

Purchase Contract

This Purchase Contract ("Contract") is made by and between the seller/developer, FLPRD, LLC, a Florida limited liability company, whose address is 1701 Porter SW, Suite 6, Wyoming, MI 49519 ("Developer") and the following purchaser(s) (collectively, "Purchaser"):

|                           |                           |     |
|---------------------------|---------------------------|-----|
| Purchaser Name            | Purchaser Name            |     |
| Purchaser Name            | Purchaser Name            |     |
| Purchaser Address         |                           |     |
| City                      | State                     | Zip |
| ( )<br>Home Telephone No. | ( )<br>Work Telephone No. |     |
| E-Mail                    | ( )<br>Mobile Phone No.   |     |

1. Basic Agreement. Subject to the terms and conditions in this Contract, Purchaser hereby agrees to purchase and Developer hereby agrees to sell to Purchaser that certain real property described as:

Unit \_\_\_\_\_ ("Unit"), with an address of \_\_\_\_\_, Kissimmee, Florida, 34744, as shown on that certain plat of Heritage Key Villas to be recorded in the Public Records of Osceola County, Florida, or any subsequently recorded plat for all or any portion of the Community, as may be amended from time to time ("Plat"), and as more specifically set forth in the Declaration of Covenants, Conditions, and Restrictions of Heritage Key Villas to be recorded in the Public Records of Osceola County, Florida (as may be amended from time to time, "Declaration"), subject to easements and restrictions of record (although this reference thereto shall not act to reimpose same).

Heritage Key Villas is not a condominium; it is a platted unit development in which the common areas of the development are owned and maintained by Heritage Key Association, Inc. ("Association") pursuant to the Declaration.

2. Purchase Price. Purchaser shall pay the purchase price ("Purchase Price," set forth below) for the Unit. The Purchase Price is payable in good U.S. funds as follows:

- a. Purchase Price \$ \_\_\_\_\_
- b. Initial Deposit paid on date Purchaser executes this Contract \$ \_\_\_\_\_  
 ("Initial Deposit")
- c. Second Deposit to be paid on or before \_\_\_\_\_ ("Second \$ \_\_\_\_\_  
 Deposit")
- d. Balance of Purchase Price Due at Closing – subject to closing costs, prorations, and adjustments in this Contract \$ \_\_\_\_\_

Purchaser has paid to Developer the Initial Deposit, which has been received by Developer, subject to clearance, and shall pay the Second Deposit to Developer as set forth above. The Initial Deposit and the Second Deposit, when

paid, collectively are the “Deposit.” Developer will remit the Deposit to an escrow agent qualified in accordance with Florida law (“Escrow Agent”). The Deposit will be held by Escrow Agent pursuant to §501.1375, *Florida Statutes*, and as described in Paragraph 5, and shall be applied toward the Purchase Price at closing. If any Deposit check is not honored for any reason, Developer or Escrow Agent, as applicable, promptly shall notify Purchaser (and Developer if notification is by Escrow Agent). Purchaser shall thereafter have three (3) banking days after notice to deliver good funds to Developer or Escrow Agent, as applicable. If Purchaser does not timely deliver good funds, Developer shall have the right to terminate this Contract on written notice to Purchaser, or to treat such as an event of default under this Contract by Purchaser.

The balance of the Purchase Price, plus all closing costs which are the responsibility of Purchaser, shall be paid by Purchaser by wire transfer (pursuant to instructions from Developer), at closing. Purchaser’s total financial obligation includes the Purchase Price, Osceola County ad valorem property taxes, MTSU assessments, Association assessments for the Unit, and closing costs as described in Paragraph 7.

Purchaser acknowledges and agrees that this Contract is either:

\_\_\_\_\_ a. for a cash transaction; or

\_\_\_\_\_ b. contingent on Purchaser obtaining and providing to Developer a bona fide approval for a loan (“Loan Approval”) in the principal amount of \_\_\_\_\_ within fifteen (15) days after the Effective Date (“Loan Approval Deadline”). Purchaser will make application within five (5) days after the Effective Date and use reasonable diligence to obtain Loan Approval. If Purchaser fails to obtain Loan Approval or fails to waive Purchaser’s rights under this Paragraph by the Loan Approval Deadline, then either party may, by written notice to the other, cancel this Contract. After such notice, the Deposit shall be returned to Purchaser and, except as otherwise provided in this Contract, the parties shall be relieved from all obligations in connection with this Contract.. Notwithstanding the foregoing, Purchaser expressly acknowledges that it shall not be a condition to closing that Purchaser obtain financing to purchase the Property.

3. Defined Terms and Exhibits. Capitalized terms not otherwise defined in this Contract have the meaning in the Declaration. Exhibits referenced in this Contract are incorporated in this Contract.

4. Closing Date. Closing of the sale of the Unit will occur within fifteen (15) days after a certificate of occupancy for Unit is issued by the appropriate governmental agency. Developer will provide Purchaser with notice of the issuance of a certificate of occupancy for the Unit, and closing will occur after such notice at such time and place as is specified by Developer, or by mail if authorized by Developer.

The estimated date of completion of construction of the Unit is \_\_\_\_\_, provided that Developer will complete construction of the Unit and all promised facilities within two (2) years after the Effective Date (defined below) barring only events beyond the control of Developer such as acts of God, acts of war, inability to obtain materials, strikes, other labor problems, governmental orders, or any other event constituting impossibility of performance for reasons beyond Developer’s reasonable control.

5. Escrow. Florida law requires Developer to make the following disclosure:

**THE BUYER OF A ONE-FAMILY OR TWO-FAMILY RESIDENTIAL DWELLING UNIT HAS THE RIGHT TO HAVE ALL DEPOSIT FUNDS (UP TO 10 PERCENT OF THE PURCHASE PRICE) DEPOSITED IN AN ESCROW ACCOUNT. THIS RIGHT MAY BE WAIVED, IN WRITING, BY THE BUYER.**

Notwithstanding that Developer could require waiver of Purchaser’s right to escrow funds or use any portion of the Deposit in excess of ten percent (10%) of the Purchase Price under Florida law, the entire Deposit collected from Purchaser will be held in escrow by Escrow Agent in an interest-bearing escrow account in accordance with a purchaser deposit escrow agreement between Developer and Escrow Agent. All interest earned on the Deposit shall accrue to Developer in all events. Purchaser may obtain a receipt for the Deposit from Escrow Agent on request.

6. Title. Fee simple title to the Unit will be conveyed by special warranty deed, free and clear of all liens, encumbrances, defects, judgments, leases, and mortgages, except that the Unit will be subject to the following matters: (i) the Plat; (ii) the Declaration; (iii) any mortgage placed on the Unit by Purchaser in connection with purchase-money financing; (iv) taxes and assessments for the year of purchase and subsequent years, including pending and certified county or municipal improvements; (v) any restrictions, reservations, conditions, limitations, and easements of record prior to closing or imposed by governmental authorities having jurisdiction or control over the subject property, although this reference shall not act to reimpose same; and (vi) any easements granted to any utility provider prior to or after closing and any modifications by Developer.

7. Closing Costs and Prorations. Developer shall pay the premium and related costs for the Owner's title insurance policy, documentary stamps on the deed, and the costs and expenses associated with any corrective documents or mortgage releases. Purchaser shall pay the settlement fee for the title agent, recording fees for the deed, and any and all other closing costs or expenses, including all financing costs.

Real estate taxes and assessments and Common Expenses attributable to the Unit shall be prorated as of the closing date. Developer shall be responsible for that portion of the real estate taxes and assessments and Common Expenses from January 1 of the year of closing through the day prior to the closing date. Purchaser shall be responsible for that portion of the real estate taxes and assessments and Common Expenses from the closing date through December 31 of the year of closing. If the current year's amounts are not available, then such amounts will be prorated based on the non-discounted amount of the prior year; provided, however, such amounts shall be re-prorated on receipt of the tax bill for the year in which the closing takes place on written request from either party. Certified liens for public improvements, if any, shall be paid by Developer, except that any liens that are payable in annual installments shall be prorated for the year of closing. Pending liens for public improvements, if any, shall be assumed by Purchaser.

8. Developer's Representations. Developer represents and Purchaser acknowledges that neither Developer nor any of its agents or representatives has made any representations of any kind as to tax or other economic benefits or advantages which may be realized from purchasing the Unit. Developer makes no representations as to the income tax consequences of the purchase, use of the Unit and related rights and appurtenances, or as to the deductibility of related expenses such as interest, taxes, and depreciation. Each Purchaser should consult Purchaser's own tax advisor as to these issues. The Unit should not be purchased in reliance on any particular kind of tax consequence.

9. Purchaser's Representations. In addition to other representations in this Contract, Purchaser makes the following representations to Developer:

a. Purchaser represents to Developer and the title insurer, if any, that Purchaser has full authority and capacity to enter into this Contract.

b. Purchaser acknowledges that prior to executing this Contract, Purchaser received the documents listed in the Receipt for Documents provided to Purchaser, and Purchaser agrees to be strictly bound and to abide by those documents, as each may be amended from time to time.

c. Purchaser has not relied on any prior agreements, representations, understandings, or oral statements (including renderings or representations in sales brochures, advertising or sales materials, and oral statements of sales representatives), which are not specifically stated in this Contract or the Homeowners' Association Disclosure Summary provided to Purchaser.

d. Except as otherwise specifically authorized by Developer or when escorted by an authorized designee of Developer, Purchaser acknowledges that neither Purchaser nor any agent of Purchaser shall enter the Unit or any other portion of the Villas Property until after Purchaser has closed this Contract and taken possession of the Unit, at which point Purchaser's rights shall be as set forth in the Governing Documents. Purchaser agrees to abide by such restriction and not to enter on, nor interfere in any way with, the construction of the Villas Property.

e. Purchaser acknowledges Developer's right to assign its rights and interests under this Contract without notice to, or consent from, Purchaser.

f. Purchaser acknowledges that prior to closing, Purchaser is prohibited from listing or advertising the Unit for sale in any real estate listing service or publication, on any online electronic medium and on any radio, television, or any other medium for advertising.

**g. 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.**

Purchaser acknowledges receipt of the separate Homeowners' Association Disclosure Summary provided to Purchaser, and Purchaser acknowledges that the Homeowners' Association Disclosure was provided to Purchaser prior to the execution of this Contract.

h. Purchaser acknowledges that Purchaser has not seen a model of the Unit. Purchaser understands and acknowledges that the construction and finishing of the Unit will be in accordance with this Contract.

i. Purchaser acknowledges that Purchaser must obtain and maintain insurance required of Owners pursuant to Section 5.2 of the Declaration, and shall provide a copy of the insurance certificate to Association at closing.

10. Contract. This Contract represents the entire agreement between the parties and supersedes all prior memoranda, correspondence, conversations, and negotiations between the parties as to the subject matter of this Contract. With the exception of the documents listed in the Receipt for Documents provided to Purchaser, there are no oral or written understandings, warranties, or representations between the parties that are not expressly contained in this Contract. Except as set forth in this Contract, this Contract may not be modified except in writing signed by both parties. All representations and obligations of Purchaser shall survive termination of this Contract or the closing and the delivery of the deed.

Developer may make changes to the Unit, the preliminary draft of the Plat attached as part of Exhibit "A" attached to this Contract ("Preliminary Plat"), the Plat, the Villas Property, or the Governing Documents prior to closing that Developer deems necessary or desirable, in Developer's sole discretion. If, in Developer's sole discretion, these changes do not materially alter or modify the offering in a manner adverse to Purchaser, they shall be considered "Non-Material Changes." Non-Material Changes may include changes to the Governing Documents; an increase or decrease in the Estimated Budget of no more than fifteen percent (15%) from the Estimated Budget attached to this Contract as Exhibit "C"; changes to update disclosure information as required by law (including changes in the officers or directors of Developer, Management Company; any action taken pursuant to any reserved and previously disclosed right; completion of improvements; and transfer of control of Association); correction of grammatical or typographical errors; formatting changes; any substitution of an executed, filed, or recorded document for the same document; any changes to the Preliminary Plat or the Plat required by any governmental authority; or any increase in insurance coverage. If, in Developer's sole discretion, a change materially alters or modifies the offering in a manner adverse to Purchaser, it shall be considered a "Material Change." If Developer makes a Material Change, Developer will provide Purchaser with a notice of the Material Changes granting a 3-day rescission period along with copies of any Governing Documents revised due to the Material Change. Purchaser authorizes Developer or its authorized agent to insert or change the Unit number wherever necessary to conform with the recorded Plat, the Preliminary Plat, and the Declaration and to make any changes, insertions, or deletions in this Contract and any documents to be executed under this Contract as may be necessary to ensure compliance with this Contract; provided, however, that any changes in such documents will be of an administrative nature only and will not materially or adversely alter this Contract without Purchaser's consent first being given in writing.

11. Binding Effect; Time; Recordation. This Contract is binding on the parties and their respective heirs, legal representatives, successors, and assigns and may not be assigned by Purchaser without the prior written consent of Developer. Time is of the essence under this Contract. Purchaser may not record this Contract or any memorandum of this Contract.

12. Default. On Purchaser's breach of any term of this Contract, Developer may declare this Contract cancelled and retain all sums paid under this Contract by Purchaser as liquidated damages, and, except as provided in the last sentence of this Paragraph, the parties shall thereafter be relieved from all obligations in connection with this Contract. Since the damages that may result from a breach of this Contract by Purchaser are uncertain, the sums paid by Purchaser under this Contract are a reasonable estimate of probable damages, and are not a penalty. Purchaser shall indemnify and hold Developer harmless from any and all losses, damages, costs, and expenses including attorneys' fees and court costs that may be incurred or suffered as a result of any claim for any fee, commission, or similar compensation with respect to this transaction made by any person or entity (other than real estate brokers and salesmen engaged by Developer) and arising through the actions of Purchaser.

On Developer's default or breach of any term or condition of this Contract, Purchaser must give Developer written notice of such default at the address on page 1 and, if within thirty (30) days after receipt of such notice, Developer fails to commence action that would cure the default within a reasonable period of time, Purchaser will have the right to seek all remedies available to Purchaser at law or equity, including damages and the right of specific performance by Developer. Notwithstanding anything in this Paragraph to the contrary, if Developer fails to complete construction in the time period in Paragraph 4, Purchaser shall have no obligation to provide written notice of such failure to Developer, and Purchaser will have the right to seek all remedies available to Purchaser at law or equity, including damages and the right of specific performance by Developer.

In connection with any litigation arising out of this Contract, the substantially prevailing party will be entitled to recover all costs incurred, including reasonable attorneys' and paralegal fees, including those incurred in all bankruptcy and probate proceedings.

13. Notices. Each notice or other communication permitted or required to be given under this Contract by one party to the other shall be in writing and shall be hand delivered, mailed by registered or certified United States Mail, postage prepaid, return receipt requested, or delivered by overnight courier service to the party entitled or required to receive the same at the addresses specified on page 1. Each notice or other communication given by either party to the other shall be deemed to have been sufficiently given for all purposes when made by personal delivery, on actual delivery (or refusal to accept delivery) by registered or certified United States mail or overnight courier, or if delivery by any method permitted in this Paragraph is refused, on the date of such refusal. Either party may change its address (not to exceed four [4] for any party) by giving notice to the other as required in this Paragraph.

14. Severability. If any provision of this Contract is determined to be invalid and unenforceable under applicable law, the same will be stricken from this Contract and will in no way affect the other provisions of this Contract. This Contract will remain in full force and effect and will be construed in all respects as if the invalid or unenforceable provision were omitted.

15. Florida Building Energy-Efficiency Rating Act. Pursuant to the Florida Building Energy-Efficiency Rating Act, Part VIII, Chapter 553, *Florida Statutes*, Purchaser may have the energy-efficiency rating of the Unit determined. The cost for obtaining this rating is the responsibility of Purchaser. By execution of this Contract, Purchaser acknowledges receipt of the Department of Community Affairs' information brochure regarding Florida's Energy-Efficiency Rating System.

16. Inspection.

a. Prior to closing, Purchaser and Developer shall inspect the Unit and execute a written list specifying all items, including any noted in previous inspections, that remain to be completed ("Walk Through List"). No items shall be considered part of the Walk Through List unless such items are actually written on the Walk Through List. Purchaser acknowledges that Developer will make a reasonable effort to complete all of the items specified in the agreed on Walk Through List on a timely basis, but the fact that any repairs, touch ups, or adjustments are incomplete shall not constitute a valid reason for Purchaser to fail to close. The Unit shall be considered to be ready for closing on issuance of a certificate of occupancy or other similar document issued by a governmental agency and Developer's delivery to Purchaser of notice of same. Purchaser further agrees that under no circumstances shall the closing be delayed or postponed due to Purchaser's or Developer's inability to inspect the Unit and execute a Walk Through List prior to closing, and there shall be no withholding of any or all of Developer's proceeds at closing for any such Walk Through List items.

b. Except for items in the Walk Through List, by acceptance of the deed, Purchaser expressly acknowledges acceptance of all conditions or circumstances existing in or in the vicinity of the Unit and waives and releases Developer, its agents, employees, and subcontractors, from any claim, rights of action or suits seeking rescission of this Contract, damages, or other relief based on, or relating to, any condition or circumstances existing in or in the vicinity of the Unit, except as may be covered by any express warranty given Purchaser by Developer. On satisfactory disposition of the items in the Walk Through List, this acceptance, waiver, and release shall apply to such items as well, except as may be covered by any express written warranty. At closing, Developer shall provide Purchaser with Developer's standard one-year limited builder's warranty for the Unit.

17. Warranty Limitation.

a. Purchaser shall have the right, pursuant to Paragraph 16, to inspect the Unit prior to closing. Purchaser hereby agrees that from and after closing, Purchaser shall not make or bring, and shall not support the bringing of such action by others, any claim or action whatsoever against Developer or Developer's agents with respect to the dimensions of the Unit or the Common Property, the materials employed in the construction of the Unit or the Common Property, the design of the Unit or the Common Property, or the quality of workmanship or the merchantability or fitness of the Unit or the Common Property or fixtures or items of personal property sold pursuant to this Contract, or the merchantability or fitness thereof.

b. Purchaser acknowledges that Developer has no reason to know of any particular purpose of Purchaser in purchasing the Unit and any items of personal property sold pursuant to this Contract other than for normal residential use. Purchaser further acknowledges and agrees that, to the extent allowed by law, Developer makes no other express or implied warranties whatsoever regarding the Unit, the Common Property, any fixtures or items of personal property, or any other real property sold under this Contract.

c. To any extent assignable, Developer hereby assigns to Purchaser any interest, right, or benefit Developer may have under any warranty granted to Developer regarding the construction of the Units, the Common Property, or any personal property located in the Unit; provided, however, should Purchaser have a claim against any such warranty, Developer reserves the right, but not the obligation, to administer the processing of such claim on behalf of Purchaser.

**EXCEPT AS SPECIFICALLY PROVIDED IN THIS CONTRACT, DEVELOPER DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, COURSE OF DEALING, CUSTOM AND PRACTICE, OR OTHERWISE, INCLUDING IMPLIED WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE IN CONNECTION WITH THE CONSTRUCTION OF THE UNIT, THE COMMON PROPERTY, OR ANY PERSONAL PROPERTY LOCATED ON THE VILLAS PROPERTY OR IN THE UNIT. EACH OWNER ASSUMES ALL RISKS AND LIABILITIES IN CONNECTION WITH THE USE OF ANY OF THE FOREGOING PROPERTY.**

d. This Paragraph shall survive the closing and delivery of the deed.

18. Miscellaneous.

a. Renderings and drawings are not actual photographs of the Unit and do not constitute a representation or warranty as to construction, interior finish, décor, amenities, or other features.

b. This Contract may be executed in any number of duplicate counterparts, each of which on execution by both parties shall constitute an original. The effective date of this Contract ("Effective Date") is the date of execution by Developer, and shall not be affected by whether or when Purchaser receives a fully executed copy of this Contract. Developer hereby is authorized to make any inquiry and investigation as to Purchaser's character, reputation, credit, and financial responsibility as Developer may deem appropriate in evaluating whether to accept Purchaser's offer to purchase the Unit. Purchaser will, whenever and as often as Purchaser shall be required to do so by Developer, execute, acknowledge, and deliver any and all documents so requested or as are necessary to carry out this Contract.

c. Headings are for convenience and in no way define or limit the scope of any provision of this Contract. Wherever the context so permits, the singular will include the plural, the plural will include the singular, and the use of any gender will be deemed to include all or no genders. The term “include” and similar terms (*e.g.*, includes, including, included, comprises, comprising, such as, *e.g.*, and for example), when used as part of a phrase including one or more specific items, are used by way of example and not of limitation. The waiver by Developer of any term or condition of this Contract shall not be deemed as subsequent waiver of the same term or condition nor as a waiver of any other term or condition of this Contract.

d. No legal or equitable lien shall result in favor of Purchaser as a result of the execution of this Contract or the deposit of any monies pursuant to this Contract, and Purchaser agrees that this Contract is subordinate to the lien of any mortgage now existing or hereafter made or placed on the Unit by Developer (including any and all amendments, extensions, or modifications to existing mortgages), and to any advances made to Developer under such mortgage without the execution of any further legal documents.

19. Governing Law and Venue. If this Contract is executed outside of the sales office of Developer located in Florida, it will constitute an offer by Purchaser to Developer, and will in all events be subject to acceptance by Developer in Developer’s discretion at Developer’s offices in Florida. This Contract shall be governed by, construed under, and enforced in accordance with the laws of the State of Florida. Jurisdiction and venue shall be proper only in Osceola County, Florida.

20. Waiver of Jury Trial. **Developer, Purchaser, and any other party claiming rights or obligations by, through, or under this Contract, each waive any right they may have under any applicable law to a trial by jury with respect to any suit or legal action which may be commenced by or against the others concerning the interpretation, validity, enforcement, or performance of this Contract.**

21. Executive Order. Pursuant to United States Presidential Executive Order 13224 (“Executive Order”), Developer is required to ensure that Developer does not transact business with persons or entities determined to have committed, or to pose a risk of committing or supporting, terrorist acts and those identified on the list of Specially Designated Nationals and Blocked Persons (“List”), generated by the Office of Foreign Assets Control of the U.S. Department of the Treasury. The names or aliases of these persons or entities (“Blocked Persons”) are updated from time to time. If Developer learns that Purchaser’s name appears on the List, Developer reserves the right to delay the Closing pending Developer’s investigation into the matter. If Developer is advised or determines that Purchaser is a Blocked Person, Developer reserves the right to terminate this Contract and to take all other actions necessary to comply with the Executive Order. This Paragraph will survive closing or termination of this Contract.

22. Other Disclosures.

a. Governing Documents. Please refer to the Declaration for a complete description of the Villas Property, including units, recreational facilities, the Common Property (which is owned by Association), and Developer’s right to expand the Villas Property. Owners’ must maintain their units, and Association will maintain certain portions of the units and the Villas Property as further described in the Governing Documents. The costs of such maintenance by Association will be part of the Common Expenses. In accordance with the Governing Documents, each Owner will be personally liable for such Owner’s unit’s share of Common Expenses. The Unit, and each unit in the Villas Property, will have one (1) vote at Members’ meetings in accordance with the Governing Documents. Please also refer to the Declaration for an explanation of the rights of the South Florida Water Management District with respect to the Villas Property, the possible formation of special purpose municipal service taxing units and its impact on assessments, and other important disclosures and disclaimers in the Declaration.

b. Additional Required Disclosures.

i. Radon Gas. Radon is a naturally occurring radioactive gas that, when it has accumulated in a 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.

ii. Property Tax Disclosure Summary.

PROPERTY TAX  
DISCLOSURE SUMMARY

PURCHASER SHOULD NOT RELY ON DEVELOPER'S CURRENT PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT PURCHASER 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.

iii. Construction Defects. **CHAPTER 558, FLORIDA STATUTES, CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY BRING ANY LEGAL ACTION FOR AN ALLEGED CONSTRUCTION DEFECT IN YOUR HOME. SIXTY DAYS BEFORE YOU BRING ANY LEGAL ACTION, YOU MUST DELIVER TO THE OTHER PARTY TO THIS CONTRACT A WRITTEN NOTICE REFERRING TO CHAPTER 558 OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE SUCH PERSON THE OPPORTUNITY TO INSPECT THE ALLEGED CONSTRUCTION DEFECTS AND CONSIDER MAKING AN OFFER TO REPAIR OR PAY FOR THE ALLEGED CONSTRUCTION DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER WHICH MAY BE MADE. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER THIS FLORIDA LAW WHICH MUST BE MET AND FOLLOWED TO PROTECT YOUR INTERESTS.**

iv. Insulation. Pursuant to Section 460.16 of the Federal Trade Commission Regulations regarding labeling and advertising of home insulation, the types, thicknesses, and R-Values of insulation presently anticipated to be installed in the Unit at the time of closing shall be as set forth below:

| <u>Location</u>      | Type of<br><u>Insulation</u>  | <u>Thickness</u> | <u>R-Value</u> |
|----------------------|-------------------------------|------------------|----------------|
| Side exterior walls  | Polyisocyanurate              | 1"               | R-7.6          |
| Ceiling/Roof         | Cellulose                     | 8"               | R-30           |
| Front and rear walls | Polystyrene                   | 4"               | R-15.3         |
| Party Walls Combined | Thermal Reflective Insulation | ¾", 1-1 ½ AG     | R-8.4          |

The "R-Value" indicates the resistance of insulation to heat flow. The higher the R-Value, the greater the insulating power. Developer has not made its own independent determination of the R-value data provided to Developer by the insulation manufacturer.

[Signature page follows; remainder of page intentionally left blank.]

In witness whereof, the parties have caused this Contract to be executed on the date(s) set forth below.

Purchaser:

\_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Print Name: \_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Developer:

FLPRD, LLC,

a Florida limited liability company

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

As its: \_\_\_\_\_

Date: \_\_\_\_\_

Exhibit "A"

Preliminary Plat, Floor Plans, and Master Site Plan

Exhibit "B"

Description of the Standard Luxury Features of Heritage Key Villas

**GOURMET KITCHEN FEATURES:**

- \* Kitchen Island with Natural Stone Top
- \* Breakfast Bar with Bar Stools
- \* Pantry per Plan
- \* Icemaker Line
- \* Double Bowl Sink with Sprayer
- \* Self Cleaning Range
- \* Side by Side Refrigerator with Ice Dispenser
- \* Multi-cycle Dishwasher
- \* Space Saver Microwave
- \* Ceramic Tile
- \* Formica Laminated Counter Tops with Full Backsplash

**LUXURY BATHROOM FEATURES:**

- \* Full Vanity Mirrors
- \* Elongated Toilets
- \* Natural Stone Vanity Tops
- \* Ceramic Tile Flooring in All Bathrooms
- \* Water-Saving Showerheads
- \* Quality Plumbing Fixtures
- \* Ceramic Tile Walls / Shower
- \* Powered Bath Fans
- \* Additional Vanity in Upstairs Hallway

**ENERGY SAVINGS & SAFETY FEATURES:**

- \* R-30 Ceiling Insulation
- \* 50-Gallon Quick Recovery Water Heater
- \* Energy Efficient A/C
- \* Maintenance Free Vented Aluminum Soffits
- \* Energy Efficient Roof Vents
- \* Energy Saving Steel Paneled Entry Doors
- \* Protective Smoke Detectors
- \* Dead Bolt on Exterior Doors

**OUTSTANDING INTERIOR FEATURES:**

- \* Inside Laundry Area
- \* Ceramic Tile Floor in Foyer
- \* Volume High Ceilings per Plan, 9'4" in Most Areas
- \* 5 1/4" Colonial Base Molding
- \* Raised Paneled Interior Doors
- \* 8' Interior Doors
- \* Designer Light Fixture Package
- \* Pre-wired for four Phone Jack Minimum
- \* Pre-wired for four Cable TV Outlets Minimum
- \* Fan Outlets & Fans in Family Room and all Bedrooms
- \* Plush Stain Resistant Carpet
- \* Electric Smoke Detector / Door Chimes

**SPECIAL FEATURES:**

- \*\* Superior Construction with Termite Proof
- \* Reinforced Poured Concrete Walls
- \* Reinforced Poured Concrete Ceilings
- \* Reinforced Concrete Stairs and Floors
- \* Reinforced Poured Concrete Walls Between Units
- \* Engineered Steel Roof
- \* Steel Stud Interior Walls with Drywall
- \* Squeak Proof Floors and Stairs
- \* Four-hour Fire Separation Between Units
- \* Professionally Designed Landscape
- \* Air Filtration Prevention Sealing
- \* White Aluminum Window Frames
- \* Underground Utilities
- \* Decorative Steel Front Door
- \* Community Pool, Clubhouse and Exercise Room
- \* Gated Entry
- \* 5 Ponds with Fountains

All plans and drawings are the property of Developer and cannot be copied or used without Developer's prior written permission. Developer reserves the right to modify plans, specifications and change dimensions without prior notice to or consent of Purchaser in accordance with the Contract. Actual construction may vary slightly from plans. Because Developer is always improving Developer's homes, Developer reserves the right to substitute building materials of like or better kind and quality and change features without prior notice to or consent of Purchaser in accordance with the Contract.

Exhibit "C"

Association Budget

Heritage Key Association, Inc.  
Initial Year Estimated Annual Operating Budget - 2006

|  | <u>INITIAL ESTIMATE</u> |
|--|-------------------------|
| Total Revenue 158 units @ 197.78 per month                             | \$375,000 annually      |
| <u>ADMINISTRATIVE EXPENSES</u>   |                         |
| Professional & Legal Fees  | 5,000                   |
| On site management, maintenance, cleaner                               | 98,200                  |
| Licenses, Permits & Fees   | 1,000                   |
| Property Management Fees   | 24,000                  |
| <u>UTILITIES</u>   |                         |
| Electric   | 10,000                  |
| Gas  | NA                      |
| Water & Sewer  | 30,000                  |
| <u>MAINTENANCE &amp; REPAIRS</u>                                       |                         |
| General Maint.   | 20,500                  |
| Misc. Repairs & Supplies   | 15,500                  |
| Gate Maint. & Repair   | 45,000                  |
| Lawn Care  | 25,000                  |
| Pest Control   | 3,000                   |
| Pool Maint.  | 7,000                   |
| <u>INSURANCE</u>   |                         |
| Property Liability Insurance   | 65,000                  |
| <u>TOTAL OPERATING EXPENSES</u>  | 349,200                 |
| <u>RESERVES</u>  |                         |
| Painting   | 15,000                  |
| Roofing  | 5,000                   |
| Paving Overlay   | 5,000                   |
| Pool Remarcite   | 1,000                   |
| <u>TOTAL RESERVES</u>  | 26,000                  |
| <u>TOTAL ANNUAL EXPENSES</u>   | 375,000                 |
| <u>ESTIMATED MONTHLY MAINTENANCE FEE (Per Unit Based on 158 Units)</u> | 197.78                  |

INITIAL ESTIMATES of RESERVES for REPLACEMENTS

|                  | <u>ESTIMATED<br/>REPLACEMENT<br/>COST</u> | <u>ESTIMATED<br/>USEFUL<br/>LIFE in YEARS</u> | <u>INITIAL<br/>ANNUAL<br/>CONTRIBUTION</u> |
|------------------|---|---|--|
| Painting         | \$105,000                                 | 7   | \$15,000                                   |
| Roofing          | \$200,000                                 | 40  | \$5,000                                    |
| Pavement Overlay | \$200,000                                 | 40  | \$5,000                                    |
| Pool Remarcite   | \$10,000                                  | 10  | \$1,000                                    |
|                  |   |   | \$26,000                                   |
| TOTALS           | \$515,000                                 |   |  |

Budget Notes:

(i) Developer Guaranty

Pursuant to the Declaration, Developer guarantees to each Owner that through December 31, 2006, the total monthly assessment for Common Expenses will not exceed one hundred and ninety-seven and seventy-eight cents. dollars (\$197.98) per Unit.

In consideration of this guaranty, Developer is excused from the payment of its share of the Common Expenses which otherwise would have been assessed against its unsold Units during the term of the guaranty. The actual amount to be paid by Developer under this guaranty will be equal to the amount necessary to pay the difference between the actual Common Expenses incurred by Association at any given time less the amount of operating assessments collected by Association from all Owners of Units at that time, such that the bills of Association are paid in full on a thirty-day current basis. As a consequence of this exemption, Developer will pay any amount of Common Expenses incurred each Estimated Budget year which exceed the total revenues of Association for so long as the guaranty remains in effect. However, this guaranty does not cover shortfalls in capital reserves or any Common Expenses incurred during the guarantee period resulting from a natural disaster or an act of God; any such Common Expenses that are not covered by insurance proceeds from the insurance maintained by Association will be assessed against all Owners owning Units on the date of such natural disaster or act of God, including Developer. Developer reserves the right, but not the obligation, to unilaterally extend and increase the amount of this guaranty for one or more periods of one year each after the expiration of the initial guaranty period on December 31, 2006.

**(ii) Purchaser acknowledges that the amounts listed for reserves for replacement above are only estimates of the amounts required to fund Association's reserve account for the initial year of Association's operation. Developer makes no warranties that the amounts reflected in those reserve account estimates will not change prior to closing.**