

**PUBLIC OFFERING STATEMENT
FOR
THE REGENCY AT SUNSET BEACH, A CONDOMINIUM**

1. The name and address of the Declarant is: **Island Investments, LLC**, 16 Causeway Drive, Ocean Isle Beach, NC 28469.

2. The name and address of the Condominium is: **The Regency at Sunset Beach, A Condominium**, _____ Beach Drive, Sunset Beach, North Carolina.

3. The first Building (which will be identified as Phase 1) will consist of five floors and eighteen Units. Each Unit will contain a master suite, including a bedroom and bathroom with a walk-in closet. Each Unit will contain two more bedrooms and two more bathrooms for a total of three bedrooms and three bathrooms. Each Unit will have an equipped kitchen and a living room/dining room area. Each unit will have a balcony overlooking the Intracoastal Waterway. There will be one assigned storage space for each Unit underneath the second floor of the Building. The Building will be equipped with an elevator. The Building will be wood frame and clad with a combination of brick and vinyl exterior. No schedule of construction for additional Units which may be added by subsequent Phases can be determined; however, all additional Phases which can be added must be added before 31 December 2015.

4. The Condominium will contain an outdoor swimming pool and a hot tub surrounded by a deck, as well as an equipped exercise room and a meeting/party room. The Condominium will contain a fully furnished guest bedroom, including bath facilities, which may be used by guests of an owner on a first-reserved basis. In addition, the Condominium will have a pier extending from the Condominium site to the Intracoastal Waterway together with a floating dock as allowed by the U.S. Army Corps of Engineers. This facility will have nine (9) temporary boat slips, which may be used by the Owners on an un-assigned space available basis. We will commence construction of these amenities while the first Phase of the Condominium is being built. It is anticipated that these amenities will be substantially completed by the time the second Phase of the Condominium is completed and incorporated into the Condominium. Should for any reason the second Phase not be added, except for the exercise room, the meeting/party room, and the guest bedroom, these amenities will be completed within twenty-four months of the closing date of the first Unit of the first Phase. These amenities will all be Common Elements; therefore, the maintenance of these amenities will be included in the Property Owner Association (POA) annual budget.

5. The first Phase of the Condominium will contain 18 units. The maximum number of Units which may be added is thirty-six (34) and therefore, the maximum number of Units which may be included in the Condominium is fifty-two (52). The maximum number of Units per acre which may be created is twenty.

6. All Units are limited to residential use; however rentals of less than thirty (30) consecutive days are not allowed. All Units which may be added by the addition of future Phases must be used in the same manner.

7. We have reserved the Development Right to add the real estate as shown on Exhibit B to the Master Declaration Creating the Condominium, in Phases. The number of Phases may change; however, at this time, it is anticipated that there may be up to 2 new parcels or Phases brought into the Condominium in the future. The only condition upon our right to add these additional Phases is that they must be added by 31 December 2015. The Buildings in the future Phases may contain units of different sizes and configurations, but their use will still be residential in nature.

8. The Allocated Interest for voting purposes appurtenant to each Unit is one vote for each Unit in the Condominium. The Allocated Interest appurtenant to each Unit as ownership in the Common Elements and the Common Expense Liability is to be determined by the following formula:

The number 1 divided by the aggregate number of units in the Condominium.

Thus, since the first Phase will contain 18 Units, the percentage of the Common Elements and the Common Expense Liability for each Unit is $1/18^{\text{th}}$ converted to a percentage of 4 decimal places, which is 5.5555% each.

The Allocated Common Ownership and Common Expense Liability appurtenant to each Unit upon incorporation of future Phases will be determined using the same formula and converting it to a 4 decimal place percentage. The maximum extent to which the undivided Allocated Common Interest Ownership and Common Expense Liability can change should all of the future Phases be added is down to $1/52^{\text{nd}}$ converted to 1.923 % assigned to each Unit.

9. Buildings and Improvements which may be added as a part of future Phases will be compatible in terms of architectural style, quality of construction and size with the first building.

10. Improvements that may be made and Common Elements that may be added will generally be the same as contained in Building 1 (Phase 1).

11. No assurances are made as to the exact location of any Building or other improvements that may be made in any part of the Condominium or in any of the additional Phases, if and when added.

12. The Limited Common Elements created by the addition of future Phases will be of the same general types and sizes as the Limited Common Elements in Phase 1 and the proportion of Limited Common Elements to the Units created through the addition of future Phases will be approximately equal to the proportion existing with each Unit in Phase 1.

13. All restrictions in the Declaration affecting the use, occupancy and transfer of a Unit in the future Phases will be governed by those restrictions as contained in the Declaration creating Phase 1 (the first Building in the Condominium.)

14. A copy of the proposed Declaration creating the Condominium, which includes all covenants, conditions, restrictions, and reservations affecting the Condominium; a copy of the elevation of the building; a copy of the floor plan; a copy of the Articles of Incorporation and the

Bylaws of the POA which contain the rules and regulations governing the The Regency at Sunset Beach Property Owners Association (POA); a copy of Purchase Contract to be signed by you at closing; and a copy of the Management Contract between Community Association Management, Inc. (CAM) and the POA are all attached hereto as Exhibits 1-6.

15. The balance sheet together with a projected budget for the POA is attached as Exhibit 7. The budget was prepared by CAM, the Managing Agent.

16. There is no service that we are providing or expenses that we are paying which is not reflected in the budget nor any which we expect may become at some subsequent time a common expense of the POA.

17. You will be required to pay at closing the following:

- a. An initial Working Capital Contribution in the amount of two multiplied by the monthly assessment, plus a one time contribution of \$250.00 to the working capital fund; and
- b. Reimbursement to Us for the unused portion of the insurance premium for the Condominium for the remainder of the year of purchase. This will be calculated based on 365 days per year with the number of days remaining in the year being the portion you will pay for at closing; and
- c. The remainder of the assessment due for the month in which you close based on a per day basis.
- d. The usual and customary real estate closing costs.
- f. If We pre-pay any items such as cable TV or telephone, you will be required to reimburse Us for them at closing.

18. We warrant, as sponsor, in conjunction with the General Contractor, that the Condominium Building and the Units located therein will be constructed from new first quality material and erected in a workmanlike manner. We and the General Contractor further warrant the building and the Units located therein against defect in workmanship and material for a period of one year after the date of closing for each individual Unit. Appliances are warranted by the appliance manufacturer. You must notify Us of any alleged defect in writing within the twelve-month period. The specifications for the Unit for such items as floor coverings, light fixtures, bathroom fixtures, cabinets, counter tops and other similar items will be shown on the Standard Specifications Sheet attached as Exhibit 1 to the Purchase Contract. We make no other warranty, express or implied.

19. Any deposit You make in connection with the purchase of a Unit in this Condominium will be held in an escrow account by our bookkeeper as the Escrow Agent. The agent's address is 16 Causeway Dr., Ocean Isle Beach, NC 28469. These deposits will be held by the escrow agent in a interest-bearing bank account with Coastal Federal Bank at Shallotte or Sunset Beach, North Carolina, until the seven day cancellation period has expired, as required by

law, and thereafter until closing, or as otherwise required under the Purchase Contract. The interest accrued on your funds shall be treated as a portion of your deposit money.

20. There will be no restraint on your right to sell or transfer your Unit, other than the fact that you cannot sell it under a time share regime.

21. The POA will provide property insurance on the Common Elements and the Units insuring against fire and extended coverage risks in the amount of at least 100% of the replacement costs of the insured property at the time the insurance was purchased. The POA will maintain liability insurance on the Common Elements in the amount of not less than \$1,000,000.00. You will be responsible for insuring the interior portion of your Unit and all your personal contents located therein.

22. None of the Common Elements may be conveyed by the POA except in compliance with N.C.G.S. 47C-3-112.

This Public Offering Statement prepared and presented by Island Investments, LLC, the Declarant.

ISLAND INVESTMENTS, L. L. C

By: _____
Mason H. Anderson, Member/Manager

I/We, _____, hereby acknowledge receipt of this Public Offering Statement, together with its Exhibits on the ___ day of _____, ____.

YOU, AS PURCHASER, MUST RECEIVE A PUBLIC OFFERING STATEMENT BEFORE SIGNING A CONTRACT FOR THE PURCHASE. WE MAY MAKE NO CONVEYANCE TO YOU UNTIL SEVEN CALENDAR DAYS FOLLOWING YOUR SIGNING OF THE CONTRACT TO PURCHASE. FURTHER, YOU HAVE THE ABSOLUTE RIGHT TO CANCEL THE CONTRACT DURING THE SEVEN CALENDAR DAY PERIOD.