

THE RESERVE AT SEA FOREST

UNIT PURCHASE CONTRACT

THIS UNIT PURCHASE CONTRACT (this "Contract"), is made and entered into on the date written below, by and between **The Reserve at Sea Forest, LLC**, a Florida limited liability company ("Seller"), whose address is 3105 West Waters Avenue, Suite 107, Tampa, Florida 33614 and the purchaser(s) named below ("Purchaser"). The effective date of this Contract shall be the last date on which this Contract shall be signed by Seller or Purchaser (the "Effective Date").

Purchaser: «First_Name_1» «LastName_1» «And» «First_Name_2» «LastName_2»
Purchaser Address: «Address», «City», «State» «Zip», «Country»
Purchaser Phone: (Home) «Home»
(Business) «WorkOther»
Address of Residence (defined below): TBD

1. **PURCHASE AND SALE.** For and in consideration of the mutual covenants, conditions and restrictions, contained in this Contract, and other good and valuable considerations, the receipt and sufficiency of which is hereby mutually acknowledged, Seller agrees to sell and Purchaser agrees to purchase, upon the terms and conditions of this Contract, the real property described as: Townhome **Unit «Unit»**, a **«Model» Model**, of The Reserve at Sea Forest, as shown on the Seller's preliminary Site Plan for The Reserve at Sea Forest, consisting of a zero lot line residential townhome dwelling unit to be constructed thereon by Seller or its affiliates (the "Unit") located within the community known as The Reserve at Sea Forest (the "Community"). Seller reserves the right to make modifications to the above-referenced preliminary Site Plan during the platting process, as required by governmental agencies or Seller, and Purchaser hereby acknowledges that the preliminary Site Plan for The Reserve Sea Forest is therefore subject to change. The Unit will be built substantially in accordance with the floorplan and specifications provided to you by Seller, which Purchaser acknowledges and agrees are intended to be representational only. A list of standard features for the Unit is attached hereto as **Exhibit "A"** and incorporated herein by this reference.

2. **PURCHASE PRICE AND PAYMENTS.** The "Total Purchase Price" for the Unit, exclusive of any Closing costs, options (if any), adjustments and other costs described in this Contract, is as follows:

PURCHASE PRICE OF UNIT \$ «Purchase_Price_»

Payments: Purchaser shall make the following payments in U.S. Dollars:

Deposit (to be paid upon execution) \$ «Initial_Deposit_»

Additional Deposit to be paid within ____ days of Effective Date \$ «Additional_Deposit_»

Mortgage Loan Amount (if Financing Contingency is Selected) \$ _____

Balance due at Closing \$ _____

TOTAL: \$ «Purchase_Price_»

WITHOUT LIMITING ANY OTHER PROVISION HEREIN, IF ANY DEPOSIT IS NOT TIMELY PAID, PURCHASER WILL BE IN DEFAULT. Deposits may be paid by bank checks or personal checks, and are accepted subject to collection. The balance due at Closing shall be paid, at Seller's election, in the form of a federal wire transfer or a cashier's check drawn on a local Florida bank. **Official checks, bank checks or personal checks will NOT be accepted for payment of the balance of the Total Purchase Price payable at Closing.**

Complete if Purchase of Unit is contingent upon financing:

Financing Contingency: Within «Within ____ Days » days of the Effective Date ("Application Period"), Purchaser will, at Purchaser's expense, apply for third party financing in the amount of \$ «Financing Amount in ____ » or «Financing Amount in 1» % of the Purchase Price to be amortized over a period of «Amortization Period Years » years and due in no less than «Term Years » years and with either a fixed interest rate not to exceed «Fixed Rate not to Exceed » % per year or a variable interest rate not to exceed «Variable Rate not to Exceed at Originati» % at origination with a lifetime cap not to exceed «Variable Rate Lifetime Cap » % from the initial rate, with additional terms as follows: «Variable Rate Additional Terms ».

Purchaser will pay for the mortgagee title insurance policy and for all loan expenses. Purchaser will timely provide any and all credit, employment, financial and other information reasonably required by any lender. Purchaser shall notify Seller immediately upon obtaining financing or being rejected by a lender. If Purchaser, after diligent effort, fails to obtain a written commitment for such financing within 30 days from the Effective Date ("Financing Period"), Purchaser may cancel this Contract by giving prompt written notice to Seller and Purchaser's deposit(s) will be returned to Purchaser. In the event that Purchaser does not deliver such notice of cancellation within the Financing Period, then this Financing Contingency shall be deemed waived for all purposes and Purchaser shall be obligated to purchase the Unit as herein provided.

Purchaser's Initials: _____

Purchaser's Initials: _____

3. Deposits. Any reference to Initial Deposit, Additional Deposit, Deposit or Deposits herein shall refer collectively to all amounts deposited with Seller under this Contract, and under any addendum or amendment hereto, except for any deposits or payments made by Purchaser for options, extras and/or upgrades. Any and all deposits or payments for options, extras, and/or upgrades are non-refundable. The Deposit shall be maintained by Seller in the event that Purchaser has defaulted under this Contract.

4. NOTICE: Florida state law requires the following statement is disclosed to purchasers of residential units:

THE BUYER OF A ONE-FAMILY OR TWO-FAMILY RESIDENTIAL DWELLING UNIT HAS THE RIGHT TO HAVE ALL DEPOSIT FUNDS (UP TO TEN PERCENT [10%] OF THE PURCHASE PRICE) DEPOSITED IN AN ESCROW ACCOUNT. THIS RIGHT MAY BE WAIVED, IN WRITING BY THE BUYER. BY EXECUTING THIS CONTRACT IN THE SPACE PROVIDED BELOW, PURCHASER WAIVES PURCHASER'S RIGHTS UNDER SECTION 501.1375, FLORIDA STATUTES, TO HAVE ALL DEPOSIT FUNDS DEPOSITED IN AN ESCROW ACCOUNT.

5. NO LIEN RIGHTS. This Contract and any Deposits made hereunder will not give Purchaser any lien of claim against the Unit, and Purchaser's rights hereunder shall at all times, from the date hereof, be subordinate to those of any lender holding a mortgage, whether or not such mortgage secures the advancement of construction funds and even if such mortgage is placed of record and encumbers the Unit after the date of this Contract.

6. CONSTRUCTION.

6.1 Completion Date. Seller is required to complete and does agree that construction of the Unit will be completed within a period two (2) years from the date Purchaser signs this Contract. However, the date for completion may be extended by reason of delays incurred by circumstances beyond Seller's control, such as acts of God, or any other grounds cognizable in Florida contract law as impossibility or frustration of performance, including without limitation, delays occasioned by rain, wind and lightning storms.

6.2 Change Orders. Should Purchaser at any time during construction of the Unit request any extras, options or changes to the standard specifications ("Change Orders"), Purchaser shall have the right to make such changes when practicable in the sole discretion of Seller, by executing the written form of Change Order available from Seller. Purchaser hereby agrees to pay to Seller, upon execution of a written Change Order request, the total charge imposed by Seller for such extras, options or changes and understands that installation of such extras, options or changes will not be commenced until payment is received by Seller, unless otherwise agreed to by Seller in writing. The Seller's charge for any Change Order(s) shall be non-refundable, and shall be paid by Purchaser in immediately available funds upon written acceptance of such Change Order by Seller. Seller shall not be required to perform or install any changes, extras or options unless Purchaser has paid in full the cost of all prior Change Orders.

6.3 General Construction Specifications. The materials, equipment and fixtures included in and to be used in constructing the Unit will be substantially the same as or similar in quality to those described in the applicable floorplan and specifications and in the model unit (except as to extras, options and/or upgrades), if such a model unit has been constructed. Seller has the right to make reasonable modifications to the floorplan and specifications as Seller deems appropriate or necessary. Purchaser understands and agrees that models or illustrations may include up-grades and other items not included in the purchase of the Unit and agrees that the Unit will only include those items and matters specified on the applicable plans and specifications for the Unit and included on the list of standard features attached hereto as **Exhibit "A"**. Further, Purchaser acknowledges that the floorplan(s) shown to Purchaser are intended to reflect the interior layout and design only. All dimensions, specifications and features shown on the floorplan(s) and specifications shown to the Purchaser or shown in the model unit, if any, are intended to be representational only and are subject to change without notice.

6.4 Variations. Construction of the Unit shall be substantially in accordance with the standard floorplan(s) and specifications for the Unit, unless modifications to such plans and specifications are required by Seller (in Seller's discretion) or governmental authorities. Notwithstanding the forgoing, Purchaser understands and agrees that Seller may substitute materials and that Seller reserves the right to make changes in the floorplan(s) and specifications for the Unit: (a) as Seller may deem reasonably appropriate or as may be necessitated by material availability or construction requirements in the field, at any time prior to the substantial completion of the Unit, so long as the modification or change does not create a substantial adverse change from the standard plans and specifications for the Unit and/or plans and specifications related to approved modifications; and/or (b) if the modifications or changes are required by any controlling government authority. Substituted materials shall be of equal or better quality than those shown on the standard specifications. Purchaser further acknowledges and agrees that, because of conditions that may be encountered in construction of the Unit, the plans and specifications which are kept by Seller may not be totally consistent with those plans and specifications which are on file with various governmental authorities, and Purchaser agrees that construction of the Unit need not be accomplished totally in accordance with the plans and specifications on file with such governmental authorities. Purchaser understands and agrees that certain items such as brick, wood, woodgrain, carpeting, paint, cabinets, cultured marble, tile, mica, granite, appliances, and the like are subject to shading and gradation and may vary from samples, models or color charts, and from piece to piece and Seller will not be liable for such variation. Further, Purchaser understands and agrees that many construction materials used in the Unit may contain mold, mildew, and other chemicals, and by executing this Contract Purchaser acknowledges its receipt of the "Notice to Home Buyers About Mold, Mildew, Fungus, Spores and Chemicals In Construction Products" which is attached hereto as **Exhibit "B"** and made a part hereof by this reference. Seller will have absolute discretion in selecting the "finishing details," as Seller offers.

Purchaser's Initials: _____

Purchaser's Initials: _____

6.5. Interference with Construction. Purchaser acknowledges and agrees that for reasons of safety and to comply with liability and insurance requirements imposed upon Seller, neither Purchaser nor any agent of Purchaser (including without limitation decorators, contractors, home inspectors and/or appraisers) shall, until after Closing, be permitted to enter upon Unit without Seller's prior written approval. Purchaser agrees not to interfere with or interrupt any workmen at the Unit. Purchaser covenants and agrees that Seller will not be liable for any injury resulting from Purchaser's breach of this provision and Purchaser agrees to hold Seller harmless therefrom, which covenant and agreement shall survive this Contract and the Closing.

6.6. Completion. Purchaser may not take possession of, nor make improvements to the Unit until after Closing and payment to Seller of all sums due to Seller hereunder. The issuance of the certificate of occupancy for the Unit by the appropriate governmental authority shall constitute conclusive and indisputable proof that: (a) the Unit was constructed in compliance with all applicable building codes; (b) Seller has substantially performed all of Seller's obligations under this Contract; and (c) that construction has been substantially completed. It is specifically agreed between the parties to this Contract that any "punch list" or "touch up items" required to be completed by Seller will not constitute grounds for delaying a closing under this Contract, acceptance of possession of the Unit, nor for withholding or escrowing any of the funds due to Seller hereunder.

7. CONVEYANCE AND TITLE ISSUES.

7.1. Deed. Seller shall convey fee simple title to the Unit to Purchaser at Closing by delivery to Purchaser of a Special Warranty Deed (the "Deed"). Title to the Unit will be good, marketable and insurable, subject only to the following approved title exceptions: (a) real property ad valorem taxes for the year of closing; (b) zoning, building code and other use restrictions imposed by governmental authority; (c) outstanding oil, gas and mineral interest of record, if any; and (d) restrictions, easements, covenants and conditions of record, including without limitation the Declarations (as defined herein), provided, however that no one of them shall prevent use of the property for residential purposes (collectively, the "Permitted Exceptions"). Any such matters omitted from the Deed shall nevertheless be deemed to be included in the Deed. This Section shall survive the Closing and delivery of the Deed. The acceptance of the Deed by Purchaser shall be deemed to be full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to this Contract, except those which are herein specifically deemed to survive Closing or which may survive by operation of law (if any).

7.2. Examining Commitment. At least fourteen (14) days prior to Closing, Purchaser will be provided a title insurance commitment from a title agent and underwriter selected by Seller, or such other title insurance company as Seller may select. Purchaser shall have five (5) days from the date of receiving such title insurance commitment to examine the same and notify Seller of any objections to matters of title, other than the Permitted Exceptions referenced in Section 7.1 above and matters to be satisfied at Closing. If Purchaser does not object to such other matters shown on the title insurance commitment within such five (5) day period, then such other matters shall also automatically be considered to be included within the Permitted Exceptions. Seller may undertake to correct any defects in title raised by Purchaser if Seller agrees that such defects render title unmarketable, but Seller is not obligated to do so. If Seller cannot or elects not to correct the title defects, Purchaser shall have the option of either: (a) accepting title in the condition offered (with defects), paying the Total Purchase Price (without set off or deduction therefore) for the Unit and waiving in writing at Closing any claims against Seller because of such defects; or (b) canceling this Contract and receiving a full refund of the Deposit and any and all deposits for options, extras and/or upgrades, whereupon Seller and Purchaser shall be relieved of all liability and obligations under this Contract.

8. CLOSING AND POSSESSION DATES.

8.1. Closing. Without limiting Seller's obligation under Section 6.1 hereof to complete construction of the Unit within a period of two (2) years from the date Purchaser signs this Contract, Purchaser acknowledges and agrees that Seller has the right to schedule the date and time of the closing of this transaction (the "Closing") and that Purchaser shall close on such date and time at the place designated by Seller (the "Closing Date"). Purchaser will be given at least fourteen (14) days' prior written notice of the Closing Date, time and place in accordance with the provisions of Section 21 hereof. At Closing, Purchaser will execute any documents required to effectuate the consummation of the transactions contemplated by this Contract and the release of all funds, if any, which Seller or Escrow Agent is holding in escrow relative to this Contract. Within seven (7) days following the Effective Date, Purchaser shall advise Seller of: (a) the manner in which title will be taken; (b) whether Purchaser wishes to close in person or by mail; and (c) the name, address and telephone number of the attorney who will represent Purchaser at the Closing, if any. At Closing, Purchaser agrees to pay to Seller the balance of the Total Purchase Price and any additional amounts Purchaser owes under this Contract by cashier's check or by federal wire transfer.

8.2. Closing by Mail. Purchaser may close the transaction contemplated herein by mail on the date required by Seller's notice. In such event, Purchaser will pay for Seller's costs of mailing or sending the Closing documents to Purchaser, including without limitation any courier or overnight delivery fees and costs. Within two (2) working days after Purchaser receives such Closing documents, Purchaser will send back to Seller by overnight professional courier, the remittances, executions, acknowledgments, and other necessary responses as required by Seller in order to effectuate the Closing. Otherwise, Purchaser will be obligated to appear at the time, place and date set by Seller.

8.3. Possession Date. Seller will deliver possession of the Unit to Purchaser at Closing.

Purchaser's Initials: _____

Purchaser's Initials: _____

8.4. Third Parties. Relative to the Closing and Closing documents, Seller shall have no obligation to any third parties (i.e., lenders or title insurance providers) and shall be under no obligation to deal with any person or firm other than Purchaser and Purchaser's attorney, if any.

8.5. Closing Documents. At Closing, Seller shall provide Purchaser with: (a) an Owner's "GAP" Affidavit, and Tax Proration Affidavit and Affidavit Under Section 1445 IRC; and (b) the Deed.

9. CLOSING COSTS. All prorations and charges will be made as of the Closing Date, except that if the Closing Date is delayed at Seller's request, the prorations and charges will be made as of the delayed Closing Date. Purchaser understands and agrees that in addition to the balance of the Total Purchase Price, Purchaser shall pay, at the Closing, all closing costs associated with this transaction and Purchaser's financing, if any, including without limitation all documentary stamp and intangibles taxes, all title insurance fees and costs (including search and examination fees and title premiums for both owner's and mortgagee's title insurance policies), all document preparation fees, flood certification fees, survey fees, tax service fees, document recording fees, loan application fees, credit report and/or appraisal fees, mortgage insurance fees, loan origination fees, and all other fees and/or costs related to this transaction or Purchaser's financing, if any.

10. DEFAULT.

10.1. Purchaser's Default. If Purchaser fails to perform this Contract within the time specified (including all payments required hereunder), then Purchaser shall lose any and all rights under this Contract and all Deposits and other monies paid by Purchaser hereunder may be retained by or for the account of Seller as agreed-upon liquidated damages, consideration for the execution of this Contract and in full settlement of any claims, whereupon Purchaser and Seller shall be relieved of all obligations under this Contract. The parties agree that this provision is not intended as a penalty or a forfeiture and that Seller's actual damages in the event of Default by Purchaser would be extremely difficult or impossible to determine. Therefore, by signing this Contract, the parties acknowledge that the amount(s) paid or agreed to be paid by Purchaser as of the date of such default, with interest accrued thereon, if applicable, is agreed upon, after negotiation, as the parties' reasonable estimate of Seller's liquidated damages in the event of a breach of this Contract by Purchaser.

10.2. Seller's Default. If Seller defaults in the performance of this Contract, for any reason other than Seller's failure to provide marketable title, Purchaser shall be entitled to a return of the Deposit (excluding payments or deposits attributable to Change Orders) as Purchaser's sole remedy. Purchaser acknowledges and agrees that Purchaser shall under no circumstances be entitled to seek specific performance against Seller.

11. UNIT INSPECTION PROCEDURE.

11.1 Personal Inspection. Prior to Closing, Seller shall arrange a time for Purchaser to personally inspect the Unit with Seller's representative. If Purchaser is unable to conduct the personal inspection of the Unit with Seller, Purchaser may designate a representative by written notice to Seller. Purchaser will be bound by any action or failure to act by the representative.

11.2 List of Inspection Items. During the personal inspection, Purchaser or Purchaser's representative and Seller shall complete a list noting all items, if any, in the Unit which reasonably require Seller's attention (in Seller's reasonable discretion). Purchaser and Seller will sign the list as conclusive evidence of the agreed upon work to be performed by Seller. The agreed upon work will be performed within a reasonable time considering the availability of materials and the nature of the work to be performed. Once Seller has corrected all of the items on the list it shall be deemed that: (a) Seller's obligations relative to performing the agreed upon work have been satisfied in full; and (b) any items not noted on the list of agreed upon work to be performed by Seller will be the responsibility of Purchaser.

11.3. Failure to Conduct Inspection. If Purchaser fails to take advantage of the personal inspection scheduled by Seller, Purchaser shall be deemed to have accepted the Unit "AS-IS," and waived the right to submit a list of items for Seller to agree to perform. Notwithstanding the occurrence of the foregoing, any warranties provided to Purchaser by Florida law shall remain in effect. Neither Purchaser's failure to complete the personal inspection described in Section 11.1 above, nor Seller's failure to complete work on all of the items, if any, described on the list of items to be addressed by Seller, will entitle Purchaser to: (i) delay the Closing; (ii) request a set-off against the Purchase Price; (iii) impose any condition on Seller at Closing; or (iv) delay payment of money due Seller in accordance with this Contract. Purchaser's refusal to accept delivery of possession as scheduled will constitute a default by Purchaser. Seller's obligation to perform the work agreed upon will survive the Closing.

12. LIMITED WARRANTY. NO WARRANTIES OR REPRESENTATIONS, OTHER THAN THOSE SPECIFIED IN THIS CONTRACT, ARE EXPRESSED OR IMPLIED. The Limited Warranty pertaining to the Unit is attached hereto as **Exhibit "C"** and incorporated herein by reference. Notwithstanding any term or provision contained herein or in the above-referenced Limited Warranty to the contrary, such Limited Warranty pertaining to the Unit runs in favor of the Purchaser only and is not transferable. Any obligations under this Limited Warranty terminate automatically if the Unit is sold, leased, transferred or conveyed by operation of law or action of Purchaser, voluntarily or involuntarily. The terms of this provision shall survive the Closing.

13. HOMEOWNERS' ASSOCIATION. Because the Unit is located in a community governed by one or more homeowners' associations, the provisions of Section 689.26, Florida Statutes, require that, before Purchaser signs this Contract, Seller provide Purchaser the Homeowners Association Disclosure Summary, a copy of which is attached hereto as **Exhibit "D"** and incorporated herein by reference. Purchaser understands and accepts the responsibility to pay all homeowner association assessments levied against the Unit.

Purchaser's Initials: _____

Purchaser's Initials: _____

14. COOPERATING BROKER. Seller shall compensate the cooperating broker listed below (if applicable) pursuant to a separate written agreement between Seller and cooperating broker. Purchaser represents to Seller that Purchaser has not consulted, dealt or negotiated with a real estate broker, salesperson or agent other than that cooperating broker listed below. Purchaser agrees that Seller is not responsible for the payment of a commission to a real estate broker, salesperson or agent other than that cooperating broker listed below. Purchaser agrees to indemnify and hold Seller harmless from and against any and all loss and liability, including attorneys' and paraprofessional's fees and costs at all levels, resulting from or arising out of any representation or warranty set forth in this Section 14. Purchaser understands and agrees that this provision shall survive the Closing and the delivery of the Deed.

«Licensed Florida Real Estate Broker 2»
(Licensed Florida Real Estate Broker)

«Sales Associate 2»
(Sales Associate)

Purchaser's Initials: _____

15. PROMOTIONAL USE OF UNIT. Purchaser agrees to allow Seller, and/or its agents, to photograph and/or produce any other forms of visual representations of the exterior of the Unit and to use said photographs and other exterior visual representations in any promotion or publicity materials that Seller and/or its agents may require. Seller agrees at all times to use the photographs and other visual representations and any accompanying publicity materials in a manner that is in keeping with the overall high values proposed for the Community. Upon request of Seller, Purchaser agrees to sign a release holding Seller harmless from all claims arising from the use of the photographs, publicity materials and other visual representations. This provision shall survive the Closing and the delivery of the Deed.

16. SELLER'S RIGHT TO RE-PLAT, RE-SUBDIVIDE, RE-CONFIGURE UNITS. Seller reserves all rights to amend the plan of development, re-plat, re-subdivide and re-configure the Community as set forth in the Declaration of Covenants, Conditions, Restrictions and Easements of The Reserve at Sea Forest, as the same may be amended from time to time (the "Declaration"), a copy of which Declaration has been provided to Purchaser. The provisions of this provision shall survive the Closing and delivery of the Deed. Additionally, Seller reserves the right to make amendments and modifications to the Declaration as it shall determine from time to time are in the best interest of the Community and its development thereof, which amendments or modifications may be made without Purchaser's consent. Additionally, Purchaser acknowledges that the Unit and the Community are subject to the Declaration of Covenants and Restrictions—Gulf Harbors Sea Forest, as amended or supplemented from time to time.

17. INSULATION DISCLOSURE. Pursuant to Section 460.146 of The United States Code of Federal Regulations, the Insulation Disclosure Addendum is attached hereto as **Exhibit "E"** and is incorporated herein by reference.

18. RADON GAS. The following disclosure is required by Section 404.056(6), Florida Statutes. "RADON GAS: Radon is a naturally occurring radioactive gas that, when it has accumulated in the building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health department."

19. ENERGY PERFORMANCE AND ENERGY EFFICIENCY RATING DISCLOSURES. Pursuant to Section 553.996, Florida Statutes, Purchaser may request that Seller cause a State Certified Energy Rater to perform an energy efficiency rating on the Unit. Purchaser hereby releases Seller from any responsibility or liability for the accuracy or level of rating and Purchaser understands and agrees that this Contract is not contingent upon Purchaser approving the rating, that the rating is solely for Purchaser's own information and that Purchaser will pay the total cost of obtaining the rating. A copy of the Florida Building Energy-Efficiency Rating System brochure prepared by the Florida Department of Community Affairs in accordance with Section 553.996, Florida Statutes, is attached hereto as **Exhibit "F"** and is incorporated herein by this reference. PURCHASER ACKNOWLEDGES RECEIPT OF THE ENERGY-EFFICIENCY RATING BROCHURE DISTRIBUTED BY THE STATE OF FLORIDA DEPARTMENT OF COMMUNITY AFFAIRS AND STATES THAT PURCHASER WAIVES THE OPPORTUNITY TO OBTAIN AN ENERGY-EFFICIENCY RATING ON THE UNIT. Seller is providing this disclosure statement to Purchaser in compliance with Sections 553.9085 and 553.996, Florida Statutes. This disclosure statement is intended for the sole and exclusive use of Purchaser for the transaction contemplated herein only and Seller shall not be liable or responsible to any third party who has relied upon the information contained therein. Purchaser acknowledges its receipt, review and understanding of this disclosure statement prior to, or at the time of, Purchaser's execution of this Contract.

20. NOTICE. Any notice of Closing, or any postponement thereof, may be given by facsimile, mail or other means of communication at Seller's option. An affidavit of one of Seller's representatives that such notice was given will be conclusive for purposes of proving that notice was given. Except as otherwise provided herein with respect to notices of the scheduled date of the Closing, any notice, demand, consent, delivery or request which is required or permitted to be given in connection with this Contract shall be in writing and sent by United States certified mail with return receipt requested, professional courier or telecopier (with confirmation) to Purchaser or Seller at the addresses set forth on the first page hereof. All notices shall only be effective upon receipt or refusal to accept receipt (by failure to accept delivery or otherwise). All notices will be given to Purchaser at the address or by use of

Purchaser's Initials: _____

Purchaser's Initials: _____

the telephone numbers(s) specified on the first page hereof unless Seller has received written notice from Purchaser of any change therein prior to the date notice of Closing is given.

21. TIME OF ESSENCE. Purchaser acknowledges that time is of the essence in connection with Purchaser's obligations under this Contract.

22. CONTRACT NOT TO BE RECORDED. Purchaser covenants that Purchaser shall not record this Contract or any memorandum hereof in the Public Records of any County in the State of Florida. Purchaser agrees, if Purchaser does record this Contract in any such Public Records, to pay all of Seller's legal fees and expenses (including para-professional fees and expenses) incurred in removing the exception to title caused by such recordation. Seller's rights under this provision shall be in addition to Seller's remedies for Purchaser's default provided in Section 10 hereof.

23. GOVERNING LAW. Any disputes that develop under this Contract and/or any amendment and/or addendum hereto will be settled according to Florida law, without application of conflict of law principals.

24. ATTORNEYS' FEES AND COSTS. In connection with any enforcement action or litigation (including appellate proceedings), arising out of this Contract, the prevailing party shall be entitled to recover reasonable attorneys' fees, para-professionals' fees, and costs.

25. VENUE. Purchaser and Seller agree that the venue for resolution of any dispute regarding this Contract shall lie in Pasco County, Florida.

26. COUNTERPARTS AND FACSIMILE SIGNATURES. This Contract shall be validly executed when signed in counterparts. Signatures may be given via facsimile transmission and shall be deemed given as of the date and time of the transmission of this Contract by facsimile to the other party.

27. SECTION HEADINGS. The section headings in this Contract are for convenience only and shall not affect the meaning, interpretation or scope of the provisions which follow them.

28. INTERPRETATION. The use of the masculine gender herein shall be deemed to refer to the feminine or neuter gender, and the singular shall include the plural, and vice versa, whenever the context so requires.

29. ENTIRE CONTRACT. Purchaser certifies that Purchaser has read every provision of this Contract and each addendum/exhibit incorporated herein by reference and that this Contract, together with all such addenda/exhibits, constitutes the entire agreement between Purchaser and Seller. This Contract is the entire agreement for the sale and purchase of the Unit and, once signed, this Contract can only be amended by both parties executing a written amendment to this Contract. Prior agreements, representations, understandings and oral statements not reflected in this Contract have no effect and are not binding on Seller.

30. ORAL REPRESENTATIONS. **NO PERSON, INCLUDING ANY SALES AGENT OF SELLER OR ANY OTHER REAL ESTATE BROKERAGE FIRM, IS AUTHORIZED TO MAKE ANY REPRESENTATIONS OR TO PROVIDE ANY INFORMATION CONTRARY TO OR IN ADDITION TO THE INFORMATION CONTAINED IN THIS CONTRACT OR IN THE APPLICABLE OR RELATED COMMUNITY DECLARATION, COVENANTS, OR RULES, AS AMENDED. PURCHASER ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS HAVE BEEN MADE TO (OR, IF MADE, HAVE NOT BEEN RELIED UPON BY) PURCHASER BY ANY PERSON OR ENTITY.**

31. RISK OF LOSS PRIOR TO CLOSING. If between the Effective Date and the Closing, the Unit is damaged by fire, natural disaster or other casualty, the following shall apply:

31.1 Risk of loss to the Unit by fire, natural disaster or other casualty until the Closing is assumed by Seller, but without any obligation of Seller to repair or replace the Unit, except that if Seller elects to repair or replace such loss or damage to the Unit, this Contract shall continue in full force and effect and Purchaser shall not have the right to reject title or receive a credit against or abatement in the Total Purchase Price. If Seller elects to repair or replace such loss or damage, Seller shall be entitled to a reasonable period of time within which to complete such repairs or replacement. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss or damage shall belong entirely to Seller. If such proceeds shall be paid to Purchaser, Purchaser agrees that such funds are the property of Seller and Purchaser shall promptly upon receipt thereof turn the same over to Seller. If Seller notifies Purchaser that Seller does not elect to repair or replace any such loss or damage to the Unit, then this Contract shall be deemed canceled and of no further force or effect. In such case, Seller shall refund to Purchaser all monies deposited under this Contract, whereupon the parties shall be released and discharged of all claims and obligations under this Contract (except those obligations of Purchaser which are to survive the termination of this Contract), except that if Purchaser is then otherwise in default hereunder, Seller shall retain all deposits and monies paid hereunder as and for liquidated damages as provided in Section 10 hereof.

31.2 Risk of loss to the Unit by fire, natural disaster or other casualty from and after Closing is assumed by Purchaser. Purchaser should be aware that the Unit, however well constructed, may be subject to damage or destruction by naturally occurring events, such as hurricanes and sinkholes. While Seller has no knowledge of sinkholes or naturally occurring gases, such as radon, in the immediate vicinity of the Unit, all risks associated with all natural occurrences shall be borne by Purchaser from and after Closing.

32. TRANSFER OR ASSIGNMENT. Purchaser has no right to assign, sell or transfer Purchaser's interest in this Contract (whether voluntarily or by operation of law or otherwise) without Seller's prior written consent. If Purchaser is a corporation, other business entity, trustee or nominee, a transfer of any material

Purchaser's Initials: _____

Purchaser's Initials: _____

equity or beneficial interest shall constitute an assignment of this Contract. If Purchaser attempts to assign this Contract in violation of this provision, Seller may declare Purchaser in default and Seller shall be entitled to all remedies available under Section 10 hereof. **Purchaser agrees that Seller may withhold its consent with or without any reason or condition in any manner it chooses (if it gives it at all)** and may charge Purchaser a reasonable amount to cover administrative costs incurred in considering whether or not to grant consent. Seller may assign or transfer Seller's interest in this Contract without Purchaser's consent. If the assignee or transferee assumes Seller's obligations contained in this Contract, Seller will not be liable to Purchaser for any acts, omissions or defaults of the assignee or transferee and Seller shall have no further obligations under this Contract.

33. **PERSONS BOUND BY THIS CONTRACT.** If Purchaser dies or in any way loses legal control of Purchaser's affairs, this Contract will bind Purchaser's heirs and legal representatives. If Purchaser has received Seller's written consent to assign or transfer this Contract, then Purchaser's approved assignees shall be bound by the terms hereof. If more than one person signs this Contract as Purchaser, each such person shall be jointly and severally liable for the full performance of all of Purchaser's duties and obligations hereunder.

34. **ATTACHMENTS.** Attached hereto and incorporated herein by this reference are the following described Exhibits and items:

- Exhibit "A" - Site Plan, Schedule of Standard Features and Floor Plans
- Exhibit "B" - Notice to Home Buyers About Mold, Mildew, Fungus, Spores and Chemicals in Construction Products
- Exhibit "C" - Limited Warranty
- Exhibit "D" - Homeowners Association Disclosure Summary
- Exhibit "E" - Insulation Disclosure Addendum
- Exhibit "F" - Florida Building Energy-Efficient Rating System Brochure (copy)

All references to this Contract shall be deemed to refer to each of the Exhibits and attachments referred to above.

35. **RESOLUTION OF DISPUTES.** Should there be any dispute regarding interpretation or enforcement of the Contract, or any of the documents attached hereto or associated herewith (including without limitation the Limited Warranty) which after diligent effort cannot be amicably resolved among Seller and Purchaser, such dispute shall be settled by arbitration. Any demand for arbitration shall be in writing and shall be delivered by one party to the other party by hand delivery or certified mail, return receipt requested. The arbitration shall be conducted in accordance with the construction rules promulgated by the American Arbitration Association ("AAA"), and the arbitration shall be held before one arbitrator to be selected upon mutual agreement of the parties. In event the parties cannot agree on the selection of an arbitrator, the matter may be resolved by the appointment by AAA of an arbitrator having substantial experience in real estate construction law, real estate contracting or residential architecture and/or engineering. The decision of the arbitrator shall be binding upon the parties, who shall respond to and act in accordance with the arbitrator's decision within ten (10) days of such party's receipt thereof. **THIS PROVISION SHALL SURVIVE CLOSING FOR ALL PURPOSES.**

36. **NOT BINDING.** This Contract shall not be binding on Seller until executed by an authorized agent or officer of Seller.

37. **WAIVER.** Seller's waiver of any of its rights or remedies shall not operate to waive any other of Seller's rights or remedies or to prevent Seller from enforcing the waived right or remedy in another instance.

38. **SURVIVAL INCORPORATION AND SEVERABILITY.** The provisions and disclaimers in this Contract which are intended to have effect after the Closing shall survive the Closing. In the event that any clause or provision of this Contract shall be void or unenforceable, such clause or provision shall be deemed deleted so that the balance of this Contract is enforceable.

39. **SALE OF OTHER RESIDENCE.** Purchaser agrees that this Contract will not be subject to or contingent upon Purchaser selling Purchaser's present residence or any other property.

40. **(Check if applicable) «Boat Slip » --BOAT SLIP.** Purchaser and Seller acknowledge and agree that Purchaser has reserved the right to purchase a boat slip as an appurtenance to the Unit. Purchaser and Seller each acknowledge however that as of the date of this Contract that Seller has not completed the establishment of its boat slip sales program. Therefore this Contract is conditioned upon Purchaser and Seller entering into a Boat Slip Purchase Addendum to this Contract within 90 days of the Effective Date. In the event that the parties have not entered into such addendum within such time period, Purchaser shall have the right to give written notice of its election to terminate this Contract within 90 days of the Effective Date, whereupon Purchaser shall be entitled to a return of its Deposit.

PURCHASER SHOULD NOT EXECUTE THIS CONTRACT UNTIL PURCHASER HAS RECEIVED AND READ THIS CONTRACT, INCLUDING ALL EXHIBITS ATTACHED HERETO AND INCORPORATED HEREIN. BY PURCHASER'S EXECUTION OF THIS CONTRACT, PURCHASER AGREES, COVENANTS, REPRESENTS AND WARRANTS THAT PURCHASER HAS RECEIVED AND READ ALL OF THE EXHIBITS ATTACHED HERETO PRIOR TO EXECUTING THIS CONTRACT.

Purchaser's Initials: _____

Purchaser's Initials: _____

The parties have executed this Contract on the date set below their respective names

PURCHASER(S):

Print Name: «First_Name_1» «LastName_1»

Print Name: «First_Name_2» «LastName_2»

Date: _____

Date: _____

ACCEPTED this _____ day of _____, _____, by Seller.

THE RESERVE AT SEA FOREST, LLC,
a Florida limited liability company

Paragon Development Managers, LLC,
a Florida Limited Liability Company
Managing Member of The Reserve at Sea Forest, LLC

By: _____
Print Name: Santosh Govindaraju
Title: President

ACKNOWLEDGEMENT OF RECEIPT OF DEPOSIT

Pursuant to the terms of Section 4 herein, The Reserve at Sea Forest, LLC, hereby acknowledges receipt of the initial deposit in the amount of \$ _____ (subject to clearance of funds) this _____ day of _____, 2005.

THE RESERVE AT SEA FOREST, LLC, a Florida limited liability company

Paragon Development Managers, LLC, a Florida limited liability company
Managing Member of The Reserve at Sea Forest, LLC

By: _____
Print Name: Santosh Govindaraju
Title: President

Purchaser's Initials: _____

Purchaser's Initials: _____