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STATE OF NORTH CAROLINA
COUNTY OF NEW HANOVER

DECLARATION CREATING UNIT OWNERSHIP OF
PROPERTY UNDER THE PROVISIONS OF
CHAPTER 47A OF THE GENERAL STATUTES OF
THE STATE OF NORTH CAROLINA
HOLLY TREE, PHASE I,

THIS DECLARATION, made this the 29th day of AUGUST,
1983, by POVIA-BALLANTINE CORPORATION, a Florida corporation, authorized
to do business in the State of North Carolina, with an office located in
the County of New Hanover, State of North Carolina, hereinafter referred
to as "DECLARANT";

KNOW ALL BY THESE PRESENTS:

THAT, WHEREAS, the Declarant is the owner of record of the fee
simple title of certain real property in the City of Wilmington, County of
New Hanover, State of North Carolina, which is more particularly described
in Exhibit "A" attached hereto and made a part hereof by reference; and

WHEREAS, the Declarant is the owner of the multi-unit buildings
and certain other improvements to be or heretofore constructed upon the
aforesaid property; and

WHEREAS, it is the desire and the intention of the Declarant to
market, sell and convey interests 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 Ownership Act"; and

WHEREAS, it is the desire and intention of the Declarant in the
recording of this DECLARATION in the Office of the Register of Deeds of
New Hanover County, North Carolina, to submit said condominium project to
the provisions of the said Chapter 47A;

NOW, THEREFORE, THE DECLARANT DOES HEREBY DECLARE THAT ALL OF
THE REAL PROPERTY DESCRIBED IN EXHIBIT "A", ATTACHED HERETO AND MADE A
PART HEREOF BY REFERENCE, 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 COMMON AREAS AND FACILITIES, 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, DEVISEES, HEIRS, EXECUTORS, ADMINISTRATORS, AND
ASSIGNS.

ARTICLE I.

Submission of Property

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 "A", attached hereto and made a
part hereof by reference, together with all improvements thereon and
described herein, to the provisions of the "Unit Ownership Act" of the
State of North Carolina, which is codified as Chapter 47A of the General
Statutes of the State of North Carolina.

ARTICLE II.

Definitions

For the purposes of this Declaration and the By-Laws of the
Association, hereinafter defined, the following definitions for the terms

RECORDED AND VERIFIED
REBECCA P. TUCKER
REGISTER OF DEEDS
NEW HANOVER CO., NC
SEP 9 10 32 AM '83

RETURNED TO

ROUNTREE, RYALS, JACKSON, SEAGLE & CANTER

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used herein and therein shall apply unless otherwise defined by the context thereof:

A. 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.

B. ASSOCIATION shall mean and refer to THE HOLLY TREE HOMEOWNERS' ASSOCIATION, INC., a non-profit North Carolina corporation and the mandatory association of all unit owners, as is more particularly described in Article VII hereinafter.

C. ASSESSMENT shall mean and refer to that portion of the funds necessary for the payment of the common expenses, hereinafter defined, of the Association which from time to time shall be levied or assessed against a unit owner and his unit by the Association, as provided for hereinafter.

D. BUILDING shall mean and refer to any one of the four (4) multi-unit buildings which the Declarant has constructed upon the real property described in Exhibit "A", to be used for residential purposes, as hereinafter provided. Attached hereto and made a part hereof by reference is Exhibit "C" which consists of a full and exact copy of the plans of the buildings as well as a survey of the real property, showing the location of the buildings thereon. Said buildings are more particularly described in the plans of said buildings, showing all particulars as required by law. In general, the buildings have two (2) stories and no basements. Each building has been subdivided into eight (8) units, hereinafter defined, as well as the common areas and facilities, also hereinafter defined, of the building. The buildings are constructed principally of concrete block and stucco.

E. BOARD shall mean and refer to the Board of Directors of the Association and DIRECTOR shall mean and refer to a member of said Board.

F. BY-LAWS shall mean and refer to those By-Laws of the Association providing for the government of the Association as they are duly adopted and amended from time to time by the Association. A copy of the initial By-Laws are attached hereto as Exhibit "D" and made a part hereof by reference.

G. COMMON AREAS AND FACILITIES generally shall mean and refer to all of the real property, described on Exhibit "A", and all of the improvements and facilities thereon which are not units, as defined hereinafter, and which are not items of personal property owned, held, and maintained by unit owners. Without in any way limiting the generality of the foregoing, the common areas shall include, but not be limited to, the following:

1. All of the real property more particularly described in Exhibit "A" attached hereto, reference to which is hereby made for a more particular description thereof;
2. All foundations, blocks, columns, girders, beams, supports, roofs, ventilation fans and vents, load bearing walls, including all exterior walls and all interior walls (except nonload bearing partition walls wholly within a unit) of a building;
3. All stairways, stairwells, stairs and landings, and their components which give access to the units;
4. All yard and garden areas, parking and drive areas, sidewalks, and swimming pool;
5. All installations of and facilities, apparatus, conduits, and equipment for the provision of all utility services, including, but not limited to, all water and sewer service, electricity, heating, air

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conditioning, telephone, irrigation, trash disposal, and cable TV, if any, which may be supplied for the common use and convenience of the unit owners, and which are not defined as part of the units, hereinbelow;

6. All other portions of the real property and the improvements thereon which are not specifically part of the units themselves, as hereinafter defined, or owned by unit owners as personal property, shall be common areas and facilities intended for the common and necessary or convenient use and enjoyment, existence, maintenance or safety of the condominium project.

H. COMMON EXPENSES shall mean and refer to the total cost and expense incurred by the Association (as hereinafter provided) for the administration, maintenance, operation, enjoyment, safety, repair, and replacement (including a capital reserve for repair, maintenance, and replacement) of the common areas and facilities as well as any other expense incurred by the Association pursuant to the fulfillment of its obligations and purposes as stated herein and labeled as common expenses. Common expenses are additionally intended to mean and refer to any expense incurred by the Association as shall be hereinafter agreed upon by the Association of unit owners as common expenses of the Association.

I. COMMON SURPLUS shall mean and refer to the balance of all revenues of the Association remaining after the deduction of the common expenses. Any such common surplus shall be used to reduce the assessments for members for the following fiscal year of the Association, based upon the proposed budget for the Association for the following fiscal year, subject, however, to the terms of Article VIII, Paragraph C hereinafter set forth.

J. CONDOMINIUM shall mean and refer to the entire proposed development consisting of all the real property and the buildings, all improvements and structures thereon and all easements, rights and appurtenances belonging thereto, and all articles of personal property intended for common use in connection therewith, which are intended to be submitted to the provisions of the act by this Declaration, and the supplements and amendments hereto, as are provided for hereinbelow.

K. DECLARANT shall mean and refer to POVIA-BALLANTINE CORPORATION, its successors and assigns.

1. DECLARATION shall mean and refer to this instrument as it may from time to time be lawfully amended or supplemented.

M. MAJORITY or MAJORITY OF UNIT OWNERS shall mean and refer to the owners of fifty-one percent (51%) of the aggregate interest in the common areas and facilities of the Condominium, as established by this Declaration, or Amendments and for Supplements, assembled at a duly called meeting of the unit owners.

N. PERSON shall mean and refer to an individual, corporation, partnership, association, trustee, or other legal entity.

O. REAL PROPERTY shall mean and refer to all of the real property described in Exhibit "A" attached hereto and made a part hereof.

P. SINGULAR, PLURAL GENDER: Whenever the context so permits the use of the plural shall include the singular, the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

Q. UNIT or CONDOMINIUM UNIT shall mean and refer to any one of those 32 subdivisions of enclosed space within the four (4) buildings, together with any additional areas or spaces accompanying the same as defined hereinbelow, and which are intended to or will be sold as dwelling

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units pursuant to the Act and this Declaration. The deed for any particular unit shall convey such unit by its unit designation and the same shall be deemed to include all that is defined as a part of that unit as stated specifically in this definition, as well as the privileges and appurtenances accompanying any such unit and subject to the covenants, conditions, restrictions and obligations applicable to unit owners as all are more generally stated and described throughout this Declaration.

The 32 units of the buildings are and will be identified by their unit designations, which are as follows:

- (a) Units 101, 102, 103, 104, 105, 106, 107 and 108 in Building 100;
- (b) Units 201, 202, 203, 204, 205, 206, 207 and 208 in Building 200;
- (c) Units 301, 302, 303, 304, 305, 306, 307 and 308 in Building 300; and
- (d) Units 401, 402, 403, 404, 405, 406, 407 and 408 in Building 400.

Units whose designations end in 1,2,3 or 4 are units wholly located on the First or Ground floor of the Buildings; and units whose designations end in 5, 6, 7 or 8 are units wholly located on the Second Floor of the Buildings.

These units and their designations are shown upon the plans of the buildings attached hereto in Exhibit "C", which also shows graphically all particulars of the buildings and their 32 units, including, but not limited to, the layout, location, ceiling and floor elevations, dimensions of the units, and the layout and location of the common areas and facilities. Reference is hereby made to said plans for the purposes of identifying and locating each unit within the buildings, as well as identifying its dimensions, approximate areas, and number of rooms. No unit bears the same designation as any other. Any conflict between said plans and this definition shall be resolved by reference to the said plans, which shall control.

All units, as well as the additional areas defined as part of each unit hereinbelow, are bounded both as to horizontal and vertical boundaries by the interior finished surface of the unit's perimeter walls, ceilings and floors, subject to the easement reserved hereinbelow for such encroachments as are contained in the buildings whether the same now exist or may be caused or created by existing construction, settlement, or movement of the buildings, or by permissible repairs, construction or alteration.

All units shall be substantially the same in construction and material. Each of the 32 units is wholly contained within one of the two levels or stories of the four (4) buildings.

All 32 units are alike, except for their exact physical location within the condominium. Each unit has approximately 952 square feet and contains a living/dining area, kitchen, 2 bedrooms, 2 full baths and screened porch.

Each unit is hereby defined to also include:

1. All non-load bearing partition walls located entirely within the unit;
2. All materials, including, but not limited to, carpet, paint, and vinyl attached to, or on, the interior finished surfaces of the perimeter walls, floors and ceilings of the unit; and all window panes, frames, exterior doors and screening for the porch.

3. All air handling and condensing units, ducts and components, and all water, power, telephone, television and cable television, electricity, plumbing, gas and sewer lines, located within the unit; provided, however, that the portion of said lines located within a common compartment for, or installation of, such lines shall be common areas and facilities as defined hereinabove.

Each unit is hereby defined to exclude all pipes, ducts, wires, conduits and other facilities for the furnishing of utility services and other services to the units up to and including the point of entry of such pipes, ducts, wires, conduits and other facilities through the interior finished surface material for perimeter walls, ceilings and floors of the units. All such pipes, ducts, wires, conduits and other such facilities are defined as a part of the unit at and from their point of entry into the unit.

The definition stated hereinabove for "Unit" is complete and all other aspects of the condominium not hereinabove defined as a part of the unit is defined as a part of the common areas and facilities of the condominium.

The specifics, such as style, construction, materials, and finishes of the building and its units are best described in the plans of the building which are shown in Exhibit "C", attached hereto and made a part hereof by reference, and which shall control in case of conflict with the provisions hereof.

R. UNIT DESIGNATION shall mean and refer to the number which designates a unit within the condominium as the same is shown upon the plans of the buildings in Exhibit "C" attached hereto.

S. UNIT OWNER shall mean and refer to a person, corporation, partnership, association, trust, other legal entity, or any combination thereof, in whose name or names the title to or an interest in the title to any unit is vested, excluding those who own or hold such title or interest under the terms of any mortgage or deed of trust or other similar instrument for the purposes of securing the payment of an indebtedness or the performance of an obligation.

ARTICLE III.

Plan of Development and Scope of Declaration

The name by which this condominium shall henceforth be known is HOLLY TREE. The Declarant has caused or will cause to be constructed upon the real property described in Exhibit "A" the four multi-unit buildings, containing the 32 units of the buildings as well as the common areas and facilities of both the buildings and the real property, all as defined hereinabove and as shown upon the plans contained in Exhibit "C" attached hereto and made a part hereof by reference. The units of the buildings, 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 Declaration, the Articles of Incorporation of the Association, its duly adopted By-laws and its Rules and Regulations.

The Declarant, by this Declaration, submits only the real property described in Exhibit "A", attached hereto, together with the improvements thereon, to the Act and hereinafter this submission shall be referred to as HOLLY TREE, PHASE ONE. Nevertheless, the Declarant 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 on Exhibit "B", attached hereto and made a part hereof by reference, in one or more additional phases of HOLLY TREE upon the following terms and in the following manner:

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A. 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 DECLARANT. The addition to or expansion of the real property subject to this Declaration shall be at the sole discretion of the Declarant without consultation with or consent of any unit owner. Every unit owner in HOLLY TREE, 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

B. The right and option as described hereinabove shall terminate on the 31st day of December, 1986; and

C. In the event the Declarant adds to the real property subject to this Declaration all of the real property described in Exhibit "B" attached hereto, the Declarant covenants and agrees that no more than a total of seventy-two (72) units will be added to the thirty-two (32) units in HOLLY TREE, PHASE ONE; and

D. In the event the Declarant adds to the real property subject to this Declaration any portion or portions of the real property described in Exhibit "B", attached hereto, the Declarant covenants and agrees that with respect to any such portion the density of units shall not exceed an average of 32 units per acre; and

E. The Declarant covenants and agrees that all buildings containing units built upon the real property which may be subjected to this Declaration under this Article shall be not more than two (2) stories in height situated upon finished grade level and which shall be constructed with materials like or substantially similar to those used in HOLLY TREE, PHASE ONE; and

F. It is understood and declared that the undivided fractional or percentage interest owned by each unit owner of units in HOLLY TREE, PHASE ONE, in the common areas and facilities of HOLLY TREE, PHASE ONE, is as stated in Article IV hereunder. However, it is further declared that in the event the Declarant, 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 HOLLY TREE, all phases, in the expanded common areas and facilities of HOLLY TREE, all phases, shall necessarily have to change from that as established in Article IV hereunder. 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 Declarant adds to or expands the property subject to this Declaration, pursuant to this Article, then every unit owner of units in HOLLY TREE, 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 Declarant 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 HOLLY TREE, 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 HOLLY TREE, all phases, to be appurtenant to additional units of HOLLY TREE, 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.

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It is hereby declared and agreed that the Declarant shall establish said undivided interests without prior consultation with or consent of any unit owner of any unit in HOLLY TREE, any phase; and, that, the Declarant 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 Declarant, 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, Declarant 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 Declarant may use the value as then established for tax purposes by the appropriate authorities or the value established by any independent appraiser.

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

ARTICLE IV.

The Nature and Incidents of Unit Ownership

A. Each unit shall be conveyed and treated as an 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 HOLLY TREE, PHASE ONE, and future phases, if any. The undivided interest in the common areas and facilities of HOLLY TREE, PHASE ONE, appurtenant to each of the thirty-two (32) units of HOLLY TREE, PHASE ONE, and the fair market value of each Unit on the date of this Declaration is shown on Exhibit "E" hereto attached and made a part hereof.

The proportional interest in the common areas and facilities that is appurtenant to each unit has been determined in a manner consistent with the Act.

B. No unit may be divided or subdivided into a smaller unit or units than as shown on Exhibit "C" hereto, nor shall any unit or portion thereof be added to or incorporated into any other unit. The undivided interest in the common areas and facilities declared to be an appurtenance to each unit shall not be conveyed, devised, encumbered, or otherwise dealt with separately from said unit, and the undivided interest in common areas and facilities appurtenant to each unit shall be deemed conveyed, devised, encumbered, or otherwise included with the unit even though such undivided interest is not expressly mentioned or described in the instrument conveying, devising, encumbering, or otherwise dealing with such unit. Any conveyance, mortgage, or other instrument which purports to grant any right, interest, or lien in, to or upon a unit, shall be null, void and of no effect insofar as the same purports to affect any interest in a unit and its appurtenant undivided interest in common areas and facilities, unless the same purports to convey, devise, encumber, or otherwise trade or deal with the entire unit. Any instrument conveying, devising, encumbering, or otherwise dealing with any unit, which describes said unit by the numerical designation assigned thereto in Exhibit "C" without limitation or exception, shall be deemed and construed to affect the entire unit and its appurtenant undivided interest in the common areas and facilities. Nothing herein contained shall be construed as limiting or preventing ownership of any unit and its appurtenant undivided interest in the common areas and facilities by more than one person or entity as tenants in common, joint tenants, or as tenants by the entirety.

C. The common areas and facilities shall be, and the same are hereby declared to be subject to a perpetual nonexclusive easement in favor of all of the owners of units in HOLLY TREE, all phases, for their use and the use of their immediate families, guests or invitees, for all

proper and normal purposes, and for the furnishing of services and facilities for which the same are reasonably intended, for the enjoyment of said owners of units. Notwithstanding anything above provided in this Article, the Association shall have the exclusive right to establish the rules and regulations pursuant to which the owner of any unit, his family, guests and invitees, may be entitled to use the common areas and facilities, including the right to make permanent and temporary assignments of parking spaces, and to establish regulations concerning the use thereof and to establish rules and regulations concerning the use of the swimming pool.

D. Recognizing that the proper use of a unit by an owner or owners is dependent upon the use and enjoyment of the common areas and facilities in common with the owners of all other units, and that it is in the interest of all owners that the ownership of the common areas and facilities be retained in common by the owners, it is hereby declared that the proportional undivided interest in the common areas and facilities appurtenant to each unit shall remain undivided and no unit owner shall bring or have any right to bring any action for partition or division.

ARTICLE V.

Use Restrictions

A. Each unit is hereby restricted to single-family residential use by the owner thereof, his immediate family, guests, invitees and lessees; it being intended that no unit shall be sold or conveyed as a "time-share" or "interval ownership" unit.

B. No immoral, improper, offensive or unlawful use shall be made of any unit or of the common areas and facilities, nor any part thereof, and all laws, zoning ordinances and regulations of all governmental authorities having jurisdiction of the unit shall be observed. No owner of any unit shall permit or suffer anything to be done or kept in his unit, or on the common areas and facilities, which will increase the rate of insurance on the unit, or which will obstruct or interfere with the rights of other occupants of the other units or annoy them by unreasonable noises, nor shall any owner undertake any use or practice which shall create and constitute a nuisance to any other owner of a unit, or which interferes with the peaceful possession and proper use of any other unit or the common areas and facilities.

C. The use of common areas and facilities, by the owner or owners of all units, and all other parties authorized to use the same, shall be at all times subject to such reasonable rules and regulations as may be prescribed and established governing such use, or which may be hereafter prescribed and established by the Association.

D. No owner of a unit shall permit any structural modification or alteration to be made to such unit without first obtaining the written consent of the Association, which consent may be withheld in the event that a majority of the Board of Directors of the Association shall determine, in their sole discretion, that such structural modifications or alterations would adversely affect or in any manner endanger the condominium in part or in its entirety. No owner shall cause any improvements or changes to be made on the exterior of the condominium (including painting or other decoration, or the installation of electrical wiring, television or radio antenna or any other objects, machines or air conditioning units which may protrude through the walls or roof of the condominium) or in any manner alter the appearance of the exterior portion of any building without the written consent of the Association being first had and obtained. No unit owner shall cause any object to be fixed to the common areas and facilities (including the location or construction of fences and the planting or growing of flowers, trees, shrubs, or any other vegetation) or in any manner change the appearance of the common areas and facilities or limited common areas and facilities without the written consent of the Association being first had and obtained. No owner of a unit shall permit the use of any window or glass covering, blind, shade, drape, curtain or other decoration of a color other than white.

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E. So long as the Declarant shall retain ownership of any units, it may utilize any such unit or units for sales offices, models or other usage for the purpose of selling units within said project. The Declarant may assign this limited commercial usage right to any other person or entities as it may choose; provided, however, that when all units have been sold, this right of commercial usage by the Declarant, its successors and assigns shall immediately cease.

F. The use of the condominium may be further restricted under the By-Laws of the Association, or its Rules and Regulations.

ARTICLE VI.

Easements

In addition to easements and rights established and/or reserved elsewhere in this Declaration, the following easements and rights are hereby established as covenants and burdens running with the real property and the improvements thereon:

A. In case of any emergency originating in or threatening any unit, regardless of whether the owner is present at the time of such emergency, the Board of Directors of the Association, or any other person authorized by it, or the managing agent, shall have the right to enter such unit for the purpose of remedying or abating the cause of such emergency, and such right of entry shall be immediate.

B. Each unit owner shall have an easement in common with the other owners of all units to use all pipes, wires, ducts, cables, conduits, public utility lines and other common facilities located in any of the other units and serving his unit. Each unit shall be subject to an easement in favor of the owners of all other units to use the pipes, ducts, cables, wires, conduits, public utility lines and other common facilities serving such other units and located in such unit. The Board of Directors of the Association or their designee shall have the right of access to each unit to inspect the same, to remove violations therefrom and to maintain, repair, or replace the common facilities contained therein or elsewhere in the building.

C. The initial and subsequent Boards may grant or assume easements, leases, or licenses for utility purposes for the benefit of the condominium, including the right to install, lay, maintain, repair, and replace water lines, pipes, sewer lines, gas mains, telephone and television wires and equipment and electrical conduits and wires over, under, along and on any portion of the units and/or common areas and facilities; and, each unit owner hereby grants to the Board, or its designee, the irrevocable power of attorney to execute, acknowledge, and record for or in the name of the Association or each unit owner such instruments as may be necessary to effectuate the foregoing.

D. Ingress and egress is reserved for pedestrian traffic over, through and across sidewalks, paths, walks, and lanes as the same from time to time may exist upon the common areas and facilities; and, for vehicular traffic over, through and across such portions of the common areas and facilities as from time to time may be paved and intended for such purposes, for all unit owners of units in all phases of HOLLY TREE, their guests, families, invitees, lessees, the Association, and the Declarant, its successors and assigns.

E. The Declarant hereby reserves unto itself the right to grant easements over any of the common areas and facilities of this phase of HOLLY TREE to be used for, by, or in connection with any other phases of HOLLY TREE, which may hereafter be erected on the property described in Exhibit "B", pursuant to this Declaration, as may become necessary for the purpose of the Declarant, its grantee, lessee, successor, or assigns, servicing such adjacent phases with utility services, drainage and easements for ingress and egress and regress.

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F. In the event that any unit shall encroach upon any of the common areas and facilities, or any other unit or units, for any reason not caused by the purposeful or negligent act of the unit owner, or agents of such owner, then an easement appurtenant to such unit shall exist for the continuance of such encroachment upon the common areas and facilities or upon a unit for so long as such encroachment shall naturally exist; and, in the event that any portion of the common areas and facilities shall encroach upon any unit, then an easement shall exist for the continuance of such encroachment of the common areas and facilities upon any unit for so long as such encroachment shall naturally exist. If any unit or common areas and facilities shall be partially or totally destroyed as a result of fire or other casualty, or as a result of condemnation or eminent domain proceedings, and if upon reconstruction of such unit and/or common areas and facilities in accordance with this Declaration, there exist encroachments of portions of the common areas and facilities upon any unit, or of any unit upon any other unit or upon any portion of the common areas and facilities, then such encroachments shall be permitted and a valid easement for the maintenance thereof shall exist so long as such encroachments shall naturally remain.

ARTICLE VII.

The Association

To efficiently and effectively provide for the administration and maintenance of HOLLY TREE, PHASE ONE, and future phases, if any, by the unit owners, a nonprofit North Carolina corporation known and designated as THE HOLLY TREE HOMEOWNERS' ASSOCIATION, INC. (hereinafter the "Association"), has been organized, a true copy of its Articles of Incorporation having been recorded in Book 1232 at Page 1640 in the Office of the Register of Deeds of New Hanover County, North Carolina, and the provisions thereof are incorporated herein by reference. The Association shall administer the operation and management of the condominium, HOLLY TREE, PHASE ONE, as well as future phases, if any, and shall undertake and perform all acts and duties incident thereto in accordance with the terms of its Articles of Incorporation and its duly adopted By-Laws. A true copy of the original By-Laws are attached hereto in Exhibit "D" and expressly made a part hereof by reference.

A. Declarant Control: Until 75% of all units in all phases of HOLLY TREE have been sold and deeded to purchasers, or December 31, 1986, whichever occurs first, the Board of Directors of the Association shall consist of those three (3) individuals appointed by the Declarant to the initial Board of Directors of the Association as stated in its Articles of Incorporation, or their successors or replacements, as provided for in the duly adopted By-Laws of the Association. Until said date, said Board shall exclusively be responsible for the total operation and management of the Association, exercising all powers, duties, and obligations thereof, free from interference or control by any and all unit owners; provided, however, that said Board shall manage and operate the Association in a manner consonant with the terms and conditions of this Declaration, any and all supplements or amendments hereto, the Association's Articles of Incorporation and its duly adopted By-Laws; provided, further, however, that the Declarant may by written notice to each unit owner at any time prior to the above-referenced date manifest its intention to cause the resignation of said Board of Directors at which time the initial meeting of the membership of the Association shall be called for the purpose of the election of a new Board of Directors of the Association from the membership thereof, who shall then become responsible for the operation and management of the Association.

B. Membership and Voting Rights: Membership and voting rights in the Association shall be as provided in Article VI of its Articles of Incorporation referred to and incorporated herein as stated hereinabove; membership being mandatory for all unit owners of all units in all phases of HOLLY TREE.

C. Powers: The Association shall have all powers granted to it as stated in Article V of said Articles of Incorporation.

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D. Common Expenses: The common expenses of the Association shall be shared by the unit owners of all phases of HOLLY TREE in the same proportions that the undivided interest in the common areas and facilities appurtenant to each owner's unit bears to the total of all undivided interests in the common areas and facilities appurtenant to all units, and as assessed against the unit owners and their units as provided for hereinbelow.

E. Management and Maintenance:

1. The Association, as a common expense, shall be responsible for the maintenance, repair and replacement of all of the common areas and facilities, including those portions thereof which contribute to the support of the buildings, and all conduits, ducts, plumbing, wiring, and other facilities located in the common areas and facilities for the furnishing of utility and other services to the units and said common areas and facilities, and should any incidental damage be caused to any unit by virtue of any work which may be done or caused to be done by the Association in the maintenance, repair, or replacement of any common areas and facilities, the Association shall, at its expense, repair such incidental damage. Whenever the maintenance, repair, and replacement of any item for which the Association is obligated to maintain, replace or repair at its expense is occasioned by any act of a unit owner, his immediate family, guests, or invitees, and such loss or damage may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair, or replacement, except that the unit owner who is responsible for the act causing the damage (whether done by himself or by his family, guests, or invitees) shall be required to pay such portion of the cost of such maintenance, repair, and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair, or replacement.
2. The Association shall have the right to make or cause to be made such alterations or improvements to the common areas and facilities which do not prejudice the rights of the owner of any unit in the use and enjoyment of his unit, provided the making of such alterations and improvements are approved by the Board of Directors of the Association, and the cost of such alterations or improvements shall be common expenses to be assessed and collected from all of the owners of units. However, where any alterations and improvements are exclusively or substantially for the benefit of the owner or owners of a certain unit or units requesting the same, then the cost of such alterations or improvements shall be assessed against and collected solely from the owner or owners of the unit or units exclusively or substantially benefited, the assessment to be levied in such proportion as may be determined by the Board of Directors of the Association.
3. The Association may enter into a contract with a management company or manager for the purposes of providing all elements of the operation, care, supervision, maintenance, and management of the property. All the powers and duties of the Association necessary or convenient for such

maintenance and management may be delegated to and vested in the manager by the Board of Directors, except such as are specifically required by this Declaration, the By-Laws, or the Unit Ownership Act, to have the approval of the Board of Directors or the Association. The manager is hereby further authorized to recommend the annual budget, and, upon approval thereof by the Board of Directors, make assessments for common expenses, and collect such assessments as provided in this Declaration and the By-Laws, subject always to the supervision and right of approval of the Board of Directors.

4. Unit Owners Maintenance:

Every owner shall perform promptly all maintenance and repair work within his unit which, if omitted, would affect the condominium, either in its entirety or in a part belonging to other owners; every owner being expressly responsible for the damages and liability which his failure to do so may engender. The owner of each unit shall be liable and responsible for the maintenance, repair, and replacement, as the case may be, of all air conditioning and heating equipment, stoves, refrigerators, fans, or other appliances or equipment, including any fixtures and/or their connections required to provide water, light, power, telephone, sewage and sanitary service to his unit. Such owner shall further be responsible and liable for the maintenance, repair, and replacement of the surfaces of any and all walls, ceilings, and floors which are a part of his unit, including painting, decorating, and furnishings, and all other accessories which such owner may desire to place or maintain in his unit. Whenever the maintenance, repair, and replacement of any item for which the owner of a unit is obligated to maintain, replace, or repair at his own expense is occasioned by any loss or damage which may be covered by any insurance maintained in force by the Association, the proceeds of the insurance received by the Association shall be used for the purpose of making such maintenance, repair, or replacement except that the owner of such unit shall be, in said instance, required to pay such portion of the costs of such maintenance, repair, and replacement as shall, by reason of the applicability of any deductibility provision of such insurance, exceed the amount of the insurance proceeds applicable to such maintenance, repair, or replacement. All glass doors, windowframes, panes and screens are a part of the respective units and shall be maintained by the respective unit owners.

All parts of a unit shall be kept in good condition and repair by and at the expense of the owner. The unit shall be maintained by the owner in a clean and safe condition, free of nuisance. Each unit owner will promptly comply with any requirements of the insurance underwriters of the insurances for the common areas and facilities when so requested in writing by the Board or its designated agent. Any failure of an owner to repair, maintain, or replace as may be required pursuant to this Declaration, or a determination by the Board or its designated agent that such failure will endanger or impair the value of the common areas and facilities or any unit may be, upon written notice to the owner of the nature of the required repair, maintenance, or replacement, repaired or replaced by the Association at the expense of the

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unit owner, to be collected by special assessment as provided herein and in the By-Laws. Such assessment may include the cost to the Association incurred in the abatement of any nuisance maintained by the unit owner therein.

5. Limitation of Liability: Notwithstanding the duty of the Association to maintain and repair parts of the condominium property, the Association shall not be liable to unit owners for injury or damage caused by any latent condition of the property to be maintained and repaired by the Association, or caused by the elements or other owners or persons.

F. Insurance:

1. Acquisition: Insurance policies upon the condominium (other than title insurance) shall be purchased by the Association in the name of the Board of Directors of the Association, as Trustee for the unit owners and their respective mortgagees as their interests may appear, and shall provide for the issuance of certificates or mortgage endorsements to the holders of first mortgages on the units or any of them, and if the companies writing such policies will agree, the policies shall provide that the insurer waives its rights of subrogation as to any claims against unit owners, the Association and their respective servants, agents, and guests. Each unit owner may obtain insurance, at his own expense, affording coverage upon his unit, his personal property and for his personal liability and as may be permitted or required by law, but all such insurance shall contain the same waiver of subrogation as that referred to above if the same is available.
2. Coverage: All buildings and improvements upon the land and all personal property included in the common areas and facilities shall be insured in an amount equal to the maximum insurable replacement value, excluding foundation and excavation costs, or by ninety percent co-insurance coverage or by such other form of policy as the Board of Directors annually determines will most reasonably provide the funds necessary to repair or reconstruct the insured improvements. Such coverage shall afford protection against (a) loss or damage by fire and other hazards covered by a standard extended coverage endorsement, and (b) such other risks as from time to time shall be customarily covered with respect to buildings similar in construction, location and use as the buildings on the real property, including, but not limited to, vandalism and malicious mischief.
3. Public Liability Insurance: General Public liability insurance shall be secured by the Association in such amount and with such coverage as shall be deemed necessary by the Board of Directors, (provided coverage in a minimum amount of \$1,000,000.00 per occurrence shall be acquired and maintained) including, but not limited to, an endorsement to cover liability of the unit owners as a group or to a single unit owner. There shall also be obtained such other insurance coverage as the Board of Directors or manager shall determine from time to time to be desirable or necessary, including flood insurance should the Condominium, or any portion, thereof be determined to be located in a Flood Hazardous area.

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4. Premiums: Premiums upon insurance policies purchased by the Association shall be paid by the Association and chargeable to the Association as a common expense.
5. Proceeds: All insurance policies purchased by the Association shall be for the benefit of the Association and the unit owners and their mortgagees as their interests may appear, and shall provide that all proceeds thereof shall be payable to the Association as insurance trustee under this Declaration. The Board of Directors of the Association is hereby irrevocably appointed agent for each unit owner and his mortgagee as their interests may appear for the purpose of compromising and settling claims arising under insurance policies purchased by the Board of Directors for the benefit of the Association and the unit owners; said Board of Directors or its designee is hereby further empowered to execute and deliver releases to the insurance carrier upon the payment of claims. The Board of Directors' duty or its designee's duty upon receipt of such proceeds shall be to hold the same in trust for the purposes elsewhere stated herein or in the By-Laws for the benefit of the Association and the unit owners and their mortgagees, as their interests may appear.
6. Distribution of Insurance Proceeds: Proceeds of insurance policies shall be payable to the Board of Directors of THE HOLLY TREE HOMEOWNERS' ASSOCIATION, INC., as insurance trustee and shall be distributed to or for the benefit of the beneficial owners in the following manner:
- (a) Expense of the Trust: All expenses of the insurance trustee shall be first paid or provision made therefor, if any;
- (b) Reconstruction or Repair: If the damage for which the proceeds are paid is to be repaired or reconstructed, the remaining proceeds shall be paid to defray the cost thereof as determined in Paragraph F(7) hereof. Any proceeds remaining after defraying such cost shall be distributed as surpluses to the beneficial owners of the damaged units pursuant to Paragraph H hereof;
- (c) Failure to Reconstruct or Repair: If it is determined, as provided in Paragraph F(7) hereof, that the damage for which the proceeds are paid shall not be reconstructed or repaired, the remaining proceeds shall be distributed as surpluses to the beneficial owners of the damaged units thereof pursuant to Paragraph H hereof;
- (d) Mortgagees: In the event a mortgagee endorsement has been issued as to a unit, the share of the unit owner shall be held in trust for the mortgagee and the unit owner as their interests may appear; provided, however, that no mortgagee shall have any right to determine or participate in the determination as to whether any damaged property shall be reconstructed or repaired.
7. Damage and Destruction:
- Determination to Reconstruct or Repair: If any part of the condominium property shall be damaged by casualty, whether it shall be reconstructed or repaired shall be determined in the following manner:

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- (a) Common Areas and Facilities: If the damaged improvement is a common area or facility, the damaged property shall be reconstructed or repaired, unless it is determined in the manner elsewhere provided that the condominium shall be terminated;
- (b) Units:
- (1) Partial Destruction: If the damaged improvement is a unit, and if termination as provided in subparagraph (ii) below does not take place, the damaged property shall be reconstructed or repaired unless within sixty (60) days after the casualty it is determined by agreement in the manner elsewhere provided that the condominium shall be terminated;
- (ii) Total Destruction: If more than two-thirds (2/3) of the units are destroyed and the owners of three-fourths (3/4) of the units in the entire condominium should determine not to proceed with repair or restoration, then the procedure set forth in Section 47A-25 of the North Carolina Statutes, and any amendments thereto, shall take place.

Plans and Specifications: Any reconstruction or repair must be substantially in accordance with the plans and specifications for the original building, portions of which are attached hereto as exhibits; or if not, then according to plans and specifications approved by the Board of Directors of the Association, and if the damaged property is a unit, by the owners of all damaged units therein which approvals shall not be unreasonably withheld.

Responsibility: If the damage is only to those parts of one unit for which the responsibility of maintenance and repair is that of the unit owner, then the unit owner shall be responsible for reconstruction and repair after casualty. In all other instances the responsibility of reconstruction and repair after casualty shall be that of the Association.

Estimate of Costs: Immediately after a determination to rebuild or repair damage to property for which the Association has the responsibility of reconstruction and repair, the Association shall obtain reliable and detailed estimates of the costs to rebuild or repair.

Assessments: If the proceeds of insurance are not sufficient to defray the estimated costs of reconstruction and repair by the Association, or if at any time during reconstruction and repair, or upon completion of reconstruction and repair, the funds for the payment of the costs thereof are insufficient, assessments shall be made against the unit owners who own the damaged units, and against all unit owners in the case of damage to common areas and facilities, in sufficient amounts to provide funds for the payment of such costs. Such assessments against unit owners for damage to units shall be in proportion to the cost of reconstruction and repair of their respective units. Such assessments on account of damage to common areas and facilities shall be in proportion to the unit owner's share in the common areas and facilities.

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G. Association to Maintain Register of Owners and Mortgagees:

The Association shall at all times maintain a Register setting forth the names of the owners of all of the units. In the event of the sale or transfer of any unit to a third party, the purchaser or transferee shall notify the Association in writing of his interest in such unit together with such recording information as shall be pertinent to identify the instrument by which such purchaser or transferee has acquired his interest in any unit. Further, the owner of each unit shall notify the Association of the names of the parties holding any mortgage or mortgages on any unit, the amount of such mortgage or mortgages and the recording information which shall be pertinent to identify the mortgage or mortgages. The holder of any mortgage or mortgages upon any unit may, if he so desires, notify the Association of the existence of any mortgage or mortgages held by such party on any unit and, upon receipt of such notice, the Association shall register in its records all pertinent information relating thereto.

H. Assessments: Liability, Lien and Enforcement: The

Association has been given the authority to administer the operation and management of the condominium, it being recognized that the delegation of such duties to one entity is in the best interest of the owners of all units. To properly administer the operation and management of the condominium, the Association will incur for the mutual benefit of all of the owners of units, costs and expenses which are sometimes herein referred to as "common expense". To provide the funds necessary for such proper operation, management, and capital improvement, the Association has heretofore been granted the right to make, levy and collect assessments against the unit owners and their units. In furtherance of this grant of authority to the Association to make, levy and collect assessments to pay the costs and expenses for the operation, management of and capital improvements to the condominium, the following provisions shall be operative and binding upon all the owners of all units:

1. All assessments levied against the unit owners and their units shall be uniform and, unless specifically otherwise provided for in this Declaration, all assessments made by the Association shall be in such an amount that any assessment levied against a unit owner and his unit shall bear the same ratio to the total assessment made against all unit owners and their units as the undivided interest in common areas and facilities appurtenant to each condominium unit bears to the total undivided interest in common areas and facilities appurtenant to all units. Should the Association be the owner of a unit or units, the assessment which would otherwise be due and payable to the Association by the owner of such unit or units, reduced by the amount of income which may be derived from the leasing of such unit or units by the Association, shall be apportioned and the assessment therefor levied ratably among the owners of all units which are not owned by the Association, based upon their proportionate interests in common areas and facilities exclusive of the interests therein appurtenant to any unit or units owned by the Association.
2. Assessments provided for herein shall be payable in annual, quarterly or monthly installments, or in such other installments and at such times as may be determined by the Board of Directors of the Association. Such assessments shall commence for each unit on the first day of the first month following the recordation of the deed for said unit in the New Hanover County, North Carolina Registry from the Declarant to the first unit owner.
3. The Board of Directors of the Association shall establish an annual budget in advance for each fiscal

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year (which shall correspond to the calendar year, except that in the initial year of operation of the condominium, the fiscal year shall commence with the closing of the sale of the first condominium unit). Such budget shall project all expenses for the forthcoming year which may be required for the proper operation, management, and maintenance of the condominium, including a reasonable allowance for contingencies and reserves, such budget to take into account projected anticipated income which is to be applied in reduction of the amounts required to be collected as an assessment each year. The Board of Directors shall keep separate, in accordance with Paragraph 4 hereof, items relating to operation and maintenance from items relating to capital improvements. Upon adoption of such annual budget by the Board of Directors of the Association, copies of said budget shall be delivered to each owner of a unit and the assessment for said year shall be established based upon such budget, although the delivery of a copy of said budget to each owner shall not affect the liability of any owner for such assessment. Should the Board of Directors at any time determine, in its sole discretion, that the assessments levied are, or may prove to be, insufficient to pay the costs of operation and management of the condominium, or in the event of emergencies, the Board of Directors shall have the authority to levy such additional assessment or assessments it may deem to be necessary.

4. The Board of Directors of the Association, in establishing the annual budget for operation, management, and maintenance of the condominium, must designate therein a sum to be collected and maintained as a reserve fund for replacement of and capital improvements to the common areas and facilities, which capital improvement and replacement fund (capital improvement fund) shall be for the purpose of enabling the Association to replace structural elements and mechanical equipment constituting a part of the common areas and facilities, as well as the replacement of personal property which may constitute a portion of the common areas and facilities held for the joint use and benefit of the owners of units. The amount to be allocated to the capital improvement fund may be established by said Board of Directors so as to collect and maintain a sum reasonably necessary to anticipate the need for replacement of common areas and facilities. The amount collected for the capital improvement fund shall be maintained in a separate account by the Association and such monies shall be used only to make capital improvements to common areas and facilities. Any interest earned on monies in the capital improvement fund must be expended for replacement of and capital improvements to the common areas and facilities.
5. All monies collected by the Association shall be treated as the separate property of the Association, and such monies may be applied by the Association to the payment of any expense of operating and managing the condominium, or to the proper undertaking of all acts and duties imposed upon it by virtue of this Declaration, the Articles of Incorporation and the By-Laws of the Association. As monies for any assessment are paid unto the Association by any owner of a unit, the same may be co-mingled with monies paid to the Association by the other owners of units. Although all funds and common surplus, including other

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assets of the Association, and any increments thereto or profits derived therefrom or from the leasing or use of common areas and facilities, shall be held for the benefit of the members of the Association, no member of the Association shall have the right to assign, hypothecate, pledge or in any manner transfer his membership interest therein, except as an appurtenance to his unit. When the owner of a unit shall cease to be a member of the Association by reason of his divestment of ownership of such unit, by whatever means, the Association shall not be required to account to such owner for any share of the funds or assets of the Association, or which may have been paid to the Association by such owner, as all monies which any owner has paid to the Association shall be and constitute an asset of the Association which may be used in the operation and management of the condominium.

6. In order to insure that the Association will initially have funds available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary, or desirable, the Declarant has provided or shall provide in each contract for the initial purchase of a Unit the provision that the first purchasers of a Unit in the Condominium shall pay, as a closing cost item, an initial Homeowner's Association Fee, not to exceed \$150.00 but not less than two (2) months regular assessments for the Unit. This sum shall, upon the closing of the Unit, be paid to the Homeowner's Association's account to provide a working capital fund for the Association. These initial Homeowner's Association's fees shall not be considered as advance payment of regular assessments.
7. The payment of any assessment or installment thereof shall be in default if such assessment or installment is not paid to the Association within thirty (30) days of the due date for such payment. When in default, the delinquent assessment or delinquent installment thereof due to the Association shall bear interest at the highest rate allowed by law, until such delinquent assessment or installment thereof, and all interest due thereon, has been paid in full to the Association. All monies owing to the Association shall be due and payable at the main office of the Association in the State of North Carolina.
8. The owner or owners of each unit shall be personally liable, jointly and severally, to the Association for the payment of all assessments, regular or special, which may be levied by the Association against such unit while such party or parties are owner or owners of a unit. In the event that any unit owner or owners are in default in payment of any assessment or installment thereof owed to the Association, such unit owner or owners shall be personally liable, jointly and severally, for interest on such delinquent assessment or installment thereof as above provided, and for all costs of collecting such assessment or installment thereof and interest thereon, including a reasonable attorney's fee, whether suit be brought or not.
9. No owner of a unit may exempt himself from liability for any assessment levied against him or his unit by waiver of the use of enjoyment of any of the common areas and facilities, or by abandonment of the unit or in any other way.

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10. Recognizing that proper operation and management of the condominium requires the continuing payment of costs and expenses therefor, and that such proper operation and maintenance benefits all of the owners of units, and that the payment of such common expenses represented by the assessments levied and collected by Association is necessary in order to preserve and protect the investment of each unit owner, the Association is hereby granted a lien upon each unit and its appurtenant undivided interest in common areas and facilities, which lien shall secure and does secure the monies due for all assessments now or hereafter levied against the owner of each such unit, which lien shall also secure interest, if any, which may be due on the amount of any delinquent assessments owing to the Association, and which lien shall also secure all costs and expenses, including a reasonable attorney's fees, which may be incurred by the Association in enforcing this lien upon said unit, and its appurtenant undivided interest in common areas and facilities. The lien granted to the Association may be foreclosed in the manner provided by North Carolina General Statute 47A-22 and in any suit for the foreclosure of said lien, the Association shall be entitled to a reasonable rental from the owner of any unit from the date on which the payment of any assessment or installment thereof became delinquent, and shall be entitled to the appointment of a receiver for said unit. The lien granted to the Association shall further secure such advances for taxes, and payments on account of superior mortgages, liens, or encumbrances which may be required to be advanced by the Association in order to preserve and protect its lien, and the Association shall further be entitled to interest at the highest rate allowed by law on any such advances made for such purpose. All persons, firms, or corporations who shall acquire, by whatever means, any interest in the ownership of any unit, or who may be given or acquire a mortgage, lien, or other encumbrance thereon, are hereby placed on notice of the lien rights granted to the Association, and shall acquire such interest in any unit expressly subject to such lien rights.
11. The lien herein granted unto the Association shall be enforceable from and after the time of recording a claim of lien in the public records of New Hanover County, North Carolina, which claim shall state the description of the unit encumbered thereby, the name of the record owner, the amount due and the date when due. The claim of lien shall be recordable any time after default and the lien shall continue in effect until all sums secured by said lien as herein provided shall have been fully paid. Such claims of lien shall include only assessments which are due and payable when the claim of lien is recorded, plus interest, costs, attorney's fees, advances to pay taxes and prior encumbrances and interest thereon, all as above provided. Such claims of lien shall be signed and verified by an officer or agent of the Association. Upon full payment of all sums secured by such claim of lien, the same shall be satisfied of record. The lien provided for herein shall be subordinated to the lien of any first mortgage or deed of trust and any person, firm, or corporation acquiring title to any unit and its appurtenant undivided interest in common areas and facilities by virtue of any foreclosure, deed in lieu of foreclosure or judicial sale, shall be liable and obligated only for assessments as shall accrue and

become due and payable for said unit and its appurtenant undivided interest in common areas and facilities subsequent to the date of acquisition of such title, and it shall not be liable for the payment of any assessments which were in default and delinquent at the time it acquired such title. In the event of the acquisition of title to a unit by foreclosure, deed in lieu of foreclosure or judicial sale, any assessments or assessments as to which the party so acquiring title shall not be liable shall be absorbed and paid by all owners of all units as a part of the common expenses, although nothing herein contained shall be construed as releasing the party liable for such delinquent assessment from the payment thereof or the enforcement of collection of such payment by means other than foreclosure.

12. Whenever any unit may be leased, sold, or mortgaged by the owner thereof, the Association, upon written request of the unit owner, shall furnish to the proposed lessee, purchaser, or mortgagee, a statement verifying the status of payment of any assessment which shall be due and payable to the Association by such unit. Such statement shall be exercised by any officer of the Association, and any lessee, purchaser, or mortgagee may rely upon such statement in concluding the proposed lease, purchase, or mortgage transaction, and the Association shall be bound by such statement.

In the event that a unit is to be leased, sold, or mortgaged at the time when payment of any assessment against the owner of said unit and such unit due to the Association shall be in default (whether or not a claim of lien has been recorded by the Association), then the rent, proceeds of such purchase, or mortgage proceeds, shall be applied by the lessee, purchaser, or mortgagee first to payment of any then delinquent assessment or installments thereof due to the Association before the payment of any rent, proceeds of purchase, or mortgage proceeds to the owner of any unit who is responsible for payment of such delinquent assessment.

In any voluntary conveyance of a unit, the purchaser thereof shall be jointly and severally liable with seller for all unpaid assessments against seller made prior to the time of such voluntary conveyance, without prejudice to the rights of the purchaser to recover from seller the amounts paid by purchaser therefor.

Institution of a suit at law to attempt to effect collection of the payment of any delinquent assessment shall not be deemed to be an election by the Association which shall prevent it from thereafter seeking, by foreclosure action, enforcement of the collection of any sums remaining owing to it, nor shall proceeding by foreclosure to attempt such collection be deemed to be an election precluding the institution of a suit at law to collect any sum then remaining owing to Association.

I. Common Surplus: Common surplus, meaning all funds and other assets of the Association (including excess of receipts of the Association, including, but not limited to assessments, rents, profits, and revenues from whatever source over amount of the common expense), shall be owned by the owners of all units in the same proportion that the undivided interest in common areas and facilities appurtenant to each

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owner's unit bears to the total of all undivided interest in common areas and facilities appurtenant to all units; provided, however, that said common surplus shall be held by the Association in the manner, and subject to the terms, provisions, and conditions of this Declaration, imposing certain limitations and restrictions upon the use and distribution thereof. Except for distribution of any insurance indemnity herein provided, or upon termination of the condominium, any attribution or distribution of common surplus which may be made from time to time shall be made to the then owners of units in accordance with their percentage interest in common surplus as declared herein.

ARTICLE VIII.

Termination

The condominium shall be terminated, if at all, in the following manner:

A. The termination of the condominium may be effected only by the unanimous agreement of all unit owners of all units of all phases of HOLLY TREE expressed in an instrument to that effect duly recorded, and, provided, that the holders of all liens affecting any of the units consent thereto, or agree, in either case by instrument duly recorded, that their liens be transferred to the percentage of the undivided interest of the unit owner in the property as provided in Subparagraph C below. The termination shall become effective when such agreement has been recorded in the public records of New Hanover County, North Carolina.

B. If it is determined in the manner elsewhere provided that the condominium shall not be reconstructed after casualty, the condominium plan of ownership shall be terminated and this Declaration revoked. The determination not to reconstruct after casualty shall be evidence by a certificate of the Association certifying as to the facts effecting the termination, which certificate shall become effective upon being recorded in the Public Records of New Hanover County, North Carolina.

C. After termination of the condominium, the unit owners shall own the property as tenants in common in undivided shares and the holders of mortgages and liens against the unit or units formerly owned by such unit owners shall have mortgages and liens upon the respective undivided shares of the unit owners. The undivided share or interest owned as tenants in common shall be that percentage of the undivided interest in the common areas and facilities previously owned by each unit owner. All funds held by the Association and insurance proceeds, if any, shall be and continue to be held for the unit owners in the same proportion. The costs incurred by the Association in connection with the termination shall be a common expense.

D. Following termination, the property may be partitioned and sold upon the application of any unit owner. Following a termination, if the Board of Directors determines by not less than a three-fourths (3/4) vote to accept an offer for the sale of the property, each unit owner shall be bound to accept an offer for the sale of the property, each unit owner shall be bound to execute such deeds and other documents reasonably required to effect such sale at such times and in such forms as the Board of Directors directs. In such event, any action for partition or other division of the property shall be held in abeyance pending such sale, and upon the consummation thereof shall be discontinued by all parties thereto.

E. The members of the Board of Directors acting collectively as agent for all unit owners, shall continue to have such powers as in this Article are granted, notwithstanding the fact that the Association itself may be dissolved upon a termination.

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ARTICLE IX.Amendment of Declaration of Condominium

A. Other than as provided for in Article III hereinabove, this Declaration may be amended in the following manner: An amendment or amendments to this Declaration may be proposed by the Board of Directors of the Association in acting upon a vote of a majority of the Directors, or by the members of the Association owning a majority of the units, whether meeting as members or by instrument in writing signed by them. Upon any amendment or amendments to this Declaration being proposed by said Board of Directors or members, such proposed amendment or amendments shall be transmitted to the President of the Association, or other officer of the Association in the absence of the President, who shall thereupon call a special meeting of the members of the Association for a date not sooner than twenty (20) days nor later than sixty (60) days from receipt by him of the proposed amendment or amendments. It shall be the duty of the Secretary to give to each member written or printed notice of such special meeting, stating the time and place thereof, and reciting the proposed amendment or amendments in reasonably detailed form, which notice shall be mailed not less than ten (10) days nor more than thirty (30) days before the date set for such special meeting. If mailed, such notice shall be deemed to be properly given when deposited in the United States mail addressed to the member at his post office address as it appears on the records of the Association, the postage thereon prepaid. Any member may, by written waiver of notice signed by such member, waive such notice, and such waiver, when filed in the records of the Association, whether before or after the holding of the meeting, shall be deemed equivalent to the giving of notice to such member. At the meeting, the amendment or amendments proposed must be approved by an affirmative vote of ninety percent (90%) of the members owning units in the condominium in order for such amendment or amendments to become effective. Thereupon, such amendment or amendments of this Declaration of condominium shall be transcribed and certified by the President and Secretary of the Association as having been duly adopted. The original or an executed copy of such amendment or amendments, so certified and executed with the same formalities as a deed, shall be recorded in the Public Records of New Hanover County, North Carolina, within ten (10) days from the date on which the same became effective, such amendment or amendments to specifically refer to the recording date identifying the Declaration. Thereafter, a copy of said amendment or amendments in the form in which the same were placed of record by the officers of the Association shall be delivered to the owners of all units, but delivery of a copy thereof shall not be a condition precedent to the effectiveness of such amendment or amendments. At any meeting held to consider such amendment or amendments, the written vote of any member of the Association shall be recognized if such member is not in attendance at such meeting or represented thereat by proxy, provided such written vote is delivered to the Secretary of the Association prior to such meeting or at such meeting.

B. Except as is provided for in Article III hereinabove, no alteration in the percentage of ownership in common areas and facilities appurtenant to each unit, or alteration of the basis for sharing common expenses and other apportionment of assessments which may be levied by the Association in accordance with the provisions hereof, or alteration of basis of ownership of common surplus, shall be made without the prior written consent of all of the owners of all units and all of the institutional lenders holding first mortgages or first deeds of trust on the units.

C. No alteration, amendment, or modification of the rights and privileges granted and reserved hereunder in favor of an institutional lender or institutional lenders shall be made without prior written consent of all institutional lenders holding mortgages on units in the condominium being first had and obtained.

D. No alteration, amendment, or modification of the rights and privileges granted and reserved hereunder in favor of the Declarant shall be made without the written consent of said party being first had and obtained.

1233 0289

E. So long as the Declarant controls the Board of Directors of the Homeowners Association as defined herein, no additional properties, other than those herein contemplated and to be constructed upon the real estate described in Exhibit "B" hereto attached, shall be annexed to the project, nor shall any amendment to this Declaration or the By-Laws of the Homeowners Association be valid without the prior written consent of the Declarant.

ARTICLE X.

Remedies in Event of Default

The owner or owners of each unit shall be governed by and shall comply with the provisions of this Declaration and the Articles of Incorporation and By-Laws of the Association, as any of the same are now constituted or as they may be amended or supplemented from time to time. A default by the owner of any unit shall entitle the Declarant, the Association, or the owner of other units to the following relief:

A. Failure to comply with any of the terms of this Declaration or other restrictions and regulations contained in the Articles of Incorporation or By-Laws of the Association, or which may be adopted pursuant thereto, shall be grounds for relief including, without limitation, an action to recover sums due for damages, injunctive relief, foreclosure of lien, or any combination thereof. Such relief may be sought by the Association or, if appropriate, by an aggrieved unit owner.

B. Each unit owner shall be liable for the expense of any maintenance, repair, or replacement rendered necessary by his act, neglect, or carelessness, or by that of any member of his family, or his or their guests, employees, agents, or lessees, but only to the extent that such expense is not met by the proceeds of insurance carried by the Association. Such liability shall include any increase in fire insurance rates occasioned by use, misuse, occupancy, or abandonment of a unit or its appurtenances. Nothing herein contained, however, shall be construed so as to modify any waiver by insurance companies of rights of subrogation.

C. In any proceedings arising because of an alleged default by a unit owner, the Association, if successful, shall be entitled to recover the costs of the proceeding and such reasonable attorney's fees as may be determined by the Court, but in no event shall any unit owner be entitled to such attorney's fees.

D. The failure of the Association or any unit owner to enforce any right, provision, covenant, or condition which may be granted by this Declaration or the other above-mentioned documents shall not constitute a waiver of the right of the Association or of the unit owner to enforce such right, provision, covenant, or condition in the future.

E. All rights, remedies and privileges granted to the Association or the owner or owners of a unit pursuant to any terms, provisions, covenants, or conditions of this Declaration or other above-mentioned documents, shall be deemed to be cumulative, and the exercise of any one or more shall not be deemed to constitute an election of remedies, nor shall it preclude the party thus exercising the same from exercising such other and additional rights, remedies, or privileges as may be available to such party at law or in equity.

F. The failure of the Declarant to enforce any right, privilege, covenant, or condition which may be granted to it by this Declaration or other above-mentioned document shall not constitute a waiver of the right of Declarant to thereafter enforce such right, provision, covenant, or condition in the future.

G. The failure of an institutional lender or institutional lenders to enforce any right, provision, privilege, covenant, or condition

1233 0290

which may be granted to it or them by this Declaration or other above-mentioned documents, shall not constitute a waiver of the right of said party of parties to thereafter enforce such right, privilege, covenant, or condition in the future.

ARTICLE XI.

Rights Reserved Unto Institutional Lenders

"Institutional Lender" or "Institutional Lenders", as the terms are used herein, shall mean and refer to banks, savings and loan associations, mortgage companies, insurance companies, the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC) and/or other entities that in the normal course of business, make or invest in mortgages. So long as any institutional lender or institutional lenders shall hold any mortgage upon any unit or units, or shall be the owner of any unit or units, such institutional lender or institutional lenders shall have the following rights:

A. To approve the company or companies with whom casualty insurance is placed, as well as to receive notice of any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Owner's Association...

B. To examine, during reasonable business hours and upon reasonable notice, the books and records of the Association and to be furnished upon request at least one copy of the annual financial statement and report of the Association, prepared by a certified public accountant designated by the Association, such financial statement and report to be furnished by April 15 of each calendar year.

C. To be given notice by the Association of the call of any meeting of the membership to be held for the purpose of considering any proposed amendment, other than as provided by Article III hereinabove, to this Declaration, or the Articles of Incorporation and By-Laws of the Association, which notice shall state the nature of the amendment being proposed, and to be given notice by the Association of losses due to casualty or condemnation.

D. To be given notice of default by any owner owning a unit encumbered by a mortgage held by the institutional lender or institutional lenders, such notice to be given in writing and to be sent to the principal office of such institutional lender or institutional lenders, or to the place which it or they may designate in writing. Whenever any institutional lender or institutional lenders desire the provisions of this Article to be applicable to it, it shall serve or cause to be served written notice of such fact upon the Association by registered mail or certified mail addressed to the Association and sent to its address stated herein, identifying the unit or units upon which any such institutional lender or institutional lenders hold any mortgage or mortgages, or identifying any units owned by them, or any of them, together with sufficient pertinent facts to identify any mortgage or mortgages which may be held by it or them, and which notice shall designate the place to which notices are to be given by the Association to such institutional lender or institutional lenders.

ARTICLE XII.

Severability

In the event that any of the terms, provisions, or covenants of this Declaration are held to be partially or wholly invalid or unenforceable for any reason whatsoever, such holding shall not affect, alter, modify, or impair in any manner whatsoever any of the other terms, provisions, or covenants hereof or the remaining portions of any terms, provisions, or covenants held to be partially invalid or unenforceable.

1233 0291

ARTICLE XIII.Liberal Construction

The provisions of this Declaration shall be liberally construed to effectuate its purpose of creating a uniform plan of condominium ownership. The Article headings are for convenience of reference only and shall not be considered terms of this Declaration.

ARTICLE XIV.Declaration of Condominium Binding
on Assigns and Subsequent Owners

The restrictions and burdens imposed by the Articles of this Declaration are intended to and shall constitute covenants running with the land, and shall constitute an equitable servitude upon each unit and its appurtenant undivided interest in common areas and facilities; this Declaration shall be binding upon the Declarant, its successors and assigns, and upon all parties who may subsequently become owners of units in the condominiums, and their respective heirs, devisees, legal representatives, successors and assigns. This Declaration and the exhibits attached hereto and amendments hereof shall be construed and controlled by and under the laws of the State of North Carolina.

ARTICLE XV.Eminent Domain

In the event of a taking by eminent domain (or condemnation or a conveyance in lieu of condemnation) of part or all of the common areas and facilities, the award of such taking shall be payable to the Association, which shall represent the owners named in the proceedings. Said award shall be utilized to the extent possible for the repair, restoration, replacement, or improvement of the remaining common areas and facilities, if only part are taken. If all or more than two-thirds (2/3) of all of the general common areas and facilities are taken, it shall be deemed a destruction of more than two-thirds (2/3) of all of the general common areas and facilities and the condominium shall be terminated as hereinbefore provided. Any funds not utilized (in the case of a partial taking) shall be applied in payment of common expenses otherwise assessable. In the event of a taking of all or part of a unit, the award shall be made payable to the owner of such unit and his mortgagee, if any, as their interests may appear.

ARTICLE XVI.Process Agent

The following named individual is designated as the person to receive service of process for the Association:

Franklin M. Jackson 11 South Fifth Street
Post Office Box 1409
Wilmington, North Carolina 28402

ARTICLE XVII.Warranties and Representations

The Declarant specifically disclaims any intent to have made any warranty or representation in connection with the condominium, except as specifically set forth herein, and no person shall rely upon any warranty or representation not so specifically made therein. Any estimates of common expenses, taxes, or other charges are deemed accurate, but no warranty or guaranty is made or intended, nor may one be relied upon.

1233 0292

IN WITNESS WHEREOF, the Declarant, POVIA-BALLANTINE CORPORATION, has caused this Declaration of Condominium to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, the day and year first above written.



POVIA-BALLANTINE CORPORATION

BY *Joseph P. Ballantine*
President

Dean Ballantine
Secretary

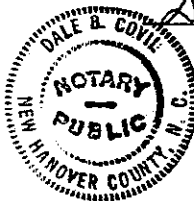
STATE OF NORTH CAROLINA

COUNTY OF NEW HANOVER

I, a Notary Public of the County and State aforesaid, certify that DEAN BALLANTINE, personally came before me this day and acknowledged that he is Secretary of POVIA-BALLANTINE CORPORATION, a North Carolina corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its President, sealed with its corporate seal and attested by him self as its Secretary.

WITNESS my hand and official stamp or seal, this 29th day of AUGUST, 1983.

My Commission Expires:

March 16, 1986

Dale B. Covie
Notary Public

JOINDER AND CONSENT OF TRUSTEES AND BENEFICIARIES/MORTGAGEES

FIRST UNION NATIONAL BANK OF NORTH CAROLINA and ROBERT W. HELMS, as Trustee, join in the execution of this "DECLARATION CREATING UNIT OWNERSHIP OF PROPERTY UNDER THE PROVISIONS OF CHAPTER 47A OF THE GENERAL STATUTES OF THE STATE OF NORTH CAROLINA" for the sole purpose of subjecting, submitting and subordinating, and they, and each of them, do hereby subject, submit and subordinate any and all right, title and interest in the property described in EXHIBIT "A", attached hereto, that they have, or either of them has, or may have, by virtue of those Deeds of Trust recorded in BOOK 1216, at PAGE 1712, BOOK 1221, at PAGE 648, and BOOK 1221, at PAGE 653, in the Office of the Register of Deeds of New Hanover County, North Carolina, to said DECLARATION, and every provision hereof, and to the jurisdiction of THE HOLLY TREE HOMEOWNERS ASSOCIATION, INC., as the same may be amended or supplemented from time to time.

IN WITNESS WHEREOF, FIRST UNION NATIONAL BANK OF NORTH CAROLINA has caused this JOINDER AND CONSENT to be signed in its corporate name by its duly authorized officers and its seal to be hereunto affixed by authority of its Board of Directors, this the 8th day of September, 1983, and, ROBERT W. HELMS, as TRUSTEE, has hereunto set his hand and seal, this the 8th day of September, 1983.

FIRST UNION NATIONAL BANK OF NORTH CAROLINA

(CORPORATE SEAL)

By: Robert W. Helms
Vice - President

[Signature]
Secretary

Robert W. Helms (SEAL)
ROBERT W. HELMS, TRUSTEE

STATE OF NORTH CAROLINA
COUNTY OF NEW HAMOVER

I, Doris Horrell, a Notary Public in and for the State and County aforesaid do hereby certify that Robert B. Osborn personally appeared before me this day and acknowledged that he is the Asst. Secretary of FIRST UNION NATIONAL BANK OF NORTH CAROLINA, a corporation, and that by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by its Vice President, sealed with its corporate seal, and attested by himself as its Asst. Secretary.

Doris Horrell
NOTARY PUBLIC
My Commission Expires: 10-9-83

Doris Horrell
Notary Public

STATE OF NORTH CAROLINA
COUNTY OF NEW HAMOVER

I, Doris Horrell, a Notary Public in and for the state and county aforesaid do hereby certify that ROBERT W. HELMS, Trustee personally appeared before me this day and acknowledged the due execution of the foregoing instrument for the purposes therein expressed.

BOOK

PAGE

1233 0294

WITNESS my hand and notary seal this the 9th day of
September, 1983

Doris Horrell
Notary Public

My Commission Expires:



10-9-83

STATE OF NORTH CAROLINA

NEW HANOVER COUNTY

The Foregoing Certificate(s) of Dale B. Covil, and Doris Horrell,
Notaries Public
(is) (are) certified to be correct.

This 9th day of September, A.D., 1983

REBECCA P. TUCKER, Register of Deeds

By: Linda P. Alston, Deputy
X ~~REBECCA~~

1233 0295

EXHIBIT "A"

LEGAL DESCRIPTION OF PHASE I, HOLLY TREE

TRACT ONE:

BEGINNING at a point in the Northeastern right of way line of Holly Tree Road (30 feet from the center line thereof), said point being located South 09 degrees 49 minutes 30 seconds East 70.53 feet, South 28 degrees 43 minutes 30 seconds East 169.78 feet and South 47 degrees 37 minutes 30 seconds East 174.43 feet from the point of intersection of the Eastern right of way line of Holly Tree Road with the Southern right of way line of Shipyard Blvd. (65 feet from the center line thereof); Running thence from said beginning point North 42 degrees 22 minutes 30 seconds East 174.61 feet to a point; Running thence South 47 degrees 37 minutes East 486.67 feet to a point; Running thence South 42 degrees 22 minutes 30 seconds West 174.54 feet to a point in the Northeastern right of way line of Holly Tree Road; Running thence with the Northeastern right of way line of Holly Tree Road North 47 degrees 37 minutes 30 seconds West 486.67 feet to the point of beginning. Containing 1.95 acres more or less.

1233 0296

EXHIBIT "B"

LEGAL DESCRIPTION OF TRACTS UPON
WHICH FUTURE PHASES OF HOLLY TREE
MAY BE BUILTTRACT ONE:

BEGINNING at a point in the Northeastern right of way line of Holly Tree Road (30 feet from the center line thereof), said point being located South 09 degrees 49 minutes 30 seconds East 70.53 feet, South 28 degrees 43 minutes 30 seconds East 169.78 feet and South 47 degrees 37 minutes 30 seconds East 661.0 feet from the point of intersection of the Eastern right of way line of Holly Tree Road with the Southern right of way line of Shipyard Blvd. (65 feet from the center line thereof); Running thence from said beginning point North 42 degrees 22 minutes 30 seconds East 174.54 feet to a point; Running thence South 47 degrees 37 minutes East 350.0 feet to a point; Running thence South 42 degrees 22 minutes 30 seconds West 174.49 feet to a point in the Northeastern right of way line of Holly Tree Road; Running thence with the Northeastern right of way line of Holly Tree Road North 47 degrees 37 minutes 30 seconds West 486.67 feet to the point of beginning. Containing 1.40 acres more or less.

TRACT TWO:

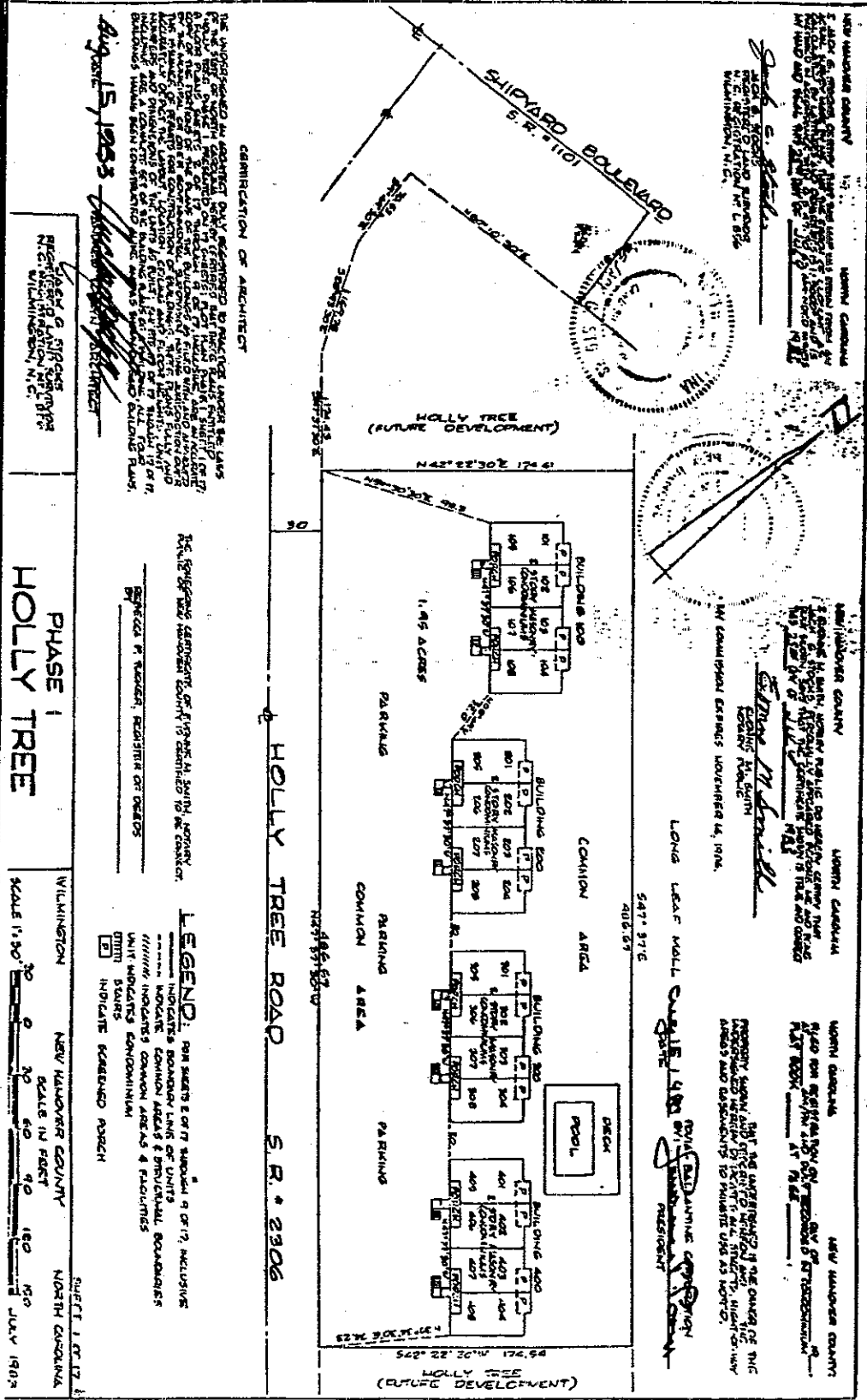
BEGINNING at the point of intersection of the Eastern right of way line of Holly Tree Road (30 feet from the center line thereof), with the Southern right of way line of Shipyard Blvd. (65 feet from the center line thereof); Running thence from said beginning point with the Southern right of way line of Shipyard Blvd., North 80 degrees 10 minutes 30 seconds East 96.7 feet to a point; Running thence South 47 degrees 37 minutes East 331.52 feet to a point; Running thence South 42 degrees 22 minutes 30 seconds West 174.61 feet to a point in the Northeastern right of way line of Holly Tree Road; Running thence with the Northeastern right of way line of Holly Tree Road, North 47 degrees 37 minutes 30 seconds West 174.43 feet to the South end of a curve to the East; Running thence with said curve to the East to a point that is located North 28 degrees 43 minutes 30 seconds West 169.78 feet from the preceding point; Thence continue with the Eastern right of way line of Holly Tree Road, North 09 degrees 49 minutes 30 seconds West 70.53 feet to the point of beginning. Containing 1.35 acres more or less.

TRACT THREE:

BEGINNING at a point in the Northeastern right of way line of Holly Tree Road (30 feet from the center line thereof), said point being located South 09 degrees 49 minutes 30 seconds East 70.53 feet, South 28 degrees 43 minutes 30 seconds East 169.78 feet and South 47 degrees 37 minutes 30 seconds East 1011.1 feet from the point of intersection of the Eastern right of way line of Holly Tree Road with the Southern right of way line of Shipyard Blvd. (65 feet from the center line thereof); Running thence from said beginning point North 42 degrees 22 minutes 30 seconds East 174.49 feet to a point; Running thence South 47 degrees 37 minutes East 165.0 feet to a point; Running thence South 79 degrees 15 minutes 30 seconds East 138.3 feet to a point; Running thence South 10 degrees 44 minutes 30 seconds West 174.43 feet to a point in the Northern right of way line of Holly Tree Road; Running thence with the Northern right of way line of Holly Tree Road, North 79 degrees 17 minutes 30 seconds West 121.11 feet to the East end of a curve to the North; Running thence with said curve to the North to a point that is located North 63 degrees 27 minutes 30 seconds West 127.94 feet from the preceding point; Thence continue with the Northeastern right of way line of Holly Tree Road, North 47 degrees 37 minutes 30 seconds West 148.07 feet to the point of beginning. Containing 1.4 acres more or less.

1233 0297

EXHIBIT "C"



THE UNDERSIGNED HAS BEEN COMMISSIONED BY THE BOARD OF DIRECTORS OF THE HOLLY TREE DEVELOPMENT TO PREPARE THIS SITE PLAN FOR THE DEVELOPMENT OF THE HOLLY TREE DEVELOPMENT. THE BOARD OF DIRECTORS HAS AUTHORIZED THE UNDERSIGNED TO PREPARE THIS SITE PLAN FOR THE DEVELOPMENT OF THE HOLLY TREE DEVELOPMENT. THE BOARD OF DIRECTORS HAS AUTHORIZED THE UNDERSIGNED TO PREPARE THIS SITE PLAN FOR THE DEVELOPMENT OF THE HOLLY TREE DEVELOPMENT.

PHASE I
HOLLY TREE

WILMINGTON NEW HAMPSHIRE COUNTY NORTH CAROLINA
SCALE 1"=30'
JULY 1983

COMMISSIONER OF ARCHITECT

LEGEND

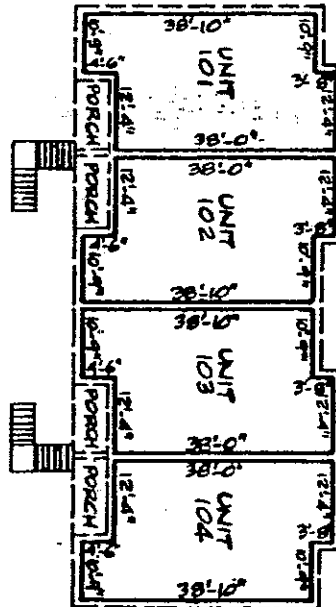
INDICATES COMMON AREAS & PHYSICAL BOUNDARIES
UNIT INDICATES COMMON AREAS & PHYSICAL BOUNDARIES
INDICATE SCHEDULED ROADS

NEW HAMPSHIRE COUNTY
JAMES C. STROUSE
ARCHITECT
WILMINGTON, N.C.

NEW HAMPSHIRE COUNTY
JAMES C. STROUSE
ARCHITECT
WILMINGTON, N.C.

NEW HAMPSHIRE COUNTY
JAMES C. STROUSE
ARCHITECT
WILMINGTON, N.C.

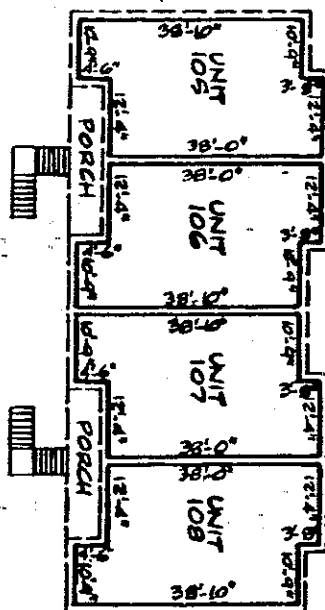
FIRST FLOOR ELEV. = 42.5
CEILING ELEV. = 50.0



FIRST FLOOR PLAN
BUILDING 100 PHASE 1
HOLLY TREE
WILMINGTON, N.C.

SHEET 2 OF 12

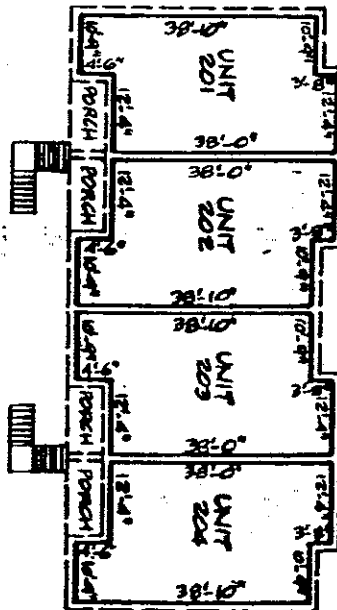
RUSH FLOOR ELEV. = 51.1
CEILING ELEV. = 54.2



SECOND FLOOR PLAN
BUILDING 100 PHASE I
HOLLY TREE
WILMINGTON, N.C.

1233 6300

FIRST FLOOR ELEV. = 42.6
 CEILING ELEV. = 50.7

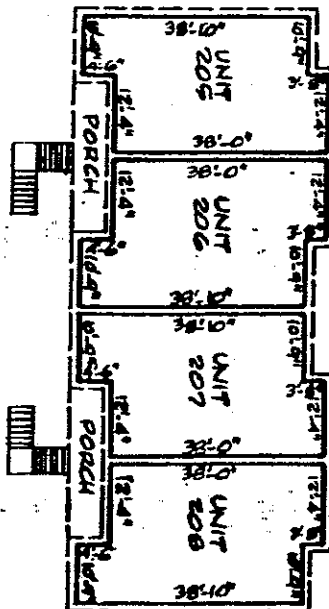


FIRST FLOOR PLAN
 BUILDING 200 PHASE 1
 HOLLY TREE
 WILMINGTON, N.C.

SHEET 4 OF 17

1233 0301

FINISH FLOOR ELEV. = 51.2
 CEILING ELEV. = 59.3

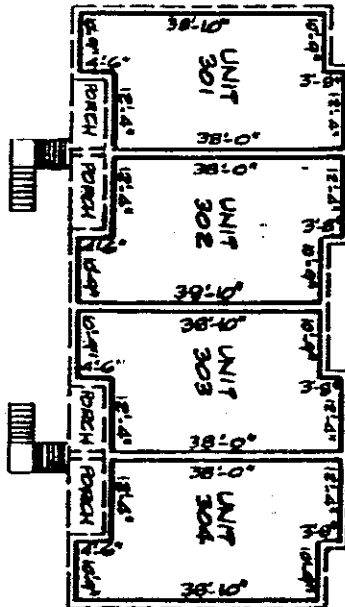


SECOND FLOOR PLAN
 BUILDING 200 PHASE I
 HOLLY TREE
 WILMINGTON, N.C.

SHEET S. OF 12

1233 0302

FINISH FLOOR ELEV. = 43.2
CEILING ELEV. = 51.3

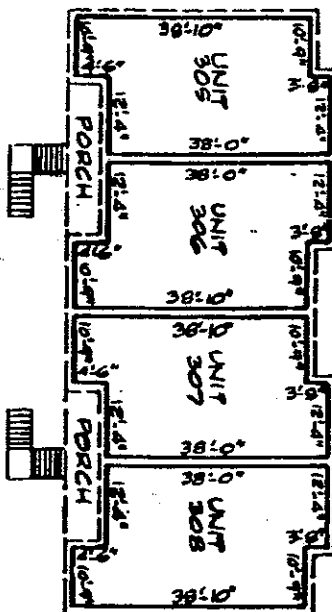
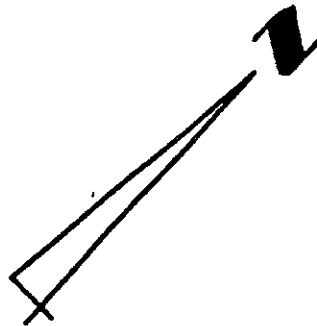


FIRST FLOOR PLAN
BUILDING 300 PHASE I
HOLLY TREE
WILMINGTON, N.C.

SHEET 6 OF 17

1233 0303

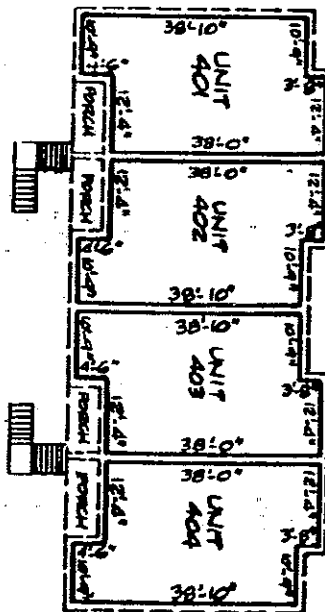
FINISH FLOOR ELEV. = 51.9
CEILING ELEV. = 60.0



SECOND FLOOR PLAN
BUILDING 300 PHASE 1
HOLLY TREE
WILMINGTON, N.C.

SHEET 2 OF 7

1233 0304

FINISH FLOOR ELEV. = 43.7
CEILING ELEV. = 51.8FIRST FLOOR PLAN
BUILDING 400 PHASE 1
HOLLY TREE
WILMINGTON, N.C.

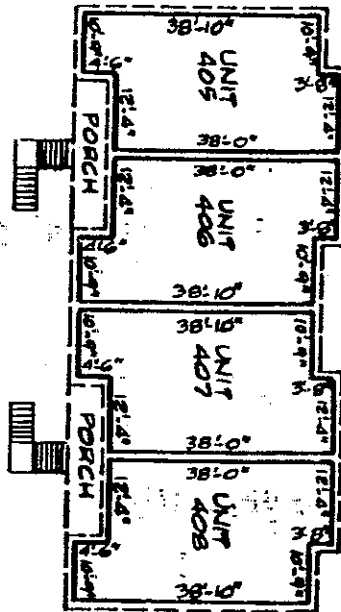
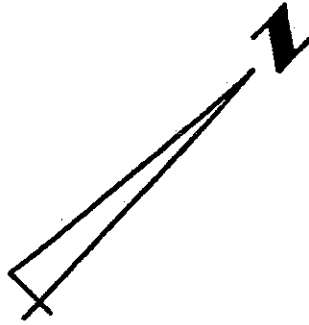
SHEET 8 OF 17

EXHIBIT "C"

B001 - AGF

1233 0305

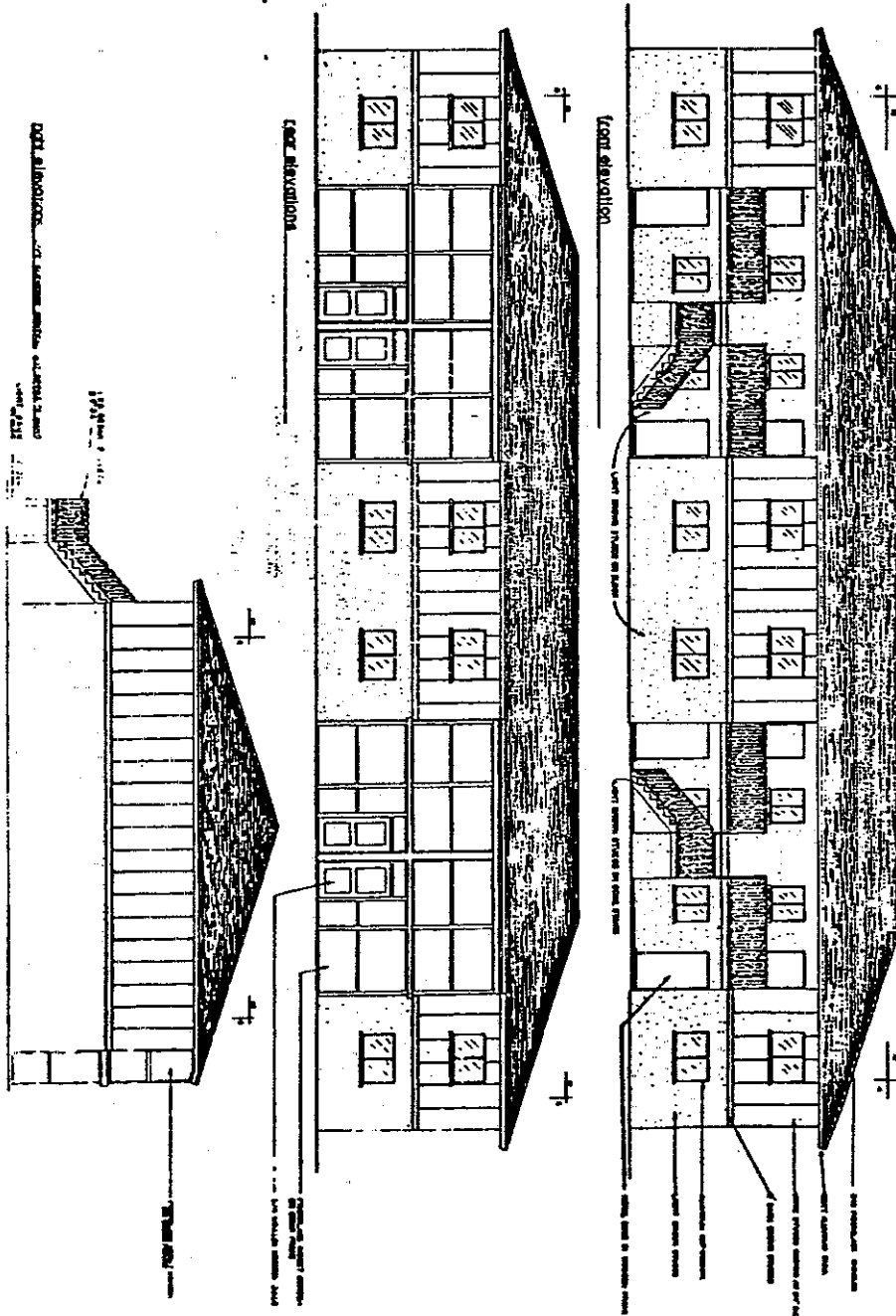
FINISH FLOOR ELEV. = 52.2
CEILING ELEV. = 60.3



SECOND FLOOR PLAN
BUILDING 400 PHASE I
HOLLY TREE
WILMINGTON, N.C.

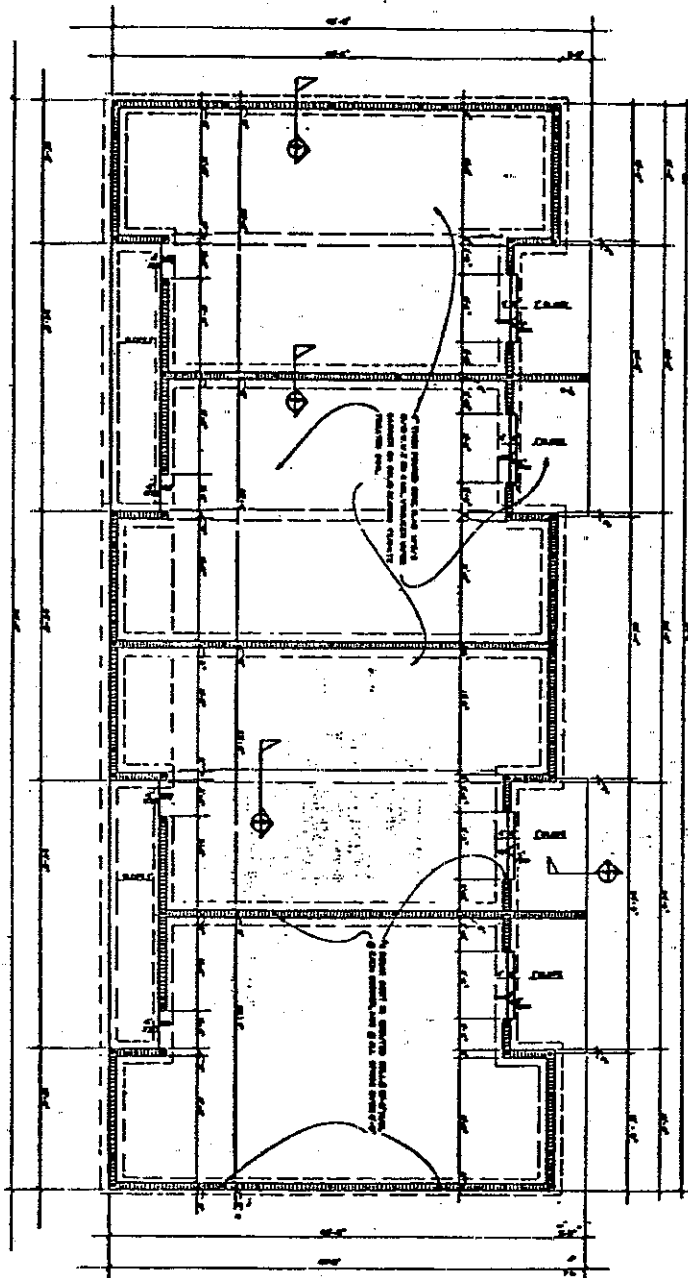
SHEET 9 OF 17

1233 0306



1233 0307

FOUNDATION PLAN 1/2" = 1'-0"



OF 17

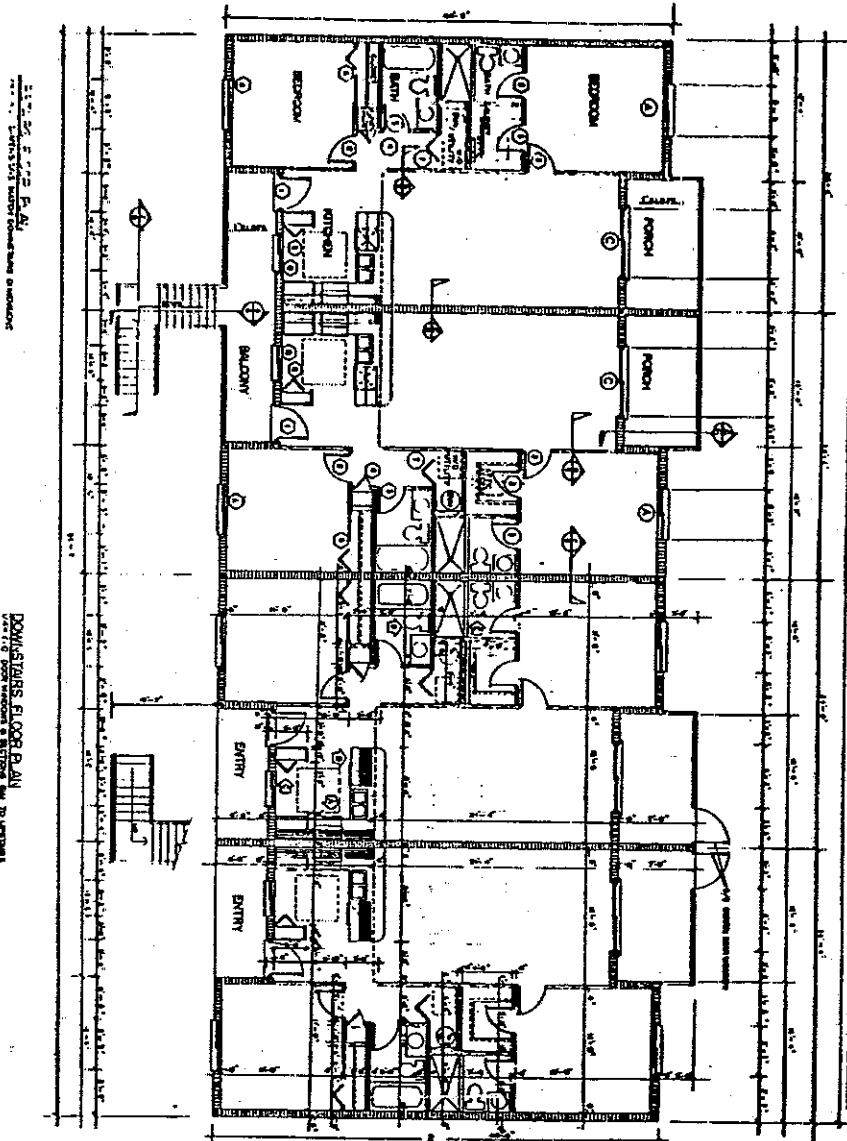
pavia bollantine
CORPORATION

andrew conyn
ARCHITECT

NOT TO BE CONSIDERED
VALID UNLESS USED IN CONNECTION WITH A LICENSED ENGINEER

FOUNDATION PLAN

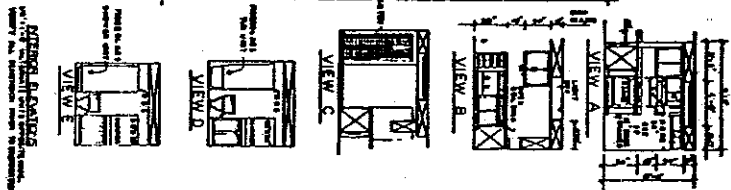
Andrew Conyn



NO.	DATE	BY	REVISION
1	11/22/07	11/22/07	11/22/07
2	11/22/07	11/22/07	11/22/07
3	11/22/07	11/22/07	11/22/07
4	11/22/07	11/22/07	11/22/07
5	11/22/07	11/22/07	11/22/07
6	11/22/07	11/22/07	11/22/07
7	11/22/07	11/22/07	11/22/07
8	11/22/07	11/22/07	11/22/07
9	11/22/07	11/22/07	11/22/07
10	11/22/07	11/22/07	11/22/07

NO.	DATE	BY	REVISION
1	11/22/07	11/22/07	11/22/07
2	11/22/07	11/22/07	11/22/07
3	11/22/07	11/22/07	11/22/07
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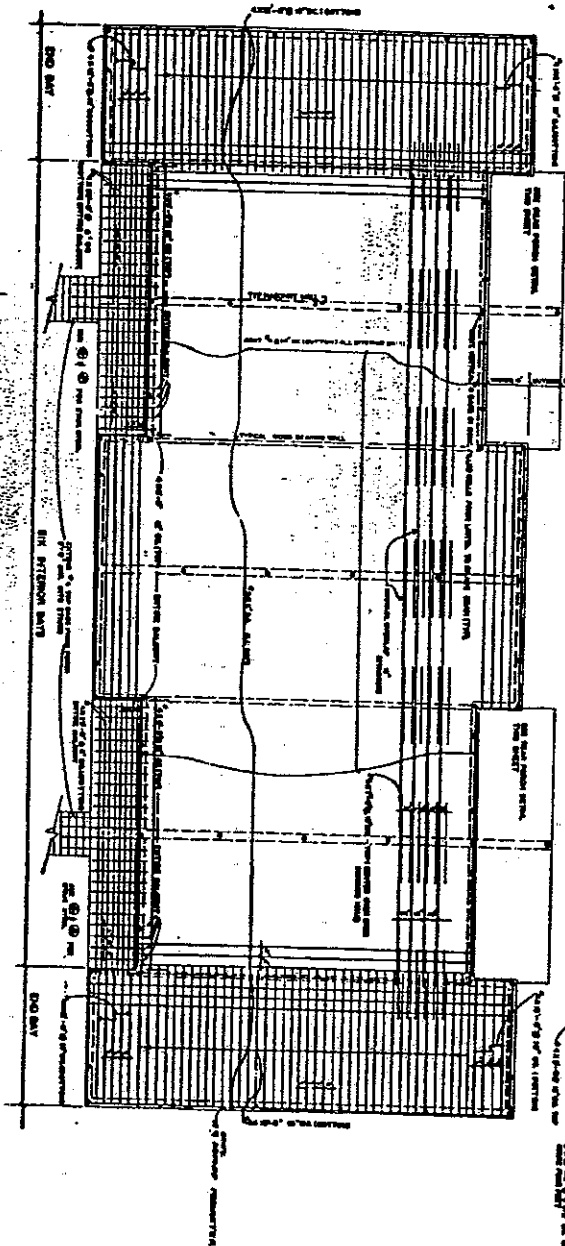
DOWNSTAIRS FLOOR PLAN
1/2" = 1'-0" (SEE NOTES FOR DIMENSIONS)



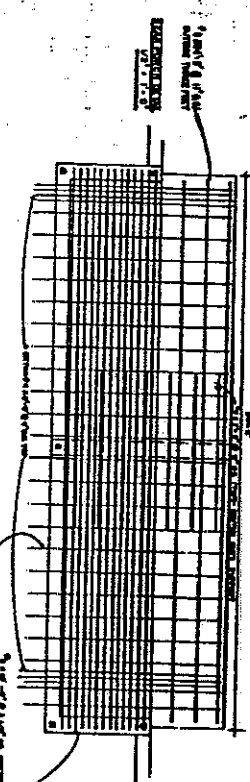
INTERIOR ELEVATIONS
1/2" = 1'-0" (SEE NOTES FOR DIMENSIONS)

1233-0309

NOTES:
1. ALL DIMENSIONS ARE IN FEET AND INCHES.
2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
3. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
4. ALL DIMENSIONS ARE TO OUTLINE UNLESS OTHERWISE NOTED.
5. ALL DIMENSIONS ARE TO CENTERLINE OF SLAB UNLESS OTHERWISE NOTED.
6. ALL DIMENSIONS ARE TO CENTERLINE OF COLUMN UNLESS OTHERWISE NOTED.
7. ALL DIMENSIONS ARE TO CENTERLINE OF BEAM UNLESS OTHERWISE NOTED.
8. ALL DIMENSIONS ARE TO CENTERLINE OF WALL UNLESS OTHERWISE NOTED.
9. ALL DIMENSIONS ARE TO CENTERLINE OF DOOR UNLESS OTHERWISE NOTED.
10. ALL DIMENSIONS ARE TO CENTERLINE OF WINDOW UNLESS OTHERWISE NOTED.
11. ALL DIMENSIONS ARE TO CENTERLINE OF STAIR UNLESS OTHERWISE NOTED.
12. ALL DIMENSIONS ARE TO CENTERLINE OF ELEVATOR UNLESS OTHERWISE NOTED.
13. ALL DIMENSIONS ARE TO CENTERLINE OF RAMP UNLESS OTHERWISE NOTED.
14. ALL DIMENSIONS ARE TO CENTERLINE OF BALCONY UNLESS OTHERWISE NOTED.
15. ALL DIMENSIONS ARE TO CENTERLINE OF TERRACE UNLESS OTHERWISE NOTED.
16. ALL DIMENSIONS ARE TO CENTERLINE OF PORCH UNLESS OTHERWISE NOTED.
17. ALL DIMENSIONS ARE TO CENTERLINE OF DRIVEWAY UNLESS OTHERWISE NOTED.
18. ALL DIMENSIONS ARE TO CENTERLINE OF GARAGE UNLESS OTHERWISE NOTED.
19. ALL DIMENSIONS ARE TO CENTERLINE OF DRIVEWAY UNLESS OTHERWISE NOTED.
20. ALL DIMENSIONS ARE TO CENTERLINE OF DRIVEWAY UNLESS OTHERWISE NOTED.

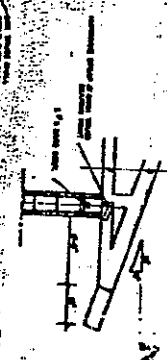
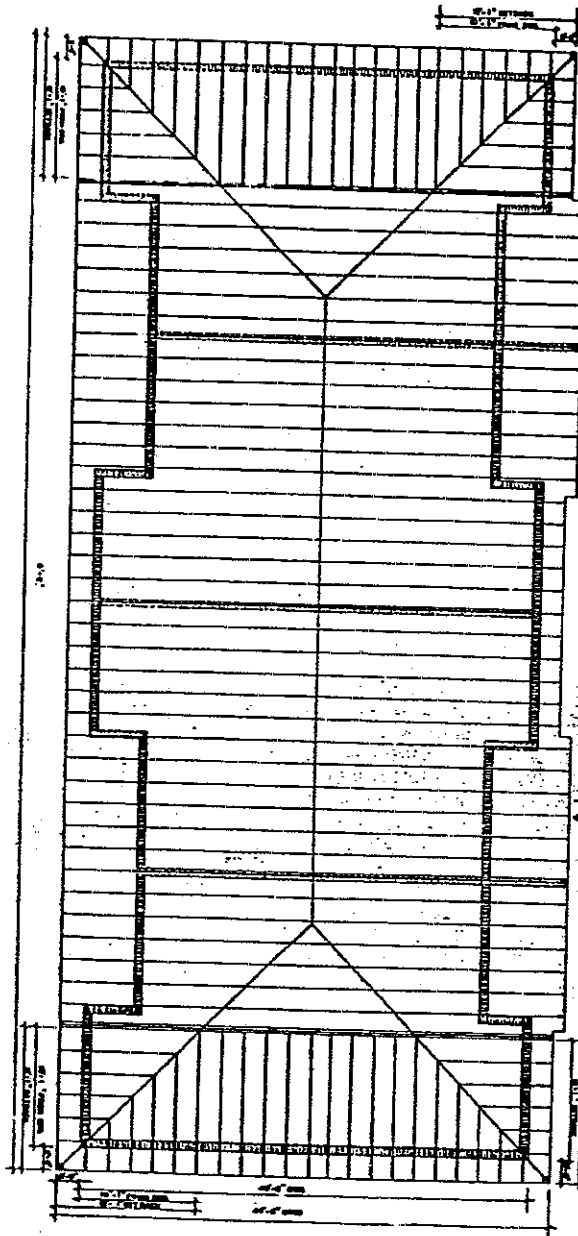


SECOND FLOOR SLAB W/ STEEL LAY-OUT DETAILS

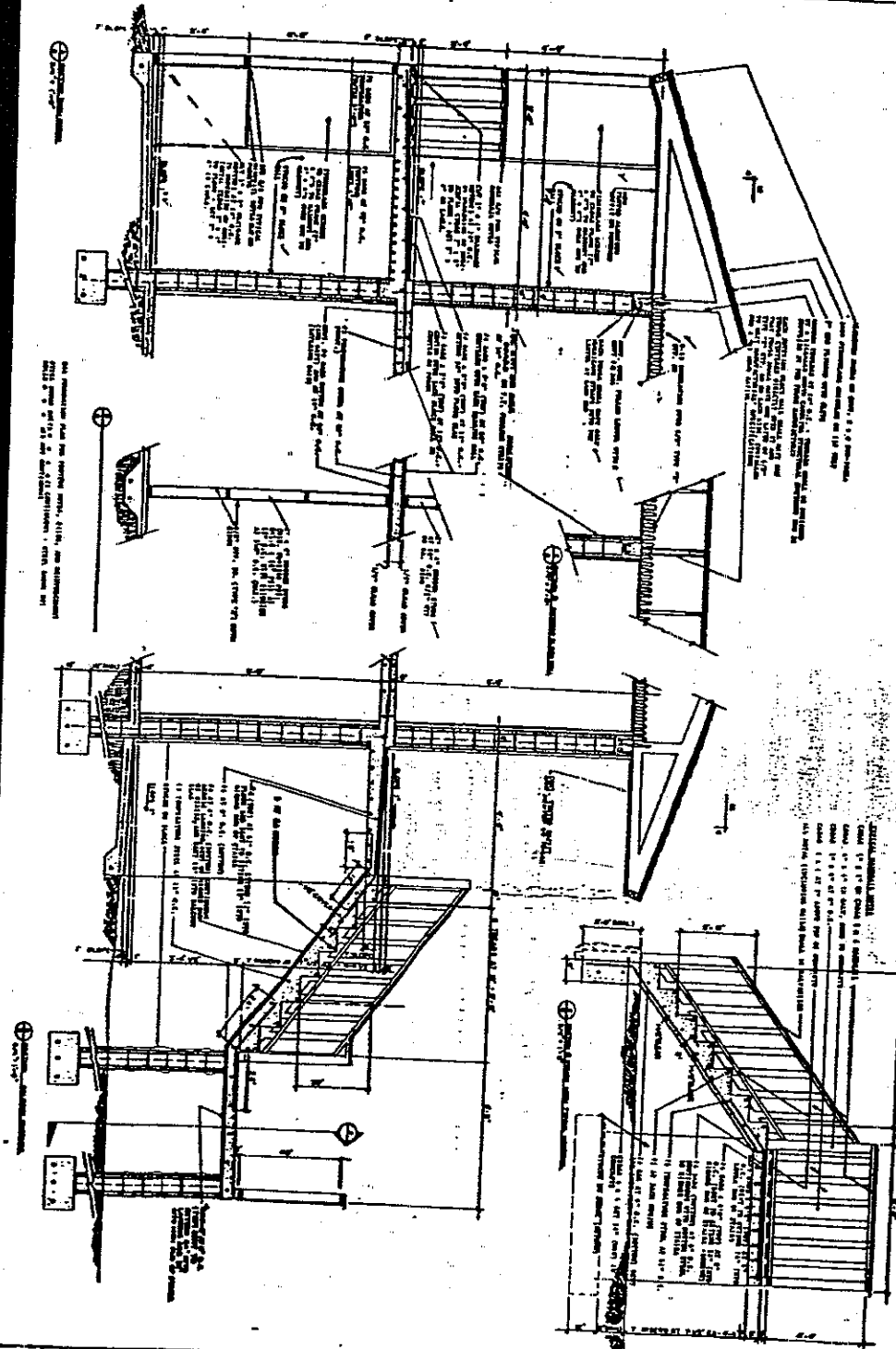


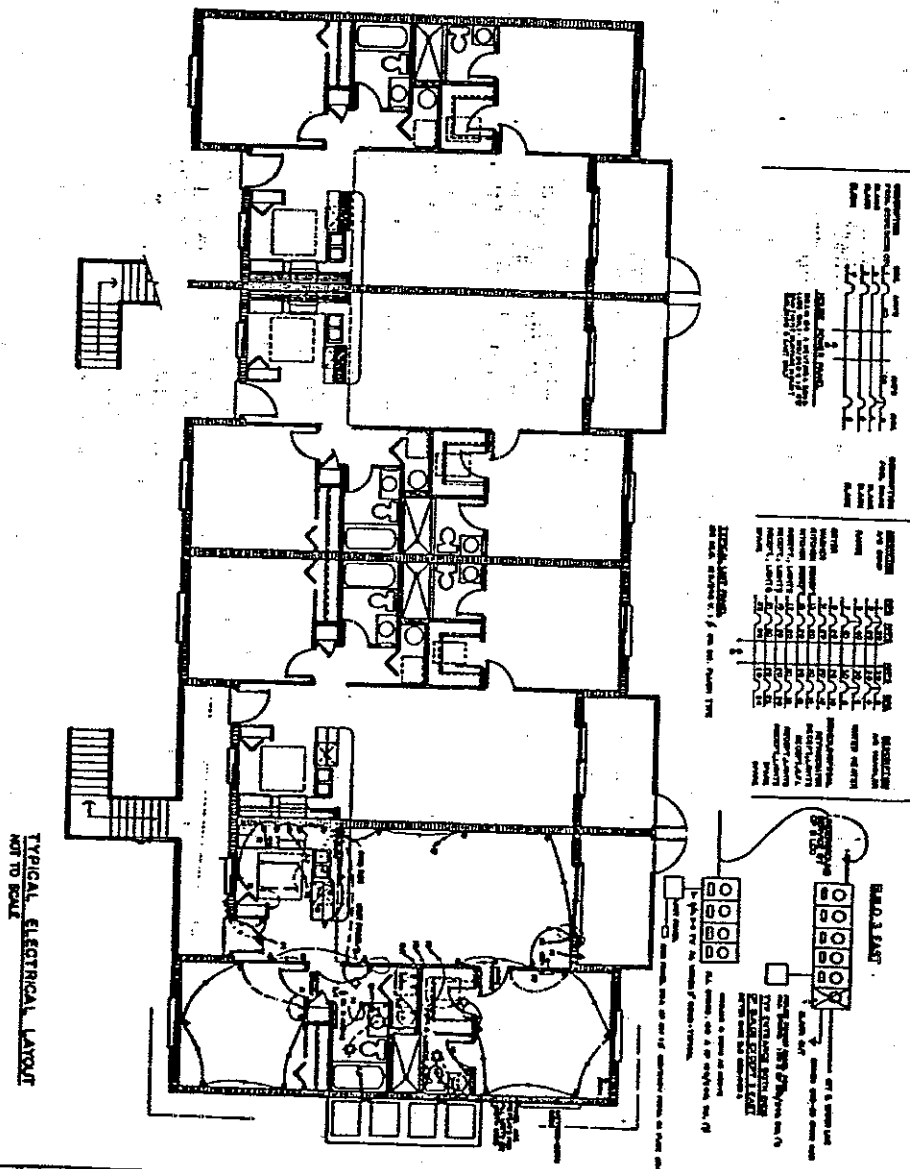
1233 0310

ROOF FRAMING PLAN 1/4" = 1'-0"



1/4" = 1'-0"	pavia ballantine CORPORATION ARCHITECT	andrew conlyn ARCHITECT 1001 NEW CONDOMINIUMS 1001 NEW CONDOMINIUMS, NEW CAROLINA 2000 ROOF FRAMING PLAN W/DETAIL	DATE: 10/1/00 BY: [Signature]
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TYPICAL ELECTRICAL LAYOUT
NOT TO SCALE

817

SMIT

1



povio ballantine
CORPORATION

andrew conlyn
AGENT 7807

daily trip cardinals

ELECTRICAL PLAN & SCHEDULES

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466
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Adm. Rep.

