

**THE ISLANDER SUITES –A HOTEL IN CONDOMINIUM FORM OF OWNERSHIP
OFFER TO PURCHASE AND CONTRACT**

_____ as Buyer to purchase and **Islander Ventures of Emerald Isle, LLC**, as Seller, upon acceptance of said offer, agrees to sell and convey, all of that plot, piece or parcel of land described below, together with all improvements located thereon and such fixtures and personal property as are listed below (collectively referred to as the "Property"), upon the following terms and conditions:

1. REAL PROPERTY: Located in the City of Emerald Isle, County of Carteret, State of North Carolina, being known as and more particularly described as:

Street Address: 103 Islander Drive, Emerald Isle, North Carolina

Legal Description: Being all of Unit _____, **The Islander Suites – A Hotel in Condominium Form of Ownership**.

(All A portion of the property in Deed Reference: Book 1151, Page No. 424, Carteret County.)

NOTE: Prior to signing this Offer to Purchase and Contract, Buyer is advised to review the Declaration of Condominiums which may limit the use of the Property, and to read the By-Laws, Articles of Incorporation, Rules and Regulations, and other governing documents of the owners' association and/or the condominium, if applicable.

2. FIXTURES: The following items, if any, are included in the purchase price free of liens: any built-in appliances, light fixtures, ceiling fans, attached floor coverings, blinds, shades, drapery rods and curtain rods, brackets and all related hardware, window and door screens, storm windows, combination doors, awnings, antennas, satellite dishes and receivers, burglar/fire/smoke alarms, pool and spa equipment, solar energy systems, attached fireplace screens, gas logs, fireplace inserts, electric garage door openers with controls, outdoor plants and trees (other than in movable containers), basketball goals, storage sheds, mailboxes, wall and/or door mirrors, and any other items attached or affixed to the Property, EXCEPT the following items: _____.

3. PERSONAL PROPERTY: The following personal property is included in the purchase price: _____.

4. PURCHASE PRICE: The purchase price is \$ _____ and shall be paid as follows:

(a) \$ _____ EARNEST MONEY deposited in escrow with Kirkman, Whitford, Brady and Berryman, P.A. ("Escrow Agent"). Escrow Agent shall hold the earnest money until the 7 day right to cancel time period set forth in N.C.G.S. §47C-4-108 has expired. At that time if the Buyer has not cancelled this Offer to Purchase and Contract, the earnest money shall be transferred by Escrow Agent to the Seller and become **NON-REFUNDABLE. SELLER MAY USE THIS MONEY TO HELP PAY CONSTRUCTION AND RENOVATION COSTS.** In the event of breach of this contract by Seller, upon Buyer's request, all earnest monies shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this offer is accepted and Buyer breaches this contract, then all earnest monies shall be forfeited upon Seller's request, but receipt of such forfeited earnest monies shall not affect any other remedies available to Seller for such breach. All earnest monies shall be credited to the Buyer at closing

(b) \$ _____, BALANCE of the purchase price in cash at Closing.

5. CONDITIONS:

(a) The Property must be in substantially the same or better condition at Closing as on the date of this offer, reasonable wear and tear excepted.

(b) All deeds of trust, liens and other charges against the Property, not assumed by Buyer, must be paid and satisfied by Seller prior to or at Closing such that cancellation may be promptly obtained following Closing. Seller shall remain obligated to obtain any such cancellations following Closing.

(c) Title must be delivered at Closing by GENERAL WARRANTY DEED unless otherwise stated herein, and must be fee simple marketable and insurable title, free of all encumbrances except: ad valorem taxes for the current year (prorated through the date of Closing); utility easements and unviolated restrictive covenants that do not materially affect the value of the Property; and such other encumbrances as may be assumed or specifically approved by Buyer. The Property must have legal access to a public right of way.

6. SPECIAL ASSESSMENTS: Seller warrants that there are no pending or confirmed governmental special assessments for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property.

7. PRORATIONS, ADJUSTMENTS AND ITEMS TO BE PAID AT CLOSING: Unless otherwise provided, the following items shall be prorated and either adjusted between the parties or paid at Closing: (a) Ad valorem taxes on real property shall be prorated on a calendar year basis through the date of Closing; (b) Ad valorem taxes on personal property for the entire year shall be paid by the Seller unless the personal property is conveyed to the Buyer, in which case, the personal property taxes shall be prorated on a calendar year basis through the date of Closing; (c) All late listing penalties, if any, shall be paid by Seller; (d) Rents, if any, for the Property shall be prorated through the date of Closing; (e) Owners' association dues, assessments and other like charges shall be prorated through the date of Closing. Seller represents that the regular owners' association dues are **\$225.00 per month** plus an

Buyer Initials: _____ Seller Initials: _____

annual insurance assessment which is currently \$350.00 per year. Additionally, at closing Buyer will be responsible for paying \$675.00 an amount equal to three months' estimated owner's dues as working capital to the owner's association. This amount is nonrefundable. (See Public Offering Statement for more detail on assessments.)

8. CLOSING EXPENSES: Buyer shall be responsible for all costs with respect to any loan obtained by Buyer. Buyer shall pay for recording the deed and for preparation and recording of all instruments required to secure the balance of the purchase price unpaid at Closing. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this agreement, and for excise tax (revenue stamps) required by law. If Seller is to pay any of Buyer's expenses associated with the purchase of the Property, the amount thereof shall be \$_____.

9. EVIDENCE OF TITLE: Seller agrees to use his best efforts to deliver to Buyer as soon as reasonably possible after the Effective Date of this contract, copies of all title information in possession of or available to Seller, including but not limited to: title insurance policies, attorney's opinions on title, surveys, covenants, deeds, notes and deeds of trust and easements relating to the Property. Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys.

10. LABOR AND MATERIAL: Seller shall furnish at Closing an affidavit and indemnification agreement in form satisfactory to Buyer showing that all labor and materials, if any, furnished to the Property within 120 days prior to the date of Closing have been paid for and agreeing to indemnify Buyer against all loss from any cause or claim arising therefrom.

11. PROPERTY DISCLOSURE AND ACCEPTANCE:

(a) Property Disclosure:

- Exempt from N.C. Residential Property Disclosure Statement because (SEE GUIDELINES) 47E-2(9).
- Buyer has received a Public Offering Statement prior to execution of this contract.
- Buyer acknowledges that the Unit which is subject to this contract may not be used as either a primary or secondary residence and must be available for short term rental.

(b) Acceptance: CLOSING SHALL CONSTITUTE ACCEPTANCE OF THE UNIT AND ITS APPURTENANCES IN ITS THEN EXISTING CONDITION UNLESS PROVISION IS OTHERWISE MADE IN WRITING. HOWEVER NOTWITHSTANDING THE FOREGOING, FOR A PERIOD OF ONE YEAR FROM CLOSING DECLARANT WILL MAKE ALL NECESSARY REPAIRS AND CORRECTIONS TO THE CONDOMINIUM AND UNITS THAT SHALL BECOME NECESSARY BY REASON OF DEFECTS IN LABOR OR MATERIALS UPON WRITTEN NOTICE OF THE DEFECT FROM PURCHASER.

12. REASONABLE ACCESS: Seller will provide reasonable access to the Property (including working, existing utilities) through the earlier of Closing or possession by Buyer, to Buyer or Buyer's representatives for the purposes of appraisal, and/or evaluation. Buyer may conduct a walk-through inspection of the Property prior to Closing.

13. CLOSING: Closing shall be defined as the date and time of recording of the deed. All parties agree to execute any and all documents and papers necessary in connection with Closing and transfer of title **within two weeks of a certificate of occupancy being issued by the Town of Emerald Isle**, at a place designated by Buyer. The deed is to be made to _____.

14. POSSESSION: Possession shall be delivered at Closing.

15. OTHER PROVISIONS AND CONDITIONS: (ITEMIZE ALL ADDENDA TO THIS CONTRACT AND ATTACH HERETO.) **In the event Seller is unable to obtain contracts for the sale of 40 units at the Islander Suites – A Hotel in Condominium Form of Ownership, Seller reserves the right to terminate this contract and refund the earnest money to Buyer. Upon termination under this provision by Seller and the return of the earnest money to Buyer, each party shall be released from all obligations, claims and rights arising from the Contract.**

16. RISK OF LOSS: The risk of loss or damage by fire or other casualty prior to Closing shall be upon Seller. If the improvements on the Property are destroyed or materially damaged prior to Closing, Buyer may terminate this contract by written notice delivered to Seller or Seller's agent and all deposits shall be returned to Buyer. In the event Buyer does NOT elect to terminate this contract, Buyer shall be entitled to receive, in addition to the Property, any of the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property being purchased.

17. ASSIGNMENTS: This contract may not be assigned without the written consent of all parties, but if assigned by agreement, then this contract shall be binding on the assignee and his heirs and successors.

Buyer Initials: _____ Seller Initials: _____

18. PARTIES: This contract shall be binding upon and shall inure to the benefit of the parties, i.e., Buyer and Seller and their heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

19. SURVIVAL: If any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing, it shall survive the Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

20. ENTIRE AGREEMENT: This contract contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed herein. All changes, additions or deletions hereto must be in writing and signed by all parties. Nothing contained herein shall alter any agreement between a REALTOR® or broker and Seller or Buyer as contained in any listing agreement, buyer agency agreement, or any other agency agreement between them.

21. NOTICE AND EXECUTION: Any notice or communication to be given to a party herein may be given to the party or to such party's agent. This offer shall become a binding contract (the "Effective Date") when signed by both Buyer and Seller and such signing is communicated to the offering party. This contract is executed under seal in signed multiple originals, all of which together constitute one and the same instrument, with a signed original being retained by each party and each REALTOR® or broker hereto, and the parties adopt the word "SEAL" beside their signatures below.

Buyer acknowledges having made an on-site personal examination of the Property prior to the making of this offer.

Date: _____	Date: _____
Buyer _____(SEAL)	Seller: Islander Ventures of Emerald Isle, LLC
	By: _____
	Member/ Manager
Date: _____	Date: _____
Buyer _____(SEAL)	Seller _____(SEAL)

Escrow Agent acknowledges receipt of the earnest money and agrees to hold and disburse the same in accordance with the terms hereof.

Date: _____	Firm: Kirkman, Whitford, Brady & Berryman, P.A.
	By: _____
	(Signature)

Selling Agent/Firm/Phone _____
Acting as Buyer's Agent Seller's (sub) Agent Dual Agent

Listing Agent/Firm/Phone _____
Acting as Seller's (sub) Agent Dual Agent

Buyer Initials: _____ Seller Initials: _____