



VILLAS CABO VELA CONDOMINIUM - PURCHASE AGREEMENT

This agreement is entered into by and between:

- a. Propiedades Cabo Vela del Pacifico, S.A., corporate identification number 3-101-388467 with domicile in Escazú, Costa Rica constituted, organized and existing according to the laws of the Republic of Costa Rica, registered in the Mercantile Section of the Public Registry under volume xxxxx entry xxxx, herein represented by its President who has sufficient legal authority for this act, Mr. Vicente Matlock Smith hereon and for the purpose of this contract hereinafter referred to as the authorized representative of the “SELLER” on hand; and,
- b. Buyer. _____ sole last name due to the _____ nationality, passport number _____, hereon and for the purpose of this contract hereinafter referred to as the “BUYER”.

WHEREAS:

- I. SELLER is developing a tourist and residential project called Villas Cabo Vela, in Santa Cruz, Playa Grande, Guanacaste, Costa Rica, as part of the development named VILLAS CABO VELA.
- II. The condominium units will be registered under the name of CORPORATIONS constituted and organized according to the Laws of the Republic of Costa Rica; each one of the corporations will own a condominium unit.

THEREFORE:

On this date and with a full willful manifestation, we expressly and formally agree to enter into this RESERVATION AND PURCHASE OPTION CONTRACT of the Unit N° _____ of Condominium –Villa No ____, second floor a _____ bedroom condominium. (THE CONDOMINIUM UNIT). This reservation will also be governed by the applicable provisions of the Costa Rican Commercial and Civil law currently in force, and by the following clauses:

FIRST: PURPOSE. BUYER is interested in purchasing from SELLER the CONDOMINIUM UNIT; SELLER is interested in selling to BUYER the subject CONDOMINIUM UNIT; for this

reason, both parties BUYER AND SELLER, commit reciprocally to buy (the first party from the second) and to sell (the second party to the first) the subject CONDOMINIUM UNIT under the terms and conditions herein set forth and agreed upon.

SECOND: PRICE. The price for the sale and purchase of the CONDOMINIUM UNIT is the amount of US\$ _____ Representing Condominium unit Number _____.

THIRD: PAYMENT METHOD. The above-mentioned purchase price shall be paid by BUYER as follows:

- a. An amount of US \$10,000 representing the reservation deposit shall be paid within 3 days of signing the Reservation Agreement. The down payment of 20% shall be deposited within 7 days of signing the Sales Agreement, the reservation deposit will be placed towards the down payment. This payment can be made through wire transfer or local check. The 20% down payment is non-refundable.
This Reservation Deposit is refundable in SELLER'S benefit up to 30 days after signing the reservation agreement to allow due diligence. Therefore, ESCROW AGENT is hereby authorized by the Parties to release the down payment in favor of SELLER, together with the disbursement of the second payment at the appropriate time set forth in this agreement. Additionally, ESCROW AGENT is hereby authorized by both parties to cancel the appropriate brokerage fees to those duly authorized and accepted brokers by SELLER that participated in the transaction.
- b. Payment of 20% (twenty percent) of the Purchase Price, equivalent to the amount of US \$ _____ (United States Dollars) within seven (7) calendar days of installation of the roof. Upon receipt of this deposit, Escrow Agent is hereby authorized by both Parties to disburse from the Escrow funds: (a) the amount required to cancel the applicable fees to those brokers or sales agents duly authorized and accepted by Propiedades Cabo Vela del Pacifico, SA. and (b) the balance amount of the funds to be released to the Seller.
- c. Balance of 60% (sixty percent) of the Purchase Price, equivalent to the amount of US \$ _____ (United States Dollars) upon receipt of notice by the SELLER to the BUYER that Completion of the Unit is finalized.

Payments set forth in sections c, d and e of this clause shall be released to SELLER upon verification of completion of work. For this purpose, SELLER expressly accepts to provide Buyer and Escrow Agent if any, with digital photos of the construction site when delivering written notice of completion of work so BUYER can verify the completion of work claimed by SELLER. Without prejudice of the foregoing, BUYER may at its own expense request independent verification of such completion of work from an inspector appointed by BUYER. Said verification must be made within the thirty (30) calendar day term provided in section c. of this clause. Consequently, Escrow Agent is hereby authorized to release said funds to SELLER after said thirty (30) calendar day term has elapsed unless Escrow Agent receives within said term a written notification from BUYER contesting said completion of work, in which case the provisions of clause thirteen of this agreement shall apply.

FOURTH: FORMALIZATION. BUYER has the faculty of taking the control and acquiring the total of the shares that form THE CORPORATION capital stock; THE CORPORATION owns the CONDOMINIUM UNIT through the assignment of the rights over the shares, therefore acquires the ownership of the CONDOMINIUM UNIT; it is understood that SELLER will

prepare all the required documents and endorsements to transfer the share certificates if BUYER choose this option. SELLER and BUYER will share in equal parts, all the costs involved in the transfer of shares agreed. In the event that BUYER decided to transfer the property to another corporation or into his personal name, it is understood that this will generate additional transfer costs and expenses. In this case, all transfer expenses necessary to register the sale and purchase in the Public Registry as well as the corresponding fees will be fully paid by BUYER. The formalization of this Agreement will take place once the BUYER has paid the full price described on the clause 2 of this Agreement.

FIFTH: SALE AND PURCHASE CONDITIONS. The property must be up to date with all municipal and national taxes and water fees, and must be free of possession by squatters, occupation by pure tolerance, lessees and free of any rights in favor of third parties; all this rights in favor of third parties; all this is guarantee by SELLER. The day of closing the parties shall execute the corresponding Stock purchase and sale agreement whereby BUYER acquires 100% of the common stock of the corporation that owns the Unit described in clause 1 of this agreement. SELLER guarantees as well that the owning corporation of this CONDOMINIUM UNIT is free and clear of any debts, obligations, liabilities and / or due taxes or payments, as this corporation has never been used for commercial purposes. This declaration will be made as well within the formalization deed.

It is understood that the description of the property in which CONDOMINIUM Villas Cabo Vela is developing is the property of Propiedades Cabo Vela del Pacifico, S.A. Real Number 3-101-388467 a registry report of the said property dated today, is attached to this contract as Exhibit "E".

The size, areas of distribution, floor plans and common areas of the related CONDOMINIUM UNIT will be attached as Exhibit "F".

SIXTH: DISBURSEMENTS & CONSTRUCTION DATES. SELLER and BUYER authorize Escrow Agent if any, to disburse the amounts mentioned in sections a. and b. of the Payment Method clause, once the SELLER starts the general construction of the CONDOMINIUM. The construction must begin within 90 days from the Effective Date of this agreement. SELLER will provide Escrow Agent, with a letter from an architect or engineer, stating that the construction of the Condominium has started.

SEVENTH: ASSIGNMENT OF RIGHTS. BUYER cannot transfer or assign to third parties rights granted under this Contract without a prior written agreement from SELLER.

EIGHTH: ADMINISTRATION AND CONDOMINIUM REGULATION. As of this moment BUYER irrevocably commits to accept and comply with the Administration and Condominium Regulations of the Condominium established in said Regulations as well as those established in the future by the Condominium Owner's General Assembly. Maintenance fees will be determined by the Condominium Owner's General Assembly in accordance with the Condominium By-Laws and the condominium law.

NINTH: FAILURE BY BUYER. It is expressly understood by all parties to this agreement, that if for any reason BUYER decided not to purchase the Condominium Unit after making the Reservation Deposit, or if BUYER fails in making any of the aforesaid payments in the terms established herein, or if it fails to formalize the stock purchase agreement on the closing date, the BUYER shall lose all the amounts it has delivered or deposited before Escrow Agent in favor of

SELLER or already delivered to SELLER, as a sanction for such default, and the SELLER shall be free to dispose of the Condominium Unit subject matter of this agreement at its discretion without any responsibility or liability before BUYER. In such case, the Escrow Agent shall not be held responsible for the release of the funds to the SELLER. Likewise, if SELLER does not start construction within the time frame mentioned above and established in this agreement, the Reservation Deposit will have to be reimbursed in fully to BUYER.

TENTH: BREACH OF PAYMENT. The effectiveness of this Agreement will be subject to the validity of the payments in a timely manner. In case BUYER does not comply with any of the payments established herein on the dates indicated, and after having been notified and informed of said circumstance, this Contract will be terminated unilaterally by SELLER, who will retain in his favor any amounts deposited as a fixed indemnity for damages caused. As of that time, SELLER can dispose of the CONDOMINIUM UNIT without any responsibility whatsoever.

ELEVENTH: FAILURE BY SELLER: In the event that the SELLER fails to comply with its obligations under this agreement, the BUYER shall be entitled to terminate this contract unilaterally, and the SELLER shall reimburse to him all the amounts received and/or deposited by BUYER plus an amount equal to the interests that the PROMISING PURCHASER would have earned on said amounts if they would have been invested in a certificate of six month deposit at the National Bank of Costa Rica. The above-mentioned indemnification is the sole and definitive sanction to which the BUYER is entitled for any damages caused as consequence of Seller's default.

Seller shall not be liable, in respect to any delay in completion of work hereunder or the non-performance of any term or condition of this Agreement directly or indirectly resulting from delays by acts of God, acts of the public enemy, strikes, lockouts, power failure, water shortage or adverse weather conditions, or other causes beyond the control of the Parties. In the event of any of the foregoing, the time for performance shall be equitably and immediately adjusted, and in no event shall the Seller be liable for any consequential or incidental damages from its performance or non-performance of any term or condition of this Agreement subsequent to any delay due to acts of God and/or force majeure.

TWELTH: TOTAL AND DEFINITE CONTRACT. Both parties clearly establish that they have read this Contract and have understood and executed it and that they are bound by their terms and conditions. BUYER has received and accepts the condominium by-laws as indicated in clause eight of this agreement.

THIRTEENTH: ARBITRATION. All controversies, differences, disputes or claims that may be derived from this Agreement, its implementation, default, liquidation, interpretation or validity shall be resolved in accordance with the Law on Alternative Resolution of Conflicts and Promotion of Social Peace, its Regulations and the Regulations of the Center of Conciliation and Arbitration of the American Chamber of Commerce (AMCHAM), CICA, to which rules the parties subject themselves unconditionally. Said arbitration proceedings shall be conducted in accordance with the laws and regulations of the Republic of Costa Rica in force at the time of the arbitration, except to the extent that they are modified by this Agreement or by future mutual agreement of the parties hereto. The place of arbitration shall be the city of San José, Republic of Costa Rica, being conducted in the Spanish language. The arbitration proceedings shall be directed by an arbitration panel composed of three arbitrators. Each of the parties shall appoint one arbitrator, and the arbitrators so designated shall select a third arbitrator, who shall preside over the arbitration panel. Arbitrators shall be selected from the list of arbitrators that the CICA has for the purpose. The arbitration award shall be entered in writing, being final and binding on the parties. It cannot be appealed, unless it is by means of an appeal for review. Once the

arbitration award has been entered, it shall have *res judicata* effects and the parties shall comply with it without delay. The administrative expenses incurred in connection with the arbitration and the professional fees of the arbitrators shall be defrayed by the parties in equal proportions. However, the professional fees of their respective lawyers and/or advisers shall be covered by each party on a separate basis.

All controversies, differences, disputes or claims that may be derived from the plans, designs and construction of the related CONDOMINIUM UNIT shall be resolved under the rules and in accordance with the Colegio Federado de Ingenieros y Arquitectos de Costa Rica, Center of Conciliation and Arbitration, and under the same terms and conditions explained above.

FOURTEENTH: NOTICES. The following is established for any notices to the parties: BUYER by fax number _____.

FIFTEENTH: BUYER commits to wire the amount of US\$ _____ set in the THIRD clause of this agreement to the following account: as attached in exhibit "D" Hereto:

This amount corresponds to the right for the reservation of the CONDOMINIUM UNIT and shall be deposited by the Buyer within three (3) business days after the Effective Date of this Agreement.

In witness wherefore, the parties sign two copies of this purchase agreement on this ____ day of _____, Two Thousand and Eight (EFFECTIVE DATE).

FOR AND ON BEHALF OF SELLER
Vicente Matlock Smith
Propiedades Cabo Vela del Pacifico, S.A.

Buyer