

RESIDENTIAL CONDOMINIUM CONTRACT

1. THE PARTIES: PITCAIRN DEVELOPMENT, L.P., a Texas Limited Partnership (Seller) agrees to sell and convey to _____ (Buyer) and Buyer agrees to buy from Seller the Property described below.

2. PROPERTY AND CONDOMINIUM DOCUMENTS:

A. The Condominium Unit, improvements and accessories described below are collectively referred to as the "Property".

(1) CONDOMINIUM UNIT: Unit _____ of Cora Lee Gulf View Condominiums, a condominium project, located at 129 E. Cora Lee, South Padre Island, Texas 78597 and is more particularly described as:

UNIT _____, CORA LEE GULF VIEW CONDOMINIUM LOCATED IN THE TOWN OF SOUTH PADRE ISLAND, CAMERON COUNTY, TEXAS, ACCORDING TO DECLARATION OF CONDOMINIUMS, RECORDED ON NOVEMBER 20, 2006 IN VOLUME 13241, PAGE 88, OFFICIAL RECORDS, CAMERON COUNTY, TEXAS, TOGETHER WITH THE UNDIVIDED INTEREST IN THE COMMON ELEMENTS BOTH GENERAL AND LIMITED, DECLARED IN SAID DECLARATION OF CONDOMINIUM TO BE APPURTENANT TO SUCH APARTMENT.

(2) IMPROVEMENTS: All fixtures and improvements attached to the above described real property, including without limitation, the following **permanently installed and built-in items**, if any: all equipment and appliances, valances, screens, shutters, awnings, wall-to-wall carpeting, mirrors, ceiling fans, attic fans, mail boxes, television antennas and satellite dish system and equipment, heating and air conditioning units, security and fire detection equipment, wiring, plumbing and lighting fixtures, chandeliers, shrubbery, landscaping, outdoor cooking equipment, and all other property owned by Seller and attached to the above described Condominium Unit.

(3) ACCESSORIES: The following described related accessories, if any: window air conditioning units, stove, fireplace screens, curtains and rods, blinds, window shades, draperies and rods, controls for satellite dish system, controls for garage door openers, entry gate controls, door keys, mailbox keys, and artificial fireplace logs.

B. The Declaration, Bylaws and any Rules of the Association are called "Documents". Buyer hereby affirms receipt of Documents.

C. The Condominium Information Statement, the Management Certificate and the Rules and Regulations have been furnished to Buyer. Buyer hereby affirms receipt of the same.

3. SALES PRICE:

A.	Cash portion of Sales Price payable by Buyer at closing	\$ _____
B.	Sum of all financing described below (excluding any loan funding fee or mortgage insurance premium)	\$0.00
C.	Sales Price (Sum of A and B)	\$ _____

4. FINANCING: not applicable – all cash sale

5. EARNEST MONEY: Upon execution of this contract by both parties, Buyer shall deposit \$20,000.00 as earnest money with Tom Huebner, P.C., as escrow agent, at 3200 Padre Blvd., South Padre Island, Texas 78597.

6. TITLE POLICY: Seller shall furnish to Buyer at Seller's Expense an owner policy of title insurance (the Title Policy) issued by Sierra Title Co., 3311 Padre Blvd., Ste. E, South Padre Island, Texas 78597 Attn: Pam Dean. (the Title Company) in the amount of the Sales Price, dated at or after closing, insuring Buyer against loss under the provisions of the Title Policy, subject to the promulgated exclusions (including existing building and zoning ordinances) and the following exceptions:

- (A.) Restrictive covenants common to the platted subdivision in which the Property is located.
- (B.) The standard printed exception for standby fees, taxes and assessments.
- (C.) Liens created as part of the financing described in Paragraph 4.
- (D.) Terms and provisions of the Documents including the assessments and platted easements.
- (E.) Reservations or exceptions otherwise permitted by this contract or as may be approved by Buyer in writing.
- (F.) The standard printed exception as to discrepancies, conflicts, shortages in area or boundary lines, encroachments or protrusions, or overlapping improvements.
- (G.) The standard printed exception as to marital rights.
- (H.) The standard printed exception as to waters, tidelands, beaches, streams and related matters.
- (I.) Mineral interests reserved in prior transactions.

Within five days after the Title Company receives a copy of this contract, Seller shall furnish to Buyer a commitment for Title Insurance (the Commitment) and, at Buyer's expense, legible copies of restrictive covenants and documents evidencing exceptions in the Commitment other than the standard printed exceptions. Seller authorizes the Title Company to mail or hand-deliver the Commitment and related documents to Buyer at Buyer's address shown below. Only if the Commitment materially differs from the Title

Commitment posted at the Auction or on the Seller's website, Buyer will have 5 days after the receipt of the Commitment to object in writing to matters disclosed in the Commitment.

Buyer's failure to object within the time allowed will constitute a waiver of Buyer's right to object; except that the requirements in Schedule C of the Commitment will not be deemed to have been waived. Seller shall cure the reasonable and timely objections, only as permitted above, of Buyer or any third party lender within 15 days from the date Seller receives the objections and the Closing Date will be extended as necessary. If objections are not cured by the extended Closing Date, this contract will terminate and the earnest money will be refunded to Buyer unless Buyer elects to waive the objections.

D. TITLE NOTICES:

(1) **ABSTRACT OR TITLE POLICY:** Buyer is advised to have an abstract of title covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a Title Policy. If a Title Policy is furnished, the Commitment should be promptly reviewed by an attorney of Buyer's choice due to the time limitations on Buyer's right to object.

(2) **STATUTORY TAX DISTRICTS:** If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fee of the district prior to final execution of this contract.

(3) **TIDE WATERS:** If the Property abuts the tidally influenced waters of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included in the contract. An addendum containing the notice promulgated by TREC or required by the parties must be used.

7. PROPERTY CONDITION:

A. ACCESS, INSPECTIONS AND UTILITIES: Seller shall permit Buyer and Buyer's agents' access to the Property at reasonable times. Buyer may have the Property inspected by inspectors selected by Buyer and licensed by the state or otherwise permitted by law to make inspections. Seller at Seller's expense shall turn on existing utilities for inspections.

B. ACCEPTANCE OF PROPERTY CONDITION: Buyer accepts the Property in its present condition; "AS IS" and the deed to Buyer shall reflect this.

8. BROKERS' FEES: no brokers or agents are involved in this transaction, except for those registered with Seller prior to Auction, in accordance with the Broker Registration package provided by the Seller.

9. CLOSING:

A. The closing of the sale will be on or before October 24th, 2008, or within 7 days after objections to matters disclosed in the Commitment have been cured, whichever date is later (Closing Date). If either party fails to close the sale by the Closing Date, the non-defaulting party may exercise the remedies contained in Paragraph 15.

B. At closing:

(1) Seller shall execute and deliver a special warranty deed conveying title to the Property to Buyer and showing no additional exceptions to those permitted in Paragraph 6 and furnish tax statements or certificates showing no delinquent taxes on the Property.

(2) Buyer shall pay the Sales Price in good funds acceptable to the escrow agent.

(3) Seller and Buyer shall execute and deliver any notices, statements, certificates, affidavits, releases, loan documents and other documents required of them by this contract, the Commitment or law necessary for the closing of the sale and the issuance of the Title Policy.

C. Unless expressly prohibited by written agreement, Seller may continue to show the Property and receive, negotiate and accept back up offers.

D. All covenants, representations and warranties in this contract survive closing.

10. POSSESSION: Seller shall deliver to Buyer possession of the Property in its present or required condition, ordinary wear and tear excepted: upon closing and funding. Any possession by Buyer prior to closing or by Seller after closing which is not authorized by a written lease will establish a tenancy at sufferance relationship between the parties. **Consult your insurance agent prior to change of ownership or possession because insurance coverage may be limited or terminated. The absence of a written lease or appropriate insurance coverage may expose the parties to economic loss.**

11. SPECIAL PROVISIONS:

1. Buyer warrants that he/she has read and executed a copy of the Terms and Conditions of Auction ("T&A") as provided by the Seller. All provisions and terms of the T&A are incorporated herein. In the event of any conflict between this Sales Contract and the T&A, the Sales Contract will govern.

12. SETTLEMENT AND OTHER EXPENSES:

A. The following expenses must be paid at or prior to closing:

(1) Expenses Payable by Seller (Seller's Expenses):

(a) Payment of all sums owed to International Bank of Commerce, including late payment penalties, interest and collection fees; tax statements or certificates; preparation of partial release of lien; one-half of escrow fee, Owner's policy of title

insurance; and other expenses payable by Seller under this contract.

- (2) Expenses Payable by Buyer (Buyer's Expenses):
 - (a) (intentionally left blank)
 - (b) One-half of escrow fee and other expenses due by Buyer under this contract
- (3) Any Association fees resulting from the transfer of the property will be paid by Seller.

13. PRORATIONS: Taxes for the current year, interest, maintenance fees, regular condominium assessments, dues and rents will be prorated through the Closing Date. The tax proration may be calculated taking into consideration any change in exemptions that will affect the current year's taxes. If taxes for the current year vary from the amount prorated at closing, the parties shall adjust the prorations when tax statements for the current year are available. If taxes are not paid at or prior to closing, Buyer shall pay taxes for the current year. Cash reserves from regular condominium assessments for deferred maintenance or capital improvements established by the Association will not be credited to Seller. Buyer shall reimburse Seller for any pre-paid insurance premiums and/or deposits with Association for future insurance premiums. Buyer shall reimburse Seller for a water service deposit of \$70. Any special condominium assessment due and unpaid at closing will be the obligation of Seller.

14. CASUALTY LOSS: If any part of the Unit which Seller is solely obligated to maintain and repair under the terms of the Declaration is damaged or destroyed by fire or other casualty, Seller shall restore the same to its previous condition as soon as reasonably possible, but in any event by the Closing Date. If Seller fails to do so due to factors beyond Seller's control, Buyer may (a) terminate this contract and the earnest money will be refunded to Buyer, (b) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (c) accept the Property in its damaged condition with an assignment of insurance proceeds and receive credit from Seller at closing in the amount of the deductible under the insurance policy.

15. DEFAULT: If Buyer fails to comply with this contract, Buyer will be in default, and Seller may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money as liquidated damages, thereby releasing both parties from this contract. If, due to factors beyond Seller's control, Seller fails within the time allowed to make any non-casualty repairs or deliver the Commitment, if required of Seller, Buyer may (a) extend the time for performance up to 15 days and the Closing Date will be extended as necessary or (b) terminate this contract as the sole remedy and receive the earnest money. If Seller fails to comply with this contract for any other reason, Seller will be in default and Buyer may (a) enforce specific performance, seek such other relief as may be provided by law, or both, or (b) terminate this contract and receive the earnest money, thereby releasing both parties from this contract.

16. MEDIATION: It is the policy of the State of Texas to encourage resolution of disputes

through alternative dispute resolution procedures such as mediation. Any dispute between Seller and Buyer related to this contract which is not resolved through informal discussion will be submitted to a mutually acceptable mediation service or provider. The parties to the mediation shall bear the mediation costs equally. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

17. ATTORNEY'S FEES: The prevailing party in any legal proceeding related to this contract is entitled to recover reasonable attorney's fees and all costs of such proceeding incurred by the prevailing party.

18. ESCROW:

A. ESCROW: The escrow agent is not (i) a party to this contract and does not have liability for the performance or nonperformance of any party to this contract, (ii) liable for interest on the earnest money and (iii) liable for the loss of any earnest money caused by the failure of any financial institution in which the earnest money has been deposited unless the financial institution is acting as escrow agent.

B. EXPENSES: At closing, the earnest money must be applied first to any cash down payment, then to Buyer's Expenses and any excess refunded to Buyer. If no closing occurs, escrow agent may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of escrow agent from all parties.

C. DEMAND: Upon termination of this contract, either party or the escrow agent may send a release of earnest money to each party and the parties shall execute counterparts of the release and deliver same to the escrow agent. If either party fails to execute the release, either party may make a written demand to the escrow agent for the earnest money. If only one party makes written demand for the earnest money, escrow agent shall promptly provide a copy of the demand to the other party. If escrow agent does not receive written objection to the demand from the other party within 15 days, escrow agent may disburse the earnest money to the party making demand reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and escrow agent may pay the same to the creditors. If escrow agent complies with the provisions of this paragraph, each party hereby releases escrow agent from all adverse claims related to the disbursement of the earnest money.

D. DAMAGES: Any party who wrongfully fails or refuses to sign a release acceptable to the escrow agent within 7 days of receipt of the request will be liable to the other party for liquidated damages of three times the amount of the earnest money.

E. NOTICES: Escrow agent's notices will be effective when sent in compliance with Paragraph 20. Notice of objection to the demand will be deemed effective upon receipt by escrow agent.

19. REPRESENTATIONS: Seller represents that as of the Closing Date (a) there will be no liens, assessments, or security interests against the Property which will not be satisfied out of the

sales proceeds unless securing payment of any loans assumed by Buyer, (b) assumed loans will not be in default, and (c) Seller has no knowledge of any misrepresentation or errors in the Certificate or any material changes in the information contained therein. If any representation of Seller in this contract or the Certificate is untrue on the Closing Date, Seller will be in default.

20. NOTICES: All notices from one party to the other must be in writing and are effective when mailed to, hand-delivered at, or transmitted by facsimile or electronic transmission as follows:

To Buyer at:

To Seller at:

PITCAIRN DEVELOPMENT, L.P.
850 Watershed Dr.
Ann Arbor, MI 48105
Telephone: (734) 239-7830
Facsimile: (734) 239-7833

22. AGREEMENT OF PARTIES: This contract contains the entire agreement of the parties and cannot be changed except by their written agreement. Addenda which are a part of this contract are: Addendum for Property Located Seaward of the Gulf Intracoastal Waterway; Addendum for Coastal Area Property; Water District Notice.

EXECUTED the th day of , 2008 (EFFECTIVE DATE).

BUYER

SELLER

PITCAIRN DEVELOPMENT, L.P.

Peter Ziolkowski, for General Partner, Pitcairn, Inc.

CONTRACT AND EARNEST MONEY RECEIPT

Receipt of [] Contract and [] \$20,000.00 Earnest Money in the form of _____ is acknowledged.

Escrow Agent: Tom Huebner, P.C.

Date: _____, 2008

By: _____

Email Address: Tom@tjhuebner.com

3200 Padre Blvd.
South Padre Island, Texas 78597

Telephone: (956) 761-4575
Facsimile: (956) 761-3137