



OPTION TO PURCHASE & SELL

AGREEMENT

Name: [REDACTED]
E-mail: [REDACTED]
Tel: [REDACTED]
Date: [REDACTED]
House: [REDACTED]
Building Nr: [REDACTED]
Floor Plan: [REDACTED]
Unit: [REDACTED]

Rio Oro, Santa Ana, Costa Rica
Tel (US) (+1) 647-477-5825
Tel (CR) (+506) 215-3096
Cell: (+506) 393-4666

Web: www.EIDoradoCostaRica.com
E-mail: info@eldoradocostarica.com

Seller:

Purchaser:

This Agreement (“the Agreement”), made as of this [REDACTED] by and between:

(i) SUNSET VALLEY PROPERTY (SVP) S.A., corporate identification number 3-101-434180, a corporation established and regulated in the Republic of Costa Rica, represented by its President, Brian C. Timmons, passport number 711547423, and/or Paul Leduc, Treasurer residency number 112400009510 hereinafter referred to as the “THE SELLER”), and,

(ii) [REDACTED] of legal age [REDACTED] marital status [REDACTED] bearer of passport number [REDACTED] domiciled at [REDACTED] hereinafter referred to as “THE PURCHASER”,

WITNESSETH:

WHEREAS, THE SELLER is the owner of a property, located in the Province of San José, County of Santa Ana, District of Uruca, recorded before the National Registry, under the “folio real” number 116774 (“THE LAND”), which shall be developed and constituted in the Condominium Property System as per Costa Rican legislation(described hereinafter in Section I).

WHEREAS, THE SELLER desires to sell DESCRIPTION resulting from the final constitution of THE PROPERTY into the Condominium Property System to be executed by THE SELLER over THE LAND. Hence THE PURCHASER hereby states their interest in purchasing the property described in SCHEDULES “A”, “B”, “C” and any other schedules referenced in Clause I herein, all for the full price and pursuant to the terms, conditions and provisions hereinafter set forth.

THEREFORE, in consideration of the representations, warranties, promises and the mutual covenants and agreements contained herein, and other valuable considerations, the receipt of which are hereby acknowledged, THE PARTIES agree to as follows:

- I. PROPERTY DESCRIPTION (“THE PROPERTY”): The PROPERTY subject to this contract shall be identified as [REDACTED] with an approximate total area of [REDACTED] and specifically described by the site plan hereinafter described as Schedule “A”, the floor plan Schedule “B” the list of optional upgrades Schedule “C” and [REDACTED].
- II. MEASUREMENTS: It is understood by THE SELLER and THE PURCHASER that the herein established for THE PROPERTY, and its parking lot and garages, are approximate and will suffer no significant changes as built. If such is not the case, the Purchase Price shall be adjusted by means of the price per square meter

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herein established according to the actual construction area of the property sold and which normally is provided to be minimally different of the one indicated on the Survey Plan.

III. CLOSING PROCEDURE: under the terms and conditions contained in this Agreement, THE SELLER shall fulfill all the terms and timelines of constitution and construction of the Condominio Hacienda El Dorado included in Clause I. THE PROPERTY shall be transferred to THE PURCHASER on the Closing Date along with all rights, privileges and improvements, if any, in order to provide THE PURCHASER the complete use of THE PROPERTY and THE PURCHASER shall accept such Transfer with the conditions herein established. The transfer of THE PROPERTY will be done directly into THE PURCHASER’S name or the Corporation he/she indicates, or THE SELLER can sell ownership of the capital stock of the corporation that will own THE PROPERTY to the PURCHASER, so that PURCHASER owns one hundred per cent of said stock. It will be at THE PURCHASER’S discretion which transfer option, he or she will choose.

IV. CONDITIONS OF THE PROPERTY: THE SELLER expressly states that at the Closing Date, THE PROPERTY shall be free and clear of any and all liens, garnishes or encumbrances of any kind, either recorded or not recorded at the Public Registry and with the Municipal and other taxes up to date.

V. CURRENCY: All amounts herein established in this Agreement, shall be represented in dollars, currency of legal tender of the United States of America (“DOLLARS”).

VI. PURCHASE PRICE, EARNEST MONEY DEPOSIT, PROGRESS PAYMENT SCHEDULE AND CLOSING: The Base Purchase Price of THE PROPERTY (Schedule A+B) is [redacted] and the price of the optional upgrades (Schedule C) is [redacted]. Together they equal the Full Purchase Price, which is [redacted].

a. Earnest Money Deposit: At signing of this Agreement, the amount of \$10,000 shall be delivered to THE SELLER by check or wire transfer made payable to SUNSET VALLEY PROPERTY (SVP) S.A. Said deposit is refundable for 15 days after signing. Such deposit shall be considered as an integral part of the final Purchase Price as an EARNEST MONEY DEPOSIT. The SELLER undertakes to pay the real estate agent on the 16th day following the release of funds. This amount paid out to the agent shall be considered non-refundable. Should the SELLER fail in obtaining said permits, the remaining 50% of the deposit shall be returned to the PURCHASER. Nevertheless after proper permits have been obtained, the deposit shall be deemed non-refundable. If no agent is used, then the entire earnest money deposit shall be escrowed under the terms explained above.

b. The Balance shall be paid as per the schedule below
i. An amount equal to 20% of base price when permitting for the development has been approved and within fifteen days of written notice by THE SELLER.

Seller:

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- ii. An additional 20% (totaling 40%) of base price when permit for the specific selected house by the PURCHASER has been issued and within fifteen days of written notice by THE SELLER.
- iii. An additional 20% (totaling 60%) of THE BASE PRICE when the SUB roof is completed and within fifteen days of written notice by THE SELLER.
- iv. (a.) An additional 15% (totaling 75%) of the base price when all gray work and drywall work is finished, all rough in electrical and plumbing work is completed, ready for doors and finishes, and within fifteen days of written notice by THE SELLER.
(b.) An amount equal to 90% of the optional upgrades selected by the PURCHASER.
- v. An additional 20% (totaling 95%) of base price upon “substantial completion” and within fifteen days of written notice by THE SELLER. It is understood that by “substantial completion” both parties agree that this means that the house is clean and habitable with all major systems—electrical, potable and waste water—functioning.
- vi. A final payment of 5% totaling 100% of the base price and the remaining 10% of the optional upgrades making 100% of the full price when all minor errors and issues have been corrected and within fifteen days of written notice by THE SELLER .

* Base price is the amount agreed to minus optional upgrades (Schedule “C”).

Payments set forth shall be made to the SELLER upon verification of completion of the aforementioned work. To this effect the SELLER will provide to the PURCHASER photographs of the progress of the house at the time of delivering the written notice of completion of work, as indicated before. Alternatively, the PURCHASER may view himself or may, at his own expense, contract an independent inspector to verify completion of work.

VII. DEFAULT BY PURCHASER: It is hereby expressly stated and agreed by both parties that if the PURCHASER decides for whatever reason not to continue with purchase after signing this agreement and delivering the initial deposit, or if the PURCHASER fails to make any of the aforementioned payments, the SELLER shall keep the aforementioned earnest money deposit and any other payment as sole compensation for the breach of contract. Additionally upon default by the PURCHASER, the SELLER will be released of any obligations and terms established in this agreement and consequently will be free to sell the Unit to any other third party. THE SELLER will grant a grace period of ten calendar days from the agreed closing date, but THE PURCHASER will have the additional obligation to pay the amount of ONE HUNDRED FIFTY DOLLARS (USD\$150.00) per past due day.

VIII. DEFAULT BY THE SELLER: In the event that the SELLER fails to comply with the terms set forth herein, the PURCHASER shall be entitled to rescind the contract unilaterally and consequently the SELLER must refund all moneys paid by the PURCHASER up to that point, plus interest (calculated on the rate used by the Banco Nacional de Costa Rica for its six month CDs). At no time shall the SELLER be liable or be deemed in breach of contract, if such delay or apparent breach is a direct consequence of acts of God or force majeure.

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- IX. CONDOMINIUM BY-LAWS: THE PURCHASER irrevocably commits to accept and comply with the Condominium and Administration Bylaw which shall be registered at the Public Registry, which is hereby acknowledged and so understood that THE PURCHASER will pay the quota or condominium fees established.
- X. THE TRANSFER OF THE LAND INTO A TRUST: THE PURCHASER expressly accepts that THE SELLER might transfer THE LAND into a trust with a Trustee as part of the development process of CONDOMINIO HACIENDA EL DORADO, but that such actions will NOT in any way affect the obligations and rights acquired by this Agreement by both parties.
- XI. CLOSING COSTS: THE PURCHASER is responsible for payment of the Transfer Tax and Stamps if applicable and Attorney/Notary fees, incurred by this transaction. PURCHASER is also required to pay US\$600 into a trust administered by the condominium association, to be used as a reserve fund for capital improvements and for the replacement of capital items.
- XII. EXPIRATION OF THIS AGREEMENT: This agreement shall be effective as of the Effective Date and will be valid and enforceable until the Closing Date. This term could be further extended upon parties' agreement, which will remain as an amendment to this agreement. It is understood that the term granted by THE SELLER to THE PURCHASER will be effective only if all payments are completely done according to clause V. Notwithstanding the previous paragraph, THE SELLER will be able to delay the Closing Date because of force majeure or Acts of God and any other situation out of control of THE SELLER, if THE SELLER informs of such situation to THE PURCHASER with at least THIRTY calendar days (30) with no further cost for the parties. If such event occurs, the parties herein are committed to sign any required amendments to extend the Closing Date until THE PROPERTY can be delivered properly to THE PURCHASE.
- XIII. The contract can be assigned at the PURCHASER'S discretion. It is understood by all parties that the person(s), company or entity which assumes the contract shall be bound by the terms and conditions of the original agreement and that the SELLER is not bound by any verbal or written agreements made or implied by the assigning purchaser. It is the responsibility of both the assignor and the assignee to advise the SELLER within 14 calendar days of assignment. A 1% administrative fee (calculated using the original purchase price) will be charged to the assignee upon closing. The SELLER (SUNSET VALLEY PROPERTY S.A.) has the right to re-define the delivery date. The ability of the assignee to further assign the contract will be revoked.
- XIV. CLOSING DATE: The Closing Date shall be the day the house contracted for (Schedules A and B) is substantially completed as per VI.b.5 above and the major systems of the Motherland are operational. The estimated delivery date will be **February 2010**. The final and definitive date shall be communicated by THE SELLER to THE PURCHASER by fax and/or e-mail with at least ninety days notice. THE SELLER can unilaterally extend the actual delivery date for a period of up to six months beyond the estimated delivery date without being considered in breach.
- XV. REALTOR COMMISSIONS:

Seller:

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(a) If a Real Estate Agent has introduced the client to the property and has brokered the deal between both parties, and has been instrumental in this contract being signed and deposits paid, and can demonstrate that he/she works as a Real Estate Agent, he or she will receive a commission from the SELLER of **5%** of the base price on closing or as otherwise agreed to. For purposes of this agreement, the SELLER recognizes **RUDY MATTHEWS** as the real estate agent.

XVI. NOTICES: Any notices, requests or other communications shall be in writing and the parties set the following addresses for notification purposes.

THE SELLER: Santa Ana Office, Fax (506) 282-00-11.

E-mail: brian@eldoradocostarica.com (Brian Timmons)

paul@eldoradocostarica.com (Paul Leduc)

hchamberlain@racsaco.cr (Harold Chamberlain)

THE PURCHASER:

E-mail:

Any change of domicile of either of the parties will go into effect after it has been previously notified to the other party, in writing the new address indicated herein.

XVII. RESOLUTION OF CONFLICTS: 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 Rican-American Chamber of Commerce ("CICA"). The parties hereby submit voluntarily and unconditionally to its rules. The conciliation hearings shall take place at the CICA in San José, Republic of Costa Rica. The conciliation hearings shall be directed by a conciliator appointed by the CICA. 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 International Center for Conciliation and Arbitration of the Costa Rican-American Chamber of Commerce ("CICA"). The parties hereby agree to submit voluntarily and unconditionally to its rules. [The conflict shall be governed by the substantive laws. The arbitration shall take place at the CICA in San José, Republic of Costa Rica. An arbitration tribunal of one arbitrator shall decide the matters subject to the arbitration procedure. The arbitrator 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 produce the effects of *res judicata* and the parties shall comply with the award without delay.¹ Whoever acts as a conciliator cannot form part of the arbitration tribunal in the same case. The proceedings and their content shall be absolutely confidential. The costs related to the conciliation and

¹ Res judicata (Latin for "a matter [already] judged") is, in both civil law and common law legal systems, a case in which there has been a final judgment and is no longer subject to appeal. The term is also used to refer to the doctrine meant to bar relitigation of such cases between the same parties, which is different between the two legal systems.

Seller:

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arbitration procedures as well as the conciliators and arbitrators' fees shall be borne by the parties in equal proportion, unless the conciliation agreement or the Tribunal decides otherwise. Each party will bear the fees of the attorneys, advisors or consultants; this shall not preclude the obligation of the losing party to reimburse costs to the prevailing party. To this effect, the award shall order the losing party to pay all costs, including any and all legal fees due to legal counselors, attorneys and barristers.

XVIII. APPLICABLE LAW: This agreement is ruled by the laws of the Republic of Costa Rica.

XIX. MODIFICATIONS AND / OR AMENDMENTS: This Agreement may not be modified or amended unless such amendment is set forth in writing and executed by both the THE SELLER and THE PURCHASER with the formalities hereof.

IN WITNESS WHEREOF, the parties have executed two original copies with identical evidentiary value of this agreement as of the day and year first above written.

The SELLER

The PURCHASER

[Redacted signature line]

[Redacted signature line]

Brian Timmons OR Paul Leduc
For: Sunset Valley Property (SVP) S.A.

[Redacted signature line]
(print name)

Signed, sealed and delivered in the presence of:

[Redacted signature line]

Harold Chamberlain (NOTARY PUBLIC).

Seller:

Purchaser: