

LOT PURCHASE AGREEMENT

SPICE BAY

THIS AGREEMENT, dated _____, 20____, is made by VICTORIA BAY, INC., a Florida corporation ("Seller"), and _____ ("Buyer"), whose address is _____, whose phone numbers are _____ (Home) and _____ (Cell), and whose e-mail is _____.

Buyer and Seller agree as follows:

1. **Lot.** Seller is the owner of the following-described lot:

Lot _____, SPICE BAY, a subdivision as per plat thereof to be recorded in the Public Records of Sarasota County, Florida.

Buyer agrees to purchase the lot from Seller. The terms and conditions applicable to the lot purchase shall be as set forth in this Agreement.

2. **Lot Purchase Price.** The total purchase price of the lot is \$ _____, which shall be paid in U.S. funds as follows:

- a. \$ _____ as an initial earnest money deposit shall be paid on the date of this Agreement to the escrow agent, Williams Parker Harrison Dietz & Getzen, 200 South Orange Avenue, Sarasota, Florida 34236.
- b. \$ _____ as an additional earnest money deposit shall be paid to the escrow agent on or before _____, 20____.
- c. \$ _____ representing the balance of the purchase price of the lot shall be paid by wire transfer or by certified or cashier's check payable to the trust account of the closing agent, Williams Parker Harrison Dietz & Getzen, at the time and place of closing, and subject to the prorations and adjustments, provided in Paragraph 7.

3. **Earnest Money Deposits.** All earnest money deposits shall be held in escrow by the escrow agent in accordance with the terms of this Agreement. The escrow agent will hold the earnest money deposits in an account bearing interest. Any interest earned thereon shall be paid to Seller. Buyer may obtain a receipt for his deposits from the escrow agent upon request. The duties of the escrow agent shall be limited to the holding and disbursing of the deposit funds in accordance with the terms of this Agreement. In the event of a disagreement with respect to the disposition of the earnest money deposits or the rights and obligations of the escrow agent, the escrow agent may, in its sole discretion, file an appropriate legal action to resolve such disagreement. The escrow agent shall not be liable for any mistakes of fact or errors of judgment, or for any acts or omissions of any kind, unless caused by its intentional misconduct or gross negligence, and the parties shall indemnify the escrow agent against any claims, liabilities, or costs, including the cost of defending any action against the escrow agent, together with any reasonable attorney's fees incurred in connection therewith, with respect to the escrow agent's undertakings pursuant to the terms and conditions of this Agreement, unless such act or omission is a result of the intentional misconduct or gross negligence of the escrow agent.

4. **Spice Bay.** Spice Bay is being developed by Seller as a residential subdivision. As more fully described in the Offering Circular for the subdivision, the improvement, use, maintenance, and operation of the subdivision will be governed by restrictions that will be recorded in the Public Records of Sarasota County, Florida (the "Declaration"). The Declaration is included in the Offering Circular for the subdivision. Upon closing of Buyer's purchase of the lot, Buyer will automatically become a member of Spice Bay Homeowners Association, Inc., which has been formed for the purpose of enforcing the restrictions and performing maintenance obligations as described in the restrictions. As a member of the Association, Buyer will be subject to assessments levied by the Association in accordance with the provisions of the restrictions, which assessments will be secured by a lien on the lot. The conceptual development plan for Spice Bay may be modified by Seller, subject to Seller's obtaining any required governmental approvals.

5. **Construction.** The Declaration requires the approval by the developer of any home or other improvements constructed by Buyer on the lot. To assure that a home is constructed on the lot in a timely manner and consistent with the restrictions, Seller shall be entitled to a non compliance fee or repurchase option in accordance with the following terms, which shall be incorporated into the deed from Seller to Buyer: "In the event construction of a single-family residence on the above-described lot is not commenced within two years following the date of this deed and thereafter diligently pursued to completion and completed within two years after the commencement of construction, Grantor shall have the option, but not the obligation, to: (a) charge and collect from the Grantee a noncompliance fee in the amount of 10 percent of the lot price as described in Article 10.4 of the Declaration; or (b) repurchase the above-described lot for a price equal to 90 percent of the total purchase price of the lot, plus 90 percent of the cost of any permanent improvements construction by owner on the lot, as described in Article 10.4 of the Declaration. This option shall terminate and be of no further effect 56 months after the date of this deed, unless an instrument evidencing the exercise of the option by Grantor is sooner recorded in the Public Records of Sarasota County, Florida. In any legal proceeding to enforce or construe any provision of this option in which Grantor is the prevailing party, Grantee shall pay Grantor's attorney's fees and court costs for both trial and appellate proceedings." Buyer shall not install any solar panels or collectors on the lot or home without the prior written approval of Seller, which approval may be withheld in Seller's sole discretion. This provision shall survive the closing and may be enforced by Seller by injunctive relief, inasmuch as Buyer acknowledges that Seller's remedies at law will be inadequate in the event of a breach of this provision.

6. **Platting.** Buyer acknowledges receipt of a copy of the proposed plat of the subdivision, showing the location and boundaries of the lot. Buyer further acknowledges that the plat is only a proposed plan for the subdivision, that it is subject to approval by governmental authorities, and that the final subdivision plat may differ from the proposed plat. Seller reserves the right to file the final plat in a form which Seller may deem reasonably appropriate (provided any difference between the proposed plat and the final plat does not materially and adversely alter the location or boundaries of the lot) or which may be required by governmental authorities. Seller shall use good faith and diligence to complete the platting of the subdivision as soon as possible, consistent with good engineering practices and design. Prior to recording the subdivision plat, Seller shall file with Sarasota County a surety bond or letter of credit providing for completion within 12 months of final plat approval of all subdivision site improvements required by Sarasota County. Following recording of the subdivision plat, Seller shall diligently pursue construction of such site improvements and will complete construction not later than 12 months after final plat approval, subject, however, to delays caused by governmental actions, weather conditions, Acts of God, or other circumstances beyond Seller's control. The subdivision site improvements will include a central water and sewer system, an access road, and drainage facilities. Main underground electric and telephone lines will be provided by the appropriate utility companies.

7. **Closing.** Closing shall be held the later of: (a) 20 days after the date of this Agreement; (b) within 15 days after recording of the subdivision plat in the Public Records of Sarasota County, Florida; or (c) within 15 days after governmental approvals for construction of the community dock described in Paragraph 9 are received. Closing shall be held at Seller's sales offices or the offices of the closing agent, as determined by Seller. At the time of closing, the escrow agent shall disburse the earnest money deposits under Paragraph 2 to Seller, and Buyer shall pay the balance of the purchase price of the lot. Upon receipt of the sums due Seller, Seller shall deliver to Buyer a warranty deed conveying to Buyer a marketable fee simple title to the lot, subject to: the provisions of the subdivision plat and the restrictions included in the Offering Circular for the subdivision, and any amendments thereto; applicable real estate taxes for the then current year, which shall be prorated as of the closing date; the provisions of Paragraph 5; governmental regulations; and easements, covenants, reservations, and restrictions of record. Prior to closing, Buyer's rights under this Agreement shall be subordinate to any acquisition or development mortgages now or hereafter encumbering the lot, but such mortgages shall be released at closing. If the real estate taxes have not been separately assessed to the lot, or are unknown, at the time of closing, the taxes applicable to the lot shall be reasonably estimated by Seller and prorated as of the date of closing. Buyer shall pay to the Association at closing prorated Association Assessments and the Working Capital Contributions described in the budget for the Association. If the subdivision plat is not recorded and the dock approvals pursuant to Paragraph 9 are not obtained by December 31, 2009, Buyer may elect to terminate this Agreement by delivery of notice of such election to Seller. In the event of termination as described herein, the escrow agent shall return the earnest money deposits to Buyer, all rights and obligations of the parties hereunder shall terminate, and this Agreement shall be of no further force or effect. Possession of the lot shall be given to Buyer at closing.

8. **Title Insurance and Closing Costs.** Prior to closing, Seller shall obtain and deliver to Buyer a title insurance commitment evidencing a marketable fee simple title in Seller to the lot subject only to the title exceptions set forth in Paragraph 7, mortgages and liens that will be released at closing, and standard Florida A.L.T.A. title insurance exceptions. The title insurance coverage shall be for an amount equal to the total price of the lot. Seller shall pay the cost of the title insurance for an owner's policy as described herein. Buyer shall pay at closing a closing and administrative fee equal to .9% of the total price of the lot, which includes the cost of document preparation,

recording fees, documentary tax on the deed, and other administrative expenses of Seller unrelated to closing services. Any additional costs incurred at Buyer's request in connection with the closing, including mortgagee title insurance and other costs incurred in connection with any mortgage loan procured by Buyer, shall be paid by Buyer.

9. **Docks.** Seller intends to construct a community dock adjacent to Tract D of the subdivision to provide 13 boat slips for the exclusive use of 13 owners of lots in the subdivision. Construction of this community dock requires governmental approvals. Seller shall apply for and diligently pursue such governmental approvals, but Seller does not guarantee that such approvals will be obtained. Buyer acknowledges that use of the community dock is subject to all governmental restrictions, regulations, and requirements including the conditions set forth in Article 4.4 of the restrictions included in the Offering Circular for the subdivision. At closing, Seller shall assign Boat Slip No. _____, as depicted on Exhibit A attached hereto, to Buyer for Buyer's exclusive use. The community dock shall be constructed as depicted and in accordance with the plans and specifications thereof, copies of which are available for review by Buyer upon request. Buyer acknowledges that the proposed community dock plan attached as Exhibit A is only a proposed plan subject to changes. Seller reserves the right to file the final community dock plan in a form which Seller may deem reasonably appropriate (provided any difference between the proposed plan and final plan does not materially affect the value of Buyer's boat slip) or which may be required by governmental authorities. The completion of the community dock improvements shall not be a prerequisite to Buyer's obligation to close under Paragraph 7.

10. **Default.** If Buyer defaults under this Agreement, all earnest money deposits under Paragraph 2 shall be paid to Seller as liquidated damages for such default in lieu of all other damages, or Seller may sue for specific performance. If Seller defaults under this Agreement, all earnest money deposits shall be paid to Buyer; in addition, Seller shall pay to Buyer interest on the deposits at the rate then payable by Bank of America in Sarasota County on regular money market accounts as liquidated damages for such default in lieu of all other damages, or Buyer may have such equitable remedies as may be allowed by Florida law. The parties agree that the damages which may result from a default under this Agreement are uncertain and unascertainable, and that the liquidated damages provided for in this Paragraph 10 are a reasonable measure of such damages in light of the respective obligations of the parties under this Agreement and the relative detriment suffered by them as a result of such default. In any legal proceeding to enforce or construe any provision of this Agreement in which Seller is the prevailing party, Buyer shall pay Seller's reasonable attorney's fees and court costs for both trial and appellate proceedings.

11. **Warranties.** SELLER DISCLAIMS ANY WARRANTIES WITH RESPECT TO THE LOT, INCLUDING, BUT NOT LIMITED TO, ANY COMMON LAW IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE, MERCHANTABILITY, OR HABITABILITY. SELLER MAKES NO WARRANTY, EXPRESS OR IMPLIED, AND SHALL HAVE NO LIABILITY, WITH RESPECT TO SOIL CONDITIONS ON THE LOT OR THE EXISTENCE OR LEVELS OF LOW FREQUENCY ELECTROMAGNETIC FIELDS, NOISES, ODORS, NOXIOUS FUMES, RADON, RADON PROGENY, OR ANY POLLUTANT ON THE LOT. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF SELLER. FOR CORRECT REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THIS AGREEMENT AND TO THE OFFERING CIRCULAR FOR THE SUBDIVISION. BUYER ACKNOWLEDGES THAT NO REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE TO HIM BY SELLER, OR ANYONE ACTING FOR SELLER, OTHER THAN AS SPECIFIED IN THIS AGREEMENT OR IN THE OFFERING CIRCULAR FOR THE SUBDIVISION. Buyer acknowledges that the subdivision, being situated along Sarasota Bay, is within a flood zone and is subject to increased risk of loss from natural forces and to additional governmental regulations affecting properties within flood zones. Buyer acknowledges that Seller did not induce Buyer to enter into this Agreement by promising that Buyer would receive any economic benefit as a result of the efforts of Seller or any other party from the rental of the property or by the providing of any future services or amenities or otherwise. Seller does not guarantee or warrant that Buyer will realize any economic benefit from the execution of this Agreement or the purchase of the lot. If any broker or salesperson provided Buyer with examples of rental income or tax benefits derived by purchasers of property in this or other subdivisions, Buyer warrants that such information was furnished at Buyer's request, and Buyer understands that the examples were intended to be illustrative only and were not intended to represent or promise any economic benefit Buyer may expect to receive as a result of this purchase. There will be no rental pool or other common enterprise by which Buyer may expect to realize income or appreciation in the value of the lot. After closing Buyer is free to occupy the completed home on the lot at all times or to rent it himself or through any agent of his choice. Buyer warrants that Buyer is executing this Agreement for the purpose of purchasing a residential lot and not with the expectation of realizing profits from the managerial or entrepreneurial efforts of Seller or others.

12. **Offering Circular.** Buyer acknowledges receipt of a copy of the Offering Circular for the subdivision, which contains copies of documents and other information applicable to the subdivision. Seller reserves the right to make changes to such documents and information, provided that if a change is made prior to closing

which substantially decreases the market value of the lot, Buyer may, as his sole remedy, rescind this Agreement by written notice to Seller. In no event shall Buyer have a right of rescission after closing.

13. **Assignment.** This Agreement is personal to Buyer and may not be assigned by Buyer. If Seller assigns its rights and obligations under this Agreement to another person or entity which assumes such obligations, Seller shall be relieved of all further liability to Buyer.

14. **Brokers.** Buyer warrants that this Agreement was not procured by any real estate broker, except for Michael Saunders & Company, and the cooperating broker, if any, whose name appears below. Buyer shall indemnify Seller against any claim to a real estate commission arising out of this Agreement made by any other broker with whom Buyer has dealt and shall pay the reasonable costs and expenses of defending against any such claim, including reasonable attorney's fees for trial and appellate proceedings. Michael Saunders & Company including its salesperson named below, is the agent of Seller. The cooperating broker, if any, whose name appears below, including its salesperson named below, is the agent of Buyer, a transaction broker, or a nonrepresentative broker, depending upon the relationship previously established between Buyer and the cooperating broker; the cooperating broker is not an agent of Seller. Buyer's obligations under this Paragraph 14 shall survive the closing.

15. **Acknowledgement.** Buyer acknowledges that: (a) Buyer has made a personal, on-site inspection of the lot, subdivision, and other areas of Spice Bay prior to Buyer's execution of this Agreement, is familiar with the lot and its surroundings, and accepts the lot and its surroundings in their existing condition and subject to such changes in the surroundings as may subsequently occur; (b) Buyer has reviewed the proposed subdivision plat contained in the Offering Circular for the subdivision; (c) the configuration and boundaries of the lot are as depicted in the subdivision plat; (d) Buyer has not relied on any physical markers, viewing stands, or other conditions to determine the configuration, elevation, or boundaries of the lot; (e) Buyer has not received or relied upon any assurances related to any preservation area (or the like), or related to any development or lack thereof, upon, or within the vicinity of, the lot or the subdivision, except as may be expressly set forth on the subdivision plat contained in the Offering Circular for the subdivision or in this Agreement, and (f) Buyer's decision to purchase the lot is based solely on Buyer's own inspection of the lot and the community and Buyer's independent investigation and evaluation of the merits of entering into this Agreement.

16. **Subdivision Improvements.** Seller shall construct or provide, either directly or through authorized utilities, the following improvements and services: all roads depicted on the proposed subdivision plat, subject to the provisions of Paragraph 6; the common amenities, if any, described in the Offering Circular for the subdivision; a central irrigation water supply line; central water and sewer service; and electric service.

17. **Disclosures and Required Statements.** Florida law may require the following statements to be included in this Agreement: **PROPERTY TAX DISCLOSURE SUMMARY: BUYER SHOULD NOT RELY ON THE SELLER'S CURRENT PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT THE BUYER MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS TRIGGERS REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER'S OFFICE FOR INFORMATION. BUYER SHOULD NOT EXECUTE THIS AGREEMENT UNTIL BUYER HAS RECEIVED AND READ THE DISCLOSURE SUMMARY REQUIRED BY SECTION 720.401, FLORIDA STATUTES. IF THE DISCLOSURE SUMMARY REQUIRED BY SECTION 720.401, FLORIDA STATUTES, HAS NOT BEEN PROVIDED TO THE PROSPECTIVE PURCHASER BEFORE EXECUTING THIS CONTRACT FOR SALE, THIS CONTRACT IS VOIDABLE BY BUYER BY DELIVERING TO SELLER OR SELLER'S AGENT OR REPRESENTATIVE WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 3 DAYS AFTER RECEIPT OF THE DISCLOSURE SUMMARY OR PRIOR TO CLOSING, WHICHEVER OCCURS FIRST. ANY PURPORTED WAIVER OF THIS VOIDABILITY RIGHT HAS NO EFFECT. BUYER'S RIGHT TO VOID THIS CONTRACT SHALL TERMINATE AT CLOSING.** Buyer acknowledges receipt of the Disclosure Summary. The Disclosure Summary is incorporated into this Agreement by this reference.

18. **Miscellaneous.** Time is of the essence of this Agreement. No modification of this Agreement shall be binding upon a party unless set forth in writing signed by such party. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties and shall be construed under the laws of Florida. As used herein, the plural number shall include the singular and the singular shall include the plural. Any gender used herein shall include all genders and legal entities.

IN WITNESS WHEREOF, the parties have signed this Agreement on the dates indicated below.

WITNESSES:

Signed by Buyer
on _____, 20_

As to Buyer

BUYER

Signed by Seller
on _____, 20_

As to Seller

VICTORIA BAY, INC.

By: _____
As its Authorized Agent

SELLER

NAME OF COOPERATING BROKER

Salesperson: _____

ESCROW RECEIPT AND AGREEMENT

WILLIAMS PARKER HARRISON DIETZ & GETZEN acknowledges receipt of the sum of \$ _____ from Buyer and agrees to hold this sum, together with Buyer's additional earnest money deposits, in escrow pursuant to the terms, conditions, and provisions of the foregoing Purchase Agreement and the Escrow Agreement.

WILLIAMS PARKER HARRISON DIETZ & GETZEN

By: _____
As its Authorized Agent

PRE-SALE CONTINGENCY

Seller's obligation to sell the lot is contingent upon Seller obtaining 7 contracts for lots during the pre-sale period. If Seller has not obtained seven binding contracts for lots on or before a date 120 days from the date the first purchase agreement is executed for this project (referred to herein as the "pre-sale contingency"), then and in that event Seller shall be entitled to (but shall not be obligated to) terminate this contract by providing written notice thereof to Buyer, at which time Buyer's deposit will be refunded in its entirety, and the parties shall thereafter be released from any and all obligations hereunder. In the event that Seller satisfies the pre-sale contingency hereunder, or otherwise elects to go forward even if it does not satisfy the contingency, then Buyer shall thereafter in the event of a Seller default have all remedies available under Paragraph 10 of the lot purchase agreement.

(Buyer signature)

(Buyer signature)

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**DISCLOSURE SUMMARY
FOR
SPICE BAY HOMEOWNERS ASSOCIATION**

The following disclosure summary is required by Section 720.401, Florida Statutes, and is incorporated into the Contract:

1. AS A PURCHASER OF PROPERTY IN THIS COMMUNITY, YOU WILL BE OBLIGATED TO BE A MEMBER OF THE SPICE BAY HOMEOWNERS ASSOCIATION, INC. ("ASSOCIATION").
2. THERE HAVE BEEN OR WILL BE RECORDED RESTRICTIVE COVENANTS GOVERNING THE USE AND OCCUPANCY OF PROPERTIES IN THIS COMMUNITY.
3. YOU WILL BE OBLIGATED TO PAY ASSESSMENTS TO THE ASSOCIATION. ASSESSMENTS MAY BE SUBJECT TO PERIODIC CHANGE. IF APPLICABLE, THE CURRENT AMOUNT IS \$4,800.00 PER YEAR. YOU WILL ALSO BE OBLIGATED TO PAY ANY SPECIAL ASSESSMENTS IMPOSED BY THE ASSOCIATION. SUCH SPECIAL ASSESSMENTS MAY BE SUBJECT TO CHANGE. IF APPLICABLE, THE CURRENT AMOUNT IS \$ N/A PER N/A.
4. YOU MAY BE OBLIGATED TO PAY SPECIAL ASSESSMENTS TO THE RESPECTIVE MUNICIPALITY, COUNTY OR SPECIAL DISTRICT. ALL ASSESSMENTS ARE SUBJECT TO PERIODIC CHANGE.
5. YOUR FAILURE TO PAY SPECIAL ASSESSMENTS OR ASSESSMENTS LEVIED BY A MANDATORY HOMEOWNERS' ASSOCIATION COULD RESULT IN A LIEN ON YOUR PROPERTY.
6. THERE MAY BE AN OBLIGATION TO PAY RENT OR LAND USE FEES FOR RECREATIONAL OR OTHER COMMONLY USED FACILITIES AS AN OBLIGATION OF MEMBERSHIP IN THE HOMEOWNERS' ASSOCIATION. IF APPLICABLE, THE CURRENT AMOUNT IS \$ N/A PER N/A.
7. THE DEVELOPER MAY HAVE THE RIGHT TO AMEND THE RESTRICTIVE COVENANTS WITHOUT THE APPROVAL OF THE ASSOCIATION MEMBERSHIP OR THE APPROVAL OF THE PARCEL OWNERS.
8. THE STATEMENTS CONTAINED IN THIS DISCLOSURE FORM ARE ONLY SUMMARY IN NATURE, AND, AS A PROSPECTIVE PURCHASER, YOU SHOULD REFER TO THE COVENANTS AND THE ASSOCIATION GOVERNING DOCUMENTS BEFORE PURCHASING PROPERTY.
9. THESE DOCUMENTS ARE EITHER MATTERS OF PUBLIC RECORD AND CAN BE OBTAINED FROM THE RECORD OFFICE IN THE COUNTY WHERE THE PROPERTY IS LOCATED OR ARE NOT RECORDED AND CAN BE OBTAINED FROM THE DEVELOPER.

BUYER SHOULD NOT EXECUTE THE CONTRACT UNTIL BUYER HAS RECEIVED AND READ THE DISCLOSURE SUMMARY REQUIRED BY SECTION 720.401, FLORIDA STATUTES.

IF THE DISCLOSURE SUMMARY REQUIRED BY SECTION 720.401, FLORIDA STATUTES, HAS NOT BEEN PROVIDED TO THE PROSPECTIVE PURCHASER BEFORE EXECUTING THIS CONTRACT FOR SALE, THIS CONTRACT IS VOIDABLE BY BUYER BY DELIVERING TO SELLER OR SELLER'S AGENT OR REPRESENTATIVE WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 3 DAYS AFTER RECEIPT OF THE DISCLOSURE SUMMARY OR PRIOR TO CLOSING, WHICHEVER OCCURS FIRST. ANY PURPORTED WAIVER OF THIS VOIDABILITY RIGHT HAS NO EFFECT. BUYER'S RIGHT TO VOID THIS CONTRACT SHALL TERMINATE AT CLOSING.

DATE _____

PURCHASER