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STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

REEFS, PHASE I

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RETURNED TO. *Fred Rogers, Atty*

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I.

SUBMISSION STATEMENT

The undersigned, being the holder of title of record to the real property herein described, hereby states and declares that said land and all improvements located thereon, is submitted to condominium ownership, pursuant to Chapter 47A of the North Carolina General Statutes, the "Unit Ownership Act" (hereinafter referred to as the "Act".) The said land is more particularly described as follows:

All that certain lot or parcel of land situated in the Town of Carolina Beach, Federal Point Township, New Hanover County, North Carolina and more particularly described as follows:

BEING the full contents of Lot Number 3 of Block 28 of Carolina Beach according to a map thereof recorded in Map Book 3, Page 67 in the New Hanover County Registry, being the same property conveyed to T & O INVESTMENTS by Deed recorded in Book 1220, Page 1064, New Hanover County Registry.

II.

DEFINITIONS

Definitions of terms used herein are as follows:

1. "Declaration" means this instrument, by which the property is submitted to the provisions of Chapter 47A of the North Carolina General Statutes, as from time to time this instrument may be amended.
2. "Association" means REEFS OWNERS ASSOCIATION, the nonprofit North Carolina corporation which operates the condominium property under this Declaration.

3. "Unit" or "Condominium Unit" means those parcels of the condominium property designated as Unit Numbers 1-E through 1-F, 2-E through 2-F and 3-E through 3-F, inclusive, in the exhibit attached to this Declaration, which are subject to private ownership. Each unit includes an enclosed space as defined in the Act, for residential purposes, together with accessory spaces and areas as described in Exhibit A. Exhibit A is the set of Plans and Specifications of the Property. It is incorporated herein by reference. Each unit has a direct exit to a thoroughfare or to a given common space leading to a thoroughfare as described in Exhibit A.

4. "Common Elements" means the common areas and facilities as defined in the Act and means the portions of the condominium property not included in the units, and shall include the personal property required for the maintenance and operation of the condominium, even though owned by the Association. There are no "limited common elements and areas" as defined in the Act.

5. "Condominium Parcel" means a unit, together with the undivided share in the common elements, which is appurtenant to the unit.

6. "Unit Owner" means the owner of a condominium parcel.

7. "Common Expenses" means those expenses defined in the Act as Common expenses and means, generally, expenses for which the unit owners are liable to the Association.

8. "Assessment" means a share of the funds required for the payment of common expenses which from time to time is assessed against the unit owners by the Board of Directors of the Association.

9. "Condominium Property" or "Property" means and includes the land described in this Declaration and all improvements and structures thereon and all easements, rights and appurtenances belonging thereto for use in connection with the condominium.

10. "Developer" means T & O Investments, a North Carolina General Partnership developer of the condominium project.

11. Unless the context hereof does not permit it, words and phrases used in this Declaration shall have meanings as defined in or implied by the Act.

12. "Act" shall mean and refer to the Unit Ownership Act, Chapter 47A of the General Statutes of the State of North Carolina, as such may be supplemented or amended from time to time.

III.

NAME

The name by which this condominium is to be identified is REEPS, PHASE I.

IV.

IDENTIFICATION OF UNITS: SURVEY: SHARES IN COMMON ELEMENTS:
PROPORTIONS OF COMMON EXPENSES: PLAN OF DEVELOPMENT

A. The improvements on the land described consist of one Unit Building being the sole structure for units on the land and contains numbered units 1-E through 1-F, 2-E through 2-F and 3-E through 3-F inclusive. The building has been constructed substantially in accordance with the attached Plans and Specifications and identified as a six unit three story condominium apartment building for REEPS OWNERS ASSOCIATION, a North Carolina corporation. There is also attached hereto as Exhibit B a plot plan and survey, showing the location of the building and the remainder of the condominium property.

1. The unit owner shall not be deemed to own the undecorated or finished surfaces of the perimeter walls, floors and ceilings surrounding the respective Condominium Units, nor shall the owner be deemed to own pipes, wires, conduits, or other public utility lines running through said respective Condominium Units, which are utilized for or serve more than one Condominium Unit, which items are by these presents hereby made a part of the Common Elements. Said owner, however, shall be deemed to own the walls and partitions which are contained in said owner's respective Condominium Unit, and also shall be deemed to own the inner decorated or finished surfaces of the perimeter walls, floors and ceilings, including plaster, paint, wallpaper and the like.

2. If any portion of a Condominium Unit or Common Element encroaches upon another, a valid easement for the encroachment and the maintenance of same, so long as it stands, shall and does exist. In the event the multifamily structure is partially or totally destroyed, and then rebuilt, encroachments of parts of the Common Elements or Condominium Units, as described, due to construction, shall be permitted, and a valid easement for said encroachments and the maintenance thereof shall exist.

3. In connection with the floor plans and plot plans, identified as Exhibits A and B, the legend and notes thereon contained are incorporated herein, and made a part hereof by reference, and the said plans have been certified in the manner

governed by the Act.

B. The undivided share in the land and other Common Elements, including staircases and entranceways and parking spaces and in the common surplus which is appurtenant to each apartment are shown on Exhibit C which is attached hereto, made a part hereof and incorporated herein by reference, except as hereinafter provided in sub-paragraph F of this Article.

C. The Common Elements include parking areas for automobiles of Unit Owners. Parking areas will be available for use pursuant to the regulations of the Association, which regulations shall provide that the owners of each unit shall be entitled to a designated parking space for at least one automobile.

D. All the stairwells, entranceways and landings on the building which are used for ingress and egress to all of the units located on each floor are and shall remain a part of the Common Elements.

E. The balconies, decks or patios shown and graphically described in the floor plans and plot plan, identified as Exhibit A and B, annexed hereto, are appurtenant to each of the apartments as shown. These are reserved for the use of the apartments to which they are appurtenant, to the exclusion of other apartments, and there shall pass with an apartment unit the exclusive right to use such appurtenances.

F. The name by which this entire condominium project shall henceforth be known is REEFS. The Developer has caused to be constructed upon the real property hereinabove described the multi-unit building, containing the six (6) units of the building as well as the common areas and facilities of both the building and the real property, all as defined hereinabove and as shown upon the plans contained in Exhibit "A" and "B" attached hereto and made a part hereof by reference. The units of the building, together with their privileges and appurtenances, shall be offered for sale to the public by the Developer as condominium units pursuant to the provisions of Chapter 47A of the General Statutes of the State of North Carolina, subject to the covenants, conditions, restrictions, and obligations stated in the Articles of this Declaration, the Articles of Incorporation of the Association, its duly adopted By-Laws and its Rules and Regulations.

The Developer, by this Declaration, submits only the real property hereinabove described together with the improvements thereon, to the Act and hereinafter this submission shall be referred to as REEFS, PHASE I. Nevertheless, the Developer hereby reserves to itself the exclusive right and option, but not the obligation, to add to or expand the property subject to this Declaration by the addition of all or any portion or portions of the real property described as follows:

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BEING all of Lots 1 and 2 of Block 28 and Lot 4 Block 215 as shown upon a Map of the northern section of Carolina Beach recorded in Map Book 3 at Page 67, of the New Hanover County Registry, reference to which is hereby made for a more particular description thereof,

in one or more additional phases of REEFS upon the following terms and in the following manner:

1. Any addition of real property subject to this Declaration, if any, shall occur only by the registration in the Office of the Register of Deeds of New Hanover County, North Carolina, of one or more supplements to this Declaration, which shall be executed only by the Developer. The addition to or expansion of the real property subject to this Declaration shall be at the sole discretion of the Developer without consultation with or consent of any unit owner. Every unit owner in REEFS all phases, by accepting a deed for a unit therein, shall be deemed to have agreed for himself, his heirs, devisees, successors and assigns to such addition to or expansion of the property subject to this Declaration in accordance with the provisions of this Article; and

2. The right and option as described hereinabove shall terminate on the 1st day of October, 1988; and

3. In the event the Developer adds to the real property subject to this Declaration all of the real property described in this ARTICLE, the Developer covenants and agrees that no more than a total of eighteen (18) units will be added to the six (6) units in REEFS, PHASE I.

4. It is understood and declared that the undivided fractional or percentage interest owned by each unit owner of units in REEFS, PHASE I, in the common areas and facilities of REEFS, PHASE I, is as stated in Paragraph B of this Article. However it is further declared that in the event the Developer, pursuant to the provisions of this Article, adds to or expands the property, and therefore the number of units, unit owners, and common areas and facilities subject to this Declaration and the jurisdiction of the Association, then consequently the fractional or percentage interest owned by each unit owner of units in REEFS, all phases, in the expanded common areas and facilities of REEFS, all phases, shall necessarily have to change from that as established in Paragraph B in this Article. It is further understood that the Act provides that the fractional or percentage undivided interest of each unit owner in the common areas and facilities as expressed in any Declaration shall have a permanent character and shall not be altered except with the unanimous consent of all unit owners expressed in an amended Declaration duly recorded. Therefore, in the event the Developer adds to or expands the property subject to this Declaration, pursuant to this Article, then every unit owner of units in REEFS, any phase, by the acceptance of the deed for his unit

shall be deemed to have specifically agreed for himself, his heirs, devisees, successors and/or assigns that the Developer shall have the exclusive right and power, as attorney-in-fact for every unit owner, to establish the undivided fractional or percentage interest of each such unit owner in the expanded common areas and facilities of REEPS, all phases, as well as the right and power to establish the undivided fractional or percentage interest in the expanded common areas and facilities of REEPS, all phases, to be appurtenant to additional units of REEPS, and therefore, (a) the liability of each unit owner for common expenses, not specifically assessed, (b) the interest of each unit owner in any common surplus, and (c) the voting rights in the Association of each unit owner, which such undivided fractional or percentage interests shall be stated in any supplement to this Declaration required to be executed and recorded in the Office of the Register of Deeds of New Hanover County, North Carolina, in order to expand or add to the property subject to this Declaration as is provided for hereinabove. It is hereby declared and agreed that the Developer shall establish said undivided interests without prior consultation with or consent of any unit owner of any unit in REEPS; any phase; and, that, the Developer covenants and agrees to establish such undivided fractional or percentage interests for all units at such times as may be necessary pursuant to this Article in the proportions that the then fair market value of each unit, new and existing, as shall be determined solely by the Developer, bears to the then aggregate fair market value of all units on the date of the supplemental declaration, or declarations. In determining such fair market value for any additional unit added to or made subject to this Declaration, Developer may use the offering or purchase price of such unit or the fair market value as established by any independent appraiser. In determining the fair market value of units previously subjected to the Declaration, the Developer may use the value as then established for tax purposes by the appropriate authorities or the value established by any independent appraiser.

5. Nothing herein shall be deemed to limit or alter the Developer's right, hereby reserved, to vary the internal layout, size, or configurations of any units hereafter constructed so long as the Developer substantially conforms with the provisions of this Article.

V.

VOTING

The voting rights of unit owners and the Developer in the Association shall be as specified in the By-Laws.

VI.

METHOD OF AMENDMENT OF DECLARATION

This Declaration may be amended at any regular or special meeting of the unit owners of this condominium, called in accordance with the By-Laws, by the affirmative vote of at least 57% of the votes in the Association and the written approval of holders of first lien mortgages or deeds of trust on units which have in the aggregate at least 51% of the votes of units subject to such liens. Such amendment shall be evidenced by a Certificate executed with the formalities of a Deed, and shall include the recording data identifying this Declaration, and said Certificate shall be signed and acknowledged by any officer of the Association responsible for the operation of this condominium. This Certificate shall become effective upon its being recorded in the New Hanover County Registry.

No amendment shall change any condominium unit, nor its undivided share of the Common Elements, nor a condominium unit's proportionate share of the common expenses or common surplus, nor the voting rights pertinent to any unit, unless the record owners thereof and all record owners of liens thereon shall join in the execution of the amendment, and provided further that said amendment shall be voted on, and evidenced and recorded in the same manner as all other amendments to this Declaration, except as expressly provided and reserved to Developer in Article IV, Paragraph F, hereinabove.

No amendment shall change the provisions of this Declaration with respect to rights of first lienholders without the written approval of all institutional first lienholders of record.

VII.

BY-LAWS

The operation of the condominium property shall be governed by By-Laws which are set forth in a document entitled "BY-LAWS OF REEFS OWNERS ASSOCIATION" which is annexed to this Declaration as Exhibit D and incorporated herein by reference. The By-Laws shall be subject to amendment in the manner provided herein.

VIII.

MISCELLANEOUS CONDITIONS, COVENANTS AND RESTRICTIONS

A. Assessments. The Association, through its Board of Directors, shall have the power to make and collect assessments, and to maintain, repair and replace the common elements, as provided for in the Act.

B. Maintenance. The Board of Directors of the Association may enter into a contract with any firm, person or corporation for the management, maintenance and repair of the condominium

property, and may join with other condominium corporations in contracting with the same firm, person or corporation for management, maintenance and repair.

C. Liens. The Association shall have a lien on each condominium parcel for any unpaid assessments, and interest thereon, against the unit owner of such condominium parcel, which lien shall be effective as and in the manner provided for by the Act, and shall have the priorities established by said Act. The lien of the Association for unpaid assessments shall also secure reasonable attorneys' fees incurred by the Association incident to the collection of such assessments.

D. Occupancy and Use. The unit owner shall occupy and use the condominium parcel as a private dwelling and for no other purposes. The unit owner shall not permit or suffer anything to be done or kept in his unit which will increase the rate of insurance on the condominium property, or which will obstruct or interfere with the rights of other unit owners or annoy them by unreasonable noises, odors or otherwise; nor shall the unit owner commit or permit any nuisance or illegal act in or about the condominium property. A unit owner may keep any pet or animal on the condominium property so long as such pet or animal does not constitute a nuisance and unreasonably interfere with the quiet enjoyment of the premises by the other condominium owners.

E. Persons Occupying a Unit By, Under or Through A Unit Owner. All persons occupying any condominium unit, whether under a rental, lease or occupancy agreement or as licensee, invitee or otherwise, shall be and remain subject to the provisions of this Declaration, and the Articles of Incorporation, and By-Laws and rules and regulations of the Association and this requirement shall be deemed to be a part of any implied, verbal or written agreement for rental, lease or occupancy, whether expressly stated or not. Enforcement against such persons occupying a unit, by, under or through a unit owner shall be the same as in the case of a unit owner, but nothing herein shall limit the right of the Association to pursue any remedy against the unit owner, the occupant or both, simultaneously, serially, or otherwise.

F. Developer's Units and Privileges. The Developer shall have the right to transact any business necessary to consummate sales of units, including, but not limited to, the right to maintain models, have signs, employees in the offices, use the common elements and show units. A temporary sales office, if any, signs and all items pertaining to sales shall not be considered common elements, and shall remain the property of the Developer. In the event there are unsold units, Developer retains the right to be the owner of such unsold units under the same terms and conditions as all other unit owners in said condominium, and Developer, as unsold unit owner, shall contribute to the common expenses in the same manner as other unit owners, as of 60 days after the time such units are completed and ready for occupancy; provided, however, if the

Developer continues to hold any of said unsold units, it may rent them on any basis, notwithstanding anything to the contrary which may be contained in this Declaration of Condominium or By-Laws. An "unsold unit" shall mean a unit the construction of which has been completed and which is ready for occupancy and assumes good faith and reasonable diligence on the part of the Developer to make all units complete and ready for occupancy. The right to display signs, such as "for rent" and "for sale" is limited to the Developer.

G. Insurance. The insurance which shall be carried upon the condominium property and the property of the unit owners shall be governed by the following provisions:

1. Authority to purchase - All insurance policies upon the condominium property shall be purchased by the Association, including a master or blanket policy, for the benefit of the unit owners and their mortgagees, as their interest may appear, in a company having "A" - Best rating or better, and provisions shall be made for the issuance of Certificates of Mortgagee Endorsements to the Mortgagees of condominium units. Such policies and endorsements shall be deposited with the Insurance Trustee as designated by the Board of Directors of the Association.

2. Casualty - All buildings and improvements upon the land and all personal property included in the condominium property shall be insured in an amount equal to the maximum insurable current replacement value at 100% as determined annually by the Board of Directors of the Corporation. Such coverage shall afford protection against:

(i) Loss or damage by fire and other hazards covered by a standard extended coverage endorsement;

(ii) Such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location, and use, including, if available, but not limited to, vandalism and malicious mischief and flood, storm damage and hurricane, comprehensive, general liability coverage for all common elements, public ways and commercial spaces, if any, whether or not leased to some third party, blanket fidelity bonds and standard "all-risk" coverage endorsement. Flood insurance shall be purchased by the Association as a master policy with maximum available coverage under the National Flood Insurance Program.

3. Loss Payable - All casualty insurance policies purchased by the Association hereunder shall provide that all proceeds covering casualty losses shall be paid to any reputable bank or trust company in New Hanover County as Trustee, with powers as may be designated by the Board of Directors of the Association. Said Trustee is herein referred to as the "Insurance Trustee". The Insurance Trustee shall not be liable for the payment of

premiums or the sufficiency of premiums, nor for the failure to collect any insurance proceeds. The Insurance Trustee shall be responsible only for monies which come into its possession, and only for its willful misconduct, bad faith or gross negligence. The duty of the Insurance Trustee shall be to receive such proceeds as are paid to it, and to hold the same in trust as a stake holder to be paid out to the Association, unit owners or mortgagees as their interests may appear.

4. Payment of Premiums - Trustee's Expenses and Collection. The Board of Directors shall collect and pay the premiums for all insurance and all fees and expenses of the Insurance Trustee as a part of the common expenses for which assessments are levied.

5. Mandatory Repair - Unless there occurs substantial damage to or destruction of all or a substantial part of the condominium property, as hereinafter defined, and subject to the provisions hereinafter provided, the Association and the unit owners shall repair, replace and rebuild the damage caused by casualty loss, and pay the costs of the same in full. The Association shall levy assessments in the event insurance proceeds are insufficient for the purpose of repairing, replacing and rebuilding the damage caused by casualty loss.

6. Determination of Damage and Use of Proceeds:

(a) Immediately after a casualty causing damage to any part of the condominium property, the Board of Directors shall obtain reliable and detailed estimates of the cost necessary to repair and replace the damaged property to a condition as good as the condition that existed prior to the casualty loss; provided, however, that if a casualty causing damage is limited to a single unit, then it shall be the responsibility of that unit owner to obtain estimates of the cost of replacement as aforesaid. If the net proceeds of insurance are insufficient to pay the estimated cost of reconstruction and repair, the Board of Directors shall promptly, upon determination of deficiency, levy a special assessment against all unit owners for that portion of the deficiency related to common elements, in accordance with the percentages established in Article IV of this Declaration, and against the individual unit owners for that portion of the deficiency related to individual damaged units; provided, however, that if, in the opinion of the Board of Directors, it is impossible to accurately and adequately determine the portion of the deficiency relating to individual damaged units, the Board of Directors shall levy the special assessment for the total deficiency against each of the unit owners, according to the percentages set forth in Exhibit C of this Declaration.

(k) Unless there occurs substantial damage to or destruction of all or a substantial portion of the condominium property, and the unit owners elect not to rebuild and repair, as provided in Paragraph 7 below, the Insurance Trustee shall use the net proceeds and the funds collected by the Board of Directors from the assessments hereinabove set forth to repair and replace any damage or destruction or property, and shall pay any balance remaining to the unit owners and their mortgagees, as their interests may appear, and the proceeds of insurance, and the funds collected by the Board of Directors from the assessment as hereinabove provided shall be held by the Insurance Trustee in trust for the use and purposes herein provided.

7. Total Destruction. As used in this Declaration, and in any other connection or context dealing with this Condominium, the term "substantial damage to or destruction of all or a substantial portion of the Condominium property" shall mean that three-fourths (3/4) or more of the apartment units are rendered untenable by casualty loss or damage. Should there occur substantial damage to or destruction of all or a substantial part of the condominium property, the condominium project shall not be reconstructed, and the property theretofore subject to this Declaration shall be withdrawn from its status as a condominium project under the Act, unless three-fourths (3/4) of the unit owners agree thereto, in writing, within sixty (60) days after the casualty loss or damage occurs. It is understood and agreed that in the event a mortgagee should require the payment of the proceeds to it, that sum shall be paid to the said mortgagee, and the unit owner shall then be obligated to deposit the funds necessary for his unit towards his share of the rebuilding costs. In the event such reconstruction is not approved, as aforesaid, the Insurance Trustee is authorized to pay proceeds of the insurance to the unit owners and their mortgagees, as their interests may appear, and the condominium property shall be removed from the provisions of the Act with the results provided for in the Act. The determination not to reconstruct after casualty shall be evidenced by a certificate, signed by one of the officers of the Association, stating that the said sixty (60) day period has elapsed, and that the Association has not received the necessary writings from three-fourths (3/4) of unit owners.

8. Association as Agent. The Association is hereby irrevocably appointed Agent for each unit owner to adjust all claims arising under insurance policies purchased by the Association. The Owners' Association is hereby appointed, and deemed to be appointed for all purposes by each unit owner and member, as attorney-in-fact for the purpose of purchasing and maintaining all insurance for the condominium, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of release of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Owners Association shall receive hold or otherwise properly dispose of

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any proceeds of insurance in trust, for unit owners and their first mortgage holders, as their interests may appear. The Insurance Trustee shall exercise the powers of the Association as specified in this paragraph.

H. Alterations. There shall be no material alteration, door or color changes, enclosing of balconies, or substantial additions to the common elements, except as are authorized by the Board of Directors, and ratified by the affirmative vote of a majority of the unit owners. No unit owner shall block, hamper, or otherwise interfere with the common elements of the property or the operation thereof.

I. Owners.

1. No owner of a Condominium Parcel may exempt himself from liability for his contribution towards the common expenses by waiver of the use and enjoyment of any of the common elements, or by the abandonment of his Condominium Unit.
2. The owners of each and every Condominium Parcel shall list the same for the purpose of ad valorem taxes with the Tax Assessor of New Hanover County, North Carolina, the Town of Carolina Beach, or any other future legally authorized governmental officer or authority having jurisdiction over the same.

For the purpose of ad valorem taxation, the interest of the owner of a Condominium Parcel in his Condominium Unit, and in the common elements shall be considered as a unit. The value of said unit shall be equal to the percentage of undivided share in common elements of the entire condominium, including land and improvements as has been assigned to said unit in Exhibit C of this Declaration. The total of all of said percentages equals 100% of the value of all of the land and improvements thereon.

J. Termination. The provisions for termination set forth in Article VIII G 7 of this Declaration shall be in addition to the provisions for voluntary termination, as provided for by Section 16 of the Act.

K. Severability. If any provision of this Declaration, or of the By-Laws attached hereto, or the Act, is held invalid, the validity of the remainder of this Declaration, or of the By-Laws attached hereto, or of the Act, shall not be affected thereby.

L. Captions. Article and paragraph titles inserted throughout this Declaration are intended only as a matter of convenience and for reference, and in no way define, limit, or in any way affect this Declaration.

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M. Notices. Whenever notices are required to be sent hereunder, the same shall be sent to the unit owners by Certified Mail, at their last address of record with the Association, and to the Association, by Certified Mail, at Post Office Box 1058, Carolina Beach, North Carolina 28428, and to the undersigned at Post Office Box 1058, Carolina Beach, North Carolina 28428.

All notices shall be deemed and considered sent when mailed. Any party may reserve the right to change the place of notice to him, or it, by actual, written notice to the Association.

The name and address of the person authorized to receive service of process as provided in the Act, and the residence or place of business of said person within the city and county in which the condominium building is located is as follows:

Robert O'Neill
245 North Lake Park Blvd.
P. O. Box 1058
Carolina Beach, N. C. 28428

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CAMERON - BROWN COMPANY, as the holder of a promissory note secured by a deed of trust on the property described herein, and O.B. Hawkins, Jr., as Trustee under said deed of trust, which is recorded in Book 1220 at Page 1066, in the New Hanover County Registry, join in the execution hereof for the purpose of subjecting, submitting and subordinating, the aforesaid deed of trust to the terms and provisions of this Declaration of Condominium.

IN WITNESS WHEREOF, the undersigned have executed this Declaration of Condominium under seal this 10th day of November, 1983.

T & O INVESTMENTS

By: [Signature] (SEAL)
Partner

By: [Signature] (SEAL)
Partner

CAMERON - BROWN COMPANY

By: [Signature] (SEAL)
David A. Kilpatrick
Assistant Vice President



By: [Signature] (SEAL)
Trustee

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, Richard A. W. Fawcett, a Notary Public for said state and county, do hereby certify that ROBERT O'NEILL, AND TED TINSLEY, General Partners of T & O INVESTMENTS, personally came before me this day and acknowledged the due execution of the foregoing instrument in writing on behalf of the partnership for the purposes therein expressed.

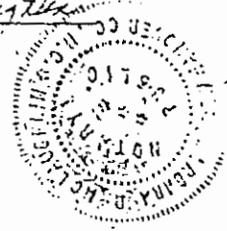
Witness my hand and notarial seal this 3rd day of NOVEMBER, 1983.

Richard A. W. Fawcett
Notary Public

My Commission Expires:

7-11-84

My Commission Expires 7-11-84



STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG
NEW HANOVER

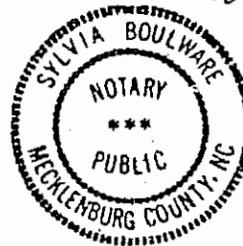
I, Sylvia Boulware, Notary Public for said state and county do hereby certify that Glenda T. Game Cook personally came before me this day and acknowledged that Assistant is Assistant Secretary of Cameron-Brown Company and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Assistant Vice President, sealed with its corporate seal, and attested by herself as its Assistant Secretary.

Witness my hand and official seal this the 16th day of November, 1983.

Sylvia Boulware
Notary Public

My Commission Expires:

October 24, 1984



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STATE OF NORTH CAROLINA
COUNTY OF Mecklenburg

I, Sylvia Boulware, a notary public for said State and County, do hereby certify that O.B. HAWKINS, JR., TRUSTEE, personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

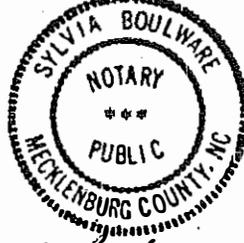
Witness my hand and notary seal, this the 16th day of November, 1983.

Sylvia Boulware
Notary Public

My Commission Expires:

October 24, 1984

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER



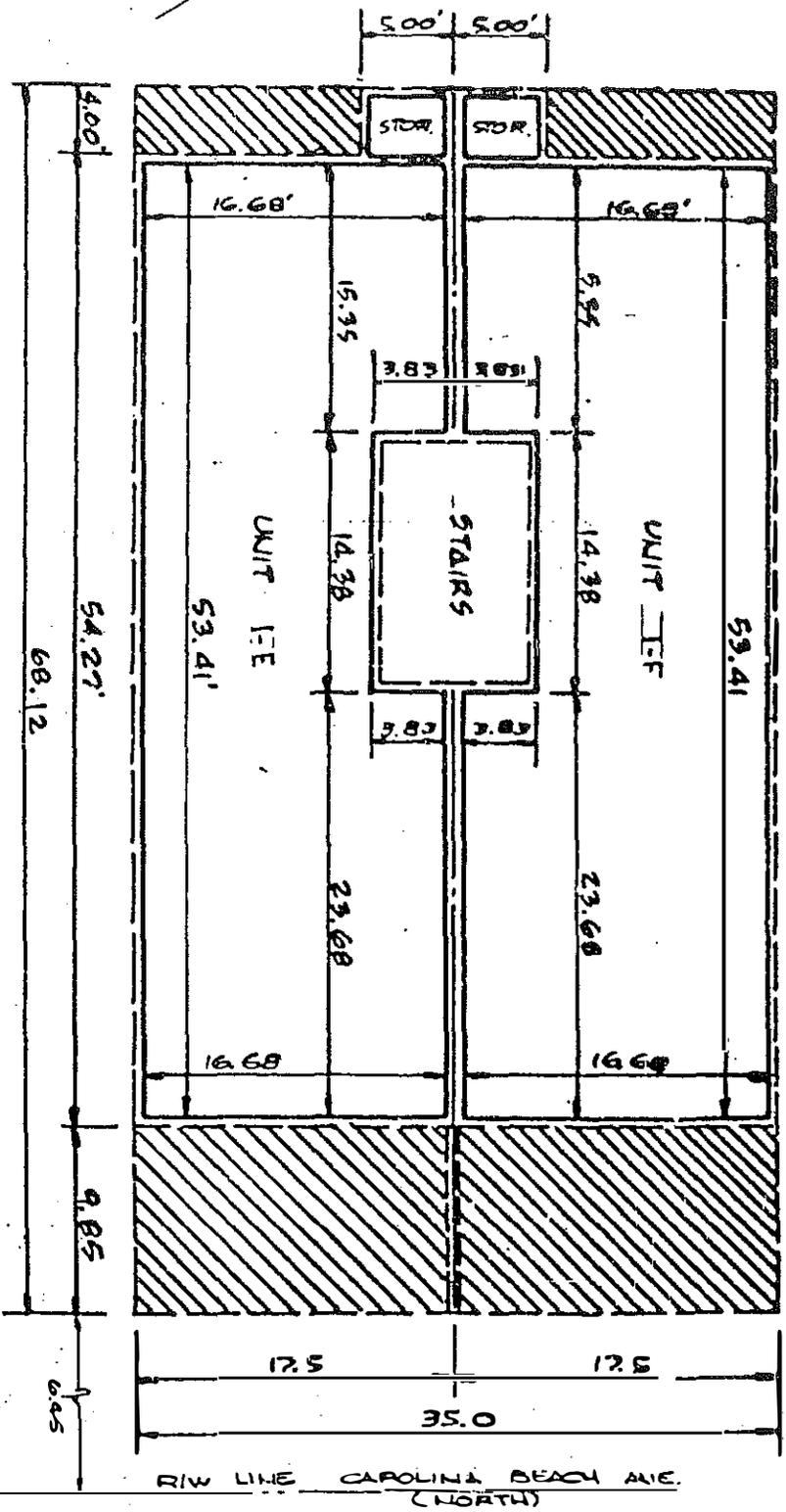
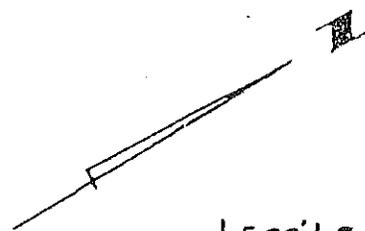
The foregoing certificates of Barbara R. McLaughlin & Sylvia Boulware, Notaries Public, are certified to be correct.

This the 12 day of Nov, 1983.

REBECCA P. TUCKER

NEW HANOVER COUNTY
REGISTER OF DEEDS

By Mary Sue Oate, Asst.



FIRST FLOOR PLAN

- INDICATES BOUNDARY LINE OF UNITS
- INDICATES COMMON AREAS & STRUCTURAL BOUNDARIES
- INDICATES BALCONIES, DECKS, OR PATIOS
- UNIT INDICATES CONDOMINIUM
- FINISH FLOOR ELEVATION = 79.51' MSL
- CEILING ELEVATION = 27.34' MSL.
- BUILDING NAME: REEFS I

REEFS, PHASE I

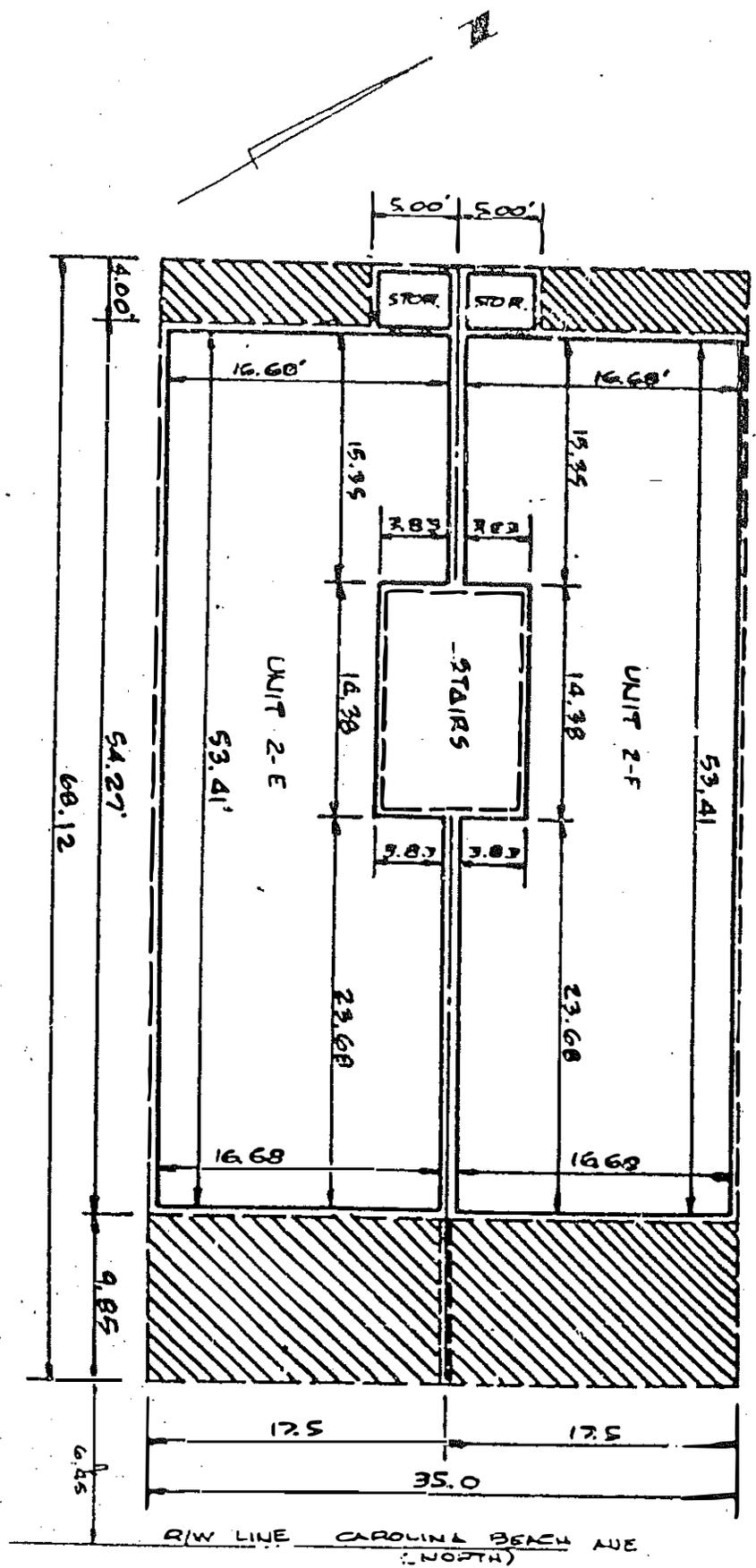
CAROLINA BEACH NORTH CAROLINA
 SCALE 1/8" = 1'-0"
 ALBERT A CAISON P.E.
 N.C. REGISTRATION # 5570

EXHIBIT "A"
 SHEET 1 OF 4

1200 1447

SECOND FLOOR PLAN

INDICATES BOUNDARY LINE OF UNITS
 INDICATES COMMON AREAS & STRUCTURAL BOUNDARIES
 INDICATES BALCONIES, DECKS, OR PATIOS
 UNIT INDICATES CONDO/1 UNIT
 FINISH FLOOR ELEVATION = 21.95 M.S.L.
 ORIGINAL ELEVATION = 56.60' M.S.L.
 BUILDING NAME: REEFS I



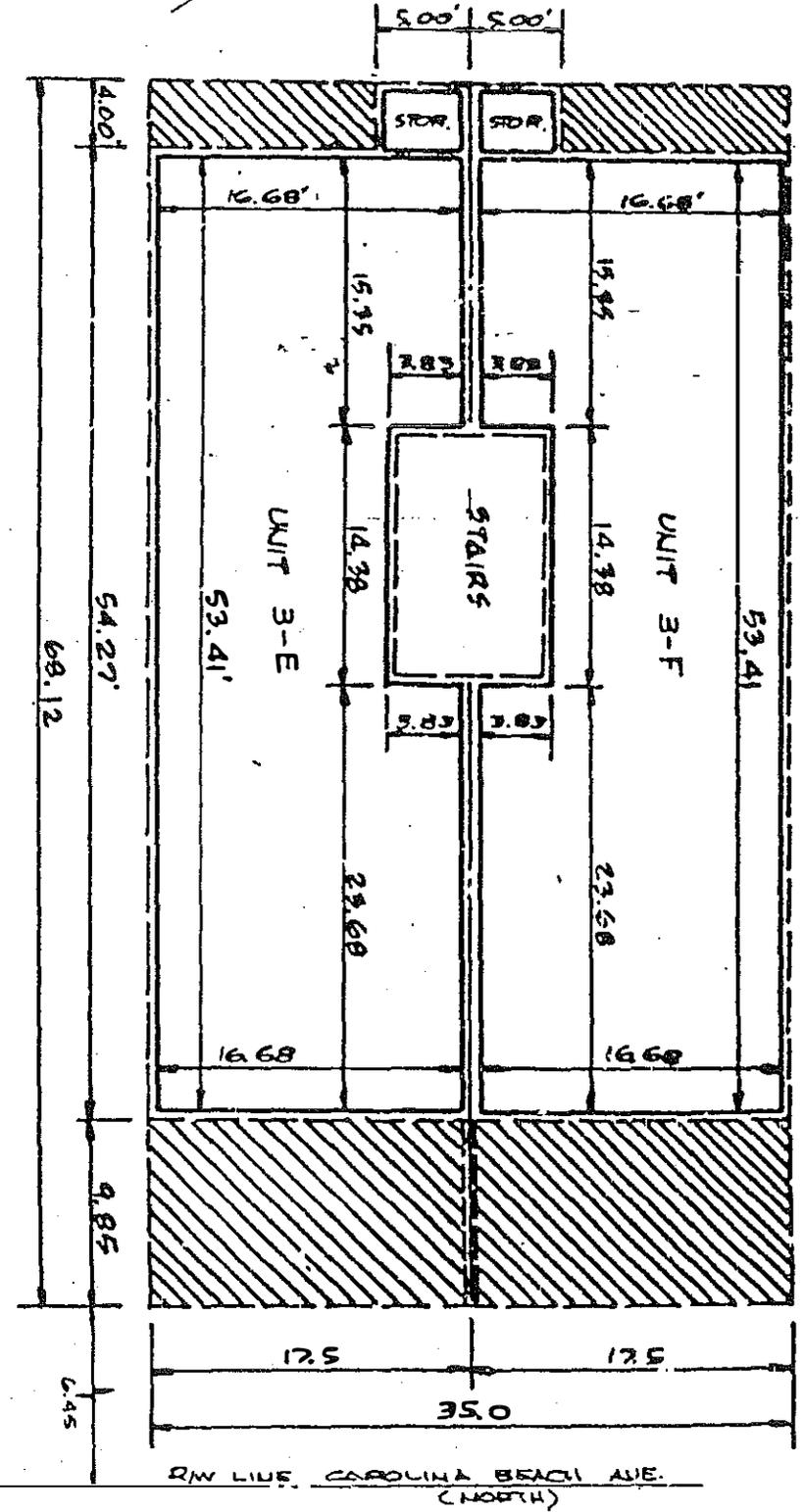
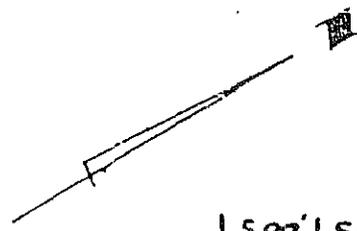
REEFS, PHASE I

CAROLINA BEACH, NORTH CAROLINA
SCALE 1" = 8'

ALBERT A CAISON, P.E.
N.C. REGISTRATION # 5570

EXHIBIT "A"
SHEET 2 OF 4

R/W LINE CAROLINA BEACH AVE (NORTH)



THIRD FLOOR PLAN

INDICATES BOUNDARY LINE OF UNITS
 INDICATES COMMON AREAS & STRUCTURAL BOUNDARIES
 INDICATES BALCONIES, DECKS, OR PATIOS
 UNIT INDICATES CONDOMINIUM
 FINISH FLOOR ELEVATION = 38.22' M.S.L.
 CEILING ELEVATION = 46.23' M.S.L.
 BUILDING NAME: REEFS I

REEFS, PHASE I

CAROLINA BEACH, NORTH CAROLINA
 SCALE 1" = 8'
 ALBERT A CAISON, P.E.
 N.C. REGISTRATION # 5570

EXHIBIT "A"
 SHEET 3 OF 4

RW LINE CAROLINA BEACH AVE. (NORTH)

1238 1449

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

VERIFIED STATEMENT OF LICENSED,

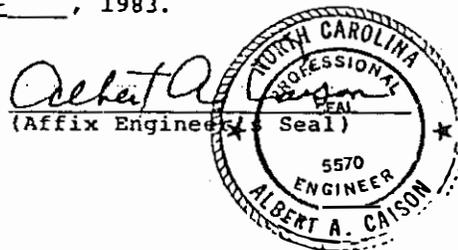
PROFESSIONAL ENGINEER

(G.S. 47A-North Carolina Unit Ownership Act)

I hereby certify that the foregoing and within drawings fully and accurately depict the layout, location, ceiling and floor elevations, unit numbers and dimensions of the units of REEPS, PHASE I at Carolina Beach Condominium, and further accurately show the locations on the ground of the building and parking areas, and the area and locations of common areas and facilities.

I further certify that the foregoing and within drawings are accurate copies of portions of the Plans of the building as filed with, and approved by, the Building Inspection Department of the Town of Carolina Beach, North Carolina, the governmental subdivision having jurisdiction over the issuance of permits for the construction of buildings in Carolina Beach, North Carolina, on the basis of which Plans a building permit was issued for the construction of said building, which building is to be called REEPS, PHASE I at Carolina Beach Condominium.

This 26 day of September, 1983.



STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

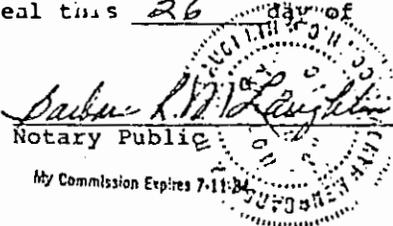
VERIFICATION

Barbara K. W. Loughton, a Notary Public in and for the County of New Hanover and the State of North Carolina, do hereby certify that

Albert A. Caison personally appeared before me this day and acknowledged the due execution of the foregoing Certificate and upon his oath swore to the truth of the statements set forth herein.

Witness my hand and notarial seal this 26 day of September, 1983.

EXHIBIT "A"
Page 4 of 4



PLANS AND SPECIFICATIONS

The building constituting the six (6) unit condominium in REEFS, PHASE I, is a three (3) story structure with no basement, constructed on pilings, containing six (6) separate numbered units, constructed of the following primary materials:

Wood

Other materials shown in the Plans and Specifications.

Each unit has access to immediate common areas consisting of the stairways as shown in the Plans.

The general common area and facility consists of the grounds, parking spaces and stairways leading to the entranceways of the individual units.

Units 1-E and 1-F are located from left to right facing the structure from Carolina Beach Avenue, North, consecutively, on the first floor; units 2-E and 2-F are located from left to right facing the structure from Carolina Beach Avenue, North, consecutively, on the second floor; and units 3-E and 3-F are located from left to right facing the structure from Carolina Beach Avenue, North, consecutively, on the top, or third floor. Each unit has approximately 891 square feet of heated area as shown on the Plans and each unit has a front deck and a rear deck and a storage area.

EXHIBIT "A"
Attachment 1

1238 1451

D NEILL & ASSOCIATES, INC.
P.O. Box 1058
Carolina Beach, NC 28428

REEFS, PHASE I
SPECIFICATIONS OF MATERIALS

EXCAVATION: BASEMENTNone.....
FOOTING SIZE .. (8" x 18' Pilings) ... (6" x 14' Pilings) .
WATERPROOFING
FOUNDATION: FOOTING DRAIN
FOUNDATION WALL
THICKNESS.....
PIERS & PILASTERS
SILLS: MATERIALTreated Yellow Pine Where Required....
JOISTS: MATERIALSYP.....
SIZE: Pre-Engineered Trusses
BRIDGING: TYPE SPACING
SUB FLOOR: 3/4" T&G Plywood.....
BUILDERS PAPER
LEDGER2x2 SYP.....
JOIST HANGERS Galvanized per code
TERMITE PROTECTION .. Soil Treatment.....
CHIMNEYS: MATERIAL LINING
FIREPLACE LINING
DAMPER MANTLE
HEARTH & JAMBS
EXTERIOR WALLS: STUDS 2x4 West Coast... SPACED ... (12" OC) (16" OC) ...
LINTELS ... Per Code BRACING .. Metal Cut-In Corner
SOLE PLATE 2x4 SYP
RAFTER PLATE .2-2x4 SYP..... CORNER POSTS .4-2x4 W.Coast...
SHEATHING ... 1/2" Gypson Board
BUILDERS PAPER
PARTITIONS: SIDING 5/8" Rough Sewn Fir BRICK VENEER
STUDS ...2x4 West Coast.....
SPACED 16" LINTELS ... Per Code
CORNER POSTS 3 - 2x4 West Coast
BRACING Metal Cut-In Diagonal As Needed
CEILING FRAMING: JOISTS: MATERIAL ... Pre-Engineered Trusses
SIZE 2x6 SPACED .. 24" OC
BRIDGING
ROOF FRAMING: RAFTERS: SIZE Trusses SPACED 24" OC
RIDGE
BRACING As Needed COLLAR BEAMS
TRUSSES Pre-Engineered SPACED .. 24" OC
SHEATHING ... 1/2 CD Plywood with Plyclips
BUILDERS PAPER 15# Felt
ROOFING: MATERIAL Fiberglass Shingles
WEIGHT 210 #
RIDGE .. Asphalt Shingle Cap ... VALLEYS None
FLASHING Aluminum
GUTTERS & DOWNSPOUTS None
DOWNSPOUTS DRAINAGE None

EXHIBIT "A"
Attachment 2
Page 1 of 3

1238 ALUM 1452
 SINGLE HUNG.. MAKE .. Keller or Equivalent .
 HEADERS 2 - 2x10
 WEATHERSTRIPPING .. Factory Applied
 SCREENS Yes
 STORM SASH No
 SPECIAL WINDOWS
 DOORS: OUTSIDE DOORS TYPE Flush THICKNESS . 1 3/4"
 MATERIAL Insulated Metal
 TYPE Sliding..... THICKNESS ... 1" ..
 MATERIAL ..Aluminum.....
 SCREEN DOORS .On All Sliding Doors.....
 STORM DOORS...None.....
 INSIDE DOORS: TYPE 6' Panel..... THICKNESS ..1 3/8"
 MATERIAL ..Composition.....
 SPECIAL DOORS RI-Pass Door on Laundry Room
 INSIDE TRIM: DOOR TRIM Colonial
 WINDOW TRIM Colonial
 BASEBOARD ... 3" Colonial CEILING MOULD ..None.....
 OTHER I.S. TRIM
 INTERIOR FINISH: WALLS: MATERIALSheetrock.....
 THICKNESS 5/8" Fire Rated... FINISH ..Trowel.....
 CEILING: MATERIAL ..Sheetrock.....
 THICKNESS 5/8" Fire Rated .. FINISH .Spray.....
 CABINETS: PANELLING ..None.....
 KITCHEN Per Plan by Custom Contract Service.....
 BATH Per Plan by Custom Contract Service
 COUNTER TOPS .. Plastic Laminent
 BACKSPLASH Per Plan
 MED. CABINETS OR MIRRORS Mirrors
 FLOORING: LIVING ROOM ... Carpet per sample
 BEDROOMS Carpet
 KITCHEN .Inlay per sample BATHS Inlay
 FAMILY ROOM OTHER .. Deck Carpet
 WAINSCOT: BATH ..None.....
 OTHER ..None.....
 STAIRWAYS: TREAD Pine RISERS Pine
 RAILS Pine PICKETS
 STRINGERS SYP
 FOLDING STUYNone.....
 ATTIC FLOORING
 INSULATION: FLOOR ... R-19 WALLS R-11
 CEILING . R-26
 PLUMBING: FIXTURES: MANUFACTURER .. Eljer or Equivalent
 COLOR White
 SINK ... 3322 SS LAVATORIES ..Ceramic.....
 WATER CLOSETS Eljer or Equivalent
 WATER HEATER .. 40 Gal. Rheem or Equivalent.....
 SHOWER & BATHTUB .. Fiberglass or Owens Corning Tu
 PLUMB. FOR WASHER Yes
 TUB OR SHOWER ENCLOSURES . Shower Enclosure
 WATER SUPPLY ... City SEWAGE ... City
 PIPING ..Copper Water Line, ABS & Cast Iron Waste Lines
 ELECTRIC: SERVICE ... Per CodeAMPS.....PANEL ...Bryant or Equiv
 NO. OF CIRCUITS ..Per Code
 MATERIAL Per Code
 FIXTURE ALLOWANCE ... None CHIMES ... None
 ATTIC FAN ... No OTHER One Bath Fan

1230 1453

INSIDE Flat Latex (Semi Gloss Trim) .. N COATS 2...

OUTSIDE Stained .. N COATS 1...

WALK PAPER Bath & Kitchen

TYPE Central System

FURNACE Heat Pump

STORAGE TANK None

SPECIAL EQUIPMENT

AIR CONDITIONING

PORCHES: FOUNDATION Per Code

COLUMNS 4"

ROOF

OTHER Wood Decks per Plan

OUTSIDE STEPS:

GARAGE: TYPE Parking under structure

FLOOR Concrete

ROOF

COLS

WALKS & DRIVES: WALK: MATERIAL Concrete

LENGTH Per Plan

DRIVE: MATERIAL Concrete

LENGTH Per Plan

HARDWARE: FINISH Antique Brass

APPLIANCES: DISHWASHER GE GSD 400W

RANGE GE JMS 27

LANDSCAPING: SEEDING: FRONT Natural

REAR Natural

SHRUBS

MISCELLANEOUS:

EXHIBIT CSHARES OF COMMON ELEMENTSUNIT NUMBERSHARE OF COMMON ELEMENTS

1-E	1/6
2-E	1/6
3-E	1/6
1-F	1/6
2-F	1/6
3-F	1/6

Reefs II

PREPARED BY AND RETURNED TO: Fred A. Rogers, III., Attorney at Law, 509 Princess Street, Wilmington, North Carolina 28401, Clark & Rogers

BOOK PAGE

1251 0900

STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

SUPPLEMENTAL DECLARATION TO
REEFS,
PHASE II

THIS SUPPLEMENTAL DECLARATION made this 18th day of
April, 19 84, by T & O INVESTMENTS, a North
Carolina General Partnership, hereinafter referred to as
DECLARANT;

RECORDED AND INDEXED
REGISTER OF DEEDS
NEW HANOVER CO. NC
APR 19 10 20 AM '84

WITNESS

WHEREAS, the Declarant is the owner of that certain real property in the Town of Carolina Beach, County of New Hanover, State of North Carolina, which is more particularly described on Exhibit "E" attached hereto and made a part hereof by reference; and

WHEREAS, the Declarant is the owner of a three (3) story multi-unit building, and certain other improvements, to be or heretofore constructed upon the aforesaid property; and

18

WHEREAS, it is the desire and the intention of the Declarant to market, sell and convey interest in the property and the improvements thereon as a condominium project pursuant to the provisions of Chapter 47A of the North Carolina General Statutes, entitled "Unit Owners Act"; and

WHEREAS, said real property is located adjacent to and southwardly of the real property known and described as REEFS, PHASE I, a condominium project established by the Declarant by that DECLARATION OF CONDOMINIUM (hereinafter referred to as "Declaration"), which is recorded in Book 1238, Page 1429, et. seq., in the Register of Deeds of New Hanover County, North Carolina; the site plan and building plans of PHASE I, having been recorded with said Declaration and in Condominium Plat Book 4, Page 70; and

WHEREAS, the real property described in Exhibit "E" attached hereto, is Lots 1 and 2, Block 28 of that real property described in Article IV, Paragraph F of said Declaration, hereinabove referred to, in which Declarant reserved the right and option to add and subject to the provisions of said recorded Declaration said property as set forth in Article IV, Paragraph F; and

WHEREAS, it is the desire and the intention of the Declarant in the recordation of this Supplemental Declaration in the Register of Deeds of New Hanover County, North Carolina, to submit all of the real property and the improvements described in Exhibit "E" attached hereto and by reference incorporated herein, to the provisions of Chapter 47A, and specifically to the provisions of the above referenced recorded Declaration;

RETURNED TO 

1251 0901

NOW, THEREFORE, the Declarant does hereby declare that all of the real property described in Exhibit "E", attached hereto and incorporated by reference herein, as well as all of the improvements constructed thereon, is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved subject to the following articles of covenants, conditions, restrictions, uses, limitations and obligations, all of which are declared to be in furtherance of a plan for the improvement of said property and the division thereof into condominium units and shall be deemed to run with the land and shall be a burden and a benefit to the Declarant, its successors and assigns, and any person or entity acquiring or owning an interest in the real property and improvements, or any subdivision thereof, their grantees, successors, heirs, executors, administrators, devisees and assigns.

ARTICLE I.

Submission of Property

A. Pursuant to the provisions of Chapter 47A of the North Carolina General Statutes, Section 47A-2, the Declarant does hereby submit all of the real property described in Exhibit "E", attached hereto and made a part hereof by reference, together with all improvements thereon and described herein, to the provisions of the "Unit Owner Act" of the State of North Carolina.

B. In furtherance thereof, Declarant declares and affirms that the real property described in Exhibit "E", attached hereto, is Lots 1 and 2, Block 28 of the real property described in Article IV, Paragraph F of said Declaration recorded in Book 1238, Page 1429, in the Register of Deeds of New Hanover County, North Carolina, and Declarant further declares that all of the real property described in Exhibit "E", attached hereto and by reference incorporated herein, as well as all improvements constructed thereon is submitted and subjected to each and every provision of said Declaration referred to above, except as those provisions are necessarily altered or changed for this submission as set forth below.

Declarant has set forth below, those provisions of said Declaration which of necessity must change for this submission, and incorporates by reference those provisions which do not change.

ARTICLE II.

Definitions

The definitions for the terms used in this Supplemental Declaration shall be the same as used in the Declaration recorded in Book 1238, Page 1429, as they are applicable to this Submission of real property, and are incorporated herein by

reference, except as follows:

1. The term "Unit" or "Condominium Unit" contained in Paragraph 3 of Article II of the Declaration recorded in Book 1238, Page 1429, shall mean and include, in addition to those Units described therein, Unit Numbers 1-A, 2-A, 3-A, 1-B, 2-B, 3-B, 1-C, 2-C, 3-C, 1-D, 2-D, and 3-D contained in the three story multi-unit building which the Declarant has constructed upon the real property described in Exhibit "E", which are subject to private ownership. Each additional unit includes an enclosed space as defined in the Act, for residential purposes, together with accessory spaces as described in Exhibit "F" and Attachments, which consist of a full and exact copy of the Plans and Specifications of the building as well as a survey of the real property, showing the location of the building thereon, said Exhibits and Attachments, being incorporated by reference herein.

Each unit has a direct entrance and/or exit to a thoroughfare or to a given common space leading to a thoroughfare as described in Exhibit "F". Attached hereto as Exhibit "F", Attachment 1 are the PLANS AND SPECIFICATIONS of said twelve (12) units wholly contained within one of the three levels or stories of said building, and Exhibit "F", Attachment 2 is the Specifications of Materials, used in construction, said Exhibits being incorporated by reference herein.

2. The term Declaration shall mean and refer to that Declaration of Condominium which is recorded in Book 1238, Page 1429, in the office of Register of Deeds of New Hanover County, by reference incorporated herein.

3. The term Supplemental Declaration shall mean and refer to this instrument.

ARTICLE III.

Plan of Development and Scope of Declaration

The name by which the entire condominium project is known is REEFS. The Declarant has caused to be constructed upon the real property described in Exhibit "E" the three (3) story multi-unit building containing twelve (12) units as well as the common areas and facilities of both the building and the real property as defined hereinabove and as shown upon the plans and specifications contained in Exhibit "F" and Attachments, attached hereto and incorporated by reference. The Units of the building, together with their privileges and appurtenances, shall be offered for sale to the public by the Declarant as condominium units pursuant to the provisions of Chapter 47A of the General Statutes of the State of North Carolina, subject to the covenants, conditions, restrictions, and obligations stated in the Articles of this Supplemental Declaration, the Articles of the Declaration recorded in Book 1238, Page 1429, the Articles of

Incorporation of the Association, its duly adopted By-Laws and its Rules and Regulations. The units and their owners shall be subject to the jurisdiction of the Association of which each unit owner shall be a member and which shall manage the upkeep and maintenance of the entire condominium project, all phases as envisioned and provided for in the Declaration.

Whenever a reference is made in the Declaration to "Unit" or "Condominium Unit" it shall mean and include all units described in REEFS, PHASE I and REEFS, PHASE II, as hereinabove defined in Article II.

The Declarant, by this Supplemental Declaration, submits the real property described in Exhibit "E", attached hereto, together with the improvements thereon, to the Act and hereinafter this submission shall be referred to as REEFS, PHASE II.

IV.

Shares in Common Elements

A. Each unit shall be conveyed and treated as individual real property capable of independent use and fee simple ownership, and the owner of each unit shall also own, as an appurtenance to the ownership of each said unit, an undivided interest in the common areas and facilities of REEFS, PHASE I and REEFS, PHASE II.

B. Pursuant to the provisions of Paragraph F of Article IV, et. seq. of the Declaration recorded in Book 1238, Page 1429, Declarant does hereby establish 1/18th or 5.5555% as the undivided fractional or percentage interest belonging to each unit owner of units in REEFS, PHASE I and REEFS, PHASE II, which said interest is appurtenant to each of the eighteen (18) units of REEFS, all phases. Declarant covenants with all unit owners of REEFS, all phases and all future owners of Units in either Phase I or Phase II of REEFS that the undivided fractional or percentage interest in the total common areas and facilities of REEFS, all phases, as stated above, was determined in a manner consistent both with the provisions of Paragraph F of Article IV of the Declaration and with the Act.

C. The provisions of Paragraph B of Article IV of the Declaration are incorporated herein by reference, changing the reference in Paragraph B from Exhibit "C" to Exhibit "G" captioned Shares of Common Elements, which is attached hereto and by reference incorporated herein.

V.

Incorporation by Reference

The terms and provisions of Articles III, IV, except as amended, V, VI, VII, and VIII of the Declaration are hereby

adopted in their entirety and incorporated herein by reference.

CAMERON-BROWN COMPANY, as the holder of a Promissory Note secured by a Deed of Trust on the property described herein, and O. B. HAWKINS, JR., as Trustee under said Deed of Trust, which is recorded in Book 1239 at Page 112 and re-recorded in Book 1239, Page 1413 in the New Hanover County Registry, join in the execution hereof for the purpose of subjecting, submitting and subordinating, the aforesaid Deed of Trust to the terms and provisions of this Supplemental Declaration of Condominium.

IN WITNESS WHEREOF, the undersigned, have executed this Supplemental Declaration of Condominium under seal this 10th day of April, 1984.

T & O INVESTMENTS (A North Carolina Partnership)

BY: [Signature] (SEAL)
Robert O'Neill - General Partner

BY: [Signature] (SEAL)
Ted E. Tinsley - General Partner

CAMERON-BROWN COMPANY



BY: [Signature] (SEAL)
~~President~~ President

[Signature] (SEAL)
Secretary / Asst. Secretary

BY: [Signature] (SEAL)
O. B. Hawkins, Jr
Trustee

STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, [Signature] a Notary Public for said state and

1251 0905

county, do hereby certify that Robert O'Neill and Ted E. Tinsley, General partners of T&O Investments, personally came before me this day and acknowledged the due execution of the foregoing instrument in writing on behalf of the partnership for the purposes therein expressed.

Witness my hand and official seal this the 16 day of April, 1984.



Sylvia Boulware
Notary Public

My Commission Expires:

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG

I, Sylvia Boulware, Notary Public for said state and county, do hereby certify that David A. Kilpatrick personally came before me this day and acknowledged that

he is Assistant Secretary of Cameron-Brown Company and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Assistant President, sealed with its corporate seal, and attested by himself as its Assistant Secretary.

Witness my hand and official seal this the 16th day of April, 1984.

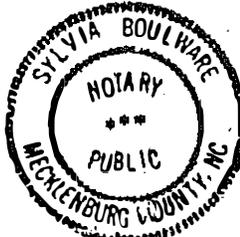
Sylvia Boulware
Notary Public

My Commission Expires:

October 24, 1987

STATE OF NORTH CAROLINA

COUNTY OF MECKLENBURG



I, Sylvia Boulware, a Notary Public for said state and county, do hereby certify that O.B. HAWKINS, JR. TRUSTEE, personally came before me this day and acknowledged the due execution of the foregoing instrument in writing for the purposes therein expressed.

Witness my hand and notarial seal this 16th day

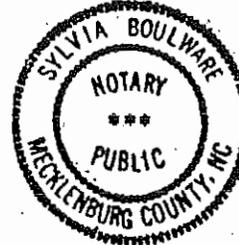
1251 0906

of April, 1984.

Sylvia Boulware
Notary Public

My Commission Expires:

October 24, 1987



STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

The foregoing certificates of Sylvia Boulware and
Barbara R. McLaughlin, Notaries Public
are certified to be correct.

This the 19th day of April,
1984.

REBECCA P. TUCKER

NEW HANOVER COUNTY
REGISTER OF DEEDS

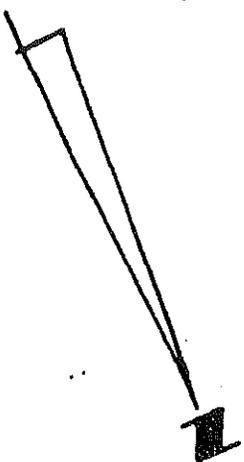
Rebecca P. Tucker
DEPUTY

1251 0907

EXHIBIT "E"

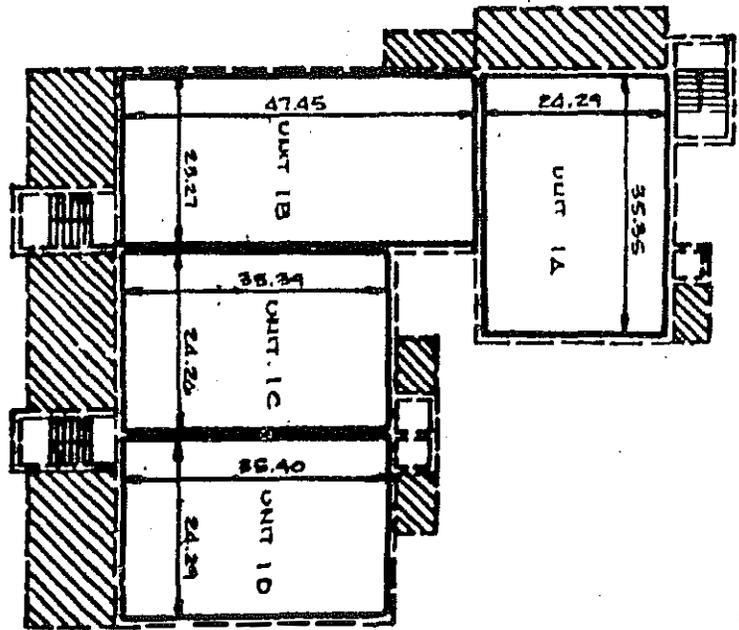
All those certain lots or parcels of land situated in the Town of Carolina Beach, Federal Point Township, New Hanover County, North Carolina and more particularly described as follows:

BEING all of Lot 1 and Lot 2 in Block 28 of the Northern section of Carolina Beach as the same is shown on a map of said section recorded in Map Book 3 at Page 67 in the Office of the Registry of Deeds of New Hanover County, said maps being incorporated by reference herein for a more particular description thereof and all improvements located thereon.



1ST FLOOR PLAN

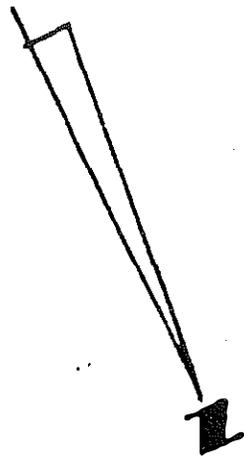
- INDICATES BOUNDARY LINE OF UNITS
- INDICATES COMMON AREAS & STRUCTURAL BOUNDARIES
- ||||| INDICATES BALCONIES, DECKS, OR PATIOS
- UNIT INDICATES CONDOMINIUM
- FINISH FLOOR ELEVATION 19.30' M.S.L.
- CEILING ELEVATION 27.34' M.S.L.
- BUILDING NAME: REEFS, PHASE II



REEFS, PHASE II

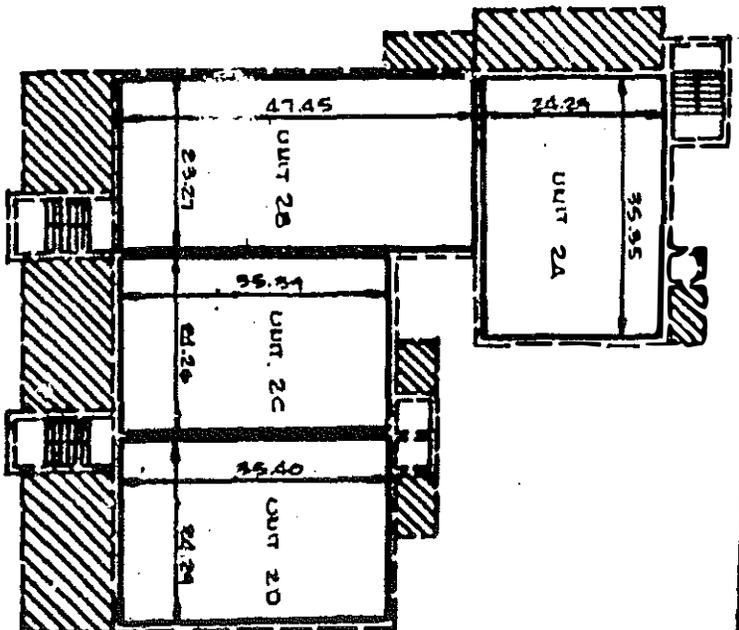
CAROLINA BEACH, NORTH CAROLINA
 SCALE: 1" = 20'
 DALE C. STEWART, P.E.
 H.C. REGISTRATION # 0400

REPORT # P. 0
 REEFS, PHASE II



2ND FLOOR PLAN

- INDICATES BOUNDARY LINE OF UNITS
- INDICATES COMMON AREAS & STRUCTURAL BOUNDARIES
- INDICATES BALCONIES, DECKS, OR PATIOS
- UNIT INDICATES CONDOMINIUM
- FINISH FLOOR ELEVATION 28.52' M.S.L.
- CEILING ELEVATION 36.62' M.S.L.
- BUILDING NAME: REEFS, PHASE II

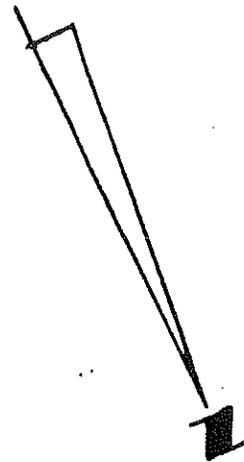


REEFS, PHASE II

CAROLINA BEACH, NORTH CAROLINA

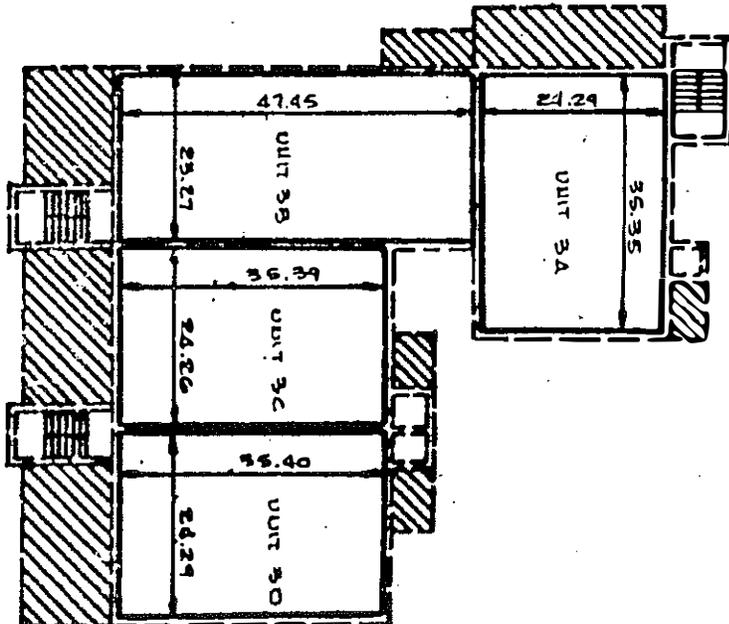
DATE: C. STEWART, P.E.
N.C. REGISTRATION # 5498

SCALE: 1/8" = 1'-0"
SHEET 1 OF 4



3RD FLOOR PLAN

- INDICATES BOUNDARY LINE OF UNITS
- INDICATES COMMON AREAS & STRUCTURAL BOUNDARIES
- ||||| INDICATES BALCONIES, DECKS, OR PATIOS
- INDICATES CONDOMINIUM
- FINISH FLOOR ELEVATION 3772 M.S.L.
- CEILING ELEVATION 45.82 M.S.L.
- BUILDING NAME : REEFS, PHASE II



REEFS, PHASE II

CAROLINA BEACH, NORTH CAROLINA
SCALE 1/8" = 1'-0"

DARR C STEWART, P.E.
N.C. RESIDATION # 4188

EXHIBIT 10
PART 4 OF 4

1251 0912

EXHIBIT "F"

ATTACHMENT 1

PLANS AND SPECIFICATIONS

The building constituting the twelve (12) unit condominium in REEPS, PHASE II, is a three story structure with no basement, constructed on pilings, containing twelve (12) separate numbered units, constructed of the following primary materials:

Wood

Other materials shown in the Plans and Specifications.

Each unit has access to immediate common areas consisting of the stairways as shown in the Plans.

The general common area and facility consists of the grounds, parking spaces and stairways leading to the entranceways of the individual units.

Units 1-A, 1-B, 1-C and 1-D are located on the first floor; Units 2-A, 2-B, 2-C and 2-D are located on the second floor; and Units 3-A, 3-B, 3-C and 3-D are located on the top, or third floor. Units 1-B, 2-B and 3-B have approximately 1,152 square feet of heated area and all remaining units have approximately 900 square feet of heated area as shown on the Plans and each unit has a front deck and rear deck and a storage area.