

THE REEF

ST. CROIX, U.S. VIRGIN ISLANDS

HOMESITE

PURCHASE AGREEMENT

CONDITIONS OF PURCHASE

Please read carefully

In addition to the covenants and agreements herein before set out; this Agreement is expressly subject to the following Conditions of Purchase.

1. WARRANTY DEED

After the full amount of the sale and purchase price as provided for herein, and any interest due thereon has been paid in full; the roadway and underground electrical lines are completed to the extent necessary to provide service for the above described homesite and restrictions applicable to said homesite have been recorded, this transaction shall be closed by the Seller causing to be delivered to Purchaser a Warranty Deed conveying fee simple title to the above described homesite, subject, however, to the Declaration of Restrictions delivered to purchaser and all restrictions, easements, reservations, and conditions appearing in the chain of title. Possession of subject property shall be delivered to Purchaser upon such closing. Documentary or transfer tax stamps shall be affixed to said Deed at the cost of the Purchaser. Purchaser shall also pay the Virgin Islands Gross Receipts tax applicable to this sale. Ad valorem taxes will be prorated as of the date of closing.

2. RIGHT TO PREPAY

Purchaser, with respect to any deferred balance, shall have the right, at any time, to make prepayments of any principal amount prior to the principal payment date without penalty. Prepayment does not, however, accelerate Seller's obligation to complete the roadway and underground electrical lines to Purchaser's property.

3. TAXES

Seller agrees to pay all real property taxes on this property while this Agreement is in force, until such time as this Purchase Agreement is recorded or a Warranty Deed is delivered to Purchaser conveying title to the Purchaser, whichever comes first.

4. PURCHASER'S RIGHTS IF SELLER FAILS TO PERFORM

If Seller fails to meet any obligations under this Agreement, Purchaser shall have the exclusive remedy of requiring Seller to refund all payments (principal and interest), but shall not receive interest on these sums.

If this situation occurs both Seller and Purchaser will be released from any further obligations under this Agreement, and there are no other privileges of cancellation or refund except as stated above.

5. NO PERSONAL LIABILITY ON DEFAULT

The stipulated purchase price shall under no circumstances be deemed or construed to be an obligation of Purchaser for the payment of money enforceable by suit at law or in equity. In the event of failure of Purchaser to pay any installment when due, whether such failure be voluntary or involuntary, the only right of Seller arising

thereunder shall be that of termination of this Agreement and retention of all sums previously paid as liquidated damages.

Purchaser shall not be deemed in default under the terms of this Purchase Agreement on account of failure, refusal or neglect to make any required deferred payment, unless and until a grace period, which commences with the payment due date on the Agreement, has expired. The number of days grace differs according to the total cash paid under the Agreement, as follows:

- 60 days' grace if 10% or less of the principal amount of the purchase price has been paid;
- 90 days' grace if more than 10% but less than 25% of the principal amount of the purchase price has been paid;
- 120 days' grace if more than 25% but less than 50% of the principal amount of the purchase price has been paid;
- 150 days' grace if more than 50% of the principal amount of the purchase price has been paid.

At least 14 days before the expiration of the grace period, Seller shall give the Purchaser notice in writing by certified or registered mail of the amount due under this Agreement and the exact expiration date of the grace period. In the event of the failure of Purchaser to comply with this Agreement, all rights and interests created or then existing in favor of the Purchaser as against the Seller hereunder shall cease and terminate and the right to possession of the property and all other rights acquired by Purchaser hereunder shall revert to and revert in Seller without any act of reentry or any other act of Seller to be performed and without any right of Purchaser of return, reclamation and compensation for monies paid on account of the purchase of said property as absolutely, fully and perfectly as if this Agreement and such payment had never been made; and in case of such default any sum or sums of money theretofore paid by Purchaser hereunder shall be kept and retained by Seller as liquidated damages. The parties agree that said sum constitutes a reasonable amount of damages incurred by Seller, and this shall not be construed as a penalty; and this Purchase Agreement thereafter shall be without any force and effect.

6. TERMINATION

Upon termination, Seller's recorded affidavit attesting to Purchaser's default and the subsequent termination shall be conclusive proof of such default and termination for all purposes, and Purchaser irrevocably authorizes Seller to thus attest and record such affidavit as though it were the act and deed of said Purchaser.

7. IMPROVEMENTS

Seller agrees to construct a roadway and install underground electrical lines to the homesite.

8. USE

Use is restricted in accordance with the Declaration of Restrictions as mentioned in condition one.

9. RISK OF LOSS

It is understood and agreed that the Purchaser accepts and assumes any and all risk of loss to trees, shrubs, or other damage to said homesite, including, but not restricted to damage from fire or other casualty, acts of God, and the elements from the date above.

10. ASSESSMENTS - PROPERTY OWNERS' ASSOCIATION

Purchaser agrees to pay reasonable assessments to Seller or its assignee for the purpose of providing maintenance, upkeep and

operation of the golf course, swimming pool, restaurant - lounge and other amenities within the development so long as these facilities are available to Purchaser. These assessments will be comparable to those assessed owners of condominium villas in the development for the same purpose. It is understood that a Property Owner's Association may be formed in the future to administer these activities and collect these assessments which Purchaser hereby agrees, to, join. Purchaser covenants and agrees to maintain membership in such Property Owner's Association as long as he owns the tract and agrees to abide by the by-laws and rules and regulations of the said association as may from time to time be amended. Purchaser agrees to pay all annual charges assessed by the Seller or the Property Owner's Association if and when it is organized and that the non-payment of any such assessments shall become a lien upon Purchaser's lot in favor of Seller or said Association, their successors and assigns, and shall be enforceable by Seller or said Association as may be by law provided.

11. EFFECTIVE DATE

This agreement will become effective and binding when signed by Purchaser and signed by an authorized signatory of Carolina Caribbean Corporation. Purchaser's execution of this agreement shall constitute an irrevocable offer of purchase for a period of seven (7) days during which Seller may accept said offer by duly executing this Agreement. Seller may accept or reject this Agreement without explanation, and if rejected, any deposits made will be returned to Purchaser, and both parties shall be released from any obligation hereunder.

12. ENTIRE AGREEMENT

This Purchase Agreement represents the entire agreement between Seller and Purchaser, and no warranties, representations, promises or statements have been made by Seller to Purchaser unless endorsed hereon in writing and duly executed by one of Seller's officers. Both parties represent that all blanks in this Purchase Agreement have been filled in prior to its execution.