

Sponsor will elect whether or not to proceed with each phase of development before June 1, 1988.

The percentage of ownership in the common elements for each unit in the phases of development shall be calculated by dividing the basic value of said unit by the total of the basic values of all units at each phase of development.

Example: Original Units - Unit Type - (2) bedroom has a basic value of \$48,000.00. The total of the basic values of all units of the original (26) units is \$1,276,000.00.

Percentage Interest for Type (2) bedroom is:

$$\frac{\$48,000.00}{\$1,276,000.00} = .0376$$

Percentage Interest for Type (3) bedroom is:

$$\frac{\$55,000.00}{\$1,276,000.00} = .0431$$

Sponsor reserves the right to construct any mix of two (2) bedroom and three (3) bedroom units in each phase as Sponsor deems appropriate so long as the two (2) bedroom and three (3) bedroom units are substantially identical to the other two (2) and three (3) bedroom units in the original phase, except the size of any future unit may be increased or decreased in size by no more than fifteen percent (15%) of the size of a similar original unit as to two (2) and three (3) bedroom units.

All units in future stages shall have a comparable architectural style, quality of construction and quality of building materials equal or better than those in the original units.

Example of change in percentage interests:

If Sponsor elects to construct seventeen (3) bedroom units and twelve (2) bedroom units in Phase II, the percentages of interests of the units will change as follows:

Basic values of original twenty-two (2) bedroom units	\$220,000.00
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Plus:

Basic values of original four (3) bedroom units	\$1,056,000.00
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Plus:

Basic values of Phase II twelve (2) bedroom units	\$576,000.00
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Plus:

Basic values of Phase II seventeen (3) bedroom units	\$935,000.00
	<u>\$2,787,000.00</u>

Percentage Interest for Type (2) bedroom units would be:

$$\frac{\$48,000.00}{\$2,787,000.00} = .017222$$

Percentage Interest for Type (3) bedroom units would be:

$$\frac{\$55,000.00}{\$2,787,000.00} = .019734$$

0.067

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