

TALL SHIP ASSOCIATION, INC. (TSA) POLICIES CONCERNING SALE OF A UNIT

TSA Right of First Option to Purchase a Unit

Pursuant to Article XIX of the Master Deed Establishing Tall Ship Horizontal Property Regime, the TSA shall have the first option to purchase a unit that is for sale under the same terms being offered for the proposed sale. Any person selling a unit shall first give the TSA a forty-five (45) day written notice of the sale by submitting a copy of the purchase and sales agreement to the President of the TSA and making a request for a Waiver of First Option to Repurchase. If the Board approves the Waiver, the Board's representative shall within thirty (30) days of receipt of the request for a Waiver duly execute the Waiver and submit it to the person making the request for the Waiver. The Board, however, shall have the right within thirty (30) days of receipt of the Waiver to call a special meeting to determine if a majority of the unit owners of the TSA agree to purchase the unit.

TSA Policy Regarding Prospective Purchaser Building Inspections

With 120 units, each subject to repetitive and possibly contradictory Purchaser Building Inspections (PBIs) by inspectors of varying backgrounds and competencies, the TSA does not accept, respond to, or commit to take action on any supposed findings rendered by said PBIs.

PBIs observing and alleging Common Area and Limited Common Area structural or maintenance issues may be tendered for informational purposes to the TSA. Said tender shall not result in any obligation of the TSA to accept, respond to or commit to take action. No expectations of repair or replacement should be anticipated or held by persons tendering said PBI.

For general informational purposes and without commenting on any observations contained in an individual PBI, the TSA advises the following historical practices which cannot be viewed as future commitments responsive to a PBI. The TSA and the developer (under the TSA lawsuit) have addressed structural issues since construction began in 1986. The TSA performs routine maintenance to the Common Area and Limited Common Area per its obligations under the Master Deed and By-laws. Some routine maintenance is performed on a priority and/or a multiple unit basis. Unit owners are responsible to the TSA for damage done to the Common Area and Limited Common Area. Furthermore, unapproved alterations or remodeling will result in assessment of the costs to restore the unit to its original designed state.

Notice of Owner and Mortgagee

Pursuant to Article XXII of the Master Deed Establishing Tall Ship Horizontal Property Regime, the purchaser or transferee is obligated to notify the TSA in writing with the following information:

1. Name and address of the transferee (purchaser)
2. Recording information for the deed of transfer
3. Name and address of any parties holding any mortgages
4. Amount of any mortgage

5. Recording information for any mortgages

All notices required under this policy shall be submitted to the President of the TSA, and the TSA through its management company shall maintain a register of owners and mortgagees as required by the Master Deed.