

MASTER DEED TO MEDICAL ARTS BUILDING HORIZONTAL PROPERTY REGIME

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MASTER DEED

TO MEDICAL ARTS BUILDING
HORIZONTAL PROPERTY REGIME

P R E A M B L E

KNOW ALL PERSONS BY THESE PRESENTS THAT:

WHEREAS, St. Bernards Hospital, Inc., an Arkansas not-for-profit corporation (hereinafter referred to as "Declarant"), is the owner in fee simple of the following described land lying in the County of Craighead, State of Arkansas, to-wit:

All of lot 2 of the Medical Arts Professional Building Addition, Jonesboro, Arkansas, as shown by plat recorded in Plat Cabinet B at page 76 in the office of the Circuit Clerk for the Western District of Craighead County in Jonesboro, Arkansas.

and desires to submit the above-described property containing approximately 70,552 square feet, together with the improvements constructed and to be constructed thereon to the provisions of the Arkansas "Horizontal Property Act", being Act 60 of the First Extraordinary Session of the 1961 General Assembly of the State of Arkansas, as amended,

NOW, THEREFORE, Declarant does hereby declare the above described land, together with all improvements constructed and to be constructed thereon, as shown by the plans and drawings filed herewith, to be a Horizontal Property Regime, to be forever known as "Medical Arts Building" (hereinafter sometimes referred to as the "Project" or the "Regime") and every deed of conveyance or other instrument affecting title to any unit in said Project, describing the same by the unit number or numbers as shown on the plans and drawings, and adding the words "Medical Arts Building," shall be deemed to contain a good and sufficient description for all purposes and shall pass title to said unit as described and to that unit's pro rata share of the general common elements and limited common elements of said Regime, as described herein and as shown on the plans recorded herewith.

A. It is the desire and intention of Declarant to subdivide the Project into condominium units, and to impose mutually beneficial restrictions under a general plan of improvement for the benefit of all the condominium estates created.

B. Declarant hereby declares that all of the Project is to be held, conveyed, hypothecated, encumbered, leased, rented, used, occupied and improved subject to the following limitations, restrictions, easements, conditions and covenants, all of which are declared and agreed to be in furtherance of a plan for the protection, subdivision, maintenance, improvement and sale of the Project for the purpose of enhancing the value, use, desirability and attractiveness of the Project. All provisions of this Declaration, including without limitation the easements, uses, obligations, covenants, conditions and restrictions hereof, are hereby imposed as equitable servitudes upon the Project. All of the limitations, restrictions, easements, conditions and covenants herein shall run with the land and shall be binding on and for the benefit of the Project and all parties having or acquiring any right, title or interest in the Project, or any part thereof, and their successive owners and assigns.

C. Declarant, its successors, assigns and grantees, covenants and agrees that the undivided interest in the Common Areas, the membership in the Association, any easements conveyed therewith and the fee title to each respective Unit conveyed therewith shall not be separated or separately conveyed, and each such undivided interest, membership and easement shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to the Unit. Any conveyance by an Owner of a Unit in the Condominium, shall be presumed to convey the entire Condominium Unit, together with a membership in the Association.

D. There is hereby granted to all public and private utility companies, associations or organizations rendering utility services to the Project hereby established at the time of recording this Master Deed, a perpetual, nonexclusive easement for the construction, installation, maintenance, repair and replacement of the equipment, structures, and other improvements by which any such utility services are respectively provided over, under, across and through such portion of the common elements as may be reasonably necessary therefor. The use of any easement granted hereunder shall not include the right to disturb any building or structure or the common elements and any damage caused to same shall be repaired at the expense of the company causing such damage. If a utility company's use of an easement granted hereunder causes a disturbance to the surface of the land, the roadways, grass, landscaping and other improvements which are disturbed shall be restored promptly by the utility company as nearly as possible to their prior condition.

E. Declarant, pursuant to the Horizontal Property Act, does hereby declare and state on behalf of itself, its successors and assigns, and on behalf of all persons having or seeking to acquire any interest of any nature whatsoever in the above-described property, that the declarations and covenants contained herein, which declaration and covenants shall run with the land, shall be binding on all owners and future owners of units in the Regime.

ARTICLE I

DEFINITIONS

Unless otherwise expressly provided, the following words and phrases when used in this Declaration shall have the following specified meanings.

Section 1.01. Articles. "Articles" shall mean the Articles of Incorporation of Medical Arts Building Association filed or to be filed in the Office of the Secretary of State of the State of Arkansas, as they may be amended from time to time.

Section 1.02. Assessment, Annual. "Annual Assessment" shall mean a charge against a particular Owner and his Condominium Unit, representing a portion of the Common Expenses which are to be paid by each Owner to the Association in the manner and proportions as provided herein.

Section 1.03. Assessment, Capital Improvement. "Capital Improvement Assessment" shall mean a charge against each Owner and his Condominium Unit, representing a portion of the cost to the Association for installation or construction of any capital improvements on any of the Common Areas which the Association may from time to time authorize. Such charge shall be levied among all of the Condominium Units in the Project in the same proportions as Annual Assessments.

Section 1.04. Assessment, Reconstruction. "Reconstruction Assessment" shall mean a charge against a particular Owner and his Condominium Unit, representing a portion of the cost to the Association for reconstruction of any capital improvements on any of the Common Areas which the Association may from time to time authorize. Reconstruction Assessments shall be levied among all of the Condominium Units in the Project in the same proportions as Annual Assessments.

Section 1.05. Assessment, Special. "Special Assessment" shall mean a charge against a particular Owner and his Condominium Unit, directly attributable to, or reimbursable by, the Owner, equal to the cost incurred by the Association for corrective action performed pursuant to the provisions of this Declaration plus interest, a reasonable fine or penalty, and other charges thereon as provided for in this Declaration. Special Assessments shall also include charges levied by the Association against an Owner and his Condominium Unit for cleaning or janitorial services; for excessive use of water, electricity or gas which are commonly metered or which serve the Common Areas; for the cost of removal or disposal of medical and hazardous wastes when such removal or disposal is provided through the Association in addition to the regular waste removal services provided to the Project; and for maintenance, repair and replacement of air conditioning and heating systems and windows as provided herein. Any Special Assessment for electrical charges shall be computed based on the formula set forth in Section 14.13 hereof.

Section 1.06. Association. "Association" shall mean Medical Arts Building Association, its successors and assigns.

Section 1.07. Beneficiary. "Beneficiary" shall mean a Mortgagee under a Mortgage or a Beneficiary under a Deed of Trust, as the case may be, and the assignees of such Mortgagee or Beneficiary.

Section 1.08. Board or Board of Directors. "Board of Directors" or "Board" shall mean the Board of Directors of the Association.

Section 1.09. Budget. "Budget" shall mean a written, itemized estimate of the expenses to be incurred by the Association in performing its functions under this Declaration and prepared pursuant to Section 5.07 of this Declaration.

Section 1.10. Bylaws. "Bylaws" shall mean the Bylaws of the Association which Bylaws are attached hereto and filed herewith, as such Bylaws may be amended by the Membership of the Association from time to time.

Section 1.11. City. "City" shall mean the City of Jonesboro, Arkansas, and its various departments, divisions, employees and representatives.

Section 1.12. Common Areas. "Common Areas" shall mean the common elements as set forth below in Section 1.13 and 1.14.

Section 1.13. General Common Elements. "General Common Elements" shall mean all areas on the Project, except the Units and except the Limited Common Elements. Common Areas shall include, without limitation, for maintenance purposes of the Association, but not necessarily by way of fee title, all gas, water and waste pipes, all sewers, all ducts, chutes, conduits, wires and other utility installations of the Improvements wherever located (except the outlets thereof when located within the Units,) the land upon which the Improvements are located and the airspace above the Improvements, all load bearing walls, columns, unfinished floors, the roofs, foundation slabs, utility walls, foundations, elevators, except as otherwise designated as limited common elements, restrooms, janitorial storage rooms, mechanical storage areas, streets or driveways, walkways, other common facilities or equipment, common stairways or hallways, and landscaping on those areas

which are not defined as a part of the Units. However, nonstandard wiring provided to specific Owners for the special purpose of such Owner shall not be considered a Common Element.

Section 1.14. Limited Common Elements. "Limited Common Elements" shall mean those portions of the Common Areas over which exclusive easements are reserved for the benefit of certain Owners as designated on the plans and drawings filed herewith, including without limitation, party walls.

Section 1.15. Common Expenses. "Common Expenses" shall mean those expenses for which the Association is responsible under this Declaration, including the actual and estimated costs of: maintenance, management, operation, repair and replacement of the Common Property (including unpaid Special Assessments, Reconstruction Assessments and Capital Improvement Assessments); the costs of any and all utilities metered to more than one Unit and other commonly metered charges for the Project; costs of trash collection and removal; costs of any common parking validation program conducted by the Association, costs of exterior window washing; costs of any janitorial services performed by the Association except those that are to be charged as Special Assessments pursuant to Section 3.07; costs of any referral and answering services performed by the Association; costs of management and administration of the Association including, but not limited to, compensation paid by the Association to managers, accountants, attorneys and other employees; the costs of all gardening, security, and other services benefiting the Common Property; the costs of fire, casualty and liability insurance, workers' compensation insurance, errors and omissions and director, officer and agent liability insurance, and other insurance covering the Common Areas and the directors, officers and agents of the Association; the costs of bonding of the members of the Board; taxes paid by the Association; amounts paid by the Association for discharge of any lien or encumbrance levied against the Project, or portions thereof; and the costs of any other item or items designated by, or in accordance with other expenses incurred by the Association, for any reason whatsoever in connection with the Project, for the common benefit of the Owners.

Section 1.16. Common Property. "Common Property" shall mean the Common Areas and any personal property owned by the Association from time to time.

Section 1.17. Condominium. "Condominium" shall mean an undivided fee simple ownership interest in the Common Areas, together with a separate ownership interest in fee in a Unit and all easements appurtenant thereto. The percentage ownership interest in the Common Areas attributable to each Condominium Unit in the Project to be owned by the respective Owner as a tenant in common with the other Owners is set forth in Article II.

Section 1.18. Condominium Plan. "Condominium Plan" shall mean the architectural and engineering drawings prepared by The Fletcher Firm, and related materials, as amended from time to time, showing the diagrammatic floor plans of the Units, the boundaries of the Units, the Common Areas and, where applicable, dimensions, specific alternative uses as authorized by this Declaration, and such other information reasonably necessary to identify a Condominium Unit. A copy of the Condominium Plan for the Project will be Recorded with this Master Deed.

Section 1.19. Declarant. "Declarant" shall mean St. Bernards Hospital, Inc. an Arkansas not-for-profit corporation, as developer of the project, its successors, and any Person to which it shall have assigned its rights hereunder, in whole or in part, by an express written assignment.

Section 1.20. Declaration. "Declaration" shall mean the within Master Deed, as it may be amended from time to time as provided herein.

Section 1.21. Fiscal Year. "Fiscal Year" shall mean the fiscal accounting and reporting period of the Association selected by the Board from time to time.

Section 1.22. Improvements. "Improvements" shall mean all structures and appurtenances thereto of every type and kind, including but not limited to, buildings, walkways, sprinkler pipes, roads, driveways, the parking deck, fences, the exterior surfaces of any visible structure, planted trees and shrubs, poles, signs, air conditioning equipment, and any medical, or office equipment affixed to the Structures.

Section 1.23. Maintenance Funds. "Maintenance Funds" shall mean the accounts created for receipts and disbursements of the Association pursuant to Article V hereof.

Section 1.24. Manager. "Manager" shall mean the Person, employed by the Association, pursuant to Section 3.10 hereof, and delegated the duties, power or functions of the Association as limited by said section.

Section 1.25. Member, Membership. "Member" shall mean every Person holding a membership in the Association, pursuant to Section 3.03 hereof. "Membership" shall mean the property, voting and other rights and privileges of Members as provided herein, together with the correlative duties and obligations contained in this Declaration and the Articles and Bylaws.

Section 1.26. Mortgage. "Mortgage" shall mean any recorded mortgage or deed of trust or other conveyance of a Condominium or other portion of the Property to secure the performance of an obligation, which conveyance will be reconveyed upon the completion of such performance. The term "Deed of Trust" or "Trust Deed" when used shall be synonymous with the term "Mortgage".

Section 1.27. Mortgagee, Mortgagor. "Mortgagee" shall mean a Person to whom a Mortgage is made and shall include the Beneficiary of a Deed of Trust; "Mortgagor" shall mean a Person who mortgages his or its property to another (i.e., the maker of a Mortgage), and shall include the Grantor of a Deed of Trust. The term "Grantor" shall be synonymous with the term "Mortgagor" and the term "Beneficiary" shall be synonymous with the term "Mortgagee".

Section 1.28. Notice and Hearing. "Notice and Hearing" shall mean written notice and a hearing before the Board, at which the Owner concerned shall have an opportunity to be heard in person, or by counsel at the Owner's expense, in the manner further provided in the Bylaws.

Section 1.29. Owner. "Owner" shall mean the record owner, whether one or more Persons, of a fee simple interest in a Condominium, including Declarant with respect to each Condominium owned by Declarant. The term "Owner" shall include sellers under executory contracts of sale but shall exclude Mortgagees.

Section 1.30. Person. "Person" shall mean a natural individual, a corporation or any other entity with the legal right to hold title to real property.

Section 1.31. Project. "Project" shall mean the land and improvements constituting the horizontal property regime created herein.

Section 1.32. Record, or Recordation. "Record" or "Recordation" shall mean, with respect to any document, the recordation or filing of such document in the Office of the Circuit Clerk and Recorder for Craighead County, Arkansas.

Section 1.33. Restrictions. "Restrictions" shall mean this Master Deed, the Articles, Bylaws and the Rules and Regulations of the Association from time to time in effect.

Section 1.34. Rules and Regulations. "Rules and Regulations" shall mean the rules and regulations adopted by the Board pursuant to this Master Deed or the Bylaws, as such rules and regulations may be amended from time to time.

Section 1.35. Unit. "Unit" shall mean the elements of the regime not owned in common with the Owners of other Condominium Units in the Project. Each of the Units in the Improvement shall be a separate fee simple estate, as separately shown, numbered and designated in the Condominium Plan and in Article II hereof. The upper and lower boundaries of each Unit shall be the interior unfinished surfaces of the floors and ceilings, as shown on the Condominium Plan. On those sides of a Unit where the Condominium Plan shows that exterior walls or structural interior walls of the building in which the Unit is located bound the Unit, the interior unfinished surfaces of such walls shall be the lateral boundaries of the Unit. On those sides of a Unit where no structural interior wall bounds the Unit, the lateral boundaries of such Unit shall be as shown on the Condominium Plan; provided, however, that such lateral boundaries shall extend to the center lines of any partitions which may be constructed from time to time along such boundaries. In interpreting deeds, declarations and plans, the existing physical boundaries of the Unit or a Unit constructed or reconstructed in substantial accordance with the Condominium Plan and the original plans thereof, if such plans are available, shall be conclusively presumed to be its boundaries, rather than the description expressed in the deed, Condominium Plan or Declaration, regardless of settling or lateral movement of the building and regardless of minor variances between boundaries, as shown on the Condominium Plan or defined in the deed and Declaration, and the boundaries of a building as constructed or reconstructed. The term "Unit" as used in this Master Deed shall have the same meaning as the term "Apartment" as used in the Horizontal Property Act, Act 60 of the 1961 General Assembly of the State of Arkansas.

ARTICLE II

VALUE OF UNITS

2.01. Value. For the purposes of this instrument and for purposes of rules, bylaws and provisions of law dependent on the value here assigned, the basic value of the regime is declared to be \$6,070,875.00. The basic value of each Unit and the percentage appertaining to the co-owners in the expenses of and rights in the elements held in common and the proportionate voting rights of each Unit are as follows:

<u>Suite #</u>	<u>Suite Square Footage</u>	<u>Unit Percentage</u>	<u>Basic Value</u>
100	2,079	04.28%	259,875
101	1,449	02.98%	181,125
103	3,280	06.75%	410,000
104	3,776	07.77%	472,000
200	903	01.86%	112,875
201	2,539	05.23%	317,375
202	6,506	13.40%	813,250
203	2,354	04.85%	294,250
301	1,731	03.56%	216,375
302	10,611	21.85%	1,326,375
400	<u>13,339</u>	<u>27.47%</u>	<u>1,667,375</u>
Total S.F. Owned	48,567	100.00%	\$6,070,875

The co-owners of the Units are bound to contribute pro rata in the percentage computed above toward the expenses of administration and of maintenance and repair of the general common elements of the project and toward any other expense lawfully agreed upon by the owner's association. No co-owner may exempt himself from contributing toward such expenses by waiver of the use or enjoyment of the common elements or by abandonment of the Unit belonging to him. Such payments if not made when due shall constitute a lien on the Unit owned by such delinquent owner as set forth herein until paid. Such lien shall be prior to all other liens excepting only the lien of Mortgages or similar duly recorded encumbrances.

2.02 Subdivision. In the event that any Unit is subdivided or re-subdivided into two or more Units, the Unit Percentage set forth in Section 2.01 shall be adjusted to reflect such change by dividing the unit percent designated for the original Unit between the Units that will remain following the division on a pro rata basis. The relative square footage of the divided Units shall be the basis for determining each such Unit's pro rata share. The Basic Value shall be recomputed in the same manner. Anything herein to the contrary notwithstanding, in the event that a subdivision results in the loss of overall Unit square footage due to the creation of corridors necessary to accommodate the divided Units, the total of the owned square footage shall be modified and a new computation of the Unit Percentage and Basic Value for each Unit in the regime shall be made.

ARTICLE III

OWNERS ASSOCIATION

Section 3.01. Organization of Association. The Association is or shall be incorporated under the name of Medical Arts Building Association.

Section 3.02. Duties and Powers. The duties and powers of the Association are those set forth in the Master Deed, the Articles and Bylaws, together with its general and implied powers of a nonprofit corporation, generally to do any and all things that a corporation organized under the laws of the State of Arkansas may lawfully do which are necessary or proper, in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws and in this Declaration. The Association shall further have the right to install or construct capital Improvements on the Common Property. The Association may at any time, and from time to time reconstruct, replace or refinish any Improvement or portion thereof upon the Common Property in accordance with the original design, finish or standard of construction of such Improvement; replace destroyed trees or other vegetation and plant trees, shrubs, and ground cover upon any portion of the Common Property. The Association may employ personnel necessary for the effective operation and maintenance of the Common Property, including the employment of legal, management and accounting services.

Section 3.03. Membership. Every Owner, upon becoming the Owner of a Condominium Unit, shall automatically become a Member of the Association, and shall remain a Member thereof until such time as his ownership ceases for any reason, at which time his Membership in the Association shall automatically cease. Ownership of a Condominium shall be the sole qualification for Membership in the Association. All Memberships shall be appurtenant to the Condominium Unit conveyed, and with the exception of Declarant, a Person shall be deemed an Owner of a Condominium only upon Recordation of a deed conveying the Condominium to such Person. Except as may otherwise be provided herein, the rights, duties, privileges and obligations of all Members of the Association shall be provided in the Restrictions.

Section 3.04. Transfer. The Membership held by any Owner shall not be transferred, pledged or alienated in any way, except upon the sale or encumbrance of such Owner's Condominium, and then only to the purchaser or Beneficiary of such Condominium. A prohibited transfer is void, and will not be reflected upon the books and records of the Association. An Owner who has sold his Condominium to a contract purchaser under an agreement to purchase shall be entitled to delegate to the contract purchaser his Membership rights in the Association. The delegation shall be in writing and shall be delivered to the Board before the contract purchaser may vote. However, the contract seller shall remain liable for all charges and assessments attributable to his Condominium until fee simple title to the Condominium sold is transferred, as further provided in Section 5.01 of this Declaration. If the Owner of any Condominium fails or refuses to transfer the Membership registered in his name to the purchaser of the Condominium upon transfer of fee simple title thereto, the Board of Directors shall have the right to record the transfer upon the books of the Association.

Section 3.05. Classes of Membership. The Association shall have only one (1) class of voting Membership. All Owners, including Declarant, shall be Members. Each Member shall be entitled to the number of votes represented by his Unit, which number shall be the percentage of the total number of votes equal to the percentage of the total basic value represented by his Unit as set forth in Section 2.01 above, subject to the restriction set forth in 3.06 below. When more than one (1) person owns any Condominium, all of those Persons shall be Members. The votes of such Condominium shall be exercised as they among themselves determine in accordance with Section 3.06.

Section 3.06.

(a) Voting Rights. All voting rights shall be subject to the Master Deed, Association By-Laws and Articles of Incorporation. At any meeting of the Association, each Owner shall be entitled to cast the votes represented by the Condominium Unit owned by such Owner, provided, however, that in no event shall Declarant be allowed to cast votes in excess of the number of votes which is equal to twenty percent (20%) of the total number of allowable votes. Where there is more than one (1) record Owner of a Condominium ("co-owners"), all of those co-owners shall be Members and may attend any meeting of the Association, but only one (1) of those co-owners shall be entitled to exercise the votes to which the Condominium is entitled. Co-owners owning the majority interests in a Condominium shall from time to time designate in writing one of their number to vote. Fractional votes shall not be allowed, and the votes for each Condominium shall be exercised, if at all, as a Unit. Where no voting co-owner is designated or if the designation has been revoked, the votes for the Condominium shall be exercised as the co-owners owning the majority interests in the Condominium mutually agree. Unless the Board receives a written objection in advance from a co-owner, it shall be conclusively presumed that the corresponding voting co-owner is acting with the consent of his co-owners. No vote shall be cast for any Condominium if the majority of the co-owners present in person or by proxy and representing such Condominium cannot agree to said vote or other action. The nonvoting co-owner or co-owners shall be jointly and severally responsible for all of the obligations imposed upon the jointly-owned Condominium and shall be entitled to all other benefits of ownership. All corporate Owners must deliver to the Board a resolution of the board of directors of the corporate-owner executed by an officer of such corporate owner designating an agent to vote for such corporate-owner at Association meetings. All agreements and determinations lawfully made by the Association in accordance with the voting percentages established herein, or in the Bylaws of the Association, shall be deemed to be binding on all Owners, their successors and assigns. Provided, however, that in the event of corporate ownership of a Unit, no owner, except Declarant, shall at any time have more than one representative on the Board of Directors at any one time. Votes cast for a second representative of such corporate entity shall be null and void.

(b) Whenever a vote by the members of the Association is required, the Association shall follow and abide by the rules set forth in Articles II and III of the Bylaws concerning calling meetings, giving notice to members and exercising voting rights.

Section 3.07. Repair and Maintenance Rights and Duties of Association. Subject to Article XI pertaining to eminent domain and subject to Article X pertaining to destruction of Improvements, the Association shall paint, maintain, provide janitorial service, repair and replace the Common Property and Improvements thereon (including glass areas of the building housing Condominium Units) or shall contract for such maintenance, janitorial service, repair and replacement to assure maintenance of the Common Property and Improvements thereon, in a state of good repair and condition reasonably consistent with the level of maintenance reflected in the initial Budget for the Association. Association maintenance, repairs and Improvements shall include, without limitation, the right, without obligation, to perform all landscaping and repair work within any Unit or Limited Common Area, if the Owner fails to maintain such Unit as provided in Section 3.09; the repair and payment for all centrally metered utilities, including common heating and cooling systems serving the Units and Common Areas, water charges, and mechanical and electrical equipment. If an Owner's use of commonly metered utilities is, in the sole opinion of the Board, substantially greater than that of the other Owners, the Board may levy a Special Assessment against such Owner to cover the additional cost to the Association of such Owner's excessive use. Further, the Association shall repair and maintain all walks, private driveways, the parking deck and other means of ingress and egress within the Project; and, if determined by the Board to be economically feasible, a periodic inspection and preventative program for the prevention and eradication of infestation by wood destroying and other pests and organisms in the Project. All such costs of janitorial service for the common property, maintenance, repairs and replacements for the Project shall be paid for as Common Expenses out of the Maintenance Funds as provided in this Declaration. All work performed for and on behalf of an Owner which is not the responsibility of the Association shall be charged to the Owner as a Special Assessment, as provided in this Declaration. The cost of any janitorial services provided to any Unit by or through the Association shall be charged to the Owner of such Unit by Special Assessment. All utility charges arising from an Owner's use of common heating and cooling equipment after normal business hours (as such hours are established by the Board of Directors) shall be charged to such Owner as a Special Assessment. If more than one Owner uses such heating and cooling equipment at the same time, the cost of such excess use shall be levied against such Owners as a Special Assessment proportionally based upon the number of Condominium Units owned by such Owners and the period of time such equipment was in use. Wherever heat generating machines and equipment are used in a Unit which affect the temperature otherwise maintained by the central air conditioning system, the Association may install supplementary air conditioning equipment and the cost thereof, including the cost of installation and maintenance thereof, shall be charged to the Owner of the Unit as a Special Assessment. In addition, the Association shall maintain, repair and replace the heating and cooling systems serving the Units, and the cost of such maintenance, repair or replacement shall be charged to the Owners of the Units served by such equipment as Special Assessments as such work is needed. In order that the Association may properly perform its duties hereunder there is hereby granted to the Association a perpetual non-exclusive easement in, over and through all Units at all times for the purpose of allowing and permitting the Association to carry out the duties and obligations imposed on it by this section and by any other section of this Master Deed or by law generally.

Section 3.08. Unsegregated Property Taxes. To the extent not assessed to or paid by the Owners, the Association shall pay all real and personal property taxes and assessments levied upon any portion of the Project. Any such taxes shall be allocated proportionately among the Owners and

their Condominiums based upon their relative ownership interest in the Common Areas. The Association shall, at least forty-five (45) days prior to the delinquency date of any such tax installment, deliver to each Owner a copy of the tax bill, along with a written notice setting forth the Owner's obligation to pay his proportionate share of the tax installment and the potential additional charges by the Owner for failure to comply. The Association shall pay the taxes on behalf of any Owner who does not pay his proportionate share. The Association shall levy a Special Assessment against any delinquent Owner in the amount of any sum advanced, plus interest at the rate of ten percent (10%) per annum and may, in addition, include as part of the Special Assessment an amount necessary to reimburse the Association for any penalty or late charge actually assessed in connection with any such tax bill.

Section 3.09. Repair and Maintenance by Owners. Each Owner shall maintain, repair, replace, paint, paper, plaster, tile, finish and restore or cause to be so maintained, repaired, replaced and restored, at his sole expense, all portions of his Unit, including the interior surfaces of the walls (excluding glass areas), ceiling, floors, doors and permanent fixtures, in an operable, clean, sanitary and attractive condition, in accordance with the Condominium Plan and the original construction design of the Improvements in the Project. It shall further be the duty of each Owner, at his sole expense, to keep free from debris and in a reasonably good state of repair subject to the approval of the Association, the Limited Common Areas over which an exclusive easement has been reserved for the benefit of such Owner. However, no Owner shall be responsible for the periodic structural repair, resurfacing, replacement or painting of his assigned Limited Common Areas, so long as the painting, repair or replacement is not caused by the willful or negligent acts of the Owner or his employees, patrons, or guests. No load bearing walls, ceilings, floors or other structural or utility bearing portions of the buildings housing the Units shall be pierced or otherwise altered or repaired, without the prior written approval of the plans for alteration or repair by the Association. Subject to any required approval of the Association, each Owner shall maintain those portions of any plumbing and other utilities (other than heating and cooling equipment maintained by the Association) which are located within or which exclusively serve his Unit. Owners shall also pay when due all charges for maintaining those portions of any plumbing, heating and cooling equipment in accordance with Section 3.07 hereof.

Section 3.10. Use of Agent. The Board of Directors, on behalf of the Association, may contract with a Manager for the performance of janitorial services, maintenance and repair and for conducting other activities on behalf of the Association, as may be determined by the Board. The term of such contract, or any contract with Declarant for the furnishing of services to the Association, shall not exceed one (1) year, renewable by agreement of the parties for successive one-year periods.

ARTICLE IV

RIGHTS IN COMMON PROPERTY

Section 4.01. Association Easement. The Association shall have an easement over the Common Areas for purposes described in this Declaration. The Association's obligations with respect to maintenance of the Common Property shall commence on the date of the first Closing for the sale of a Condominium in the Project; and upon such date, the Association shall be deemed to have accepted its responsibilities to maintain and manage the Common Property.

Section 4.02. Partition. There shall be no judicial partition of the Common Areas, or any part thereof, for the term of the Project, nor shall Declarant, any Owner or any other Person acquiring any interest in any Condominium in the Project seek any such judicial partition.

Section 4.03. Members' Easements of Use and Enjoyment of Common Areas. Subject to the provisions of this Declaration, every Member of the Association shall have, for himself, his employees, patients and guests, a non-exclusive easement of access, ingress, egress, use and enjoyment of, over, in and to the Common Property, and such easements shall be appurtenant to and shall pass with title to every Condominium in the Project.

Section 4.04. Extent of Members' Easement. The rights and easements of use and enjoyment of the Common Property created by this Declaration shall be subject to the Restrictions, which include without limitation, the following:

(a) The right of the Board to suspend the voting rights and easements of any Member, and the Persons deriving such rights and easements from any Member, for use and enjoyment of any facilities located on the Common Property, for any period during which the payment of any Annual, Special, Capital Improvement or Reconstruction Assessment against the Member and his Condominium remains delinquent, and, after Notice and Hearing as provided in the Bylaws, to suspend such rights and easements for the period set forth in the Bylaws for any violation of the Restrictions, it being understood that any suspension for either nonpayment of any Assessment or breach of the Restrictions shall not constitute a waiver or discharge of the Member's obligation to pay Assessments as provided in this Declaration;

(b) The right of the Association to consent to or otherwise cause the construction of additional Improvements on the Common Areas and to consent to or otherwise cause the alteration or removal of any existing Improvements on the Common Areas for the benefit of the Members of the Association,;

(c) The right of the Association, acting through the Board, to consent to or join in the grant or conveyance of easements, licenses or rights-of-ways in, on or over the Common Areas for purposes not inconsistent with the intended use of the Project.

(d) The rights and reservations of Declarant as set forth in this Declaration,;

(e) The right of the Association, acting through the Board, to reasonably restrict access to roofs, maintenance areas and other areas of the Project;

(f) The right of the Association, acting through the Board, to establish uniform Rules and Regulations pertaining to the use of the Common Property including, but not limited to, the right and obligation of the Association to establish patron, patient and employee parking areas and to enforce all parking restrictions within the Common Areas as set forth in Section 8.09 of this Declaration,;

(g) Subject to the provisions of this Declaration, the right of each Owner to the exclusive use and occupancy for the purposes designated in this Declaration of the Limited Common Areas assigned to his respective Unit; and

Section 4.05. Delegation of Use. Any Member entitled to the right and easement of use and enjoyment of the Common Property may delegate, in accordance with the Bylaws, his right to use and enjoyment of the Common Property to his tenants, contract purchasers or subtenants who occupy his Condominium, subject to reasonable regulation by the Board. An Owner who has made such a delegation of rights shall not be entitled to use or enjoy the Common Property for so long as such delegation remains in effect.

Section 4.06. Waiver of Use. No Member may exempt himself from personal liability for Assessments duly levied by the Association, or effect the release of his Condominium from the liens and charges thereof, by waiving the use and enjoyment of the Common Property or by abandoning his Condominium.

Section 4.07. Damage by Member. Each Member shall be liable to the Association for any damage to the Common Property not fully reimbursed to the Association by insurance if the damage is sustained because of the negligence, willful misconduct or unauthorized or improper installation or maintenance of any Improvement by the Member, his patrons, patients, tenants or invitees, or any other Persons deriving their right and easement of use and enjoyment of the Common Property from the Member. However, the Association, acting through the Board, reserves the right to determine whether any claim shall be made upon the insurance maintained by the Association, and the Association further reserves the right, after Notice and Hearing as provided in the Bylaws, to levy a Special Assessment equal to the increase, if any, in insurance premiums directly attributable to the damage caused by the Member or the Person for whom the Member may be liable as described above. In the case of joint ownership of a Condominium, the liability of the Owners shall be joint and several, except to the extent that the Association shall have previously contracted in writing with the joint Owners to the contrary. After Notice and Hearing as provided in the Bylaws, the cost of correcting the damage to the extent not reimbursed to the Association by insurance shall be a Special Assessment against the Condominium, and may be enforced as provided herein for the enforcement of other Assessments.

ARTICLE V

MAINTENANCE FUNDS AND ASSESSMENTS

Section 5.01. Personal Obligation of Assessments. Declarant, for each Condominium owned by it, hereby covenants and agrees to pay, and each Owner, by acceptance of a deed of a Condominium Unit whether or not it shall be so expressed in any such deed, is deemed to covenant and agree to pay to the Association all Annual Assessments for Common Expenses and all applicable Special Assessments, Reconstruction Assessments and Capital Improvement Assessments. Except as provided in this Section 5.01, all such assessments, together with interest, costs, and reasonable attorneys' fees, shall be a separate, distinct and personal obligation of the Person who was the Owner of the Condominium at the time when the assessment fell due, and shall bind his heirs, devisees, personal representatives and assigns. This personal obligation cannot be avoided by abandonment of the Condominium or by an offer to waive use of the Common Property.

Upon any voluntary or involuntary conveyance of a Condominium, the new Owner ("Purchaser") shall be jointly and severally liable with the previous Owner ("Seller") for all unpaid assessments levied by the Board of Directors against the Seller for his share of the Common Expenses up to the time the grant or conveyance was Recorded, without prejudice to the right of the Purchaser to collect from the Seller therefor. However, any such purchaser shall be entitled to a statement from the Board of Directors or the Manager, as the case may be, setting forth the amount of the unpaid assessments against the Seller due the Association; and the Purchaser shall not be liable for, nor shall the Condominiums conveyed be liable for any unpaid assessments levied by the Board of Directors against the Seller in excess of the amount set forth in such statement, provided, however, that the Purchaser shall be liable for any such assessment becoming due after the date of any such statement.

Section 5.02. Maintenance Funds of Association. The Board of Directors shall establish no fewer than two (2) separate accounts on the books of the Association (the "Maintenance Funds"), into which shall be credited all monies paid to the Association, and from which disbursements shall

be debited, as provided herein, in the performance of functions by the Association under this Declaration. The Maintenance Funds shall include: (1) an Operating Fund for current Common Expenses of the Association, (2) a Reserve Fund for capital improvements, replacements, painting and repairs of the Common Property (which cannot normally be expected to occur on an annual basis), and (3) any other accounts which the Board of Directors may establish to the extent necessary under the provisions of this Declaration. The Board of Directors shall not commingle in the books and records of the Association any amounts deposited into any of the Maintenance Funds with one another. Nothing contained herein shall limit, preclude or impair the establishment of additional Maintenance Funds by the Association, so long as the amounts credited to, and debited from, any such Fund are earmarked for specified purposes authorized by this Declaration.

Section 5.03. Purpose of Assessments. The assessments levied by the Board of Directors on behalf of the Association shall be used exclusively to promote the health, safety and welfare of the occupants of the Condominiums and for the operation, replacement, improvement and maintenance of the Project. All amounts credited to the Maintenance Funds must be used solely for the common benefit of all of the Owners for purposes authorized by this Declaration. Disbursements from the Operating Fund shall be made by the Board of Directors for such purposes as may be necessary for the discharge of its responsibilities herein for the common benefit of all of the Members, other than those purposes for which disbursements from the Reserve Fund are to be used. Disbursements from the Reserve Fund shall be made by the Board of Directors for the respective purposes specified in this Article V. Nothing in this Declaration shall be construed in such a way as to prohibit the Association from using any assessments to abate any annoyance or nuisance emanating from outside the boundaries of the Project. Annual Assessments shall be used to satisfy Common Expenses of the Association, as provided herein and in the Bylaws.

Section 5.04. Basis of Maximum Annual Assessment. Except as provided below, until the first day of the Association's Fiscal Year next following the first sale of a Condominium, the maximum Annual Assessment under this Article V shall be determined in accordance with the initial Budget of the Association. The first Annual Assessment shall be adjusted according to the number of months remaining in the initial Fiscal Year.

If the Board of Directors determines that the initial Annual Assessment is insufficient to meet the Common Expenses of the Association during the remainder of the Association's initial Fiscal Year, the Board of Directors may, by majority vote, increase that Annual Assessment not more than thirty three and one-third percent (33-1/3%) above the maximum Annual Assessment for such year reflected in the approved Budget for the Association. Any proposed Annual Assessment in excess of thirty three and one-third percent (33-1/3%) above the maximum Annual Assessment prior to the end of the Association's initial Fiscal Year shall be subject to approval by a majority vote of the voting power of the Association.

(a) Commencing on the first day of the Fiscal Year next following the first sale of a Condominium, the maximum Annual Assessment for any Fiscal Year may be increased by the Board above the maximum Annual Assessment for the previous Fiscal Year, without a vote of the Membership and effective no sooner than the first day of each Fiscal Year, in an amount no more than twenty percent (20%). Any increase in the maximum Annual Assessment which exceeds the maximum increase authorized in this subsection (a) shall require the vote or written consent of Members representing a majority of the voting power of the Association.

(b) Except as provided in this Section 5.04 and Section 5.05, the Board of Directors may not fix an Annual Assessment at an amount which exceeds the maximum set forth in (a) above.

Section 5.05. Supplemental Annual Assessments. If the Board determines that the estimate of total charges for the current Fiscal Year is, or will become, inadequate to meet all Common Expenses for any reason, it shall immediately determine the approximate amount of the inadequacy. Subject to the provision of Section 5.04, the Board shall have the authority to levy, at any time by a majority vote, a supplemental Annual Assessment, reflecting a revision of the total Annual Assessment. In no event shall the sum of all increases in Annual Assessments levied by the Board in any Fiscal Year (including all supplemental Annual Assessments levied pursuant to this Section 5.05 and increases authorized pursuant to Section 5.04) exceed the maximum Annual Assessment for the previous Fiscal Year by more than the amount authorized in Section 5.04(a), unless that portion of the increase which is in excess of the increase allowed under Section 5.04(a) has first been approved by the vote or written consent of Members representing a majority of the voting power of the Association. Written notice of any change in the amount of Annual Assessments levied by the Association through the Board shall be given to all Members not less than thirty (30) days prior to the effective date of such change.

Section 5.06. Commencement and Collection of Annual Assessments. The Board of Directors shall authorize and levy the amount of the Annual Assessment upon each Condominium, as provided herein, by majority vote of the Board. The initial Annual Assessment shall begin on all Condominiums in the Project (including unsold and completed Condominiums therein owned by Declarant) on the first day of the calendar month following the sale of a Condominium in the Project. Provided that at least the reserve portion of the Association budget is assessed against all completed Condominiums subject to this Declaration, Declarant may enter into a written subsidy agreement with the Association agreeing to pay all operating Common Expenses for a reasonable period of time. Such maintenance agreement may require Owners to reimburse Declarant for costs expended in satisfaction of Common Expenses. All Annual Assessments shall be assessed against the Members and their Condominiums based upon the percentage set forth in Article II above. Annual Assessments for fractions of any month involved shall be prorated. The Board shall fix the amount of the Annual Assessment against each Condominium at least thirty (30) days in advance of each Annual Assessment period. At the end of any Fiscal Year, the Membership may determine that all excess funds in the Operating Fund may be retained by the Association and used to reduce the following year's Annual Assessment. Upon dissolution of the Association incident to the abandonment or termination of the Property, any amounts remaining in any of the Maintenance Funds shall be distributed to or for the benefit of the Members.

Each Member shall pay to the Association his Annual Assessment in monthly installments or as otherwise established by the Board. Each Annual Assessment may be paid by the Member to the Association in one check or in separate checks as payments attributable to the Operating Fund and the Reserve Fund. If any installment of an Annual Assessment payment is less than the amount assessed and the payment does not specify Maintenance Fund or Funds into which it should be credited, the receipt by the Association from that Owner shall be credited in order of priority first to the Operating Fund, until that portion of the Annual Assessment has been satisfied, and second to the Reserve Fund.

Section 5.07. Association Budgets. The Board of Directors shall cause to be prepared an annual report containing (i) a balance sheet and income statement reflecting income and expenditures of the Association for each Fiscal Year, including deposits in and withdrawals from the Reserve Fund and the Operating Fund; (ii) a statement of the place where the names and addresses of the current Members of the Association may be found; and (iii) a statement of changes of financial position of the Association. Within ninety (90) days after the close of the Association's Fiscal Year, the Board shall cause to be distributed a copy of each such annual report to each Member, and to each first Mortgagee who has filed a written request therefor with the Board of Directors. If the annual report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association, stating that

the annual report was prepared without audit from the books and records of the Association. At least thirty (30) days prior to the beginning of each Fiscal Year, the Board of Directors shall prepare and distribute to the Membership of the Association, a written, itemized estimate (budget) of the income and expenses of the Association during such year in performing its functions under this Declaration (including a reasonable provision for contingencies and deposits into the Reserve Fund, less any expected income and accounting for any surplus from the prior year's respective Maintenance Fund). Each Annual Assessment shall constitute an aggregate of separate assessments for each of the Maintenance Funds, reflecting an itemization of the amounts assessed and attributable to prospective credits to the Reserve Fund and the Operating Fund.

Section 5.08. Capital Improvement Assessments. Should the Board of Directors determine the need for a capital improvement or other such addition to the Property, the cost of which in the aggregate exceeds ten percent (10%) of the budgeted gross expenses of the Association for the then current Fiscal Year, then the vote or written consent of Members representing at least a majority of the voting power of the Association shall be required to approve and render effective a Capital Improvement Assessment levied by the Board of Directors to cover the cost of such expenditure. Capital Improvement Assessments may be levied by the Board without the consent of the Members, if the aggregate of such expenditure in each Fiscal Year does not exceed ten percent (10%) of the budgeted gross expenses of the Association for such Fiscal Year.

Section 5.09. Delinquency and Acceleration. Any installment of an assessment provided for in this Declaration shall become delinquent if not paid on the due date as established by the Board of Directors of the Association. With respect to each installment of an assessment not paid within twenty (20) days after its due date, the Board of Directors may, at its election, require the delinquent Owner to pay a reasonable late charge, together with interest at the maximum rate permitted by law on such delinquent sums, calculated from the date of delinquency to and including the date full payment is received by the Association. If any installment of an Assessment is not paid within forty-five (45) days after its due date, the Board may mail a notice to the Owner and to each first Mortgagee of a Condominium which has requested a copy of the notice. Such notice shall specify (1) the fact that the installment is delinquent; (2) the action required to cure the default; (3) a date, not less than ten (10) days from the date the notice is mailed to the Owner, by which such default must be cured; and (4) that failure to cure the default on or before the date specified in the notice may result in acceleration of the balance of the installments of the Assessment for the then current Fiscal Year and sale of the Condominium. If the delinquent installments of the Assessment and any charges thereon are not paid in full on or before the date specified in the notice, the Board at its option may declare all of the unpaid balance of the Assessment for the then current Fiscal Year, attributable to that Owner and his Condominium, to be immediately due and payable without further demand and may enforce the collection of the full Assessment by law and this Declaration.

Section 5.10. Creation and Release of Lien. All sums assessed in accordance with the provisions of this Declaration shall constitute a lien on the respective Condominium prior and superior to all other liens, except (1) all taxes and other levies which, by law, would be superior thereto, and (2) subject to the provisions of Section 5.01 and Article XII of the Declaration, the lien or charge of any first Mortgage (meaning any Mortgage or Deed of Trust with first priority or seniority over other Mortgages or Deeds of Trust) made in good faith and for value and Recorded prior to the date on which the lien became effective. The lien shall become effective upon Recordation by the Board or its authorized agent of a notice of the assessment ("Notice of Lien") securing the payment of any assessment or installment thereof levied by the Association against any Condominium and its Owner. The Notice of Lien shall state (i) the amount of the assessment or installment, as the case may be, and other authorized charges and interest, including the cost of preparing and Recording the Notice of Lien (ii) the expenses of collection in connection with any delinquent installments, including without limitation reasonable attorneys' fees, (iii) a sufficient description of the Condominium against which the same has been assessed, (iv) the name and address of the Association, and (v) the name of the Owner thereof. The Notice of Lien shall be

signed by an authorized representative of the Association. The lien shall relate only to the individual Condominium against which the Assessment was levied and not to the Project as a whole. Upon payment to the Association of the full amount claimed in the Notice of Lien, or other satisfaction thereof, the Board of Directors shall cause to be Recorded a Notice of Satisfaction and Release of Lien ("Notice of Release") stating the satisfaction and release of the amount claimed. The Board of Directors may demand and receive from the applicable Owner a reasonable charge for the preparation and Recordation of the Notice of Release before Recording it. Any purchaser or encumbrancer who has acted in good faith and extended value may rely upon the Notice of Release as conclusive evidence of the full satisfaction of the sums stated in the Notice of Lien.

Section 5.11. Enforcement of Liens. It shall be the duty of the Board of Directors to enforce the collection of any amounts due under this Declaration by one or more of the alternative means of relief afforded by this Declaration. The lien may be enforced by sale of the Condominium by the Association, its attorney or other persons authorized to make the sale, after failure of the Owner to pay an assessment, or installment thereof, as provided herein. The sale shall be conducted in accordance with the provisions of Arkansas law applicable to the exercise of powers of sale in mortgages and deeds of trust, or in any manner permitted by law. An action may be brought to foreclose the lien of the Association by the Board, or by any Owner if the Board fails or refuses to act, after the expiration of at least thirty (30) days from the date on which the Notice of Lien was Recorded; provided that at least fifteen (15) days have expired since a copy of the Notice of Lien was mailed to the Owner affected thereby, and subject to the provisions of Section 5.09 if the Board accelerates the due date of any Annual Assessment installments. The Association, through its agents, shall have the power to bid on the Condominium at foreclosure sale, and to acquire and hold, lease, Mortgage and convey the same. Upon completion of the foreclosure sale, an action may be brought by the Association or the purchaser at the sale in order to secure occupancy of the defaulting Owner's Unit, and the defaulting Owner shall be required to pay the reasonable rental value for such Unit during any period of continued occupancy by the defaulting Owner or any persons claiming under the defaulting Owner. Suit to recover a money judgment for unpaid Assessments shall be maintainable without foreclosing or waiving the lien securing the same, but this provision or any institution of suit to recover a money judgment shall not constitute an affirmation of the adequacy of money damages. Any recovery resulting from a suit in law or equity initiated pursuant to this Section may include reasonable attorney's fees as fixed by the court.

ARTICLE VI

PROJECT EASEMENTS AND RIGHTS OF ENTRY

Section 6.01. Easements.

(a) Access. Declarant expressly reserves for the benefit of the Owners reciprocal, nonexclusive easements for access, ingress and egress over all of the Common Areas, including any driveways, elevators and hallways in the Project, which easements may be conveyed by Declarant to Owners and to the Association for so long as Declarant owns any interest in the Project. Subject to the provisions of this Declaration governing use and enjoyment thereof, the easements may be used by Declarant, its successors, purchasers and all Owners, their patrons, employees, guests, patients, tenants and invitees, temporarily visiting the Project, for walkways, vehicular access and such other purposes reasonably necessary for use and enjoyment of a Condominium in the Project.

(b) Maintenance and Repair. Declarant expressly reserves for the benefit of the Board of Directors and all agents, officers and employees of the Association, nonexclusive easements over the Common Areas as necessary to maintain and repair the Common Areas, and to perform all other tasks in accordance with the provisions of this Declaration. Such easements over the Common Areas shall be appurtenant to and binding upon, and shall pass with the title to, every Condominium conveyed.

(c) Utility Easements. Declarant expressly reserves for the benefit of the Association the right of Declarant to grant additional easements and rights-of-way over the Project to utility companies and public agencies, as necessary, for the proper development and use of the Property.

(d) Encroachments. Declarant, the Association and Owners of horizontally or vertically contiguous Offices shall have a reciprocal easement appurtenant to each of the Offices over the Offices and the Common Property for the purpose of (1) accommodating any existing encroachment of any wall of the Improvements, and (2) maintaining the same and accommodating authorized construction, reconstruction, repair, shifting, movement or natural settling of the buildings or any other portion of the Project housing their respective Units. Easements and reciprocal negative easements for utility services and repairs, replacement and maintenance of the same over all of the Common Areas are specifically reserved for the benefit of the Owners. The foregoing easements shall not unreasonably interfere with each Owner's use and enjoyment of his Unit.

Section 6.02. Rights of Entry. The Board of Directors and its authorized agents shall have a limited right of entry in and upon the Common Areas and the interior of all Units for the purpose of inspecting the Project, and taking whatever corrective action may be deemed necessary or proper by the Board of Directors, consistent with the provisions of this Declaration, including providing necessary Common Area repairs or maintenance, inspecting and reading of any special electrical metering devices and correcting any emergency originating in or threatening the Units. The Board shall be entitled to obtain a key to all Offices in order to facilitate this right. However, nothing herein shall be construed to impose any obligation upon the Association to maintain or repair any property or Improvements required to be maintained or repaired by the Owners. Subject to the foregoing, each Owner shall be entitled to exclusive occupancy and control over the interior of his Unit. Furthermore, an Owner shall permit other Owners, or their representatives to enter his Office for the purpose of performing required installations, alterations or repairs to the mechanical or electrical services to an Office, provided that such requests for entry are made in advance and entry is made at a time reasonably convenient to the Owner whose Unit is to be entered; and provided further that the entered Unit is left in substantially the same condition as existed immediately preceding such entry. In case of an emergency, such right of entry shall be immediate. Upon receipt of reasonable notice from the Association (which shall in no event be less than seven (7) days) each Owner shall vacate his Unit in order to accommodate efforts by the Association to eradicate the infestation of wood destroying or other pests and organisms from the Common Property or to perform any other maintenance or repairs pursuant to the Declaration. The cost of eradicating any such infestation or of performing any such maintenance or repairs shall be a Common Expense of the Association; however, each Owner shall bear its own costs of temporary relocation. The Board shall have the right of entry to the Units and the right to remove Owners from their Units, as necessary, to accomplish its duties as provided herein.

ARTICLE VII

DECLARANT'S RIGHTS AND RESERVATIONS

Section 7.01. Amendment of Declaration. Declarant reserves the right from time to time unilaterally, without joinder by other Owners or persons who may have an interest in this Horizontal Property Regime, to change or amend this Master Deed and Declaration for the purpose of

correction of title instruments, correction of unit legal descriptions and compliance with the requirements of governmental authorities, or to reflect the "as built" dimensions and descriptions of the Units, so long as any such changes or amendments shall not, without the permission of the Owner of the affected Unit, change the proportionate share of Owners of previously sold Units for voting or assessment purposes.

Section 7.02. Subdivision of Portions of Project. Nothing in this Declaration shall limit the right of Declarant or its assignee to subdivide or re-subdivide any portion of the Project, or to complete improvements or refurbishments, if any, on any portion of the Project owned solely or partially by Declarant, or to alter the foregoing or its construction plans and designs in the course of the development of the Project, so long as any Condominium in the Project remains unsold, subject always to the provisions of Article XII hereof. In the event any such subdivision or re-subdivision results in the creation of additional space for the common use of the Owners, such space shall become a part of the General or Limited Common Elements as appropriate.

Section 7.03. Declarant Use of Common Areas. Declarant, its successors and tenants, shall also be entitled to the non-exclusive use of any portions of the Property which comprise drives, walkways, and parking for the purpose of ingress, egress and accommodating vehicular and pedestrian traffic to and from the Property. Each Owner hereby grants, upon acceptance of the deed to his Unit, an irrevocable, special power of attorney coupled with an interest to Declarant to execute and Record all amendments to the condominium documents and all other documents and drawings necessary to allow Declarant to exercise its rights under Section 7.01 of this Article.

ARTICLE VIII

USE RESTRICTIONS

All of the Property shall be held, used, and enjoyed subject to the following limitations and restrictions, but subject to the exemptions of Declarant set forth in this Declaration.

Section 8.01.

(a) Permitted Uses. Units on the second, third and fourth floors shall be used only for medical offices and related services including, but not limited to the operation of a food or beverage service for the convenience of the owners of the Units and their licensees and invitees. No Unit shall be used for a food or beverage service without the consent of the Board nor shall any Unit be used as an inpatient medical facility. Units on the first floor shall be used only for medical offices, banking facilities, and retail or other commercial office purposes. Owners shall be allowed to lease their Units to individuals or entities for purposes consistent with the restrictions set forth in this Article VIII.

(b) Use Restrictions. There shall at any one time be no more than one retail or commercial laboratory service and no more than one retail or commercial pharmacy located within the Project. This restriction shall not prohibit any other Owner from providing such services as are incidental and routine to its medical practice.

Section 8.02. Nuisances. No noxious or offensive activities shall be carried on upon the Project. No horns, whistles, bells or other sound devices, except security devices used exclusively to protect the security of a Condominium and its contents, shall be placed or used in such Condominium. No loud noises, electromechanical disturbance, radiation detrimental to other Owners, electromagnetic disturbance detrimental to other Owners, vibrations or noxious odors shall be permitted on the Project, and the Board of Directors of the Association shall have the right to determine if any noise, vibration, or odor constitutes a nuisance or a potential hazard to others. No Owner shall permit or cause anything to be done or kept upon the Project which may increase the rate of insurance thereon, or result in a cancellation of such insurance, or which will obstruct or

interfere with the rights of other Owners, nor will he commit or permit any nuisance thereon. Owners may use or handle such hazardous materials as are usual and customary to each such Owner's medical practice so long as each Owner complies with all local, state and federal regulations regarding the use and disposal of such materials and any regulations promulgated by the Board or Association. Each Owner shall comply with all of the requirements of the city and local or state health authorities and with all other governmental authorities with respect to the use of his Condominium. Each Owner shall be accountable to the Association and other Owners for the conduct and behavior of his guests, patients, tenants, employees, patrons or invitees transacting business in or visiting his Unit; and any damage to the Common Property, personal property of the Association, or property of another Owner, caused by such guests, tenants, employees, patients, patrons or invitees shall be repaired at the sole expense of the Owner with whom said guests, tenants, employees, patrons, patients or invitees are transacting business or visiting. Unit Owners, their employees, patients, guests, and patrons shall not loiter in the entrances or corridors of the Project, nor in any way obstruct use of the sidewalks, entry passages, halls, foyers, stairways and elevators, and the same shall be used only as passageways to and from the respective Units. All moving furniture into the Units shall be done under the supervision of the Association Board of Directors.

Section 8.03. Signs. Other than those approved at the time of purchase of a Unit, no sign, poster, billboard or other advertising device of any character shall be erected, hung, flown or maintained on or over the Common Areas or shown or displayed from or over the Units without prior written approval having been obtained from the Association; provided, however, that the restrictions of this paragraph shall not apply to such signs as may be required by a legal proceeding. Such sign or notice may be placed within a Unit but not upon the exterior portion of the Common Areas. The Board of Directors may maintain within the building in the Common Areas a master directory of Units which are for sale or lease. Address, identification signs, directories of Units and mail boxes shall be maintained by the Association. The Board may summarily cause all unauthorized signs to be removed or destroyed. All advertising signs must comply with all applicable laws and regulations governing the type of advertising permitted of the Owner by all applicable licensing authorities, and the Association as a whole and not merely through the Board of Directors shall develop standards relating to dimensions, design, illumination, color, style and location of advertising signs. Signs provided by the Declarant to Owners for suite plaques, directories or exterior signage are deemed approved by the Association.

Section 8.04. Inside and Outside Installations. No television, radio or other electronic antenna or device of any type shall be erected, constructed, placed or permitted to remain on any of the buildings, structures or other Improvements constructed on the Property unless and until the same shall have been approved in writing by the Association. No wiring, or installation of air conditioning, or other machines shall be installed on the exterior of the building or be allowed to protrude through the walls or roof of the building with the exception of that installed as part of the initial construction, unless with the prior written approval of the Association. The approval of the Association for any such wiring, structure, improvement or device shall not relieve the Owner of its obligation to pay excessive electrical consumption charges as set forth in Section 14.13 hereof. No Owner shall make any exterior addition, change or alteration to the building. Nothing shall be done in a Unit or in, on or to the Common Areas which will or may tend to impair the structural integrity of any Improvement in the Project or which would structurally alter any such building except as otherwise expressly provided herein. Where appropriate, Units shall be furnished and equipped with sufficient protective lining, so as to shield other Units and the Common Property from the effects of X-rays and other radiation or radioactive substances. No Owner shall connect to electric wires, water pipes or air pipes, or any apparatus, machinery or device, without the consent of the Association. No electronic data processing machines or medical equipment or machines using water or electrical current in excess of that normally provided in the Project may be used in the Project without the prior consent of the Association. There shall be no

alteration, repair or replacement of wall coverings within Units which may diminish the effectiveness of the sound control engineering within the building in the Project. No doors or windows in the Building shall be covered or obstructed, so as to be visible from any portion of the Common Areas, without the prior written consent of the Association. No interior wall in any of the Project shall be pierced or otherwise altered in any way, without the prior approval of the Association and a structural engineering analysis. No Owner shall cause or permit any mechanic's lien to be filed against any portion of the Project for labor or materials alleged to have been furnished or delivered to the Project or any Condominium for such Owner. Any such Owner shall immediately cause such lien to be discharged within ten (10) days after notice to the Owner from the Board. If the Owner fails to do so, the Board may discharge the lien and charge the Owner a Special Assessment for such cost of discharge after Notice and Hearing. Any time the approval of the Association is required pursuant to this Section 8.04, the members of the Association and not merely the Board shall be entitled to vote to grant or deny such approval.

Section 8.05.

(a) Refuse and Waste. All rubbish, trash, garbage and other waste shall be regularly removed from each Unit and shall not be allowed to accumulate therein. No refuse container shall be maintained on the Common Areas other than in the location and manner provided for by the Association in accordance with its rules adopted from time to time, and no such container shall be kept or maintained in any Unit so as to be visible from the Common Areas. The Association shall be responsible for the costs of refuse storage and collection other than hazardous or medical waste. Hazardous and Medical wastes disposal shall be the responsibility of each individual Owner for its own Unit subject to the rules set forth in subsection b, below. The toilets and urinals in the Project shall not be used for any purposes other than those for which they were designed, and no rubbish or other substance shall be thrown into them so as to obstruct the plumbing system in the Project. Plaster traps shall be used and properly maintained at all times by the Owner in the Units where necessary to collect debris in order to protect the plumbing system of the Project.

(b) Medical and Hazardous Waste. Owner shall comply with all laws relating to the disposal of hazardous or medical wastes that require special handling procedures. Owner shall not employ any waste disposal or janitorial company to which the Association objects. If the Board adopts policies and procedures for the collection and disposal of hazardous or medical waste, Owner shall comply with such policies and procedures and Owner shall cooperate with regard to waste disposal. The Association shall be entitled to take such actions as may be necessary to cause Owner to comply with applicable laws, regulations and building rules regarding the disposal of hazardous and medical waste and Owner shall be responsible for any Special Assessment arising from the Association taking such action. Owner shall hold Association harmless for all fines, suits, claims and liabilities arising out of such waste located within the Owner's Unit. For the purpose of this Declaration, hazardous or medical waste means, without limitation, any substance which, because of its quantity, concentration, chemical, radioactive, flammable, explosive, infectious, corrosive, reactive or other characteristics, constitutes or may reasonably be expected to constitute or contribute to a danger or hazard to the public health, safety or welfare or to the environment, all as more fully defined in federal and state statutes and regulations regulating the use of hazardous, toxic or medical waste.

Section 8.06. Storage. There shall be no exposed storage deposited, accumulated or preserved anywhere on the Project exposed to public view.

Section 8.07. Further Subdivision. Subject to the provisions of Section 14.12 hereof, unless at least fifty-one per cent (51%) of the Owners, the Mortgagee of the affected Unit and the Association have given their prior written approval, and all applicable laws and regulations have been complied with, no Owner shall further subdivide his Unit. No Unit shall be subdivided with a result that one or more new or remaining Units shall contain less than five hundred (500) square feet. In the event any such subdivision results in the creation of additional space for the common

use of the Owners, such space shall become a part of the General or Limited Common Elements as appropriate. However, this provision shall not be construed to limit the right of an Owner to rent or lease all of his Unit by means of a written lease or rental agreement subject to the Restrictions. No Owner shall be permitted to lease or rent his Unit for purposes other than provided in this Article VIII. The terms of any such lease or rental agreement shall be subject in all respects to the provisions of this Declaration and the Bylaws of the Association and shall (a) expressly refer to this Declaration and contain a covenant by the lessee or tenant that he accepts the leasehold estate subject to this Declaration, and (b) contain either a covenant that the lessee or tenant agrees to perform and comply with the Restrictions herein or adequate provisions to permit entry and other actions by the lessor for the purpose of performing and complying with these Restrictions. Any failure by the lessee of such Unit to comply with the terms of this Declaration or the Bylaws of the Association shall constitute a default under the lease or rental agreement.

Section 8.08. Hold Harmless and Indemnification. Each Owner, by the acceptance of his deed, agrees to indemnify each and every other Owner, and to hold him harmless, from any claim of any Person for personal injuries or property damage occurring within his Unit, unless said injury or damage shall occur by reason of the negligence of any other Owner temporarily visiting the Unit of the indemnifying Owner. Each Owner further agrees to defend, at his expense, any and all remaining Owners who may be sued by any person on a claim for personal injury or property damage alleged to have been sustained within the Unit of the indemnifying Owner.

Section 8.09. Parking. The Association, acting through the Board, shall obtain leased parking areas for use of the Owners of the Condominiums, and shall establish reasonable Rules and Regulations governing use of the driveways and parking areas involved, which area shall be deemed to be Common Property.

ARTICLE IX

INSURANCE

Section 9.01. Duty to Obtain Insurance; Types. The Board shall cause to be obtained and maintained adequate blanket public liability insurance (including medical payments), in an amount not less than \$1.5 million covering all claims for personal injury and property damage arising out of a single occurrence or other reasonable minimum amounts as the Board may determine, insuring against liability for bodily injury, death and property damage arising from the activities of the Association and its Members, with respect to the Common Property. The Board shall also cause to be obtained and maintained fire and casualty insurance with extended coverage, without deduction for depreciation, in an amount as near as possible to the full replacement value of the Project (less reasonable deductibles). Such insurance shall be maintained for the benefit of the Association, the Owners and the Mortgagees, as their interests may appear as named insured, subject, however, to loss payment requirements as set forth herein. The Board of Directors shall purchase such other insurance, as necessary, including but not limited to, errors and omissions, directors, officers and agents liability insurance, plate glass insurance, business interruption, medical payments, malicious mischief, vandalism insurance, fidelity bonds and workers' compensation, and such other risks as shall customarily be covered with respect to condominium projects similar in construction, location and use. Fidelity bond coverage which names the Association as obligee may be obtained by or on behalf of the Association for any person or entity handling funds of the Association, including, but not limited to, officers, directors, trustees and employees of the Association and employees of the Manager.

Section 9.02. Waiver of Claims Against Association. As to all policies of insurance maintained by or for the benefit of the Association and the Owners, the Association and the Owners hereby waive and release all claims against one another, the Board of Directors and Declarant, to the extent of the insurance proceeds available, whether or not the insurable damage or injury is caused by the negligence of or breach of any agreement by any of said Persons.

Section 9.03. Right and Duty of Owners to Insure. It is the responsibility of each Owner to provide insurance on his personal property and upon all other property within his Unit for which the Association has not purchased insurance. Nothing herein shall preclude any Owner from carrying any public liability insurance as he deems desirable to cover his individual liability for damage to person or property occurring inside his individual Unit or elsewhere upon the Project. All policies carried by Owners shall contain waivers of subrogation of claims against Declarant, the Association, the Board, the officers of the Association and all other Owners. Such policies shall not adversely affect or diminish any liability under any insurance obtained by or on behalf of the Association, and duplicate copies of such other policies shall be deposited with the Board upon request. If any loss intended to be covered by insurance carried or on behalf of the Association shall occur and the proceeds payable thereunder shall be reduced by reason of insurance carried by any Owner, such Owner shall assign the proceeds of such insurance carried by him to the Association, to the extent to such reduction, for application by the Board to the same purposes as the reduced proceeds are to be applied.

Section 9.04. Notice of Expiration Requirements. If available, all of the policies of insurance maintained by the Association shall contain a provision that said policy or policies shall not be cancelled, terminated or expired by their terms, without thirty (30) days' prior written notice to the Board, Declarant, Owners and their respective first Mortgagees (provided that Declarant, such Owners or Mortgagees have filed written requests with the carrier for such notice), and every other person in interest who requests such notice of the insurer.

Section 9.05. Insurance Premiums. Insurance premiums for any blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Board of Directors shall be a Common Expense to be included in the Annual Assessments levied by the Association and collected from the Owners. That portion of the Annual Assessments necessary for the required insurance premiums shall be separately accounted for by the Association in the Reserve Fund, to be used solely for the payment of premiums of required insurance as such premiums become due.

Section 9.06. Trustee for Policies. The Association, acting through its Board of Directors, is hereby appointed and shall be deemed trustee of the interests of all named insureds under policies of insurance purchased and maintained by the Association. All insurance proceeds under any such policies as provided for in Section 9.01 of this Article shall be paid to the Board of Directors as Trustees. The Board shall have full power to receive and to receipt for the proceeds and to deal therewith as provided herein. Insurance proceeds shall be used by the Association for the repair or replacement of the property for which the insurance was carried or otherwise disposed of as provided in Article X of this Declaration. The Board is hereby granted the authority to negotiate loss settlements with the appropriate insurance carriers. Any two (2) officers of the Association may sign a loss claim form and release form in connection with the settlement of a loss claim, and such signatures shall be binding on all the named insureds.

Section 9.07. Actions as Trustee. Except as otherwise specifically provided in Declaration, the Board, acting on behalf of the Association, all Owners and mortgagees, shall have the exclusive right to bind such parties with respect to all matters affecting insurance carried by the Association, the settlement of a loss claim, and the surrender, cancellation, and modification

of all such insurance. Duplicate originals or certificates of all policies of fire and casualty insurance maintained by the Association and of all renewals thereof, together with proof of payment of premiums, shall be delivered by the Association to all Mortgagees who have requested the same in writing.

Section 9.08. Annual Insurance Review. The Board shall review the insurance carried by or on behalf of the Association at least annually, for the purpose of determining the amount of the casualty and fire insurance referred to in Section 9.01 above. If economically feasible, the Board shall obtain a current appraisal of the full replacement value of the Improvements on the Property except for foundations and footings, without deduction for depreciation, from a qualified independent insurance appraiser, prior to each such annual review.

Section 9.09. Required Waiver. All policies of physical damage insurance shall provide, if reasonably possible, for waiver of the following rights, to the extent that the respective insurers would have the rights without such waivers:

- (a) subrogation of claims against the Owners and tenants of the Owners;
- (b) any defense based upon co-insurance;
- (c) any right of set-off, counterclaim apportionment, proration or contribution by reason of other insurance not carried by the Association;
- (d) any invalidity, other adverse effect or defense on account of any breach of warranty or condition caused by the Association, any Owner or any tenant of any Owner, or arising from any act, neglect, or omission of any named insured or the respective agents, contractors and employees of any insured;
- (e) any right of the insurer to repair, rebuild or replace, and, if the Improvement is not repaired, rebuilt or replaced following loss, any right to pay under the insurance an amount less than the replacement value of the Improvements insured,;
- (f) notice of the assignment of any Owner of his interest in the insurance by virtue of a conveyance of any Condominium; and
- (g) any right to require any assignment of any mortgage to the insurer.

ARTICLE X

DESTRUCTION OF IMPROVEMENTS

Section 10.01. Restoration of the Project. Except as otherwise provided in this Declaration, in the event of any destruction of any portion of the Project, the repair or replacement of which is the responsibility of the Association, it shall be the duty of the Association to restore and repair the same to its former condition, as promptly as practical. The proceeds of any insurance maintained pursuant to Article IX hereof for reconstruction or repair of the Project shall be used for such purpose, unless otherwise provided herein. The Board shall be authorized to have prepared the necessary documents to effect such reconstruction as promptly as practical. The Project shall be reconstructed or rebuilt substantially in accordance with the Condominium Plan and the original construction plans if they are available, unless changes recommended by the Association have been approved in writing by seventy-five percent (75%) of the Owners. If the amount available from the proceeds of such insurance policies for such restoration

and repair is at least ninety percent (90%) of the estimated cost of restoration and repair, a Reconstruction Assessment of the Owners shall be levied by the Board of Directors to provide the necessary funds for such reconstruction, over and above the amount of any insurance proceeds available for such purpose. If the amount available from the proceeds of such insurance policies for such restoration and repair is less than ninety percent (90%) of the estimated cost of restoration and repair, the Owners by the vote or written consent of not less than seventy-five percent (75%) of the Owners shall determine whether the Association shall be authorized to levy a Reconstruction Assessment and proceed with such restoration and repair. If the Owners and their Mortgagees, as provided above, determine that the cost of such restoration and repair would be substantial and that it would not be in their best interests to proceed with the same, the Owners may, at their discretion, proceed as provided in Section 10.02 below.

Section 10.02. Sale of Project. If the amount available from the proceeds of the insurance policies maintained by the Association is less than ninety percent (90%) of the cost of reconstruction, a certificate of the resolution authorizing such reconstruction shall be Recorded within nine (9) months from the date of such destruction and, if such certificate is not Recorded within said period, it shall be conclusively presumed that the Owners have determined not to rebuild said Improvements. If the certificate authorizing reconstruction is properly recorded, then construction shall be commenced within six (6) months of the date of recordation and if construction is not so commenced, then it shall be conclusively presumed that the owners have determined not to rebuild. In the event of a determination not to rebuild, the Association, acting through a majority of the Board, shall be authorized to have prepared, executed and Recorded, as promptly as practical, the certificate stating that a majority of the Board may properly exercise an irrevocable power of attorney to sell the Project for the benefit of all of the Owners, and such other documents and instruments as may be necessary for the Association to consummate the sale of the Property at the highest and best price obtainable, either in its damaged condition, or after damaged structures have been razed. The net proceeds of such sale and the proceeds of any insurance carried by the Association shall be divided proportionately among the Owners, such proportions to be determined in accordance with the relative appraised fair market valuation of the Condominiums as of a date immediately prior to such destruction (or condemnation), expressed as percentages, and computed by dividing such appraised valuation of each Condominium by the total of such appraised valuations of all Condominiums in the Project. The Board is hereby authorized to hire one or more appraisers for such purpose and the cost of such appraisals shall be a Common Expense of the Association. Notwithstanding the foregoing, the balance then due on any valid encumbrance of Record shall be first paid in order of priority, before the distribution of any proceeds to an Owner whose Condominium is so encumbered.

Section 10.03. Right of Partition. No Owner shall have the right to partition of his interest in the Condominium and there shall be no judicial partition of the Project, or any part thereof; except that if a certificate of a resolution to rebuild or restore the Project has not been Recorded as provided above, within six (6) months from the date of any partial or total destruction, or if restoration has not actually commenced within said period, then conditions for partition shall be deemed to have been satisfied. Nothing herein shall be deemed to prevent partition of a co-tenancy in any Condominium. Except as provided above, each Owner and the successors of each Owner, whether by deed, gift, devise, or by operation of law, for their own benefit and for the Units and for the benefit of all other Owners, specifically waive and abandon all rights, interests and causes of action for a judicial partition of the tenancy in common ownership of the Project and do further covenant that no action for such judicial partition shall be instituted, prosecuted or reduced to judgment.

Section 10.04. Interior Damage. With the exception of any casualty or damage insured against by the Association pursuant to Section 9.01 of this Declaration, restoration and repair of any damage to the interior of any individual Office, including without limitation all fixtures, cabinets and Improvements therein, together with restoration and repair of all interior paint, wall coverings and floor coverings, shall be made by and at the individual expense of the Owner of the Office so damaged. In the event of a determination to rebuild the Project after partial or total destruction, as provided in this Article X, such interior repair and restoration shall be completed as promptly as practical and in a lawful and workmanlike manner, in accordance with plans approved by the Association as provided herein.

Section 10.05. Notice to Owners and Listed Mortgagees. The Board, immediately upon having knowledge of any damage or destruction to the Common Property, or any portion thereof, which damage or destruction is substantial or may be restored only at a cost exceeding Twenty Five Thousand Dollars (\$25,000), shall promptly notify all Owners, and all institutional holders of first Mortgages on Condominiums in the Project who have filed a written request for such notice with the Board.

ARTICLE XI

EMINENT DOMAIN

Section 11.01. Definitions: Total Taking, Partial Taking, Special Partial Taking. The Term "taking" as used in this Article shall mean condemnation by exercise of power of eminent domain or by sale under threat of the exercise of the power of eminent domain. A "Total Taking" shall occur if there is a permanent taking by eminent domain of an interest in all or part of the Common Areas or of all or part of one or more Units, such that the Ownership, operation and use of the Project in accordance with the provisions of this Declaration is substantially and adversely affected, and within sixty (60) days after the effective date of the taking the Owners of any Units (i) not taken, or (ii) only partially taken and capable of being restored to at least ninety percent (90%) of their floor area and to substantially their condition prior to the taking (collectively the "Remaining Units") do not by affirmative vote of a majority of their entire voting interest (without adjustment among such Units for relative voting rights because of such partial taking) approve the continuation of the Project and the repair, restoration and replacement to the extent feasible of the Common Areas and the Remaining Units. A "Partial Taking" shall occur if there is any other permanent taking of the Project. A Partial Taking shall include, without limitation, a "Special Partial Taking" which is described herein as a taking of all or part of one or more Units, as Units, subject to all of the provisions of this Declaration, without involving any taking of the Common Areas except to the extent of the proportionate interest therein of the Units taken, so that the taking authority becomes a successor in title to the Owner or Owners of the Condominium or Condominiums so taken with the same effect as if such Units were purchased by the taking authority. Following any taking which in the opinion of the Board of Directors would constitute a Total Taking in the absence of the affirmative vote of the Owners of the Remaining Units as required by the foregoing provisions, the Board of Directors shall call a special meeting of the Owners of the Remaining Units to be held promptly, and in any event within sixty (60) days after the effective date of such taking, to determine if such Owners of the Remaining Units will, or will not, decide to continue the Project as provided herein.

Section 11.02. Awards; Repair; Restoration and Replacement.

(a) In the event of a Total Taking, the Board of Directors shall: (i) except as provided in Section 11.03 of this Article, represent all of the Owners in an action to recover any and all awards, subject to the right of all first Mortgagees of Record, upon request, to join in the proceedings, and (ii) proceed with the sale of that portion of the Project which was not included

in the condemnation proceedings and distribution of the net proceeds of such sale and any condemnation award, after deducting any incidental fees and expenses, in the same proportion and in the same manner as provided in Section 10.02.

(b) In the event of a Partial Taking, other than a Special Partial Taking, the provisions of Section 11.02(a)(i) of this Article shall be applicable. The net proceeds of the Partial Taking awards shall be held by the Board of Directors, after deducting related fees and expenses and the portions of the awards allotted in the taking proceedings or, failing such allotment, allotted by the Board of Directors to (i) Units totally taken or partially taken and not capable of being restored to at least ninety percent (90%) of their floor area and substantially their condition prior to the taking, and (ii) Units taken in the same manner as in a Special Partial Taking except that the taking is made subject to only some or to none of the Restrictions (collectively the "Taken Units").

The proceeds of the Partial Taking award allotted to the Taken Units shall be paid to the Owners of the Taken Units; provided, however, that such proceeds shall first be applied to the balance then due on any Mortgages of record in order of priority before the distribution of any such proceeds to any Owner whose Condominium is subject to any such Mortgage. First Mortgagees of Record with respect to the Remaining Units affected by such Partial Taking shall be entitled to severance damages payable out of the award proceeds held by the Board of Directors to the extent that such Mortgagees can prove that their security has been impaired by such taking. The balance of the net proceeds shall then be applied to the repair, restoration and replacement of the Common Areas and the Remaining Units (but not Owners' personal property nor those portions of the Units which the Owners are obligated to restore) to as nearly their condition prior to the taking as may be feasible, in the same manner and under the same provisions applicable to the proceeds of insurance as set forth in Section 10.01 hereof, except for any provisions relating to Owners' personal property. Any funds held for restoration by the Board of Directors following completion thereof shall be disposed of, in each case in the same manner as provided in Section 10.02, except that the total amount of the award payable to any Member and his mortgagee for a destroyed Unit or Units shall not exceed the value of said Member's Condominium interest.

If the funds held for restoration by the Board of Directors are less than the cost of restoration and repair, a Reconstruction Assessment of the Remaining Owners (determined with reference to the number of Remaining Units, as restored) may be levied by the Board of Directors to provide the necessary additional funds for such reconstruction. In no event shall the Board of Directors be required to undertake any repair or restoration work or make any payments with respect to any Unit in excess of that portion of the awards reasonably attributable to the loss to that Unit. Following any Partial Taking, the Association and the Project shall continue, subject to and with the benefit of all the provisions of this Declaration, so far as applicable to the Remaining Units, and the voting interests of the Owners shall be the same.

(c) In the event of a Special Partial Taking or a temporary taking of any Condominium, the Owner of the Condominium taken, together with his Mortgagees, shall have exclusive right to prosecute the proceedings for the respective taking awards and to retain the proceeds thereof. In the event of a temporary taking of Common Areas, the Board of Directors shall have exclusive rights to prosecute the proceedings for the respective taking awards and shall apply the proceeds thereof to reduce Common Expenses.

Section 11.03. Awards for Owners' Personal Property and Relocation Allowance. Where all or part of the Project is taken by eminent domain, each Owner shall have the exclusive right to claim all of the award made for such Owners' personal property, and any relocation, moving expense, or other allowance of a similar nature designed to facilitate relocation. Notwithstanding the foregoing provisions, however, or the provisions of Sections 11.01 and 11.02, the Board of Directors, except in the case of a Special Partial Taking, shall represent each Owner in an action

, to recover all awards with respect to such portion, if any, of a Owner's personal property which is at the time of any taking, as a matter of law, part of the real estate comprising any Unit, and shall allocate to such Owner so much of any award as is allotted in the taking proceedings or, failing such allotment, allotted by the Board of Directors to such Owner's personal property. The amount so allocated shall be paid to the Owner entitled thereto, whether or not the Unit in which such Owner's personal property was located is to be restored by the Board of Directors; provided, however, that such proceeds shall first be applied to the balance then due on any Mortgages of Record encumbering such Owner's Condominium in order of priority. Notwithstanding restoration of the Unit, the Board of Directors shall have no responsibility for restoration of such Owner's personal property.

Section 11.04. Relinquishment of Interest in Common Areas. Each Owner of a Taken Unit, by his acceptance of the award allotted to him in a taking proceeding or by the Board as a result of a Partial Taking other than a Special Partial Taking, hereby relinquishes to the other Owners in the Project on the basis of their relative ownership of the Common Areas therein, that percentage of the tenancy in common interest in such Common Areas appurtenant to his Unit equal to the percentage of gross floor area of the Unit permanently taken and not capable of being restored (the "Taken Percentage"). After the date of the taking, each Owner of a Taken Unit shall be excused from payment of that portion of the percentage of Annual and Capital Improvement Assessments which would have been assessed against such Owner and his Unit prior to the taking equal to the Taken Percentage. If the Board determines that the portion of a Taken Unit which is not taken is no longer suitable for occupancy, and the Owner thereof abandons such portion and does not permit its occupancy, such Owner shall be excused from all Assessments levied by the Association other than unpaid Assessments levied prior to the taking, so long as the portion not taken remains unoccupied. The Assessments from which the Owner of a Taken Unit and such Unit are excused by this Section shall be reallocated to the other Owners on the basis of their relative responsibility for the payment of such Assessments prior to the taking. The Taken Percentage shall be decreased, only for purposes of determining the percentage of the tenancy in common interest in the Common Areas relinquished by the Owner of a Taken Unit to the other Owners, by an amount equal to the percentage of undivided interest also taken. Each Owner relinquishing any portion of his interest in the Common Areas pursuant to this Section shall, at the request of the Board and at the expense of the Association, execute and acknowledge such deeds and other instruments which the Board deems necessary or convenient to evidence such relinquishment.

Section 11.05. Notice to Owners and Listed Mortgagees. The Board of Directors immediately upon having knowledge of any taking by eminent domain of the Property, or any portion thereof, or any threat thereof, shall promptly notify all Owners, and all institutional holders of first Mortgages on Condominiums in the Project who have filed a written request for such notice with the Board.

ARTICLE XII

RIGHTS OF MORTGAGEES

Notwithstanding any other provision of this Declaration, no amendment or violation of this Declaration shall operate to defeat or render invalid the rights of the Beneficiary under any Recorded Mortgage on a Condominium made in good faith and for value, provided that after the foreclosure of any such Deed of Trust such Condominium shall remain subject to this Declaration, as amended. To the extent the following provisions, pertaining to the rights of Mortgagees, conflict with any other provisions of this Declaration or any other of the Restrictions, the following provisions shall control:

(a) Each first Mortgagee of a Mortgage encumbering any Condominium, upon filing a written request for notification with the Board, is entitled to written notification from the Association of any default by the Mortgagor of such Condominium in the performance of such Mortgagor's obligations under the Restrictions which default is not cured within thirty (30) days after the Association learns of such default. For purposes of this Declaration, a "first Mortgagee" shall mean a Mortgagee of a Mortgage with first priority over other Mortgages or Deeds of Trust on a Condominium.

(b) Each first Mortgagee of a Mortgage encumbering any Condominium, which obtains title to such Condominium, pursuant to judicial foreclosure or the powers provided in such Mortgage, shall take title to such Condominium free and clear of any claims for unpaid assessments or charges against such Condominiums which accrued prior to the time such holder acquires title to such Condominium.

(c) First Mortgagees, upon written request, shall have the right to examine the books and records of the Association during normal business hours upon serving written notice of such an examination on the Board.

(d) Each Owner hereby authorizes the first Mortgagee of a first Mortgage on his Condominium to furnish information to the Board concerning the status of such first Mortgage and the loan which it secures.

ARTICLE XIII

DURATION AND AMENDMENT

Section 13.01. Duration. This Declaration shall continue in full force in perpetuity, or for so long as any applicable rule against perpetuities permits, unless a Declaration of Termination is Recorded, meeting the requirements of an amendment to this Declaration as set forth in Section 13.02. There shall be no severance by sale, conveyance, encumbrance or hypothecation of an interest in any Unit from the concomitant Membership in the Association, as long as this Declaration shall continue in full force and effect. The provisions of this Article are subject to the provisions of Sections 10.02 and 11.02 of this Declaration.

Section 13.02. Amendment.

(a) Notice of the subject matter of a proposed amendment to this Declaration in reasonably detailed form shall be included in the notice of any meeting of the Association at which a proposed amendment is to be considered. A resolution shall be adopted by the vote, in person or by proxy, or written consent of Members representing not less than sixty-seven percent (67%) of the voting power of the Association. A copy of each amendment shall be certified by at least two (2) officers of the Association, and the amendment shall be effective when the Certificate of Amendment is Recorded.

(b) Notwithstanding the foregoing, any of the following amendments, or any amendments described in Article XII(c) above, to be effective, must be approved in writing by the Beneficiaries of the first Mortgages on all of the Condominiums in the Project at the time of such amendment if required by such Beneficiaries:

(1) Any amendment which affects or purports to affect the validity or priority of encumbrances or the rights or protection granted to encumbrancers as provided in Articles V, IX, X, XI, XII and XIII hereof.

(2) Any amendment which would necessitate a Mortgagee after it has acquired a Condominium through foreclosure to pay more than its proportionate share of any unpaid assessment or assessments accruing after such foreclosure.

(3) Any amendment which would or could result in an encumbrance being cancelled by forfeiture.

(c) A certificate, signed and sworn to by two (2) officers of the Association that the Record Owners of sixty-seven percent (67%) of the Condominiums have either voted for or consented in writing to any amendment adopted as provided above, when Recorded, shall be conclusive evidence of that fact. The Association shall maintain in its files evidence of all such votes or written consents for a period of at least seven (7) years. Such a certificate reflecting any amendment which requires the written consent of any of the Record holders of first Mortgages shall be signed and acknowledged by such first Mortgagees.

In addition to the provisions hereof, Declarant may unilaterally amend this Master Deed pursuant to the provisions of Article VII.

Section 13.03. Protection of Declarant. The prior written approval of Declarant, as developer of the Project, will be required before any amendment which would impair or diminish the rights of Declarant to complete the Project or sell or lease Condominiums therein in accordance with this Declaration shall become effective. In addition, Declarant may alter or amend this Master Deed to correct any typographical or similar error.

ARTICLE XIV

GENERAL PROVISIONS

Section 14.01. Legal Proceedings. Failure to comply with any of the terms of the Restrictions by an Owner, his guests, employees, patients, invitees or tenants, after compliance with the Notice and Hearing procedures set forth in the Bylaws of the Association (except for the nonpayment of any Assessments provided herein), shall be grounds for relief which may include, without limitation, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof. Failure to enforce any provisions hereof shall not constitute a waiver of the right to enforce that provision, or any other provision hereof. The Board, any Owner (not at the time in default hereunder), or Declarant shall be entitled to bring an action for damages against any defaulting Owner, and in addition may enjoin any violation of this Declaration. Any judgment rendered in any action or proceeding pursuant thereto shall include a sum for attorneys' fees in such amount as the Court may deem reasonable, in favor of the prevailing party, as well as the amount of any delinquent payment, interest thereon, costs of collection, and court costs. Each remedy provided for in this Declaration shall be cumulative and not exclusive or exhaustive.

Section 14.02. Special Assessments. Without in any way limiting the generality of the foregoing, if the Board of Directors determines that there is a violation of any provision of this Declaration, or the Association determines that an Improvement which is the maintenance responsibility of an Owner is in need of installation, repair, restoration or painting, then the Board shall give written notice to the responsible Owner of the condition or violation complained of. Unless the Association has approved in writing corrective plans proposed by the Owner to remedy the condition complained of within such period of time as may be determined reasonable by the Board after it has given said written notice, within the time allotted by the Board, the Board, after Notice and Hearing, shall undertake to remedy such condition or violation complained of, and the cost thereof shall be charged to the Owner and his Condominium whose Office is the subject matter of the corrective work. Such cost shall be deemed to be a Special Assessment to such Owner,

and his Condominium, and shall be subject to levy, enforcement and collection by the Board in accordance with the assessment lien procedure provided for in this Declaration.

Section 14.03. Severability. The provisions hereof shall be deemed independent and severable, and a determination of invalidity or partial invalidity or un-enforceability of any one provision or portion hereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provisions hereof.

Section 14.04. Interpretation. The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan for the creation and operation of an office condominium development and for the maintenance of Common Property, and any violation of this Declaration shall be deemed to be a nuisance. The provisions of this Master Deed and Declaration shall be in addition to and supplemental to the Horizontal Property Act of the State of Arkansas and other applicable provisions of law. The Article and Section headings, titles and captions have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction. As used herein, the singular shall include the plural and the masculine, feminine and neuter shall include the other unless the context dictates otherwise.

Section 14.05. Mergers or Consolidations. Upon a merger or consolidation of the Association with another association, its properties, rights and obligations may, by operation of law, be transferred to another surviving or consolidated association or, alternatively, the properties, rights and obligations of another association may, by operation of law, be added to the properties, rights and obligations of the Association as a surviving corporation pursuant to a merger. The surviving or consolidated association may administer and enforce the covenants, conditions and restrictions established by this Declaration governing the Project, together with the covenants and restrictions established upon any other property, as one plan.

Section 14.06. Use of Facilities. Subject to the provisions of Section 8.09, the Board of Directors shall have the right to limit the number of patrons, patients, employees and guests that an Owner may permit to use the parking facilities, and the Board shall have the right to set further reasonable restrictions on the time and manner of use of said parking, in accordance with the Rules and Regulations.

Section 14.07. No Public Right or Dedication. Nothing contained in this Declaration shall be deemed to be a gift or dedication of all or any part of the Project to the public, or for any public use.

Section 14.08. No Representation or Warranties. No representations or warranties of any kind, express or implied, have been given or made by Declarant, or its agents or employees in connection with the Project, or any portion thereof, its physical condition, zoning, compliance with applicable laws, fitness for intended use, or in connection with the subdivision, sale, operation, maintenance, cost of maintenance, taxes or regulation thereof as a Condominium Project, except as specifically and expressly set forth in this Declaration.

Section 14.09. Non-liability and Indemnification. No right, power, or responsibility conferred on the Board or the Association by this Declaration, the Articles or the Bylaws shall be construed as a duty, obligation or liability charged upon the Board of the Association, or any other officer, employee or agent of the Association. No such Person shall be liable to any party (other than the Association or a party claiming in the name of the Association) for injuries or damage resulting from such Person's acts or omissions within what such Person reasonably believed to be the scope of his Association duties ("Official Acts"), except to the extent that such injuries or damage result from such Person's willful or malicious misconduct. No such Person shall

be liable to the Association (or to any party claiming in the name of the Association) for injuries or damage resulting from such Person's Official Acts, except to the extent that such injuries or damage result from such Person's negligence or willful or malicious misconduct.

The Association shall pay all expenses incurred by, and satisfy any judgment or fine levied against, any person as a result of any action or threatened action against such Person to impose liability on such Person for his Official Acts, provided that:

(1) The Board determines that such Person acted in good faith and in a manner such Person reasonably believed to be in the best interests of the Association;

(2) In the case of a criminal proceeding, the Board determines that such Person had no reasonable cause to believe his conduct was unlawful; and

(3) In the case of an action or threatened action by or in the right of the Association, the Board determines that such Person acted with such care, including reasonable inquiry, as an ordinarily prudent person in a like position would use under similar circumstances.

Any determination of the Board required under this Section 14.09 must be approved by a majority vote of a quorum consisting of Directors who are not parties to the action or threatened action giving rise to the indemnification. If the Board fails or refuses to make any such determination, such determination may be made by the vote or written consent of a majority of a quorum of the Members of the Association, provided that the Person to be indemnified shall not be entitled to vote. Payments made hereunder shall include amounts paid and expenses incurred in settling any such action or threatened action. This Section 14.09 shall be construed to authorize payments and indemnification to the fullest extent now or hereafter permitted by applicable law. Notwithstanding the foregoing, no employee, officer, or director of Declarant, serving the Association as an appointee of Declarant, shall be granted indemnification hereunder. The entitlement to indemnification hereunder shall inure to the benefit of the estate, executor, administrator, heirs, legatees, or devisees of any Person entitled to such indemnification.

Section 14.10. Notices. Except as otherwise provided in this Declaration, in each instance in which notice is to be given to an Owner, the same shall be in writing and may be delivered personally to the Owner, in which case personal delivery of such notice to one or more co-owners of a Condominium or to any general partner of a partnership owning a Condominium shall be deemed delivery to all co-owners or to the partnership, as the case may be. Personal delivery of such notice to any officer or agent for the service of process on a corporation shall be deemed delivery to the corporation. In lieu of the foregoing, such notice may be delivered by regular United States mail, postage prepaid, addressed to the Owner at the most recent address furnished by such Owner to the Association or, if no such address shall have been furnished, to the street address of such Owner's Unit. Such notice shall be deemed delivered seventy-two (72) hours after the time of such mailing, except for notice of a meeting of Members or of the Board of Directors in which case the notice provisions of the Bylaws of the Association shall control. Any notice to be given to the Association may be delivered personally to any member of the Board, or sent by United States mail, postage prepaid, addressed to the Association at such address as shall be fixed from time to time and circulated to all Owners.

Section 14.11. Priorities and Inconsistencies. If there are conflicts or inconsistencies between this Declaration and either the Articles of Incorporation or the Bylaws of the Association, the terms and provisions of this Declaration shall prevail.

Section 14.12. Consolidation of Contiguous Units. Subject to all applicable building and fire codes of the City and only after obtaining the written approval of the Board of Directors, the Owner or Lessee of any two contiguous Units may alter, remove or replace all or portions of the intervening wall separating such Units; provided that (a) the structural integrity of the building is not affected thereby, (b) no utility connections serving other Units are disturbed, and (c) if the intervening wall is a load-bearing or structural wall, the portion of such wall which is removed shall have a width approved by the Association, and a structural beam shall be placed in the opening created by removal of such wall in accordance with the requirements of the Association. Upon termination of the common ownership or Lease of such adjacent Units and if the intervening wall shall have been altered or removed pursuant to the foregoing provisions, each of the Owners or Lessee, as applicable, of such Units shall be obligated to restore such intervening wall to substantially the same condition in which it existed prior to such alteration or removal, and easements six (6) inches in width for such purposes located along the perimeter, interior Unit lines shall be reserved and granted in the deeds conveying the Condominiums.

Section 14.13. Excessive Electrical Consumption. Electricity serving the Units in the Project may be commonly metered to two or more or all Units. For so long as such electricity is subject to a common meter, the Association shall be responsible for paying for such electricity as a Common Expense of the Association. However, if it is determined at any time by the Association that the occupants of any Unit are or have been consuming an excessively disproportionate volume of electricity (meaning at least ten percent (10%) more electricity per period of meter than the average volume consumed per Unit in the Project during the same period), as measured by the electrical "protector-check" serving such Unit, the Owner shall be liable to the Association in an amount equal to that portion of the Association's electrical bill represented by the volume of electricity consumed by the occupants of such Unit exceeding one hundred ten percent (110%) of the average volume of electricity consumed per Unit in the Project during such period. Such amount shall constitute a lien enforceable in the same manner as lien enforceable sums assessed by the Association, as provided in this Declaration. The Association shall not, however, be obligated to monitor the electrical "protector-checks" or collect amounts due for excessive electricity consumption.

IN WITNESS WHEREOF, the Declarant has caused the Master Deed to be signed and executed this 10 day of January, 1992.

ST. BERNARDS HOSPITAL, INC.

By 151 Ben Owens

ACKNOWLEDGMENT

STATE OF Arkansas }
 }
COUNTY OF Craighead }

On this day of before me personally appeared BEN E. OWENS, to me personally well known, who acknowledged that he was the President of ST. BERNARDS HOSPITAL, INC., a corporation, and that he, as such officer, being authorized so to do, had executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and official seal this 10 day of January, 1992.

151 Sharon Cram

Notary Public

My Commission Expires:

10-21-96
(SEAL)

Recorded:

Deed Record 416 , pages 32-69

1/14/92 at 4:30 p.m.

For Map See Map Cabinet "B", Page 80

D466-274

AMENDMENT TO MASTER DEED

WHEREAS, St. Bernards Hospital, Inc. ("Declarant"), caused the Master Deed to Medical Arts Building Horizontal Property Regime (the "Master Deed") to be filed on January 14, 1992 pursuant to the Arkansas Horizontal Property Act, in the Deed Records of Craighead County in Book 416, page 37-69, and

WHEREAS, the original Master Deed incorrectly identifies the square footage of the land subject to the property regime and the status of the condominium association as a nonprofit corporation, and

WHEREAS, the original Master Deed further requires the use of nonprofit corporation fund accounting, and

WHEREAS, the Declarant and the members of the Medical Arts Building Association, Inc., desire to correct such errors.

NOW, THEREFORE Declarant does hereby amend the Master Deed as follows:

1. The number "70,552" in line eight of the first paragraph of the Preamble shall be deleted and the number "64,002" shall be inserted in lieu thereof.

2. Section 1.23 shall be deleted in its entirety and the following substituted in lieu thereof:

Section 1.23. Maintenance Funds. "Maintenance Funds" shall mean the accounts created for maintaining capital reserves and receipts and disbursements of the Association pursuant to Article V hereof.

3. Section 3.02 shall be deleted in its entirety and the following substituted in lieu thereof:

Section 3.02. Duties and Powers. The duties and powers of the Association are those set forth in the Master Deed, the Articles and Bylaws, together with its general and implied powers of a for-profit corporation, generally to do any and all things that a corporation organized under the laws of the State of Arkansas may lawfully do which are necessary or proper, in operating for the peace, health, comfort, safety and general welfare of its Members, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws and in this Declaration. The Association shall further have the right to install or construct capital Improvements on the Common Property. The Association may at any time, and from time to time reconstruct, replace or refinish any Improvement or portion thereof upon the Common Property in accordance with the original design, finish or standard of construction of such Improvement; replace destroyed trees or other vegetation and plant trees, shrubs, and ground cover upon any portion of the Common Property. The Association may employ personnel necessary for the effective operation and maintenance of the Common Property, including the employment of legal, management and accounting services.

4. Section 5.02 shall be deleted in its entirety and the following substituted in lieu thereof:

Section 5.02. Associated Accounts. The Board of Directors shall establish such account or accounts as are reasonable for maintaining capital reserves and from which disbursements shall be made for operations. All money collected by the Association shall be deposited in to such account or accounts. The Association shall endeavor to maintain sufficient resources in said accounts to fund capital

improvements as they become necessary from time to time. The use of the term "Operating Fund" and "Reserve Fund" hereinafter shall refer to any general account established by the Board of Directors pursuant to this Section 5.02 and shall not require that the Association actively maintain separate accounts or funds for such purpose.

5. Section 5.03 shall be deleted in its entirety and the following substituted in lieu thereof:

Section 5.03. Purpose of Assessments. The assessments levied by the Board of Directors on behalf of the Association shall be used exclusively to promote the health, safety and welfare of the occupants of the Condominiums and for the operation, replacement, improvement and maintenance of the Project. All amounts credited to the Maintenance Funds must be used solely for the common benefit of all of the Owners for purposes authorized by this Declaration. Nothing in this Declaration shall be construed in such a way as to prohibit the Association from using any assessments to abate any annoyance or nuisance emanating from outside the boundaries of the Project. Annual Assessments shall be used to satisfy Common Expenses of the Association, as provided herein and in the Bylaws.

6. Section 5.06, second paragraph shall be deleted in its entirety and the following substituted in lieu thereof:

Section 5.06. Each member shall pay to the Association his Annual Assessment in monthly installments or as otherwise established by the Board. Each Annual Assessment may be paid by the Member to the Association in one check.

7. Section 5.07 shall be deleted in its entirety and the following substituted in lieu thereof:

Section 5.07. Association Budgets. The Board of Directors shall cause to be prepared an annual report containing (i) a balance sheet and income statement reflecting income and expenditures of the Association for each Fiscal Year, including deposits in and withdrawals from Associated Accounts; (ii) a statement of the place where the names and addresses of the current Members of the Association may be found; and (iii) a statement of changes of financial position of the Association. Within ninety (90) days after the close of the Association's Fiscal Year, the Board shall cause to be distributed a copy of each such annual report to each Member, and to each first Mortgagee who has filed a written request therefor with the Board of Directors. If the annual report is not prepared by an independent accountant, it shall be accompanied by the certificate of an authorized officer of the Association, stating that the annual report was prepared without audit from the books and records of the Association. At least thirty (30) days prior to the beginning of each Fiscal Year, the Board of Directors shall prepare and distribute to the Membership of the Association, a written, itemized estimate (budget) of the income and expenses for the Association during such year in performing its functions under this Declaration (including a reasonable provision for contingencies and deposits into the Associated Account, less any expected income and accounting for any surplus from the prior year's respective Maintenance Fund). Each Annual Assessment shall constitute an aggregate of separate assessments for each of the Maintenance Funds, reflecting an itemization of the amounts assessed and attributable to prospective credits to the Associated Account.

8. Section 9.05 shall be deleted in its entirety and the following substituted in lieu thereof:

Section 9.05. Insurance Premiums. Insurance premiums for any blanket insurance coverage obtained by the Association and any other insurance deemed necessary by the Board of Directors shall be a Common Expense to be included in the Annual Assessments levied by the Association and collected from the Owners.

9. All other provisions of the Master Deed shall remain unchanged.

IN WITNESS WHEREOF, the Declarant has caused this Amendment to Master Deed to be signed and executed this 2nd day of June, 1994

CRALL & SMITH, INC.

By: Howard Crall

Title: President

LARRY E. CREEK, O.D. AND LOUISE CREEK

By: Larry E. Creek

Title: _____

DOCTORS' PATHOLOGY SERVICES, P.A.

By: R. Duke Jennings

Title: _____

JBR PROPERTY PARTNERSHIP

By: Russell Degger

Title: secretary

MEDICAL ARTS INTERNISTS PARTNERSHIP

By: Donald D. Patisson
 Title: Vice President, IMA

OB-GYN PHYSICIAN'S GROUP

By: Dr. B. Runkle
 Title: General Partner

MIKE PRINCE, F.H.D. AND JANE PRINCE

By: Michael Prince / Jane Prince
 Title: President CYDC

ST. BERNARDS HOSPITAL, INC.

By: Beachum
 Title: President

ACKNOWLEDGMENT

STATE OF Arkansas)
COUNTY OF Craighead) §

On this day before me personally appeared Harold Crall to me personally well known, who acknowledged that he was the President of CRALL & SMITH, INC, a corporation, and that he, as such officer, being authorized so to do, had executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and official seal this 26 day of August, 1934.



Bonnie R. Furrow
Notary Public

9-21-2002
(SEAL)

ACKNOWLEDGMENT

STATE OF Arkansas)
COUNTY OF Craighead)

On this day before me personally appeared LARRY CREEK, O.D. to me personally well known to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

WITNESS my hand and official seal this 1 day of June, 1994.

Kate Leigh Cunn
Notary Public

My Commission Expires: _____

7-12-94
(SEAL)

ACKNOWLEDGMENT

STATE OF Arkansas)
)
COUNTY OF Craighead)

On this day before me personally appeared R. D. Ginning to me personally well known, who acknowledged that he was the Secretary of DOCTORS' PATHOLOGY SERVICES, P.A., a corporation, and that he, as such officer, being authorized so to do, had executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and official seal this 25th day of August, 1994.

My Commission Expires:

01/09/2002
(SEAL)



ACKNOWLEDGMENT

STATE OF Arkansas)
)
COUNTY OF Craighead)

On this day before me personally appeared Russell Degges to me personally well known, who acknowledged that he was the Secretary of JBR PROPERTY PARTNERSHIP, a corporation, and that he, as such officer, being authorized so to do, had executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and official seal this 2 day of June, 1994.

Margaret Pillows
Notary Public

My Commission Expires:



ACKNOWLEDGMENT

STATE OF Arkansas }
COUNTY OF Craighead }

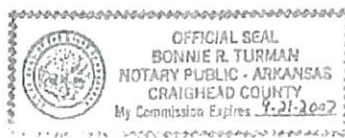
On this day before me personally appeared Revel D. Porter to me personally well known, who acknowledged that he was the Vice president of MEDICAL ARTS INTERNISTS PARTNERSHIP, a corporation, and that he, as such officer, being authorized so to do, had executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and official seal this 20 day of July, 1994.

Bonnie R. Carson
Notary Public

My Commission Expires:

9-21-2002
(SEAL)



ACKNOWLEDGMENT

STATE OF Arkansas)
)
COUNTY OF Craighead)

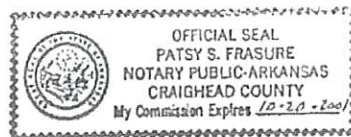
On this day before me personally appeared Stephen P. Lunde, to me personally well known, who acknowledged that he was the partner of OB-GYN PHYSICIAN'S GROUP, a general Partnership corporation, and that he, as such officer, being authorized so to do, had executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and official seal this 24th day of August, 1994.

Patsy S. Tramm
Notary Public

My Commission Expires: _____

20-October 2001
(SEAL)



ACKNOWLEDGMENT

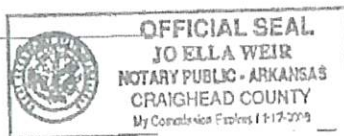
STATE OF Arkansas }
COUNTY OF Craighead } §

On this day before me personally appeared MIKE PRINCE, PH.D. to me personally well known to be the person whose name is subscribed to the forgoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

WITNESS my hand and official seal this 14th day of July, 1994.

Jo Ella Weir
Notary Public

My Commission Expires:



ACKNOWLEDGMENT

STATE OF Arkansas }
COUNTY OF Craighead } §

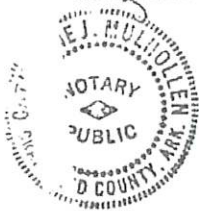
On this day before me personally appeared BEN E. OWENS, to me personally well known, who acknowledged that he was the President of ST. BERNARDS HOSPITAL, INC., a corporation, and that he, as such officer, being authorized so to do, had executed the foregoing instrument for the purposes therein contained by signing the name of the corporation by himself as such officer.

WITNESS my hand and official seal this 9th day of June, 1994.

Patricia M. Muller
Notary Public

My Commission Expires:

01/09/2002
(SEAL)



RECORDED 57140
Deed BOOK 466 PAGE 274-281
DATE 8-31-94 TIME 3:25pm.
ORIGINATOR COUNTY
PAT FLEETWOOD, CLERK
BY Shanna Vickers