE FOR HUMAN OCCUPANCY.

OWNER: STERLING LAND VENTURES I LT
OCCUPANCY: Residential
TO BE USED AS: RES
BUILDING PERMIT NO: B9901501
DATE CO ISSUED: 11/10/2000


STERLING SERVICES II, LLC

400 NORTHRIDGE ROAD, STE 320
ATLANTA, GA 30350

WHITE: OFFICE COPY YELLOW: CONTRACTOR'S COPY PINK: OWNER'S COPY GOLDEN: TAX ASSESSOR'S COPY

**Permission to Occupy
Project Mortgages**

U.S. Department of Housing
and Urban Development
Office of Housing
Federal Housing Commissioner

OMB Approval No. 2502-0001
(Exp. 09/18/2002)

Public Reporting Burden for this collection of information is estimated to average 18 hours per response, including the time for reviewing instructions, jobbing existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

This information is being collected under Public Law 101-625 which requires the Department of to implement a system for mortgage insurance for mortgages insured under Sections 207, 221, 228, 232, or 241 of the National Housing Act. The information will be used by HUD to approve rents, property appraisals, and mortgage amounts, and to execute a firm commitment. Confidentiality to respondents is ensured if it would result in competitive harm in accord with the Freedom of Information Act (FOIA) provisions or if it could impact on the ability of the Department's mission to provide housing units under the various Sections of the Housing legislation.

Project Name	The Preserve at Indigo Run	Project Number	054-35602
Project Location	4 Indigo Run Drive, Hilton Head Island, SC 29926	Request Number	23

Request for Permission to Occupy
Federal Housing Administration
Permission is requested for the occupancy of (Number) six (6) living units
identified as

Building #17

and located in (Describe structure, wing, entrance, etc.)

Phase III (Behind Mail Kiosk)

All work in connection therewith has been substantially completed and all of the above-described living units are suitable for occupancy, with the fixtures and equipment installed and in operating condition. Light, heat, water, gas, and sanitary services have been connected and are available for use. The premises have been inspected by the public authorities having jurisdiction and permission to occupy granted by them as evidenced by the certificates attached hereto. Safe and adequate approaches to the site and the aforesaid living units have been provided, including temporary or permanent guard rails, barricades, walkways, and other provisions necessary to the protection of tenants and the public. Proposed rental schedule or monthly charges in triplicate and mortgagee's proposal for management of the project and compensation to be paid therefor, if and as requested by corporate charter have been or are herewith submitted.

Sterling Land Ventures I, Ltd.

Mortgagee

Date (mm/dd/yyyy) 13 Nov 00 By Jerry B. King

Architect's Certificate of Substantial Completion

I have inspected the units listed above and have found construction to be sufficiently complete and in accordance with contract requirements so that owners may occupy the above described living or service units for the uses intended. I have examined all required certificates of permission to occupy as issued by public authorities having jurisdiction and found same to be in proper order.

Humphreys & Partners

Architect

Date (mm/dd/yyyy) 13 Nov 00 By [Signature]

Contractor's Certification

This is to certify that all work or correction necessary to complete the above-described living units in accordance with the contract requirements and in a manner acceptable to the Federal Housing Administration will be performed without delay and at no additional cost regardless of any adverse conditions resulting from the occupancy of the aforesaid living units.

Sterling Services II, LLC

Contractor

Date (mm/dd/yyyy) 13 Nov. 00 By Jerry B. King

Mortgagee's Statement

Federal Housing Administration

All insurance risks have been covered in conformity with Federal Housing Administration Hazard Insurance requirements issued in connection with the project. The above request is acceptable to the undersigned.

Continental Wingate Associates

Mortgagee

Date (mm/dd/yyyy) 1/23/01 By [Signature]

Name of Mortgagee, Street Address, City, State, Zip)

Continental Wingate Associates
63 Kendrick Street
Needham, MA 02494

Date Submitted (mm/dd/yyyy)

1/23/01

Examination of the living units described above, including the available means of access thereto, reveals they are suitable for occupancy with the exception of those enumerated below, which are considered unsuitable for occupancy at this time for the reasons stated.

Inspected 1-4-01 (mm/dd/yyyy) By [Signature]
 Architect Construction Representative

Approved as reported above; as modified by me [Signature]
 Chief Architect & Engineering Section Dept

Approved Date 1-31-01 (mm/dd/yyyy) By [Signature]
 Chief Inspector; Assistant Director for Technical Services Dir

Permission to Occupy
Permission is granted for the occupancy of the living units identified on the FHA Inspection Report portion of this form as suitable for occupancy, understood that this does not constitute and shall not be construed as acceptance of construction and that completion of those living units in accordance with the contract documents is essential and will be performed prior to acceptance of the construction.

Federal Housing Administration,
By [Signature] (Authorized agent)
Date 1-31-01 (mm/dd/yyyy)

36
42 PB
BJB
50366

BEAUFORT COUNTY SC - ROD
BK 01985 PGS 2561-2596
FILE NUM 2004038595
08/03/2004 09:53:41 AM
REC'D BY P BAXLEY RCPT# 248550
RECORDING FEES 42.00

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)
)
STERLING LAND VENTURES I, LTD.)
)
)
TO)
)
THE PRESERVE AT INDIGO RUN)
HORIZONTAL PROPERTY REGIME)

FIFTH AMENDMENT
TO
MASTER DEED OF
THE PRESERVE AT INDIGO RUN
HORIZONTAL PROPERTY REGIME
(PHASE II-F)

WHEREAS, on the 13th day of November, 2003, Sterling Land Ventures I, Ltd., a Georgia limited partnership, hereinafter referred to as "Declarant", executed a certain Master Deed establishing The Preserve at Indigo Run Horizontal Property Regime, ("Regime") which Master Deed was recorded on the 14th day of November, 2003, in Book 1872 at Page 633 and in Plat Book 96 at Page 63 in the Land Records for Beaufort County, South Carolina; and

WHEREAS, said Master Deed reserved the right at the sole option of the Declarant, its successors, grantees or assigns, that said project could be divided into one or more phases, Phase I being established by the aforementioned Master Deed with the provision that future phases of said project could be made a part of Regime at the election of the Declarant and upon the filing of an Amendment submitting said property to said Regime; and

WHEREAS, it is the intent and desire of Declarant herein to also amend the Master Deed pursuant to its reserved rights so as to add to the Regime substages of proposed Phase II, to be known as Phase II-F.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS that Sterling Land Ventures I, Ltd., the "Declarant", does hereby declare:

1. **EXERCISE BY DECLARANT.** Declarant does hereby elect to exercise and does hereby exercise the options and rights hereinabove referred to and more particularly set forth in the Master Deed of **The Preserve at Indigo Run Horizontal Property Regime** recorded in the Land Records for Beaufort County, South Carolina, in Deed Book 1872 at Page 633, *et seq.* (hereinafter "Master Deed"), to amend said Master Deed to include the Phase II-F Property more particularly described and set forth in Exhibit "A" hereto as a part of **The Preserve at Indigo Run Horizontal Property Regime** (hereinafter "Regime") in such a way that the said Regime shall be composed of Phases I, and Phases II-A through II-F. Effective upon the filing of this Amendment, the property included in the Regime shall be as described in Exhibit "A-1" hereto which description includes the Phase I, Phase II-A, Phase II-B, Phase II-C, Phase II-D and Phase II-E and now, Phase II-F properties.

2. **LAND.** Declarant is the sole owner of the Phase II-F land described in Exhibit "A" herein, which land is shown on a plat thereof, and being incorporated by reference having been recorded in the Land Records for Beaufort County, South Carolina, in Plat Book 99 at Page 139

RECORDED

2004 JUN 22 PM 9:58

BETHEA, JORDAN
& GRIFFIN, P.A.
ATTORNEYS AND
COUNSELORS AT LAW

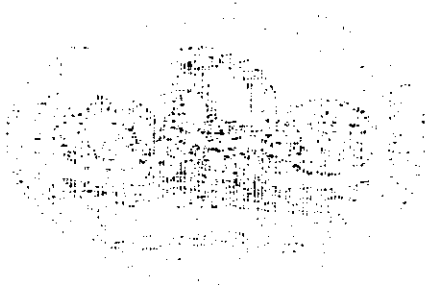
(330514.2) 15582-002

Fifth Amendment to Master Deed - The Preserve at Indigo Run HPR

- Page 1 of 9 -

BEAUFORT COUNTY TAX MAP REFERENCE

Dist.	Map	Submap	Page
510	8		686



CERTIFICATE OF OCCUPANCY

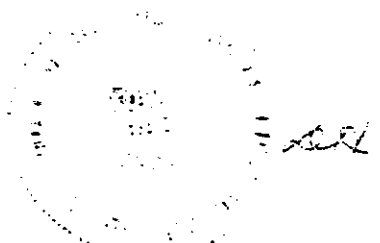
TOWN OF HILTON HEAD ISLAND, SOUTH CAROLINA

THIS IS TO CERTIFY THAT THE STRUCTURE SITUATED AT

LOT:
ADDRESS: 4 INDIGO RUN DRIVE
DISTRICT/MAP/PARCEL: **R51000800000980000**
BUILDING: 17

HAS BEEN CONSTRUCTED IN ACCORDANCE WITH THE STANDARD BUILDING CODE AND THE ZONING ORDINANCE FOR HILTON HEAD ISLAND AND INCLUDING ANY AND ALL RELATED CODES OR ORDINANCES ADOPTED BY THE TOWN OF HILTON HEAD ISLAND. IT IS FURTHER DECLARED THAT THE STRUCTURE HAS BEEN INSPECTED AND IS PHYSICALLY SOUND AND STRUCTURALLY AND MECHANICALLY SAFE FOR HUMAN OCCUPANCY.

OWNER: STERLING LAND VENTURES I LT
OCCUPANCY: Residential
TO BE USED AS: RES
BUILDING PERMIT NO: B9901503
DATE CO ISSUED: 12/06/2000



STERLING SERVICES II, LLC

400 NORTHRIDGE ROAD, STE 320
ATLANTA, GA 30350

WHITE: OFFICE COPY YELLOW: CONTRACTOR'S COPY PINK: OWNER'S COPY GOLDEN: TAX ASSESSOR'S COPY

EXHIBIT "C"
FIFTH AMENDMENT TO MASTER DEED
THE PRESERVE AT INDIGO RUN HORIZONTAL PROPERTY REGIME
CONVERSION DISCLOSURE

Attached are the Conversion Disclosures for Buildings 11, 13, 15 and 17, the Buildings comprising Phase II-F of the Regime, said Disclosures dated February 27, 2004.

BETHEA, JORDAN
& GRIFFIN, P.A.
ATTORNEYS AND
COUNSELORS AT LAW

{330517.1} 15582-00211 *Exhibit 'C' to Fifth Amendment to Master Deed The Preserve at Indigo Run HPR*

THE PRESERVE AT INDIGO RUN

DISCLOSURE OF PHYSICAL CONDITION

THIS DISCLOSURE is being made pursuant to Section 27-31-430 of the South Carolina Horizontal property Act. The purpose of this disclosure is to disclose to all prospective purchasers, including any tenants in possession, the physical condition of the Buildings which constitute the project known as **The Preserve at Indigo Run**. This report is intended to be a good faith estimate of the remaining useful life expected for each item reported. The estimation of remaining useful life assumes that proper maintenance will be provided.

BUILDING NUMBER: Building 11		DATE: February 27, 2004	
Common Element	Present Condition	Remaining Useful Life	Uncured Violations of Building Codes
Exterior/stucco	Excellent	25 Years	N/A
Exterior/roof	Excellent	15 Years	N/A
Exterior/windows & doors	Excellent	20 Years	N/A
Site/landscaping	Excellent	30 Years	N/A
Site/paved areas	Excellent	15 Years	N/A
Common amenities/ swimming pool	Excellent	30 Years	N/A
Common amenities/ Poolhouse	Excellent	30 Years	N/A
Common amenities/ Tennis court	Excellent	15 Years	N/A
Common amenities/ Clubhouse/Admin Bldg.	Excellent	30 Years	N/A
Site/walkway & sidewalks	Excellent	30 Years	N/A
Exterior/garage door	Excellent	20 Years	N/A
Exterior/balcony railing	Excellent	30 Years	N/A
Exterior/shutters	Excellent	10 Years	N/A
Exterior/chimney caps	Excellent	20 Years	N/A
Perimeter/Foundation	Excellent	30 Years	N/A

As to condition of the common elements referenced above, the following definitions apply:

- Excellent = No visible signs of disrepair.
- Good = Some areas of minor damage where maintenance should be considered before further disrepair increases.
- Fair = Signs of disrepair or in need of maintenance.
- Poor = Visible state of disrepair.

The good faith estimate of use for life shall not constitute a warranty of the undersigned, and shall not be deemed a representation of material fact or an inducement to purchase. The report shall not give rise to any cause of action at law or in equity against the undersigned by anyone receiving a copy of this report. This report is being made pursuant to the provisions of the South Carolina Horizontal Property Act for the purpose of disclosure of the present condition of all general common elements in the Project known as **The Preserve at Indigo Run**.

This disclosure will be recorded as an exhibit to the Master Deed of The Preserve Horizontal Property Regime and therefore will reflect the condition of the common elements as of the date of the inspections made as referenced in this report.

HGBD Int'l

By: 

Eric B. Johnson, FAIA

S.C. License No. 3702

THE PRESERVE AT INDIGO RUN

DISCLOSURE OF PHYSICAL CONDITION

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BUILDING NUMBER: Building 13		DATE: February 27, 2004	
Common Element	Present Condition	Remaining Useful Life	Uncured Violations of Building Codes
Exterior/stucco	Excellent	25 Years	N/A
Exterior/roof	Excellent	15 Years	N/A
Exterior/windows & doors	Excellent	20 Years	N/A
Site/landscaping	Excellent	30 Years	N/A
Site/paved areas	Excellent	15 Years	N/A
Common amenities/ swimming pool	Excellent	30 Years	N/A
Common amenities/ Poolhouse	Excellent	30 Years	N/A
Common amenities/ Tennis court	Excellent	15 Years	N/A
Common amenities/ Clubhouse/Admin Bldg.	Excellent	30 Years	N/A
Site/walkway & sidewalks	Excellent	30 Years	N/A
Exterior/garage door	Excellent	20 Years	N/A
Exterior/balcony railing	Excellent	30 Years	N/A
Exterior/shutters	Excellent	10 Years	N/A
Exterior/chimney caps	Excellent	20 Years	N/A
Perimeter/Foundation	Excellent	30 Years	N/A

As to condition of the common elements referenced above, the following definitions apply:

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HGBD Int'l

By: 

Eric B. Johnson, FAIA

S.C. License No. 3702

THE PRESERVE AT INDIGO RUN

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BUILDING NUMBER: Building 15		DATE: February 27, 2004	
Common Element	Present Condition	Remaining Useful Life	Uncured Violations of Building Codes
Exterior/stucco	Excellent	25 Years	N/A
Exterior/roof	Excellent	15 Years	N/A
Exterior/windows & doors	Excellent	20 Years	N/A
Site/landscaping	Excellent	30 Years	N/A
Site/paved areas	Excellent	15 Years	N/A
Common amenities/ swimming pool	Excellent	30 Years	N/A
Common amenities/ Poolhouse	Excellent	30 Years	N/A
Common amenities/ Tennis court	Excellent	15 Years	N/A
Common amenities/ Clubhouse/Admin Bldg.	Excellent	30 Years	N/A
Site/walkway & sidewalks	Excellent	30 Years	N/A
Exterior/garage door	Excellent	20 Years	N/A
Exterior/balcony railing	Excellent	30 Years	N/A
Exterior/shutters	Excellent	10 Years	N/A
Exterior/chimney caps	Excellent	20 Years	N/A
Perimeter/Foundation	Excellent	30 Years	N/A

As to condition of the common elements referenced above, the following definitions apply:

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This disclosure will be recorded as an exhibit to the Master Deed of The Preserve Horizontal Property Regime and therefore will reflect the condition of the common elements as of the date of the inspections made as referenced in this report.

HGBD Int'l

By: 

Eric B. Johnson, FAIA

S.C. License No. 3702

THE PRESERVE AT INDIGO RUN

DISCLOSURE OF PHYSICAL CONDITION

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BUILDING NUMBER: Building 17		DATE: February 27, 2004	
Common Element	Present Condition	Remaining Useful Life	Uncured Violations of Building Codes
Exterior/stucco	Excellent	25 Years	N/A
Exterior/roof	Excellent	15 Years	N/A
Exterior/windows & doors	Excellent	20 Years	N/A
Site/landscaping	Excellent	30 Years	N/A
Site/paved areas	Excellent	15 Years	N/A
Common amenities/ swimming pool	Excellent	30 Years	N/A
Common amenities/ Poolhouse	Excellent	30 Years	N/A
Common amenities/ Tennis court	Excellent	15 Years	N/A
Common amenities/ Clubhouse/Admin Bldg.	Excellent	30 Years	N/A
Site/walkway & sidewalks	Excellent	30 Years	N/A
Exterior/garage door	Excellent	20 Years	N/A
Exterior/balcony railing	Excellent	30 Years	N/A
Exterior/shutters	Excellent	10 Years	N/A
Exterior/chimney caps	Excellent	20 Years	N/A
Perimeter/Foundation	Excellent	30 Years	N/A

As to condition of the common elements referenced above, the following definitions apply:

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- Fair = Signs of disrepair or in need of maintenance.
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This disclosure will be recorded as an exhibit to the Master Deed of The Preserve Horizontal Property Regime and therefore will reflect the condition of the common elements as of the date of the inspections made as referenced in this report.

HGBD Int'l

By: 

Eric B. Johnson, FAIA

S.C. License No. 3782

EXHIBIT "D" TO AMENDMENT TO MASTER DEED
THE PRESERVE AT INDIGO RUN HORIZONTAL PROPERTY REGIME

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

JOINDER OF MORTGAGEE

WHEREAS, COMPASS BANK ("Compass"), an Alabama banking corporation is the owner and holder of a construction loan mortgage upon certain real property located on Hilton Head Island, South Carolina, described on Exhibit "A" to the Master Deed of **The Preserve at Indigo Run Horizontal Property Regime**; and

WHEREAS, said construction loan documentation is evidenced by a mortgage in the original principal sum of Thirty-One Million and No/100 Dollars (\$31,000,000.00) said mortgage dated August 28, 2003, and recorded in the Land Records of Beaufort County, South Carolina, in ORB 1829 at Page 896, et seq.

NOW, KNOW ALL MEN BY THESE PRESENTS, that Compass joins in the Amendment to Master Deed of **The Preserve at Indigo Run Horizontal Property Regime** and the provisions of the Horizontal Property Act of South Carolina for the sole purpose of consenting to the amendment by the Declarant of **The Preserve at Indigo Run Horizontal Property Regime** to include the Phase II Villas as recited in said Amendment to which this Joinder is attached as an Exhibit. Compass makes no representations or warranties as to the validity of the documents creating and/or amending the Regime nor the development and physical construction of the Buildings and Villas within the Regime.

This Joinder of Mortgagee shall in no way affect or diminish the lien of the existing mortgage on the remaining portions of the property described in the aforementioned mortgage described hereinabove.

WITNESSES:

COMPASS BANK, an Alabama banking corporation

Alana Johnson
Johnson

By: *William C. McKim*

STATE OF ALABAMA)
)
COUNTY OF)

ACKNOWLEDGMENT

I, the undersigned Notary Public, do hereby certify that *William C. McKim*, as (President, Vice-President or other duly authorized officer) of **COMPASS BANK**, on behalf of the corporation, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

SWORN to before me this *10th*
day of *April* 2004.

Melinda A. Hill
Notary Public for Alabama
My Commission Expires: *1-07-07*