

Prepared By: LANIER & FOUNTAIN, ESQS.

STATE OF NORTH CAROLINA

COUNTY OF ONSLOW

DECLARATION OF ANNEXATION

THIS DECLARATION, made this 1st day of July, 1988, by CEPCO, INC., a North Carolina corporation with its principal office and place of business in Onslow County, North Carolina, hereinafter referred to as the "Declarant";

W I T N E S S E T H:

WHEREAS, Declarant has heretofore executed the Declaration of Master Covenants, Conditions and Restrictions for Escoba Bay Equestrian & Yachting Community, hereinafter referred to as "Declaration", as recorded in Book 861, Page 321, et. seq., Onslow County Registry; as amended in Book 862, Page 703 and in Book 867, page 197, Onslow County Registry.

WHEREAS, said Declaration provides for the annexation of certain additional properties to Escoba Bay Equestrian & Yachting Community by the Declarant, which additional properties are within the boundaries shown on the general plan of Escoba Bay, by recording in the Onslow County Registry a Declaration of Annexation, duly executed by the Declarant, describing the lands annexed and incorporating the provisions of the said Declaration;

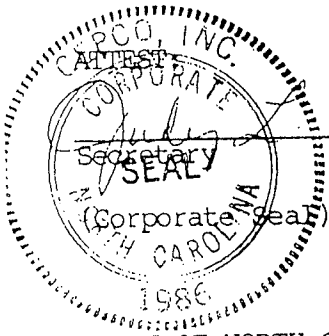
NOW THEREFORE, the Declarant hereby declares all of the property described herein the attached Exhibit "A" and to be known as "Escoba Bay Equestrian & Yachting Club, Section II", to be held, sold and conveyed subject to the easements, restrictions, covenants and conditions contained in said Declaration of Master Covenants, Conditions and Restrictions for North Shore Country Club, as recorded in Book 861, Page 321 et seq., Onslow County Registry, as amended in Book 862, Page 703 and in Book 867, page 197, Onslow County Registry, and to such additional restrictive covenants as may be duly recorded by the Declarant, its successors and assigns.

IN WITNESS WHEREOF, the Declarant, CEPCO, INC., has caused this instrument to be executed in its corporate name by its President and his signature to be attested, and its seal hereto affixed by its Secretary all by

order and authority duly granted by its Board of Directors all on the day and year first above written.

CEPCO, INC.

BY: John H. Harder (SEAL)
President

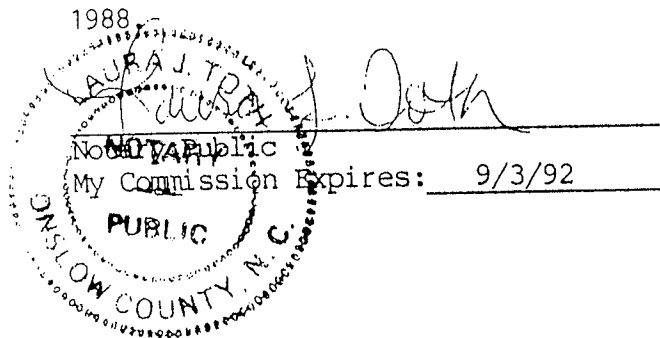


Judy L. Padgett (SEAL)
Secretary

STATE OF NORTH CAROLINA
COUNTY OF ONSLOW

This is to certify that on the 1st day of July, 1988, before me personally came CHARLES E. PADGETT, President, with whom I am personally acquainted, who, being by me duly sworn, says that he is the President and Judy L. Padgett, Secretary of CEPCO, INC. the corporation described in and which executed the foregoing instrument; that he knows the common seal of said corporation; that the seal affixed to the foregoing instrument is said common seal, and the name of the corporation was subscribed thereto by the said President and that the said President and Secretary subscribed their names thereto, and said common seal was affixed all by order of the Board of Directors of said corporation and that the said instrument is the act and deed of said corporation.

WITNESS my hand and official seal, this the 1st day of July, 1988



NORTH CAROLINA, ONSLOW COUNTY
The foregoing certificate(s) of

Laura J. Toth

Notary(ies) Public is (are) certified to be correct. This instrument was presented for registration and recorded in this office in Book 884 Page 210 This 1st day of July 1988 A.D., at 3:18 o'clock P M.
Hildred M. [Signature] By _____
Register of Deeds, Onslow County Register of Deeds