

DATA SHEET

THE REEF is a condominium development of the Carolina Caribbean Corporation, Beech Mountain, North Carolina. A total of 100 bright and airy, island-style villas have been completed and are available for your inspection. There are 50 two-bedroom and 50 one-bedroom villas of approximately 1700 square feet and 1300 square feet respectively.

Architect Bruce McCarty of Kingsport, Tennessee has done a superb job, both in the interior design, and in the individual placement of each villa to assure every owner maximum privacy and a full share of the breathtaking view of Teague Bay, Buck Island, and the Caribbean.

No other condominium development in the Virgin Islands offers as many resort facilities right on the completed project. There is a beautiful 9 hole, par 35, golf course around which the villas are spread; there is a 1200 ft. white sand beach, protected by the reef from which we have taken our name; there is a pier for docking, and mooring facilities are available along with a beach snack shop. There are tennis courts; a fresh water swimming pool with sundeck; a restaurant serving three meals a day, and laundry facilities. There is a Party Store for necessary groceries, liquors and snacks, and a well-stocked Pro Shop.

The costs to purchase and maintain a villa are as follows:

1 bedroom villa — from ~~\$39,500~~^{42,500} to \$59,500
2 bedroom villa — from \$69,500 to \$85,000

Monthly maintenance costs — 1 bedroom villa \$75 to ~~\$90~~ monthly
2 bedroom villa \$100 to ~~\$130~~ monthly

Furniture package (buyer's option) — 1 bedroom villa \$5200
2 bedroom villa \$7200

~~— THERE IS A 10% DISCOUNT FOR CASH OR FOR OBTAINING YOUR OWN FINANCING —~~

The following financing is available after a 30% down payment:

- 3 year amortization of 70% mortgage at 8%
- 5 year amortization of 70% mortgage at 8½%
- 10 year amortization of 70% mortgage at 9%

A 10% deposit will hold your choice of available villas until closing.

Briefly, that's our story! Why not come in and discuss it in more detail?

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Typical closing costs on a \$55,000 one-bedroom villa and on a \$75,000 two-bedroom villa financed by Carolina Caribbean Corporation will be as follows:

	<u>Two-bedroom</u>	<u>One-bedroom</u>
1. Cost of Recording Deed	\$ 78.00	\$ 55.00
2. Title Insurance (optional)	375.00	275.00
3. Documentary Stamps	750.00	550.00
4. 1/2 — V. I. 2% Gross Receipt Tax — 1% (including furniture package)	822.00	602.00
5. Cost of Recording Mortgage	58.50	38.50
6. Initial payment applied to monthly common expense charges	300.00	200.00
	<u>\$2,383.50</u>	<u>\$1,720.50</u>

With respect to villas financed by Carolina Caribbean Corporation, no "points" or other loan fees will be charged.

When your villa is placed in the rental pool, it becomes business property and you are entitled to a depreciation deduction.

Using the straight line method of depreciation with a useful life of 30 years on the building, you will be entitled to an income tax deduction for depreciation of \$2,417 on a \$77,500 villa or \$1,733 on a \$55,000 villa. By the same straight line method, your furniture package can be depreciated over a 5 year period, giving you an additional deduction of \$1,440 on a \$7,200 two-bedroom package or \$1,040 on a \$5,200 one-bedroom package. Furthermore, in most instances, you will be entitled to deduct your interest payments on the mortgage, real estate taxes, insurance, maintenance, and all other expenses incident to the renting of your unit through the rental pool. This will result in substantially all of the projected net return being received by the owner tax free.

Naturally, the overall tax impact will depend upon several factors, including your own personal tax position and the type of depreciation method utilized. You should, therefore, consult your own tax counsel in order to determine how these various deductions will affect your personal situation.

Under the Hotel Plan rental pool, a point system will establish unit return. Under this point system, there will be a purchase price factor giving the purchasers of higher priced villas a higher return than indicated.

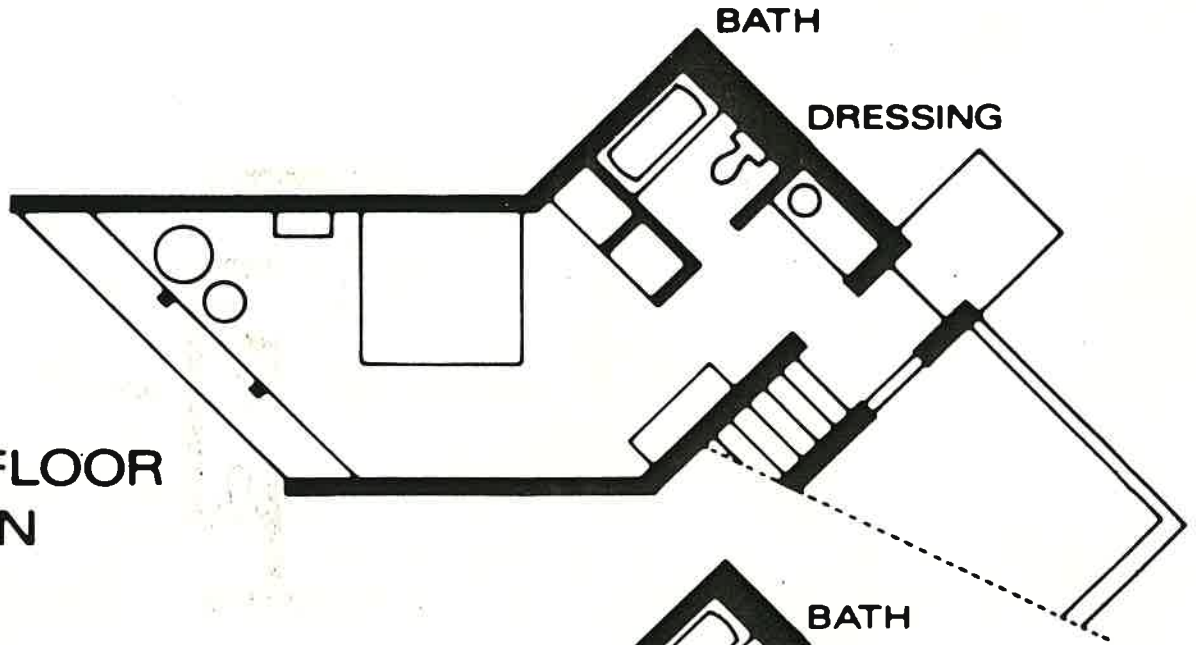


THE Reef

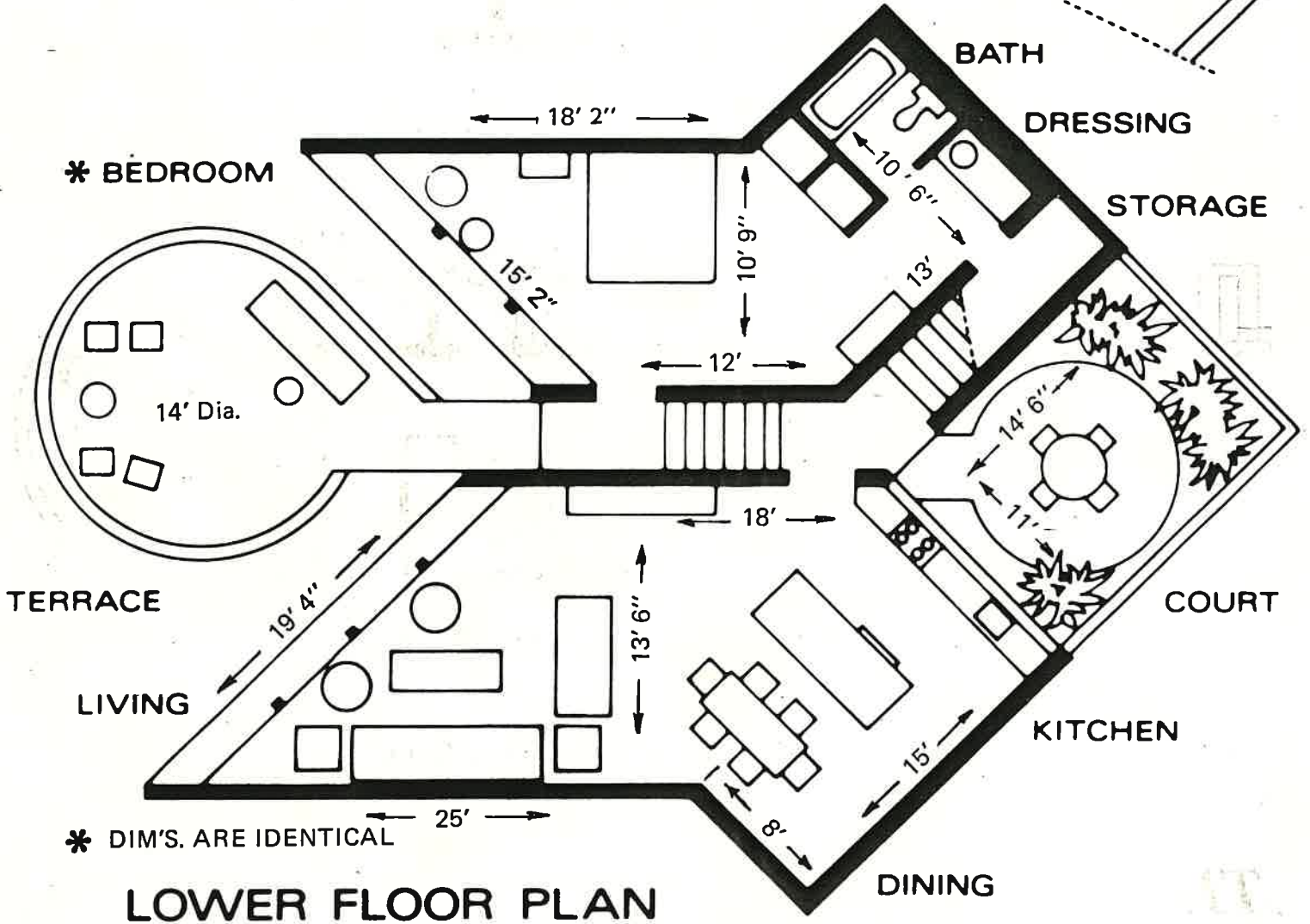
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* BEDROOM

UPPER FLOOR PLAN



* BEDROOM



LOWER FLOOR PLAN

TWO-BEDROOM CONDOMINIUM



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BANNER ELK, NORTH CAROLINA
28604

T. J. MAUREAU, III
EXECUTIVE VICE-PRESIDENT

October 24, 1972

Mr. John E. Walley
1423 East California Road
Fort Wayne, Indiana 46805

Dear Mr. Walley:

We are looking forward to a most exciting winter season at The Reef and as we promised in our recent letter to you, we want to keep you informed as to the progress that has been made.

Enclosed is a brief summary of the many things that are taking place. One of the most exciting developments, however, is the opening of an individual estate lots section which is located adjacent to the Number 5 Green and behind the Number 6 Tee.

You will find enclosed a price list, plat map and other material pertaining to this program. We are making a special offer to our Reef owners of a 10% discount off the price listed. We would be happy to provide you with any additional information should you have further interest.

We also want to point out that it is still not too late to participate in the exchange program with the Okemo Trailside Condominium project in Vermont. If you need an Exchange Agreement, please be sure to let us know and we will send you one.

As we stated earlier, all indications are that this will be a fine fall and winter season, and we look forward to sharing it with you.

Very truly yours,

T. J. Maureau, III
Executive Vice President

Donald W. Manning
Vice President - General Manager
The Reef

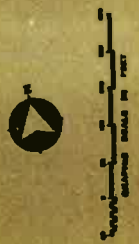
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Enclosures



THE REEF

ST. CROIX, VIRGIN ISLANDS.



ST. CROIX LTD.
 A SUBSIDIARY OF
 CAROLINA CARIBBEAN CORPORATION