

STATE OF NORTH CAROLINA
COUNTY OF _____

PREFERRED RESERVATION RECEIPT
PRE-RELEASE CERTIFICATE PROGRAM
FOR SUNSET PARK SUBDIVISION

THIS PREFERRED RESERVATION RECEIPT (this "Reservation Receipt" or this "Agreement") is made this ____ day of _____, 2007, by and between the Iris Properties, LLC ("Seller") and the undersigned Purchaser ("Purchaser"). For good and valuable consideration and the mutual promises made hereunder, Seller and Purchaser acknowledge and agree as follows:

1. **PROPERTY:** Seller acknowledges Purchaser's desire to select a "Residence/Lot Package," as defined below, to be developed by Seller in _____ County, North Carolina, known as Sunset Park (the "Development"). The package shall include the residential dwelling unit (the "Residence") constructed or to be constructed on the land (the "Lot") in accordance with the provisions set forth below. The Lot and the Residence constructed thereon are collectively referred to in this Agreement as the "Residence/Lot Package" or the "Package." Upon Seller securing all necessary approvals to place the Packages on the market for sale, Seller will hold a release function, at which time each person holding an accepted and counter-signed Reservation Receipt will be given the opportunity to select a Package and to enter into an agreement for its acquisition. Closing of such acquisition is anticipated to occur no later than thirty (30) days following the date of execution of the agreement for said acquisition. This Reservation Receipt allows Purchaser the opportunity to purchase as many as ____ Packages in this offering. Packages made available for selection and all Reservation Receipts under this Pre-release Certificate Program are subject to disposition at Seller's discretion.

2. **PURCHASE PRICE:** Seller will determine the purchase price of all Packages within the Development at such time as released for sale.

3. **RESERVATION DEPOSIT:** A refundable deposit in the amount of _____ Thousand Dollars (\$____) ("Reservation Deposit") has been delivered by Purchaser herewith and is to be made payable to _____ a non-interest bearing account maintained by _____ ("Escrow Agent"), whose address is _____. Such funds shall be held in trust until directions have been received in writing from either Seller or Purchaser to Escrow Agent directing Reservation Deposit to be returned to Purchaser or, in the alternative, deposited in a designated escrow account pursuant to a Package purchase contract executed by Seller and Purchaser.

4. **OFFER AND ACCEPTANCE:** This Reservation Receipt does not constitute a contract that would bind either Purchaser or Seller with respect to the purchase or sale of any land or shelter within the Development. Should Purchaser and/or Seller be unable to reach a meeting of the minds with respect to the Development, Purchaser's Reservation Deposit will be returned to Purchaser, and upon Purchaser's receipt of the Reservation Deposit any and all rights, duties and obligations between the parties (to the extent they may exist) shall be null and void and have no further force or effect.

5. **CANCELLATION:** Either Seller or Purchaser may terminate this Reservation Receipt upon written notice. Upon cancellation, this Agreement will automatically become null and void and Purchaser shall thereafter receive the Reservation Deposit upon written notice by either party to Escrow Agent. In particular, should Purchaser fail to appropriately participate in the Package selection process established by Seller or fail to execute a contract with Seller in a timely manner after a Package is selected, Seller may direct Escrow Agent to immediately return

the Reservation Deposit to Purchaser, following which neither Purchaser nor Seller shall have any further obligation to the other hereunder.

6. NOTICES: Wherever in this Agreement notice is required or where it is permitted that notice or demand be given or served by either party to this Agreement to or on the other, such notice or demand shall be given in writing by hand-delivery or by registered or certified mail, postage prepaid, to the respective addresses as hereinafter set forth. All notices or demands provided under the terms of this Agreement shall be effective when hand-delivered or when deposited if delivered by U.S. mail. The addresses of either party may be changed, from time to time, by either party only upon serving written notice of said change.

Seller: _____

Telephone # _____

Buyer: _____

Telephone # _____

7. ACKNOWLEDGMENTS:

a. Buyer fully understands and acknowledges that Seller is in the preliminary stages of developing Residential/Lot Packages, roads, parking, and open spaces within the Development and that any site plans depicting the Development are not to scale and do not constitute a survey of the actual location of any Package. Seller reserves the right to change, without notice, any matter depicted on any site plans, including, but not limited to, roads, parking or open spaces. Seller further reserves the right to change, without notice, any and all specifications, dimensions and/or square footages of any Package.

b. Buyer acknowledges that Buyer has not received from Seller or an agent of Seller any disclosure report regarding the Development, including any document purporting to be in compliance with the Interstate Land Sales Full Disclosure Act, § 15 USCS 1701 *et seq* ("Property Reports"). Seller will make available to Buyer any Property Reports required by the State of North Carolina or federal law in advance of Buyer signing any contract or agreement to purchase or lease the Package.

c. Buyer acknowledges that the laws of the State of North Carolina shall govern the validity, performance and enforcement of this Agreement, regardless of where this Agreement is actually signed. This Agreement shall not be recorded in any form in the County Courthouse for _____ County, North Carolina. This Agreement shall only become effective upon execution by all parties.

THE PARTIES hereto have set their hands and seals effective the date first above written.

PURCHASER

SELLER

By: _____

By: _____

Name: _____

Name: _____

Date Received: _____ Time: _____

Date Received: _____ Time: _____
