

NON-STANDARD
FEE APPLIED

ROAD DISCLOSURE STATEMENT FOR MALONE BAY

THIS ROAD DISCLOSURE STATEMENT made this the 13th day of June, 2005, by Malone Properties, LLC, a North Carolina limited liability company, hereinafter referred to as Developer, and Malone Properties, LLC, a North Carolina limited liability company, hereinafter referred to as Seller.

WITNESSETH:

Document #
0007179

The Subdivision covered by this statement is that tract of land which is briefly described as Malone Bay Subdivision, as shown on those maps recorded at Map Book 10, Pages 159, 160, 161, 162, 163, Wilkes County Registry, reference to which maps are made for a more complete description.

Any potential buyer is advised that the road to and from North Carolina Secondary Road 1147, South Minton Road, and the real property in Malone Bay Subdivision, which include the roads shown on the above referenced maps, are PRIVATE roads. The road within Malone Bay Subdivision is built to North Carolina's Secondary Road standards, with one exception: it is surfaced with gravel, not pavement.

These roads are not and will not be constructed to minimum standards sufficient to allow their inclusion on the state highway system for maintenance.

The Developer is responsible for laying out the roads, surveying, grading and providing a gravel driving surface on these roads. All expenses incurred in constructing the road have been borne by Developer. The roads, including the shoulder and side ditches, are completely finished.

The Developer will maintain the road described above until 50% of the tracts in Malone Bay Subdivision are sold. At that time, the responsibility for maintenance and upkeep of the roads will be with the Malone Bay Property Owner's Association, of which each purchaser of a tract in Malone Bay becomes a member upon conveyance of title. For only the period stated above, maintenance to be performed by Developer includes the repairing and maintaining of the actual road surface. Otherwise, Developer and Seller will have no other responsibility or duty concerning the maintenance and upkeep of said road. That area of the right of way which is not used for the actual road may be used for the installation of utilities in the subdivision.

IN WITNESS WHEREOF, Developer and Seller have hereunto set their hands and seals, the date and year first above written.

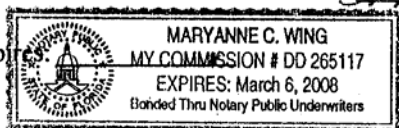
BY: Richard Henry Callari
Richard Henry Callari, Member/Manager
BY: Sarah Howley Callari
Sarah Howley Callari, Member/Manager

NORTH CAROLINA
WILKES COUNTY

I, the undersigned, a Notary Public in and for said State and County, do hereby certify that Richard Henry Callari personally appeared before me this day and acknowledged that his is member of Malone Properties, LLC, a North Carolina Limited Liability Company, and that by authority duly given and as the act the company, the foregoing instrument was signed in its name by him.

WITNESS my hand and notarial seal this the 15 day of June, 2005,
Maryanne C. Wing
Notary Public

My Commission Expires



NORTH CAROLINA
WILKES COUNTY

I, the undersigned, a Notary Public in and for said State and County, do hereby certify that Sarah Howley Callari personally appeared before me this day and acknowledged that she is member of Malone Properties, LLC, a North Carolina Limited Liability Company, and that by authority duly given and as the act the company, the foregoing instrument was signed in its name by her.

WITNESS my hand and notarial seal this the 15 day of June, 2005.
Maryanne C. Wing
Notary Public

My Commission Expires



NORTH CAROLINA WILKES COUNTY

The foregoing certificate of Maryanne C.
Wing is certified to be correct

Richard L. Woodruff
Register of Deeds

By Jessica Miller
Deputy/Ass't Register of Deeds