

PURCHASE AND SALE CONTRACT
THIS IS A LEGALLY BINDING CONTRACT

1. **Purchaser's Full Name:** _____

Purchaser's Address: _____

Seller's Full Name: Hotel Hermitage At Haystack Mountain LLC
P.O. Box 2210
West Dover, VT 05356

2. **Purchaser's Offer and Agreement to Purchase: Purchasers hereby offer and agree to buy the Property described herein at the price and on the terms and conditions stated herein.**

3. **Time for Acceptance:** Purchasers' offer is open for acceptance by Sellers until _____ at MIDNIGHT ("the expiration date"). If the offer is not accepted by the expiration date, it shall expire and be of no further force and effect. Purchasers have the right to revoke this offer prior to its acceptance by written notice of such revocation to Seller. Acceptance is defined as Sellers' execution of this contract and notification thereof to Purchasers as provided in Section 27. Acceptance of this contract must occur prior to the expiration date of Purchasers' earlier revocation of this offer for the contract to be legally binding. Oral notification of acceptance of this offer is not sufficient to create a legally binding contract.

4. **Description of Real Property: Condominium Hotel #1, Unit _____**

Property Address: _____ **Gatehouse Trail, Wilmington, VT**

The Warranty Deed delivered by Sellers will control the legal description of the real property to be conveyed under this contract.

5. **Purchase Price:** \$ _____
Membership price with 7% tax \$ _____
Membership Dues with 7% tax : \$ _____
Deeded Admission Rights: \$ _____
Total Purchase Price: \$ _____

6. **Contract Deposit:** \$ _____ **Contract deposit shall be 75% of the Purchase Price and shall be in addition to reservation deposits received (which reservation deposits shall be non-refundable at the time of the execution of this Purchase and Sales contract).**

7. **Contract Deposit to be Held By:** Fisher and Fisher Law Offices Trust Account or an escrow agent determined by the Seller . **If the offer is not accepted, expires or is revoked prior to acceptance, the Contract Deposit shall be promptly returned as provided by law.**

8. **The Buyers agree that all deposits paid under the terms of this agreement shall be transferred to the Seller upon Seller's request and paid over by the Escrow Agent on a monthly basis pursuant to a progress schedule approved by the architect, construction manager and lender. Purchasers hereby authorize said deposits to be used by the Seller in the course of the construction of the hotel. Buyer can request the opportunity for periodic inspections during the construction process, such request not to be unreasonably withheld by Seller. Upon completion of construction, a final inspection can be performed by a building inspector of the Buyer's choosing.**
9. **Closing: The completion of this transaction, closing of the transfer of title including the delivery of the deed and possession, and payment of the balance of the purchase price shall take place at the Law Office of Fisher & Fisher in West Dover, VT. on or before the _____ day of _____, 201_, or sooner upon completion.**
10. **Financing Contingency: Purchasers' obligation under this contract (is ___ is not X) subject to a financing contingency that Purchaser obtain mortgage financing.**
11. **Mediation of Disputes: In the event of any dispute or claim arising out of or relating to this contract or the services provided by any real estate agent in connection with this contract, it is agreed that such dispute or claim shall be submitted to mediation in accordance with the Rules and Procedures of the Homesellers/Homebuyers Dispute Resolution System (DRS).**
12. **Lead-Based Paint: Based upon representation made by Sellers and Purchasers' own investigation and information, it is agreed that the property ___ is x is not (check one) pre-1978 residential real estate as defined by federal law and, therefore, ___ is x is not subject to Federal Lead-Based Paint Regulations. If the property is pre-1978 residential real estate (both "is" boxes are checked), the parties must enter into a Lead-Based Paint Addendum as part of this Contract.**
13. **Special Conditions or Addenda to Contract: The following special conditions or written addenda signed by Sellers and Purchasers are made a part of this contract and are incorporated herein.**
- A) **Lead-Based Paint Addendum** ___ Yes x No
 - B) **Other Special Conditions or Addenda:** Any upgrades will be paid by purchaser at time of change order. All upgrades/change orders are at cost + 30% up to 30 days of contract signing. After 30 days of signing, all upgrades/change orders are cost + 45% + \$125 per hour for administration. All change orders are subject to builder approval and acceptance.
 - C) **Selections:** Customer may choose from builders' selections of paint, carpet, tile, hardwood floor, cabinets, plumbing fixtures and granite countertop color. Any other changes are subject to upgrade/change order fees.
 - D) **Purchase is contingent upon Seller obtaining necessary State and Local Permits for the construction of the hotel.**
14. **Closing and Completion of Hotel: The closing shall take place within twenty-one days of the issuance of a certificate of occupancy by the State Division of Fire Safety to the effect that all structural components are substantially complete. Failure to complete any minor items, including but not limited to landscaping, grading, seeding, driveways and walks, hotel restaurants, spas, etc. shall not operate as a reason to delay the closing of title. Seller shall undertake in writing to**

complete such items within a reasonable time subsequent to the date of closing and a reasonable amount of money will be withheld at closing for such purpose.

- 15. Possession:** Possession and occupancy of the premises, together with all keys to the premises, shall be given upon closing unless otherwise agreed in writing. Sellers shall leave the premises broom clean, free from all occupants, and shall remove all personal property not being sold hereunder together with the personal property of all occupants. Sellers agree to permit Purchasers to inspect the premises within 24 hours prior to the date set for closing to insure compliance with this provision.
- 16. Payment of Purchase Price:** Payment of the purchase price, adjusted for Contract Deposits previously received, is due at closing, is to be paid in cash, certified check or cashier's check.
- 17. Deed:** At closing, Sellers shall deliver to Purchasers a Vermont Warranty Deed, furnished and paid for by Sellers conveying marketable title, as defined by Vermont law, to the real property described in this contract.
- 18. Property Transfer Tax/Act 250 Disclosure Statement:** Unless otherwise agreed, Purchasers shall be responsible and shall pay the Vermont Property Transfer Tax due on the sale covered by this contract. In the event Sellers are required to provide Purchasers with an Act 250 Disclosure Statement and fail to provide such a statement or provide the statement in an untimely manner, Purchasers closing on this transaction and acceptance of Sellers deed shall constitute a waiver and release of Purchasers right to declare this contract unenforceable, to rescind this transaction or to pursue Sellers for damages arising out of the failure to provide an Act 250 Disclosure Statement. The purchaser's obligation to close is contingent upon the Seller obtaining necessary state and local permits, including Act 250 permits for which the Seller has applied, and which applications are pending. Seller and Buyer agree that any closing date herein referenced shall be extended to two weeks after Seller obtains the Vermont Act 250 permit for this unit.
- 19. Land Gains Tax:** Any Land Gains Tax due on this sale shall be the responsibility of Seller except as otherwise provided by law or by this contract. At or prior to closing, Seller shall provide Purchasers with satisfactory proof either that there is no such tax due or that the tax has been paid in full.
- 20. Income Tax Withholding Requirement If Sellers are Nonresidents of Vermont:** If Sellers are nonresidents of Vermont, unless a withholding certificate is issued by the Vermont Commissioner of Taxes in advance of the closing, Purchasers shall withhold 2.5 percent of the total purchase price and file a Withholding Tax Return with the Vermont Department of Taxes. As required by Vermont law, if the Purchasers fail to withhold, Purchasers will be personally liable to the Vermont Department of Taxes for the amount of such tax. In the event Purchasers are determined to be liable to the Vermont Department of Taxes for such tax, Sellers shall indemnify and hold Purchasers harmless for all such liability together with any interest, penalties and reasonable expenses, including attorney's fees, incurred by Purchasers.
- 21. Examination of Title:** Purchasers, at their sole cost and expense, shall cause the title to the Property to be examined, and, prior to closing, shall notify Sellers or Sellers' attorney of the existence of encumbrances or defects which are not excepted in this contract and which render title unmarketable as defined by Vermont law. Promptly following receipt of such notice, Sellers shall endeavor to remove

the specified encumbrances or defects. If, at the expiration of thirty (30) days following the receipt of such notice or on the date set forth for closing, whichever is later, Sellers are unable to convey marketable title free and clear of such encumbrances and defects, Purchasers may terminate this contract, and if so, shall receive back all deposit money and may, in addition, pursue all legal and equitable remedies provided by law.

22. **Default:** If Purchasers fail to close as provided herein, or is otherwise in default, Sellers may terminate this contract by written notice to Purchasers and retain all contract deposits as liquidated damages.
23. **Fixtures and Personal Property:** Insofar as any of the following items are now located on the Property, they shall be deemed to be fixtures and are included in this sale; central heating, lighting and plumbing fixtures; storm windows and doors: screens and screen doors; curtain rods, window shades and Venetian blinds: shrubbery and trees; wall-to-wall carpeting and television antennae. NO PERSONAL PROPERTY IS INCLUDED IN THIS SALE UNLESS EXPRESSLY IDENTIFIED AND DESCRIBED IN THIS CONTRACT OR IN ANY SCHEDULE ATTACHED HERETO. Any personal property transferred under this contract is sold "As Is" with no express or implied warranties other than the warranty of title.
24. **Risk of Loss/Insurance:** During the period between the date of this contract and transfer of title, risk of loss shall be on Sellers. Sellers shall continue to carry fire and extended coverage insurance presently maintained on the buildings and improvements located on the Property. In the event any of the buildings or improvements are destroyed or damaged and are not restored to their present condition by the date set for closing, Purchasers may either accept title to the Property and receive the benefit of all insurance monies recovered on account of such damage or terminate this contract.
25. **Closing Adjustments:** The following, if applicable, shall be apportioned as of the date of closing from the beginning of the current taxable periods established by each taxing authority: all property taxes, water, fire, school, sewer or other municipal charges. Should any tax, charge or rate be undetermined on the date of closing, the last determined tax, charge or rate shall be used for purposes of apportionment. Fuel, rent, association dues and interest on assumed mortgages shall be adjusted on a pro-rata basis.
26. **Effect:** This contract is for the benefit of and is binding upon Sellers and Purchasers, their heirs, successors, administrators, executors and assigns. This contract, together with any written, signed addenda thereto, contains the entire agreement by and between Sellers and Purchasers and supersedes any and all prior agreements, written or oral. This contract shall be governed by the laws of the State of Vermont.
27. **Modification and Amendment:** No modification, amendment or deletion affecting this contract shall be effective unless in writing and signed by Sellers and Purchasers.
28. **Notice:** All notices required to be given under this contract shall be deemed given when hand delivered or when deposited in the U.S. Mail, certified, registered or express mail, return receipt requested, postage prepaid and properly addressed to Sellers or Purchasers at the addresses set forth in this contract. In the alternative, notices may be sent by facsimile transmission (fax) provided the original of the document sent by fax is hand delivered or mailed within a reasonable time, but not more than ten (10) calendar days after the date of the fax transmission. In the event notices are sent by regular U.S. Mail, such notices shall be effective upon receipt.

This contract contains 28 terms and conditions. Please read and understand all terms and conditions BEFORE SIGNING.

Purchaser

Date and time of offer

Purchaser

Date and time of offer

ACCEPTANCE OF OFFER AND AGREEMENT TO SELL

Sellers hereby accept Purchasers' offer and agree to sell the property at the price and upon the terms set forth in this contract and any addenda thereto.

Seller: Hermitage Inn Real Estate Holding Co.
Name: James R. Barnes
Title: President

Date and time of acceptance

- Addendum A: (attached)
1. Membership Agreement
 2. Deedable Admission Rights Agreement
 3. Building Specs
 4. Architectural drawings
 5. Condo Association and assessment documents

Additional Agreement items(s)