

**UNDERSTANDING AND ACKNOWLEDGEMENT  
OF PURCHASE OF FRACTIONAL INTEREST**

**MARSH HARBOUR INN**

A FRACTIONAL OWNERSHIP PROPERTY

21 Keelson Road, Bald Head Island, North Carolina 28461

Zarnoch Hyson, LLC thanks you for purchasing a Fractional Interest at Marsh Harbour Inn. For your protection and ours, and to assure proper disclosure of full ownership information and mutual responsibilities, please read and initial each of the following statements and sign where indicated below.

- \_\_\_\_\_/\_\_\_\_\_. 1. I understand that my purchase of a Fractional Interest at Marsh Harbour Inn is a real estate transaction primarily for my personal use.
- \_\_\_\_\_/\_\_\_\_\_. 2. I acknowledge that I have received copies of all documents regarding this purchase.
- \_\_\_\_\_/\_\_\_\_\_. 3. I understand that I am obligated to pay annual Maintenance Fees, special assessments, taxes and other charges for the Fractional Interest purchased. I also understand that my failure to pay any such Maintenance Fees, special assessments, taxes and/or other charges may result in the revocation of my right to use and occupy the Unit assigned to my Fractional Interest, the Common Area, the Common Furnishings and each Amenity, if any, during any Use Period assigned to my Fractional Interest, a collection action by the Association or the management firm and/or the filing of a lien upon my Fractional Interest and the foreclosure of such lien.
- \_\_\_\_\_/\_\_\_\_\_. 4. I understand that the Developer does not participate in any fractional ownership, interval ownership, co-ownership or time share exchange program.
- \_\_\_\_\_/\_\_\_\_\_. 5. I understand that I may lease or rent the Unit assigned to my Fractional Interest during any Use Period assigned to my Fractional Interest or sell my Fractional Interest. I further understand that in the event I desire to sell my Fractional Interest, I am required to first offer my Fractional Interest to the Owners of other Fractional Interests and the Developer as provided in the Fractional Interest Declaration. I acknowledge that neither the Developer nor the Association is required to offer a leasing, rental or resale program and that the Developer has made no representation to me regarding my ability to lease or rent the Unit assigned to my Fractional Interest or sell my Fractional Interest. I further acknowledge that the Developer or the Association may designate the real estate broker(s) and/or firm(s) which shall be authorized to lease or rent any Unit.
- \_\_\_\_\_/\_\_\_\_\_. 6. I understand that I have closed by mail or in person and that a deed conveying my Fractional Interest will be delivered to me within a

reasonable period of time following recordation in the Office of the Register of Deeds of Brunswick County, North Carolina.

\_\_\_\_\_/\_\_\_\_ 7.

I understand that I may use and occupy the Unit assigned to my Fractional Interest, certain of the Common Area and Common Furnishings and each Amenity, if any, only during the specific Use Periods assigned to my Fractional Interest in accordance with the terms, covenants and conditions set forth in the Fractional Interest Declaration.

\_\_\_\_\_/\_\_\_\_ 8.

I understand that although the Property is not ocean front, it is located in close proximity to the ocean and is, therefore, subject to natural hazards including, without limitation, high winds and flooding from hurricanes, tidal surges, etc. I assume the risk of any and all uninsured damage to the Property resulting from any such natural hazards.

\_\_\_\_\_/\_\_\_\_ 9.

I acknowledge that my financial obligation for this purchase represents no undue financial burden on me or my family.

PURCHASER: \_\_\_\_\_ DATE: \_\_\_\_\_

PURCHASER: \_\_\_\_\_ DATE: \_\_\_\_\_