

PURCHASE AND SALE AGREEMENT - "VISTA PACIFICA HEIGHTS"

THIS AGREEMENT, made as of this _____ day of _____, 2009 (the "Effective Date"), by and between _____, of legal age, Citizen of _____, resident of _____, passport number _____ (hereinafter the "Purchaser"), and **COASTAL PROPERTY MANAGEMENT, SECOND PROYECT, LIMITADA**, with corporate identification number 3-102-436208, a company duly existing and incorporated under the Laws of the Republic of Costa Rica (hereinafter the "Seller"), hereinafter referred together as the **Parties** to this contract.

WITNESSETH:

WHEREAS, Seller is the owner of the property described as follows:

Real Property Number **6 - 147743 - 000**, located in the second district of Tárcoles, eleventh canton of Garabito, Province of Puntarenas, with the following boundaries: **North**: Agnes Morales Rodríguez, Mireya Castro Castro, Bayso, Sociedad Anónima, Silvia Kay Humphrey, Inversiones Gonar Internacional and public road, **South**: Asociación Iglesia Bíblica de Zapote, Río Loma, S.A., **East**: Bayso, S.A., Asociación Bíblica de Zapote, and national road from Orotina to San José, **West**: Compañía Damaris, S.A., Freer Hermosos, S.A., Quinta María del Socorro, S.A., Tecnimeca, S.A., Arpoli, S.A., Ingeniería Topográfica de Costa Rica, S.A., Jurama I.M., S.A., Cocobolo cuatro del Este, S.A., Bernal Enrique Torres and others; with an area of nine hundred ninety five thousand and sixty six square meters with seventy six square decimeters, with the official registered survey number **P-1085755-2006**.

WHEREAS, Seller is developing in the property described above, a residential project called **VISTA PACIFICA HEIGHTS**, which shall consist of approximately 150 to 250 residential lots ranging in size of between 1,500.00 square meters to 5,000.00 square meters, and possibly condominiums (hereinafter referred to as **the "Project"**). Said Project shall include roads, water and electricity.

WHEREAS, Seller will submit the aforementioned development into the Horizontal Property Law regulations of Costa Rica, or other similar structure, along with its corresponding by-laws in connection with the development of the Project.

WHEREAS, Seller has retained the marketing services of Wellington Asset Management, S.A. to be its **sole and exclusive agent** for the sale of the Project.

WHEREAS, Seller desires to sell and Purchaser desires to purchase Lot Number _____ in VISTA PACIFICA HEIGHTS. Said purchase to be made through the purchase of stock of a corporation that will hold title to such real property, or through transfer of title to the land and building (hereinafter the "Property"), as seen and numbered on the survey attached hereto as Exhibit A, which shall be considered an integral part hereof.

WHEREAS, SELLER has agreed to sell the Property to the Purchaser for the price and pursuant to the terms, conditions, and provisions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, each intending to be legally bound, do hereby represent, warrant, covenant and agree, as follows:

1. **RECITALS**: The foregoing recitals are represented by Seller to be true and correct and incorporated herein by reference and made a part hereof.

2. **PURCHASE AND SALE OF PROPERTY**: Upon the terms and provisions and subject to the conditions hereof and upon the representations and warranties herein made, Seller shall validly transfer, sell, assign and convey to Purchaser on the "Closing Date" good and insurable title to the Property and all rights, easements, privileges and appurtenances appertaining thereto and PURCHASER shall accept such conveyance subject to the conditions hereof and upon the representations and warranties made herein, in such way that Purchaser will have full use and enjoyment of the Property.

3. **PURCHASE PRICE**: The purchase price shall be US\$ _____ .00 (_____ Dollars), official currency in the United States of America (hereinafter "Dollars").

The Purchase Price shall be paid as follows:

a) On or before _____, Purchaser shall deposit with Seller's Escrow Agent the sum of US\$ _____ .00 (_____ DOLLARS).

b) The balance due shall be paid no later than _____ days after the execution of this Agreement or at closing, whichever first occurs. In the event that the balance due is not paid as required under this paragraph, then Seller, at its sole and absolute discretion, may cancel this Agreement and refund any money paid by Purchaser, may cancel this Agreement and keep any money paid by Purchaser, or Seller may extend the time for the Purchaser to pay the balance due; provided, however, that any extension of time granted by Seller to the Purchaser for the payment of the balance due shall not deprive Seller of its right to terminate this Agreement should Purchaser fail to pay the balance due by the extended time period.

c) All payments made by Purchaser under this Agreement shall be by wire transfer or deposit into Escrow Agent's account pursuant to the instructions indicated on the Escrow Agreement, which shall be considered an integral part hereof.

4. **CANCELLATION PERIOD**: Purchaser has sixty (60) days from the time he/she signs this Agreement or until he/she views the property, whichever occurs first, in which to cancel this Agreement in writing ("cancellation period"). Said written cancellation must be received by Seller within the cancellation period. Within thirty (30) business days after

receiving said written request, Seller will refund to Purchaser all monies paid by him/her. Upon the expiration of the cancellation period, the deposit and any other payments made by Purchaser to Seller are non-refundable.

5. INTEREST BEARING ACCOUNT: Any money received hereunder by the Seller may be placed in an interest bearing escrow account which interest shall accrue for the benefit of the party that ultimately receives said funds.

6. PERMITTED EXCEPTIONS: This sale is being made and the Purchaser shall take title subject only to the following (the "Permitted Exceptions"):

Of the monies placed in to escrow with the Escrow Agent, said Escrow Agent shall proceed as follows:

a) Escrow Agent is hereby authorized by Purchaser to disburse up to seventy-five percent (75%) of the balance to Seller, leaving twenty-five percent (25%) of said monies in escrow until the Closing Date set forth herein.

b) In the event that Seller is unable to substantially complete the building of the road through the Project, or provide water or electricity, to the Property within 18 months after all government approval has been obtained (Completion Date), then within thirty (30) days of said Completion Date, Purchaser may elect, at his/her sole discretion, to sell the Property back to the Seller and Seller shall buy the Property from the Purchaser at the same price for which the Purchaser bought said Property from the Seller under this Agreement. Should the Purchaser elect not to sell the Property back to the Seller within thirty (30) days of the Completion Date, then this provision shall become null and void and the Seller shall have no obligation to purchase the Property.

7. TITLE INSURANCE: Upon execution hereof by both parties, the SELLER shall cause to be delivered to the PURCHASER a title insurance commitment letter issued by **Stewart Title Costa Rica Trust and Escrow Company Limited, S. A.** covering the Property to the PURCHASER or his/her assigns upon the recording of the Warranty Deed from SELLER, free and clear of all liens, encumbrances, and exceptions whatsoever. It shall not be objectionable if the title insurance commitment shall show the existence of other liens, encumbrances or title conditions provided (a) same are discharged, cancelled of record and terminated at or prior to Closing Date, and (b) the title insurance company shall delete same as of the Closing Date from the title commitment and the Title Policy to be issued pursuant thereto, by endorsement of other manner acceptable to PURCHASER. SELLER shall disclose or cause the title insurer to disclose in writing to PURCHASER, for Purchaser's approval, any title exceptions or matters of record which are not shown in the title insurance commitment as exceptions. If PURCHASER shall have any objections with respect to the status of the SELLER'S title to the property, PURCHASER shall notify SELLER of such objections within thirty (30) days following the latter receipt of the title insurance commitment and the Survey (as hereinafter provided for). In the event the title insurance commitment or Survey shall reflect any condition which shall render the SELLER'S title other than good and insurable, as herein provided, and the SELLER is unwilling or unable to cure such title condition or objections prior

to Closing Date, so as to render SELLER'S title good and insurable, then the parties hereto shall be relieved of any further liability arising out of or with respect to this Agreement in which event PURCHASER shall be entitled to the refund of all money paid hereunder, or the PURCHASER may, at Purchaser's sole discretion, require SELLER to deliver title in its then existing condition. Notwithstanding the foregoing, any mortgages, judgments, liens, or other defects of a definite and ascertainable amount, which can be cured by the payment of money will be paid, released, and discharged at Closing Date. PURCHASER and SELLER agree that the Closing Date Payment may be used for such purpose. The title insurance commitment shall be "down dated" to an effective date at least three (3) days prior to Closing Date and as "down dated" shall confirm the approved status of SELLER'S title. PURCHASER understands and hereby agrees that at closing he/she shall purchase title insurance for his/her lot from **Stewart Title Costa Rica Trust and Escrow Company Limited, S. A.** for Six Hundred and No/100 Dollars (\$600.00).

8. CLOSING DATE AND SPECIAL POWER OF ATTORNEY: If all the conditions hereof are met, the delivery of the Notary Public instruments for transfer of title, documents, money and other acts necessary to accomplish the transactions provided for in the Agreement (the "Closing"), shall take place not later than **10 (TEN)** months **after** the date of approval of all the necessary construction permits by INVU, SETENA, and the Municipality of Garabito.

In case PURCHASER is not able to travel to Costa Rica for the Closing, he/she hereby grants **Special Power of Attorney**, as broad and sufficient as required by law, to **Bradley W. Stalpes**, of legal age, citizen of the United States of America, resident of San Jose, Costa Rica, for him to close the transaction on his/her behalf and to sign any necessary documents for that purpose.

The Closing shall take place at San José, Escazú, San Rafael, Plaza Roble Corporate Center, El Patio Building, third floor, FACIO ABOGADOS, before Notary Carlos F. Hernandez, Alejandro Pignataro, or Javier Escalante.

9. CLOSING COSTS AND ADJUSTMENTS: At Closing, the following items shall be borne, assumed, or paid by the SELLER:

a) Adjustments and Prorations:

i) Real Estate Taxes: Real estate and personal property taxes (if any) shall be paid, until the closing date by the SELLER. If the Closing Date shall occur before the tax is fixed for the then current year, the apportionment shall be upon the basis of the tax rate for the preceding year applied to the latest assessed valuation.

ii) Certified/Pending Liens: Certified, confirming and ratified governmental liens as of the Closing Date shall be paid by the SELLER.

iii) Other Taxes, Expenses, Insurance, Interest: Taxes (if assumed), interest (if applicable), assessment, water and electricity charges shall be paid by the SELLER, prior to the Closing.

b) Closing Costs:

SELLER shall pay US \$2,000.00 (Two Thousand and No/100 Dollars) to FACIO ABOGADOS, represented by Carlos F. Hernandez, as a flat fee for costs and expenses in connection with the Closing. Said amount shall be utilized to pay for the entire transfer tax and tax stamps on the deed, which are required to be affixed to the transfer instrument; the cost of recording any corrective instrument; the tax stamps on the deed, which are required to be affixed to the instrument in which new officers are appointed in the corporation that will own the Property; the cost of recording any corrective instruments; the cost of preparing the corporation and the attorney's fees for conducting the Closing. Carlos F. Hernandez, Alejandro Pignataro, or one of the associates of the Law Firm of Facio Abogados, will conduct the Closing.

10. CLOSING DOCUMENTS: At Closing, SELLER and PURCHASER shall execute before Notary Public Carlos F. Hernandez, Alejandro Pignataro, Javier Escalante or one of the associates of the Law Firm of Facio Abogados, all documents and instruments, as applicable under Costa Rican Law, that are necessary to transfer good and insurable title to PURCHASER, as well as any other documents reasonably necessary or advisable to consummate the transaction contemplated hereby, including but not limited to payment receipts for all applicable land and municipal taxes, all paid to date at SELLER'S expense. At this time, PURCHASER shall pay any outstanding balance due on the purchase price of the Property.

If PURCHASER desires to be represented by another Notary Public at closing, the PURCHASER will pay all of his/her Notary's fees.

11. ATTORNEY FEES, COSTS, AND EXPENSES: Should either party employ an attorney or attorneys to enforce any of the provisions hereof, or to protect its interest in any matter arising under this Agreement, or to recover damages for the breach of this Agreement, the party prevailing shall be entitled to payment by the other party of all reasonable costs, charges and expenses, including reasonable attorney's fees, expended or incurred in connection therewith by the prevailing party.

12. POSSESSION AND RISK OF LOSS: Possession of the Property shall be delivered to PURCHASER as of the Closing Date. Risk of loss to the Property between the date of execution of this Agreement and the Closing Date shall be borne by the SELLER, who shall maintain adequate liability insurance until Closing and shall be obligated to replace, repair, and fully restore any losses occurring prior to Closing, except for acts of God or *force majeure*.

13. ASSIGNMENT: This Agreement is freely assignable by the PURCHASER, and the SELLER agrees to close with PURCHASER'S successor, assignee or nominee, if any, the same as if such successor, assignee or nominee was the original purchaser named herein so long as the successor, assignee, or nominee abides by all the terms and conditions of this Agreement.

14. CONDEMNATION OR EMINENT DOMAIN: In the event of any condemnation or eminent domain proceedings for any public or quasi-public purposes at any

time prior to Closing which results in a taking of any part or all of the Property, PURCHASER shall have the option (a) to cancel this Agreement, in which event any money paid hereunder by the PURCHASER shall be promptly returned and refunded to PURCHASER, and upon such delivery and payment, this Agreement shall be of no further force and effect; or (b) to close the transactions contemplated by this Agreement, in which event the Purchase Price shall not be abated; provided, however, that SELLER shall assign any condemnation or eminent domain award to PURCHASER. SELLER agrees not to enter into any condemnation proceedings, any settlement, or eminent domain award without the prior written consent of PURCHASER.

15. NOTICES: All notices, requests, demands or other communications hereunder shall be in writing and deemed to have been given only if hand-delivered or sent by overnight courier service (i.e. Federal Express, Purolator) to the parties hereto at their respective addresses set forth at the outset of this Agreement or such other address as either party shall designate by notice pursuant to this Article. Notwithstanding the foregoing, in the event of any disruption of overnight delivery service due to strike or labor difficulty, national emergency, or *force majeure*, then notices, requests, demands or other communications referred to in this Agreement shall be hand-delivered personally or sent by facsimile transmission, but shall only be deemed to have been given when received.

Purchaser's Address: _____

Seller's Address: _____
Lic. Carlos F. Hernandez
Facio Abogados
P.O. Box 67-1260
San Rafael de Escazu, Costa Rica
Plaza Roble Corporate Center
El Patio Building, Third Floor
Telephone No.: (506) 201-8700
Facsimile No.: (506) 201-8707
Email Address: carlos@faciolaw.com

16. FURTHER ASSURANCES: In addition to the foregoing, the parties hereto, at the time of and from time to time after Closing, upon request of PURCHASER or of SELLER, as the case may be, agree to do, execute, acknowledge and deliver all such further acts, deeds, assignments, transfers, conveyances, applications, authorizations, petitions, filings, powers of attorney and assurances, as may be required for: (a) assigning, transferring, granting, conveying, assuring and confirming unto the PURCHASER all of SELLER'S right, title and interest in and to the Property being conveyed hereunder; and (b) the effective consummation of the other transactions referred to in this Agreement.

17. CAPTIONS AND HEADINGS: Captions and Article headings contained in this Agreement are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Agreement not the intent of any provision hereof.

18. NO WAIVER: No waiver of any provision of this Agreement shall be effective unless it is in writing, signed by the party against whom it is asserted and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

19. COUNTERPARTS: This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement.

20. ESCROW: Any escrow agent receiving funds, or documents is authorized and agrees to acceptance thereof to promptly deposit and to hold same in escrow and to disburse same subject to clearance thereof in accordance with terms and conditions of this Agreement. Failure of the clearance of funds shall not excuse performance by the depositor. In the event of doubt as to its duties or liabilities under the provisions of this Agreement, the Escrow Agent, may, in its sole discretion, continue to hold the monies which are the subject of this escrow until a judgment of a court of competent jurisdiction shall determine the rights of the parties thereto, or they may deposit all the monies then held pursuant to this Agreement with the Court having jurisdiction of the dispute, and upon notifying all parties concerned of such action, all liability on the part of the Escrow Agent shall fully terminate, except to the extent of accounting for any monies theretofore delivered out of escrow. In the event of any suit between Purchaser and Seller wherein the Escrow Agent is made a party by virtue of acting as such Escrow Agent hereunder, or in the event of any suit wherein Escrow Agent interpleads the subject matter of this escrow, the Escrow Agent shall be entitled to recover a reasonable attorney's fee and costs incurred, said fees and costs to be charged and assessed as court costs in favor of the prevailing party. All parties agree that the Escrow Agent shall not be liable to any party or person whomsoever from misdelivery to Purchaser or Seller of monies subject to this escrow, unless such misdelivery shall be due to willful breach of this Agreement or gross negligence on the part of Escrow Agent. Currently, the Escrow Agent is **Stewart Title Costa Rica Trust and Escrow Company Limited, S. A.**

21. BINDING EFFECT: This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, personal representatives, successors and assigns.

22. GOVERNING LAW: This Agreement shall be construed and interpreted according to the laws of the Republic of Costa Rica. All actions or causes arising out of this Agreement shall be brought in the Republic of Costa Rica.

23. BREACH OF CONTRACT: Non-fulfillment by one of the parties of any obligations assumed by means of this Agreement, will give the other party the right to request the termination of the Agreement along with the respective indemnification of all damages and losses of its forceful compliance, all in accordance with what is established in Articles Six Hundred Ninety-Two and One Thousand One Hundred Forty-Seven of the Costa Rican Civil Code.

24. ENTIRE AGREEMENT: This Agreement and any Exhibits attached hereto contain the entire agreement between the parties. There are no promises, agreements, conditions, undertakings, warranties or representations, oral or written, express or implied, between the parties other than as herein set forth. No amendment or modification of this Agreement shall be valid unless the same is in writing and signed by the parties hereto.

25. SEVERABILITY: If any part, term, or provision of this Agreement is held to be illegal or in conflict with the law of any country, state, province, or municipality, then the validity of the remaining terms or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if this Agreement did not contain the particular part, term, or provision held to be invalid.

26. TIME FOR ACCEPTANCE: This Agreement, when duly executed by all of the parties hereto, shall be binding upon the parties hereto, their heirs, representatives, successors and assigns. PURCHASER has executed this Agreement as of the date and year first above written. In the event this Agreement has not been duly executed by the Closing Date, then the offer herein and herewith made by the PURCHASER shall terminate and this Agreement shall be null and void, and the SELLER shall return to the PURCHASER any money paid hereunder.

27. CONCILIATION AND ARBITRATION AGREEMENT: Any and all disputes, claims, differences or controversies arising out of or in connection with any aspect of this Agreement, its business matter, performance, liquidation, interpretation, validity or any breach thereof, shall be submitted in first instance to conciliation pursuant to the rules of the International Center for Conciliation and Arbitration of the Costa Rica - American Chamber of Commerce ("CICA"). The parties hereby voluntarily and unconditionally submit to its rules and regulations. The conciliation hearings shall take place at the CICA in San Jose, Republic of Costa Rica. The Conciliator appointed by the CICA will direct the conciliation hearings. If the controversy is not settled after three conciliation sessions or in the event of unresolved issues in the conciliation process, the conflict shall be resolved by arbitration of law pursuant to the rules of the CICA. The parties hereby agree to submit voluntarily and unconditionally to its rules. The substantive laws of Costa Rica shall govern the conflict. The arbitration shall take place at the CICA in San José, Republic of Costa Rica. An arbitration tribunal of three arbitrators shall decide the matters subject to the arbitration procedure. The arbitrators shall be appointed by the CICA. The award rendered pursuant to such arbitration shall be in writing, shall be final, binding and conclusive between the parties. The award shall have no further recourse, except for those provided for review and nullity. Once the award is rendered and is final, it will be *res judicata*. The proceedings and their content shall be absolutely confidential. The costs related to the conciliation and arbitration procedures as well as the conciliators and arbitrators fees shall be borne by the parties equally unless the conciliation agreement or the Tribunal decides otherwise. Each party will bear the fees of the attorneys, advisors, or consultants; provided, however, that this shall not preclude the obligation of the losing party to pay all fees, costs, and expenses associated with said proceeding, including any and all legal fees.

28. NUMBER OF PAGES: This Agreement consists of nine (9) pages.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement, as of the day and year first above written.

PURCHASER

SELLER