

THIS FORM HAS BEEN APPROVED BY THE FLORIDA ASSOCIATION OF REALTORS® AND THE FLORIDA BAR

Contract For Sale And Purchase

1* PARTIES: CLARA G. FERNANDEZ TRUST ("Seller"),
2* and PREMIER INVESTMENT PROPERTIES OF THE FLORIDA KEYS Inc. ("Buyer"),

3 hereby agree that Seller shall sell and Buyer shall buy the following described Real Property and Personal Property (collectively "Property")
4 pursuant to the terms and conditions of this Contract for Sale and Purchase and any riders and addenda ("Contract"):

5 I. DESCRIPTION:
6 (a) Legal description of the Real Property located in Monroe County, Florida: BK 4 LT 8
7 KEY HAVEN EIGHT ADDITION RACCOON KEY PB 61
8
9 (b) Street address, city, zip, of the Property: 15 WEST CYPRESS TERRACE, Key West Florida, 33040
10 (c) Personal Property includes existing range, refrigerator, dishwasher, ceiling fans, light fixtures, and window treatments unless
11 specifically excluded below.
12 Other items included are:
13
14 Items of Personal Property (and leased items, if any) excluded are:
15

Table with 2 columns: Description and Amount. Row 16: PURCHASE PRICE (U.S. currency): \$ 1,375,000.00. Row 17: PAYMENT: Row 18: (a) Deposit held in escrow by Thomas J. DiDato, P.A. Trust account (Escrow Agent) in the amount of \$ 10,000.00. Row 19: (b) Additional escrow deposit to be made to Escrow Agent within 5 days after Effective Date \$ 90,000.00. Row 20: (see Paragraph III) in the amount of \$ Row 21: (c) Assumption of existing mortgage in good standing (see Paragraph IV(c)) having an approximate Row 22: present principal balance of \$ Row 23: (d) New mortgage financing with a Lender (see Paragraph IV(b)) in the amount of \$ Row 24: (e) Purchase money mortgage and note to Seller (See Paragraph IV(d)) in the amount of \$ 250,000.00. Row 25: (f) Other: \$ Row 26: (g) Balance to close by cash or LOCALLY DRAWN cashier's or official bank check(s), subject Row 27: to adjustments or prorations \$ 1,025,000.00

28 III. TIME FOR ACCEPTANCE OF OFFER AND COUNTEROFFERS; EFFECTIVE DATE:
29 (a) If this offer is not executed by and delivered to all parties OR FACT OF EXECUTION communicated in writing between the parties on or
30 before 9/10/04 the deposit(s) will, at Buyer's option, be returned and this offer withdrawn. UNLESS OTH-
31 ERWISE STATED, THE TIME FOR ACCEPTANCE OF ANY COUNTEROFFERS SHALL BE 2 DAYS FROM THE DATE THE COUN-
32 TEROFFER IS DELIVERED.
33 (b) The date of Contract ("Effective Date") will be the date when the last one of the Buyer and Seller has signed or initialed this offer or the
34 final counteroffer. If such date is not otherwise set forth in this Contract, then the "Effective Date" shall be the date determined above for
35 acceptance of this offer or, if applicable, the final counteroffer.

36 IV. FINANCING:
37 (a) This is a cash transaction with no contingencies for financing;
38 (b) This Contract is contingent on Buyer obtaining approval of a loan ("Loan Approval") within days after Effective Date for (CHECK
39 ONLY ONE): (a) a fixed; (b) an adjustable; or (c) a fixed or adjustable rate loan, in the principal amount of \$ at an initial inter-
40 est rate not to exceed %, discount and origination fees not to exceed % of principal amount, and for a term of
41 years. Buyer will make application within days (if blank, then 5 days) after Effective Date and use reasonable diligence to obtain Loan
42 Approval and, thereafter, to satisfy terms and conditions of the Loan Approval and close the loan. Buyer shall pay all loan expenses. If Buyer
43 fails to obtain a Loan Approval or fails to waive Buyer's rights under this subparagraph within the time for obtaining Loan Approval or, after
44 diligent, good faith effort, fails to meet the terms and conditions of the Loan Approval by Closing, then either party thereafter, by written notice
45 to the other, may cancel this Contract and Buyer shall be refunded the deposit(s);
46 (c) Assumption of existing mortgage (see rider for terms); or
47 (d) Seller financing (see Standard B and riders; addenda; or special clauses for terms).

48 V. TITLE EVIDENCE: At least 5 days (if blank, then 5 days) before Closing:
49 (a) Title insurance commitment with legible copies of instruments listed as exceptions attached thereto ("Title Commitment") and, after
50 Closing, an owner's policy of title insurance (see Standard A for terms); or (b) Abstract of title or other evidence of title (see rider for terms),
51 shall be obtained by (CHECK ONLY ONE): (1) Seller, at Seller's expense and delivered to Buyer or Buyer's attorney; or
52 (2) Buyer at Buyer's expense.

53 VI. CLOSING DATE: This transaction shall be closed and the closing documents delivered on or before 3/10/05 ("Closing"), unless
54 modified by other provisions of this Contract. If Buyer is unable to obtain Hazard, Wind, Flood, or Homeowners' Insurance at a reasonable rate
55 due to extreme weather conditions, Buyer may delay Closing for up to 5 days after such coverage becomes available.

56 VII. RESTRICTIONS; EASEMENTS; LIMITATIONS: Seller shall convey marketable title subject to: comprehensive land use plans, zoning,
57 restrictions, prohibitions and other requirements imposed by governmental authority; restrictions and matters appearing on the plat or otherwise
58 common to the subdivision; outstanding oil, gas and mineral rights of record without right of entry; unplatted public utility easements of record
59 (located contiguous to real property lines and not more than 10 feet in width as to the rear or front lines and 7 1/2 feet in width as to the side

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60 lines); taxes for year of Closing and subsequent years; and assumed mortgages and purchase money mortgages, if any (if additional items, see
61 addendum); provided, that there exists at Closing no violation of the foregoing and none prevent use of the Property for
62 as zoned _____ purpose(s).

63 VIII. OCCUPANCY: Seller shall deliver occupancy of Property to Buyer at time of Closing unless otherwise stated herein. If Property is intended
64 to be rented or occupied beyond Closing, the fact and terms thereof and the tenant(s) or occupant(s) shall be disclosed pursuant to Standard F.
65 If occupancy is to be delivered before Closing, Buyer assumes all risks of loss to Property from date of occupancy, shall be responsible and liable
66 for maintenance from that date, and shall be deemed to have accepted Property in its existing condition as of time of taking occupancy.

67 IX. TYPEWRITTEN OR HANDWRITTEN PROVISIONS: Typewritten or handwritten provisions, riders and addenda shall control all printed pro-
68 visions of this Contract in conflict with them.

69 X. ASSIGNABILITY: (CHECK ONLY ONE): Buyer may assign and thereby be released from any further liability under this Contract; may
70 assign but not be released from liability under this Contract; or may not assign this Contract.

71 XI. DISCLOSURES:

72 (a) CHECK HERE if the Property is subject to a special assessment lien imposed by a public body payable in installments which
73 continue beyond Closing and, if so, specify who shall pay amounts due after Closing: Seller Buyer Other (see addendum).

74 (b) Radon is a naturally occurring radioactive gas that when accumulated in a building in sufficient quantities may present health risks to per-
75 sons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida.
76 Additional information regarding radon or radon testing may be obtained from your County Public Health unit.

77 (c) Buyer acknowledges receipt of the Florida Building Energy-Efficiency Rating System Brochure.

78 (d) If the real property includes pre-1978 residential housing then a lead-based paint rider is mandatory.

79 (e) If Seller is a "foreign person" as defined by the Foreign Investment in Real Property Tax Act, the parties shall comply with that Act.

80 (f) If Buyer will be obligated to be a member of a homeowners' association, BUYER SHOULD NOT EXECUTE THIS CONTRACT UNTIL
81 BUYER HAS RECEIVED AND READ THE HOMEOWNERS' ASSOCIATION DISCLOSURE.

82 XII. MAXIMUM REPAIR COSTS: Seller shall not be responsible for payments in excess of:

83 (a) \$0 _____ for treatment and repair under Standard D (if blank, then 2% of the Purchase Price).

84 (b) \$0 _____ for repair and replacement under Standard N not caused by Wood Destroying Organisms (if blank, then 3% of
85 the Purchase Price).

86 XIII. RIDERS; ADDENDA; SPECIAL CLAUSE(S):

87 CHECK those riders which are applicable AND are attached to this Contract:

88 CONDOMINIUM VA/FHA HOMEOWNERS' ASSN. LEAD-BASED PAINT

89 COASTAL CONSTRUCTION CONTROL LINE INSULATION "AS IS" Other Comprehensive Rider Provisions

90 Addenda

91 Special Clause(s): _____

92 _____
93 _____
94 _____
95 _____

96 XIV. STANDARDS FOR REAL ESTATE TRANSACTIONS ("Standards"): Buyer and Seller acknowledge receipt of a copy of Standards A
97 through W on the reverse side or attached, which are incorporated as part of this Contract.

98 THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, SEEK THE ADVICE OF
99 AN ATTORNEY PRIOR TO SIGNING.

100 THIS FORM HAS BEEN APPROVED BY THE FLORIDA ASSOCIATION OF REALTORS® AND THE FLORIDA BAR.

101 Approval does not constitute an opinion that any of the terms and conditions in this Contract should be accepted by the parties in a
102 particular transaction. Terms and conditions should be negotiated based upon the respective interests, objectives and bargaining
103 positions of all interested persons.

104 AN ASTERISK (*) FOLLOWING A LINE NUMBER IN THE MARGIN INDICATES THE LINE CONTAINS A BLANK TO BE COMPLETED.

105 Ja Egh 9/10/04 Raul Fernandez 9-10-04
106 (BUYER) (DATE) (SELLER) (DATE)

107 _____
108 (BUYER) (DATE) (SELLER) (DATE)

109 Buyers' address for purposes of notice _____ Sellers' address for purposes of notice _____

110 _____
111 _____ Phone _____ Phone _____

112 Deposit under Paragraph II (a) received (Checks are subject to clearance): _____ (Escrow Agent)

113 BROKERS: The brokers named below, including listing and cooperating brokers, are the only brokers entitled to compensation in connection
114 with this Contract:

115 Name: Premier South Properties Premier South Properties
116 Cooperating Brokers, if any Mark A. Burris Listing Broker Raul A. Fernandez

RF

117

STANDARDS FOR REAL ESTATE TRANSACTIONS

118 **A. TITLE INSURANCE:** The Title Commitment shall be issued by a Florida licensed title insurer agreeing to issue Buyer, upon recording of the deed to Buyer,
 119 an owner's policy of title insurance in the amount of the purchase price, insuring Buyer's marketable title to the Real Property, subject only to matters contained
 120 in Paragraph VII and those to be discharged by Seller at or before Closing. Marketable title shall be determined according to applicable Title Standards adopt-
 121 ed by authority of The Florida Bar and in accordance with law. Buyer shall have 5 days from date of receiving the Title Commitment to examine it, and if title is
 122 found defective, notify Seller in writing specifying defect(s) which render title unmarketable. Seller shall have 30 days from receipt of notice to remove the
 123 defects, failing which Buyer shall, within 5 days after expiration of the 30 day period, deliver written notice to Seller either: (1) extending the time for a reason-
 124 able period not to exceed 120 days within which Seller shall use diligent effort to remove the defects; or (2) requesting a refund of deposit(s) paid which shall
 125 be returned to Buyer. If Buyer fails to so notify Seller, Buyer shall be deemed to have accepted the title as it then is. Seller shall, if title is found unmarketable,
 126 use diligent effort to correct defect(s) within the time provided. If Seller is unable to timely correct the defects, Buyer shall either waive the defects, or receive a
 127 refund of deposit(s), thereby releasing Buyer and Seller from all further obligations under this Contract. If Seller is to provide the Title Commitment and it is deliv-
 128 ered to Buyer less than 5 days prior to Closing, Buyer may extend Closing so that Buyer shall have up to 5 days from date of receipt to examine same in accor-
 129 dance with this Standard.

130 **B. PURCHASE MONEY MORTGAGE; SECURITY AGREEMENT TO SELLER:** A purchase money mortgage and mortgage note to Seller shall provide for a
 131 30 day grace period in the event of default if a first mortgage and a 15 day grace period if a second or lesser mortgage; shall provide for right of prepayment
 132 in whole or in part without penalty; shall permit acceleration in event of transfer of the Real Property; shall require all prior liens and encumbrances to be kept
 133 in good standing; shall forbid modifications of, or future advances under, prior mortgage(s); shall require Buyer to maintain policies of insurance containing a
 134 standard mortgagee clause covering all improvements located on the Real Property against fire and all perils included within the term "extended coverage
 135 endorsements" and such other risks and perils as Seller may reasonably require, in an amount equal to their highest insurable value; and the mortgage, note
 136 and security agreement shall be otherwise in form and content required by Seller, but Seller may only require clauses and coverage customarily found in mort-
 137 gages, mortgage notes and security agreements generally utilized by savings and loan institutions or state or national banks located in the county wherein the
 138 Real Property is located. All Personal Property and leases being conveyed or assigned will, at Seller's option, be subject to the lien of a security agreement evi-
 139 denced by recorded or filed financing statements or certificates of title. If a balloon mortgage, the final payment will exceed the periodic payments thereon.

140 **C. SURVEY:** Buyer, at Buyer's expense, within time allowed to deliver evidence of title and to examine same, may have the Real Property surveyed and certified
 141 by a registered Florida surveyor. If the survey discloses encroachments on the Real Property or that improvements located thereon encroach on setback lines, easement-
 142 s, lands of others or violate any restrictions, Contract covenants or applicable governmental regulations, the same shall constitute a title defect.

143 **D. WOOD DESTROYING ORGANISMS:** Buyer, at Buyer's expense, may have the Property inspected by a Florida Certified Pest Control Operator ("Operator")
 144 at least 10 days prior to Closing to determine if there is any visible active Wood Destroying Organism Infestation or visible damage from Wood Destroying
 145 Organism infestation, excluding termites. If either or both are found, Buyer may, within 5 days from date of written notice thereof, have cost of treatment of active
 146 infestation estimated by the Operator and all damage inspected and estimated by an appropriately licensed contractor. Seller shall pay costs of treatment and
 147 repair of all damage up to the amount provided in Paragraph XII(a). If estimated costs exceed that amount, Buyer shall have the option of canceling this Contract
 148 within 5 days after receipt of contractor's repair estimate by giving written notice to Seller, or Buyer may elect to proceed with the transaction and receive a
 149 credit at Closing on the amount provided in Paragraph XII(a). "Wood Destroying Organisms" shall be deemed to include all wood destroying organisms required
 150 to be reported under the Florida Pest Control Act, as amended.

151 **E. INGRESS AND EGRESS:** Seller warrants and represents that there is ingress and egress to the Real Property sufficient for its intended use as described
 152 in Paragraph VII hereof, and title to the Real Property is insurable in accordance with Standard A without exception for lack of legal right of access.

153 **F. LEASES:** Seller shall, at least 10 days before Closing, furnish to Buyer copies of all written leases and estoppel letters from each tenant specifying the nature
 154 and duration of the tenant's occupancy, rental rates, advanced rent and security deposits paid by tenant. If Seller is unable to obtain such letter from each ten-
 155 ant, the same information shall be furnished by Seller to Buyer within that time period in the form of a Seller's affidavit, and Buyer may thereafter contact ten-
 156 ant to confirm such information. If the terms of the leases differ materially from Seller's representations, Buyer may terminate this Contract by delivering written
 157 notice to Seller at least 5 days prior to Closing. Seller shall, at Closing, deliver and assign all original leases to Buyer.

158 **G. LIENS:** Seller shall furnish to Buyer at time of Closing an affidavit attesting to the absence, unless otherwise provided for herein, of any financing statement,
 159 claims of lien or potential lienors known to Seller and further attesting that there have been no improvements or repairs to the Real Property for 90 days imme-
 160 diately preceding date of Closing. If the Real Property has been improved or repaired within that time, Seller shall deliver releases or waivers of construction
 161 liens executed by all general contractors, subcontractors, suppliers and materialmen in addition to Seller's lien affidavit setting forth the names of all such gen-
 162 eral contractors, subcontractors, suppliers and materialmen, further affirming that all charges for improvements or repairs which could serve as a basis for a
 163 construction lien or a claim for damages have been paid or will be paid at the Closing of this Contract.

164 **H. PLACE OF CLOSING:** Closing shall be held in the county wherein the Real Property is located at the office of the attorney or other closing agent ("Closing
 165 Agent") designated by the party paying for title insurance, or, if no title insurance, designated by Seller.

166 **I. TIME:** In computing time periods of less than six (6) days, Saturdays, Sundays and state or national legal holidays shall be excluded. Any time periods provided
 167 for herein which shall end on a Saturday, Sunday, or a legal holiday shall extend to 5 p.m. of the next business day. Time is of the essence in this Contract.

168 **J. CLOSING DOCUMENTS:** Seller shall furnish the deed, bill of sale, certificate of title, construction lien affidavit, owner's possession affidavit, assignments of leases,
 169 tenant and mortgagee estoppel letters and corrective instruments. Buyer shall furnish mortgage, mortgage note, security agreement and financing statements.

170 **K. EXPENSES:** Documentary stamps on the deed and recording of corrective instruments shall be paid by Seller. Documentary stamps and intangible tax on
 171 the purchase money mortgage and any mortgage assumed, mortgage title insurance commitment with related fees, and recording of purchase money mort-
 172 gage to Seller, deed and financing statements shall be paid by Buyer. Unless otherwise provided by law or rider to this Contract, charges for the following relat-
 173 ed title services, namely title evidence, title examination, and closing fee (including preparation of closing statement), shall be paid by the party responsible for
 174 furnishing the title evidence in accordance with Paragraph V.

175 **L. PRORATIONS; CREDITS:** Taxes, assessments, rent, interest, insurance and other expenses of the Property shall be prorated through the day before
 176 Closing. Buyer shall have the option of taking over existing policies of insurance, if assumable, in which event premiums shall be prorated. Cash at Closing shall
 177 be increased or decreased as may be required by prorations to be made through day prior to Closing, or occupancy. If occupancy occurs before Closing,
 178 Advance rent and security deposits will be credited to Buyer. Escrow deposits held by mortgagee will be credited to Seller. Taxes shall be prorated based on
 179 the current year's tax with due allowance made for maximum allowable discount, homestead and other exemptions. If Closing occurs at a date when the cur-
 180 rent year's millage is not fixed and current year's assessment is available, taxes will be prorated based upon such assessment and prior year's millage. If cur-
 181 rent year's assessment is not available, then taxes will be prorated on prior year's tax. If there are completed improvements on the Real Property by January
 182 1st of year of Closing, which improvements were not in existence on January 1st of prior year, then taxes shall be prorated based upon prior year's millage and
 183 at an equitable assessment to be agreed upon between the parties; failing which, request shall be made to the County Property Appraiser for an informal
 184 assessment taking into account available exemptions. A tax proration based on an estimate shall, at request of either party, be readjusted upon receipt of tax
 185 bill on condition that a statement to that effect is signed at Closing.

186 **M. SPECIAL ASSESSMENT LIENS:** Except as set forth in Paragraph XII(a), certified, confirmed and ratified special assessment liens imposed by public bod-
 187 ies as of Closing are to be paid by Seller. Pending liens as of Closing shall be assumed by Buyer. If the improvement has been substantially completed as of

188

STANDARDS FOR REAL ESTATE TRANSACTIONS (CONTINUED)

189 Effective Date, any pending lien shall be considered certified, confirmed or ratified and Seller shall, at Closing, be charged an amount equal to the last estimate
 190 or assessment for the improvement by the public body.

191 **N. INSPECTION, REPAIR AND MAINTENANCE:** Seller warrants that the ceiling, roof (including the fascia and soffits) and exterior and interior walls, founda-
 192 tion, seawalls (or equivalent) and dockage of the Property do not have any visible evidence of leaks, water damage or structural damage and that the septic
 193 tank, pool, all appliances, mechanical items, heating, cooling, electrical, plumbing systems and machinery are in Working Condition. The foregoing warranty
 194 shall be limited to the items specified unless otherwise provided in an addendum. Buyer may inspect, or, at Buyer's expense, have a firm or individual special-
 195 izing in home inspections and holding an occupational license for such purpose (if required) or an appropriately licensed Florida contractor make inspections
 196 of, those items within 20 days after the Effective Date. Buyer shall, prior to Buyer's occupancy but not more than 20 days after Effective Date, report in writing
 197 to Seller such items that do not meet the above standards as to defects. Unless Buyer timely reports such defects, Buyer shall be deemed to have waived
 198 Seller's warranties as to defects not reported. If repairs or replacements are required to comply with this Standard, Seller shall cause them to be made and
 199 shall pay up to the amount provided in Paragraph XII (b). Seller is not required to make repairs or replacements of a Cosmetic Condition unless caused by a
 200 defect Seller is responsible to repair or replace. If the cost for such repair or replacement exceeds the amount provided in Paragraph XII (b), Buyer or Seller
 201 may elect to pay such excess, failing which either party may cancel this Contract. If Seller is unable to correct the defects prior to Closing, the cost thereof shall
 202 be paid into escrow at Closing. Seller shall, upon reasonable notice, provide utilities service and access to the Property for inspections, including a walk-through
 203 prior to Closing, to confirm that all items of Personal Property are on the Real Property and, subject to the foregoing, that all required repairs and replacements
 204 have been made and that the Property, including, but not limited to, lawn, shrubbery and pool, if any, has been maintained in the condition existing as of
 205 Effective Date, ordinary wear and tear excepted. For purposes of this Contract: (1) "Working Condition" means operating in the manner in which the item was
 206 designed to operate; (2) "Cosmetic Condition" means aesthetic imperfections that do not affect the Working Condition of the item, including, but not limited to:
 207 pitted marole or other pool finishes; missing or torn screens; fogged windows; tears, worn spots, or discoloration of floor coverings, wallpaper, or window
 208 treatments; nail holes, scratches, dents, scrapes, chips or caulking in ceilings, walls, flooring, fixtures, or mirrors; and minor cracks in floors, tiles, windows,
 209 driveways, sidewalks, or pool decks; and (3) cracked roof tiles, curling or worn shingles, or limited roof life shall not be considered defects Seller must repair
 210 or replace, so long as there is no evidence of actual leaks or leakage or structural damage, but missing tiles will be Seller's responsibility to replace or repair.

211 **O. RISK OF LOSS:** If the Property is damaged by fire or other casualty before Closing and cost of restoration does not exceed 3% of the assessed valuation
 212 of the Property so damaged, cost of restoration shall be an obligation of Seller and Closing shall proceed pursuant to the terms of this Contract with restora-
 213 tion costs escrowed at Closing. If the cost of restoration exceeds 3% of the assessed valuation of the Property so damaged, Buyer shall either take the Property
 214 as is, together with either the 3% or any insurance proceeds payable by virtue of such loss or damage, or receive a refund of deposit(s), thereby releasing Buyer
 215 and Seller from all further obligations under this Contract.

216 **P. CLOSING PROCEDURE:** The deed shall be recorded upon clearance of funds. If the title agent insures adverse matters pursuant to Section 627.7841, F.S.,
 217 as amended, the escrow and closing procedure required by this Standard shall be waived. Unless waived as set forth above the following closing procedures
 218 shall apply: (1) all closing proceeds shall be held in escrow by the Closing Agent for a period of not more than 5 days after Closing; (2) if Seller's title is rendered
 219 unmarketable, through no fault of Buyer, Buyer shall, within the 5 day period, notify Seller in writing of the defect and Seller shall have 30 days from date of receipt
 220 of such notification to cure the defect; (3) if Seller fails to timely cure the defect, all deposits and closing funds shall, upon written demand by Buyer and within 5
 221 days after demand, be returned to Buyer and, simultaneously with such repayment, Buyer shall return the Personal Property, vacate the Real Property and recon-
 222 vey the Property to Seller by special warranty deed and bill of sale; and (4) if Buyer fails to make timely demand for refund, Buyer shall take title as is, waiving all
 223 rights against Seller as to any Intervening defect except as may be available to Buyer by virtue of warranties contained in the deed or bill of sale.

224 **Q. ESCROW:** Any Closing Agent or escrow agent ("Agent") receiving funds or equivalent is authorized and agrees by acceptance of them to deposit them
 225 promptly, hold same in escrow and, subject to clearance, disburse them in accordance with terms and conditions of this Contract. Failure of funds to clear
 226 shall not excuse Buyer's performance. If in doubt as to Agent's duties or liabilities under the provisions of this Contract, Agent may, at Agent's option, contin-
 227 ue to hold the subject matter of the escrow until the parties hereto agree to its disbursement or until a judgment of a court of competent jurisdiction shall deter-
 228 mine the rights of the parties, or Agent may deposit same with the clerk of the circuit court having jurisdiction of the dispute. An attorney who represents a
 229 party and also acts as Agent may represent such party in such action. Upon notifying all parties concerned of such action, all liability on the part of Agent shall
 230 fully terminate, except to the extent of accounting for any items previously delivered out of escrow. If a licensed real estate broker, Agent will comply with pro-
 231 visions of Chapter 475, F.S., as amended. Any suit between Buyer and Seller wherein Agent is made a party because of acting as Agent hereunder, or in any
 232 suit wherein Agent interpleads the subject matter of the escrow, Agent shall recover reasonable attorney's fees and costs incurred with these amounts to be
 233 paid from and out of the escrowed funds or equivalent and charged and awarded as court costs in favor of the prevailing party. The Agent shall not be liable
 234 to any party or person for misdelivery to Buyer or Seller of items subject to the escrow, unless such misdelivery is due to willful breach of the provisions of this
 235 Contract or gross negligence of Agent.

236 **R. ATTORNEY'S FEES; COSTS:** In any litigation, including breach, enforcement or interpretation, arising out of this Contract, the prevailing party in such lit-
 237 gation, which, for purposes of this Standard, shall include Seller, Buyer and any brokers acting in agency or nonagency relationships authorized by Chapter
 238 475, F.S., as amended, shall be entitled to recover from the non-prevailing party reasonable attorney's fees, costs and expenses.

239 **S. FAILURE OF PERFORMANCE:** If Buyer fails to perform this Contract within the time specified, including payment of all deposits, the deposit(s) paid by
 240 Buyer and deposit(s) agreed to be paid, may be recovered and retained by and for the account of Seller as agreed upon liquidated damages, consideration for
 241 the execution of this Contract and in full settlement of any claims; whereupon, Buyer and Seller shall be relieved of all obligations under this Contract; or Seller,
 242 at Seller's option, may proceed in equity to enforce Seller's rights under this Contract. If for any reason other than failure of Seller to make Seller's title mar-
 243 ketable after diligent effort, Seller fails, neglects or refuses to perform this Contract, Buyer may seek specific performance or elect to receive the return of Buyer's
 244 deposit(s) without thereby waiving any action for damages resulting from Seller's breach.

245 **T. CONTRACT NOT RECORDABLE; PERSONS BOUND; NOTICE; FACSIMILE:** Neither this Contract nor any notice of it shall be recorded in any public
 246 records. This Contract shall bind and inure to the benefit of the parties and their successors in interest. Whenever the context permits, singular shall include
 247 plural and one gender shall include all. Notice and delivery given by or to the attorney or broker representing any party shall be as effective as if given by or to
 248 that party. All notices must be in writing and may be made by mail, personal delivery or electronic media. A legible facsimile copy of this Contract and any sig-
 249 natures hereon shall be considered for all purposes as an original.

250 **U. CONVEYANCE:** Seller shall convey marketable title to the Real Property by statutory warranty, trustee's, personal representative's or guardian's deed, as
 251 appropriate to the status of Seller, subject only to matters contained in Paragraph VII and those otherwise accepted by Buyer. Personal Property shall, at the
 252 request of Buyer, be transferred by an absolute bill of sale with warranty of title, subject only to such matters as may be otherwise provided for herein.

253 **V. OTHER AGREEMENTS:** No prior or present agreements or representations shall be binding upon Buyer or Seller unless included in this Contract. No mod-
 254 ification to or change in this Contract shall be valid or binding upon the parties unless in writing and executed by the parties intended to be bound by it.

255 **W. WARRANTY:** Seller warrants that there are no facts known to Seller materially affecting the value of the Property which are not readily observable by Buyer
 256 or which have not been disclosed to Buyer.

RF



Addendum No. 1 to the Contract dated September 10, 2004 between

Clara G. Fernandez Trust (Seller)

and Premier Investment Properties of the Florida Keys, Inc. (Buyer)

concerning the property described as:

15 West Cypress Terrace, Key West, Florida 33040

(the "Contract"). Buyer and Seller make the following terms and conditions part of the Contract:

1. Seller shall hold a second mortgage in the amount of \$250,000.00, at an annual interest rate of 6%, with no monthly payments. Principal and interest due in full 60 months from the date of closing. Buyer shall have the option to make an annual interest payment once a year on the anniversary of the closing date. Buyer may prepay the second mortgage in full, at any time, without penalty.

Date: 9/10/04

Buyer: [Signature]

Date: _____

Buyer: _____

Date: 9-10-04

Seller: Raul Fernandez

Date: _____

Seller: _____

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"As Is" Rider to FAR BAR Contract For Sale and Purchase

FLORIDA ASSOCIATION OF REALTORS AND THE FLORIDA BAR

[This Rider is intended for use in conjunction with Paragraph X of the Florida Association of REALTORS and The Florida Bar (FAR/BAR) Contract for Sale and Purchase (1995 ed.)]

The following clauses amend and are made a part of the Contract For Sale and Purchase ("Contract") first dated the 10 day of SEPTEMBER, 2004, by and between CLARA G. FERNANDEZ TRUST ("Seller") and PREMIER INVESTMENT PROPERTIES OF THE FLORIDA KEYS, Inc. ("Buyer").

In accordance with the provisions of Standard "V", which allows modifications and changes to the Contract, Buyer and Seller agree as follows:

1. Seller's Warranties and Representation: Obligation with Respect to the Property: Limitations.

- (a) Paragraph XII, Standard "D" and Standard "N" are deleted.
- (b) This Rider does not relieve Seller of Seller's obligations under Standard "W" for facts known to Seller. However, except as required in this Rider and in Standard "W", Seller extends and intends no warranty and makes no representation of any type, either express or implied, as to the physical condition or history of the Property.
- (c) Seller has received no written or verbal notice from any governmental entity or agency as to a currently uncorrected building, environmental or safety code violation.
- (d) Subject to the provisions and limitations of this Rider, Buyer waives any claims against Seller and, to the extent permitted by law, against any licensee involved in the negotiation of the Contract, for any defects or other damage that may exist at closing of the Contract and be subsequently discovered by the Buyer or anyone claiming by, through, under or against the Buyer.

2. Inspection Period and Right to Cancel.

- (a) Buyer shall have 0 days from the Effective Date ("Inspection Period") within which to have such inspections of the Property performed as Buyer shall desire and utilities shall be made available by the Seller during the Inspection Period.
- (b) Buyer shall be responsible for prompt payment for such inspections and repair of damage to and restoration of the Property resulting from such inspections. This provision shall survive termination of the Contract.
- (c) If Buyer determines, in Buyer's sole discretion, that the condition of the Property is not acceptable to Buyer, Buyer may cancel the Contract by delivering facsimile or written notice of such election to Seller within 48 hours after the expiration of the Inspection Period. If Buyer timely cancels the Contract, the deposit(s) paid shall be immediately returned to Buyer; thereupon, Buyer and Seller shall be released of all further obligations under the Contract, except as provided in Subparagraph 2.(b), above.

3. Maintenance.

Seller shall maintain the Property, including, but not limited to, the lawn shrubbery and pool, if any, in their respective conditions, existing as of the end of the Inspection Period, ordinary wear and tear excepted. Buyer shall be permitted access to the Property prior to closing, with utilities provided by Seller, for a walk-through to confirm that all items of Personal Property are located on the Real Property and that the Property has been maintained in accordance with the provisions of this paragraph.

[Signature]
BUYER

9/10/04
Date

Raul Fernandez 9-10-04
SELLER Date

BUYER

Date

SELLER

Date

Lead-Based Paint Warning Statement

(Use this form with contracts for the sale of residential property built in 1977 or earlier. This disclosure must be made beginning September 6, 1996, if Seller owns more than 4 dwelling units and beginning December 6, 1996, if Seller owns 1 - 4 dwelling units. Seller and licensees must keep a copy of this completed form for 3 years from the date of closing.)

Sale and Purchase Contract: This clause is incorporated into the Contract between CLARA G. FERNANDEZ TRUST (Seller) and PREMIER INVESTMENT PROPERTIES (Buyer) concerning the residential Property built before 1978 and located at 15 CYPRESS TERRACE, KEY HAVEN, KEY WEST, FLORIDA, 33040

"Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspection in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase." For purposes of this addendum, lead-based paint will be referred to as "LBP" and lead-based paint hazards will be referred to as "LBPH."

(1) LBP/LBPH in Housing: Seller has no knowledge of LBP/LBPH in the housing and no available LBP/LBPH records or reports, except as indicated: (describe all known LBP/LBPH information and list all available documents pertaining to LBP/LBPH and provide documents to Buyer before accepting Buyer's offer)

(2) Lead-based Paint Hazards Inspection: Buyer waives the opportunity to conduct a risk assessment or inspection for the presence of LBP/LBPH unless this box is checked () Buyer may conduct a risk assessment or inspection for the presence of LBP/LBPH in accordance with the inspection, notice, repair and repair limits of paragraph 8(a) or H of the FAR Residential Sale and Purchase Contract or standard N of the FAR/BAR Contract for Sale and Purchase, as amended and as applicable).

(3) Certification of Accuracy: Buyer has received the pamphlet "Protect Your Family From Lead in Your Home" and all of the information specified in paragraph (A) above. Licensee has notified Seller of Seller's obligations to provide and disclose information regarding lead-based paint and lead-based paint hazards in the property as required by federal law (42 U.S.C. 4852d) and is aware of his or her obligation to ensure compliance with federal lead-based paint law. Buyer, Seller and each licensee has reviewed the information above and certifies, to the best of his or her knowledge, that the information he or she has provided is true and accurate.

Buyer [Signature] Date 9/8/04 Seller Rail Fernandez Date 9-10-04

Buyer _____ Date _____ Seller _____ Date _____

Selling Licensee _____ Date _____ Listing Licensee _____ Date _____



Notice from Real Estate Licensee to Seller/Landlord Regarding Responsibilities Under Federal Lead-Based Paint Law

I am notifying you of your responsibilities under the Lead-Based Paint Hazard Reduction Act of 1992 and its implementing regulations. As the owner of a residential dwelling unit built in 1977 or earlier, you have the following disclosure and other requirements (for purposes of this document, "LBP" will mean lead-based paint and "LBP/LBPH" will mean lead-based paint hazards, which are conditions that cause exposure to lead from lead-contaminated dust, soil or paint that is deteriorated or present in accessible surfaces or surfaces that rub together, like doors and windows):

1. **Before You Sign a Contract/Lease.** Before a buyer or tenant becomes obligated by contract to buy or lease your housing, you must complete the activities listed in A-D below. If you receive an offer before you provide the required information, you cannot accept the offer until after the information is given. This may be accomplished by making a counter offer that allows the buyer or tenant an opportunity to review the information and amend the offer if he or she so chooses. You must:
 - A. Disclose to each licensee or other agent (for purposes of this law, anyone who enters into a contract with you or your representative for the purpose of selling your home, except for buyer's agents who are paid solely by the buyer and not by you or your representative, is considered an "agent") involved in the transaction:
 - (1) the presence of any LBP/LBPH about which you know;
 - (2) any additional information available concerning the LBP/LBPH, including the basis for determining that LBP/LBPH exists, the location of the LBP/LBPH and the condition of the painted surfaces; and
 - (3) the existence of any available records or reports pertaining to LBP/LBPH.
 - B. Provide the buyer or tenant with:
 - (1) an EPA-approved lead hazard information pamphlet. This means either the EPA document entitled "Protect Your Family From Lead in Your Home" or an equivalent pamphlet approved by the EPA for use in Florida; and
 - (2) any records or reports available to you concerning LBP/LBPH in the unit, including records and reports regarding any common areas. If the unit is in multifamily housing that you own and you had an evaluation or reduction of LBP/LBPH in the housing as a whole, you must provide available records and reports regarding other residential dwellings in that housing.
 - C. Disclose to the buyer or tenant:
 - (1) the presence of any known LBP/LBPH in the unit; and
 - (2) any additional information available concerning the LBP/LBPH, such as the basis for determining that LBP/LBPH exists, the location of the LBP/LBPH and the condition of the painted surfaces.
 - D. Allow the buyer time to conduct a risk assessment or inspection for the presence of LBP/LBPH. You must give the buyer a 10 day period unless you agree with the buyer, in writing, to another period of time (such as within the time allowed for property inspections) or unless the buyer indicates in writing that he or she waives the right to conduct the risk assessment or inspection. This inspection requirement does not apply to tenants.
 2. **Sales Contract Requirements.** You must ensure that the sales contract has an attachment having the following elements:
 - A. The following Lead Warning Statement: "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspection in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."
 - B. A statement by you disclosing the presence of known LBP/LBPH in the home and any additional information available concerning the LBP/LBPH, such as the basis for determining that it exists, its location and the condition of the painted surfaces; OR indicating that you have no knowledge of the presence of LBP/LBPH in the home.
 - C. A list of any records or reports described in 1.B.(2) above that are available to you and that you have provided to the buyer; OR a statement that no such records or reports are available to you.
 - D. A statement by the buyer:
 - (1) affirming receipt of the information in 2.B and C above;
 - (2) affirming receipt of the lead hazard information pamphlet noted in 1.B.(1) above; and
 - (3) that he or she has either had the opportunity to conduct the risk assessment or inspection required as noted in 1.D. above or waived the opportunity.
 - E. A statement by each real estate licensee/agent involved in the transaction that:
 - (1) the licensee/agent has informed you of your legal obligations; and
 - (2) the licensee/agent is aware of his or her duty to ensure compliance with the law.
 - F. Signatures of you, the licensee/agents and the buyers certifying to the accuracy of their statements to the best of their knowledge, and the dates of the signatures.
 3. **Lease Requirements.** As the owner of property being rented, you must ensure that every lease for the unit contains language within the lease itself or as an attachment having the following elements:
 - A. The following Lead Warning Statement: "Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips, and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessees must disclose the presence of lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive a federally approved pamphlet on lead poisoning prevention."
 - B. A statement by you disclosing the presence of known LBP/LBPH in the unit being leased and any additional information available concerning the LBP/LBPH, including the basis for determining that it exists, its location and the condition of the painted surfaces; OR indicating that you have no knowledge of the presence of LBP/LBPH.
 - C. A list of any records or reports described in 1.B.(2) above available to you and that you have provided to the tenant, OR a statement that no such records or reports are available to you.
 - D. A statement by the tenant:
 - (1) affirming receipt of the information paragraph 3.B. and C. above; and
 - (2) affirming receipt of the lead hazard information pamphlet noted in 1.B.(1) above.
 - E. A statement by each real estate licensee/agent involved in the transaction that:
 - (1) the licensee/agent has informed you of your legal obligations; and
 - (2) the licensee/agent is aware of his or her duty to ensure compliance with the law.
 - F. Signatures of you, the licensee/agents and the tenants certifying to the accuracy of their statements to the best of their knowledge, and the dates of the signatures.
 4. **Record Retention Requirements.** Sellers and the licensee/agents involved in the sales transaction must keep a copy of the completed attachment described in paragraph 2 above for no less than 3 years from the date of closing. Landlords and the licensee/agents involved in the lease transaction must keep a copy of the completed attachment or lease form described in paragraph 3 above for no less than 3 years from the first day of the leasing period.
 5. **Impact of Law and Disclosures.** Nothing in the law or regulations requires a seller or landlord to conduct any evaluation or reduction activities. However, the parties may voluntarily insert such a requirement in the contract. Neither you nor the licensee involved in the sale or lease transaction will be responsible for the failure of a buyer's or tenant's legal representative (such as an attorney or broker who receives all compensation from the buyer or tenant) to transmit disclosure materials to the buyer or tenant, provided that all required persons have completed and signed the necessary certification and acknowledgment language described under paragraphs 2 and 3 above.
- This information sheet was provided by _____
 (licensee) to Seller/Landlord on the _____ day of _____.