

**PURCHASE AGREEMENT**

**ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF THE DEVELOPER. FOR CORRECT REPRESENTATIONS REFERENCE SHOULD BE MADE TO THIS CONTRACT AND THE DOCUMENTS REQUIRED BY 718.503, FLORIDA STATUTES, TO BE FURNISHED BY A DEVELOPER TO A PURCHASER OR LESSEE.**

Whereas, Sterling Breeze, LLC, a Florida Corporation, herein called the Seller, whose mailing address is 4393 Commons Drive East, Destin, FL 32541, is developer of STERLING BREEZE a Condominium, hereinafter described, and Purchaser desires to purchase the condominium Unit hereinafter described from the Seller.

It is therefore agreed on this \_\_\_\_ day of \_\_\_\_\_, 2008 as follows:

1. **PURCHASER**

Purchaser's Names: \_\_\_\_\_

Permanent Address: \_\_\_\_\_ Phone: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

SSN: \_\_\_\_\_ SSN: \_\_\_\_\_

Local Address: \_\_\_\_\_ Phone: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Additional Purchaser's Names: \_\_\_\_\_

Permanent Address: \_\_\_\_\_ Phone: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

SSN: \_\_\_\_\_ SSN: \_\_\_\_\_

hereinafter called "Purchaser", hereby agrees to purchase Condominium Unit No. \_\_\_\_\_ for the following price and payable as described:

PRICE: \$ \_\_\_\_\_

The Price will be paid as follows:

(A) Deposit due with execution of Purchase Agreement. \$ \_\_\_\_\_

(B) Balance due at closing (not including closing costs) \$ \_\_\_\_\_

2. ESCROW. All payments made by Purchaser under this Agreement prior to closing, hereafter called "the deposit payments" shall be deposited and held in escrow with Hall & Runnels, P.A., 4399 Commons Drive East, Suite 300, Destin, Florida 32541, herein called "Escrow Agent", pursuant to the terms and conditions of the Escrow Agreement attached as Exhibit 4 to the Prospectus. The Purchaser shall receive a receipt for his deposit payments from the Escrow Agent.

3. DOCUMENTS. The documents required by Florida Statutes §718.503 to be furnished by Seller to Purchaser are referred to in this paragraph and have been filed with the appropriate public authorities prior to the execution of this agreement. The Purchaser hereby acknowledges receipt of the documents referred to in this paragraph and acknowledges that Purchaser has read and understood, or had ample opportunity to read and understand, each and every document and that the particulars of Purchasers interest in the condominium are governed by said documents. The documents are as follows:

- (A) The Prospectus
- (B) The Declaration of Condominium creating Sterling Breeze ("Declaration of Condominium") and its exhibits thereto, consisting of the Legal Description, the Survey, Plot Plan and Graphic Descriptions, the Percentage of ownership in common elements, share in common expenses and share of common surplus, Articles of Incorporation of Sterling Breeze Owners Association, Inc., the By-Laws of Sterling Breeze Owners Association, Inc., the Rules and Regulations.
- (C) Purchase Agreement
- (D) Escrow Agreement
- (E) Proposed Condominium Warranty Deed
- (F) Estimated Closing Expenses
- (G) Estimated Operating Budget

Purchaser understands that the Unit will be subject to and agrees to be bound by the Declaration, Bylaws, Rules and Regulations after Closing.

Purchaser and Seller acknowledge that the Purchaser's receipt of these documents will be reflected on DBPR Form CO 6000-6, the standard receipt form required pursuant to Rule 61B-18.004, F.A.C. and that this section will not serve in lieu of that prescribed form.

4. CLOSING DATE. The closing shall occur on or before \_\_\_\_\_, \_\_\_\_, 2008 at a date and time determined by Seller. Such closing shall occur at the offices of Hall & Runnels, P.A. in Destin, Florida, or at such other place in Okaloosa or Bay County as may be specified by the Seller.

5. CLOSING. The closing shall be conducted in the following manner:

- (A) The balance of the purchase price shall be paid according to the terms of this Agreement.
- (B) Title to the condominium Unit shall be conveyed by Warranty Deed subject only to the following exceptions:
  - (i) Taxes for the year in which the sale is closed;

(ii) The conditions, covenants and agreements contained in the instruments and documents referred to in paragraph 3 hereof, including without limitation the Declaration of Condominium.

(iii) Reservations, restrictions and easements now of record or hereafter granted by Seller, zoning and other governmental regulations, and the usual exceptions' contained in an owner's policy of title insurance issued by a title insurance company transacting business in Bay County, Florida.

(C) Ad valorem taxes, prepaid insurance premiums, and prepaid assessments of Sterling Breeze Owners Association, Inc., will be prorated to the date upon which Seller is ready to close this sale according to the terms of this Agreement.

(D)

(i) The Seller shall pay the cost of an owner's title insurance policy and the real estate commission payable on the sale. Developer's attorney shall close all sales from the Seller and shall provide the required title insurance if Developer is paying the insurance premium. If the Purchaser prefers to use another title insurance provider, they may choose to do so if they agree to pay the costs for same.

(ii) The Purchaser shall pay all other closing costs including, without limitation, the documentary stamps required on the Warranty Deed, all costs pertaining to any financing obtained by Purchaser and the closing attorney's fee of \$250. The Seller will furnish a mortgagee title policy at a cost of \$350.00 to the Purchaser. At time of closing, the Purchaser shall contribute to the Condominium Association a sum equal to three months assessments which does not constitute a prepayment of the condominium assessments, but is instead to provide a working capital fund to provide a means of reimbursement to the Seller for prepaid deposits and expenses made on behalf of the Association.

(E) Purchaser has had a reasonable opportunity to inspect the Unit, accompanied by an agent for Seller. Before closing, the parties will prepare and sign a list ("punch list") of any noted defects in workmanship. Any necessary minor repairs or "touch ups" will be made by Seller without cost to Purchaser. If the items are warranty items, the service provider designated in the relevant warranty shall be responsible for completion of the item. The closing will not be delayed because of any of these items unless they prevent the occupancy of the Unit. Purchaser agrees not to hold back any part of the purchase price or place conditions on closing because of defects or minor repairs which are not customarily completed prior to closing and occupancy.

Purchaser stipulates that a full inspection of the premises has been made and that they are purchasing the Unit in its existing condition, except for punch list items agreed to between the parties as described above. Purchaser acknowledges that they have not relied on any plans, brochures, advertisements, representations, covenants, warranties, or statements of any kind whatsoever, whether made by seller, its agents, assigns, or otherwise, except as specifically set forth in this Agreement or in the Declaration of Condominium or Prospectus. Purchaser has determined to purchase the unit in reliance on their own investigation and examination of it, whether or not any layout or dimension of the Unit or any part of it, or of the Common Elements, as shown in the floor plans of the building included as an exhibit to the Declaration, filed contemporaneously with and as a part of the Declaration, is or is not accurate or correct.

(F) The Unit is currently subject to the blanket Note and Mortgage related to the construction loan for the Sterling Breeze Condominium in the interest of First Horizons Home Loan Corporation. At or prior to the closing date, seller will secure a release of the unit from the lien of any blanket mortgages now or hereafter secured by the property of which the unit forms a part.

6. DEFAULT.

(A) By Purchaser. Time is of the essence for this contract. If Purchaser (i) defaults under this Agreement prior to Closing or (ii) does not close as required by this agreement or (iii) indicates to Seller prior to Closing that Purchaser will not be able to close this transaction, then Seller will have the right to terminate this Agreement after providing Purchaser five (5) days written notice and an opportunity to cure the default within such five (5) day period. Upon termination, Seller may retain all deposits paid by Purchaser will have no further rights under this Agreement or to any part of the Unit, or Seller, at Seller's option, may proceed in equity to enforce Seller's rights under this Agreement. Upon such termination, Purchaser and seller shall be released from all liabilities and obligations arising from this Agreement except for those that expressly survive termination, and Seller may retain all earnest money deposited by Purchaser as liquidated damages. Purchaser acknowledges that the extent and amount of Seller's actual damages would be uncertain and that all Earnest Money are agreed to be liquidated damages and are not a penalty.

Service of all notices with respect to termination and retention of payments will be made by registered mail to purchaser at the address provided in Paragraph 1 above, or at any other address as purchaser may subsequently indicate in writing to seller via registered mail subsequent to the execution of this agreement.

(B) By Seller. Should Seller fail to close this transaction as provided above or to perform any of Seller's other obligations hereunder, time being of the essence of this Agreement, Purchaser may obtain an immediate refund of all deposits paid by Purchaser without waiving any remedy available to Purchaser at law or in equity.

(C) Costs and Attorney Fees. In the event of a dispute under this Agreement, the prevailing party shall be entitled to receive its costs of enforcement, including reasonable attorney fees, whether or not suit be brought.

7. RISK OF LOSS. The risk of loss or damage to the condominium Unit by fire, windstorm, flood or other casualty is retained by the Seller and, at closing, shall pass to the Purchaser.

8. DEVELOPER WARRANTY. Except as provided by Section 718.203, Florida Statutes, Seller has not made and hereby expressly disclaims any and all implied warranties regarding the property as to its material workmanship or capacity, including implied warranties of merchantability and fitness for a particular purpose.

9. INSULATION DISCLOSURE. The insulation in the roof of the condominium Unit will be rigid expanded polystyrene, will have an average thickness of 4 inches, and will, according to the manufacturer, yield an R-value of 19; the insulation in the exterior concrete walls will be rigid expanded polystyrene, will have an average thickness of 1 ½ inches and will, according to the manufacturer, yield an R-value of 7 ½; the insulation in the exterior metal frame walls will be fiberglass batt insulation, will

have an average thickness of 6 inches and will, according to the manufacturer, yield and R-value of 19. Purchaser acknowledges that this R-value information is based solely upon information supplied by the manufacturer or installer, and Seller does not represent or warrant the accuracy of this information. Purchaser acknowledges that R-value may vary based upon normal construction variances in insulation thickness and openings in the walls.

10. ASSIGNMENT. Purchaser may not assign this Agreement or the Purchaser's rights hereunder unless such assignment is approved, in writing, by Seller in Seller's sole and absolute discretion, and then only upon such terms and conditions as may be established by Seller. Any assignment or transfer of Purchaser's rights and interest hereunder not so approved by Seller shall be deemed to be a default of Purchaser under this Agreement. Seller shall have the right to assign its right under this Agreement to a mortgage lender as additional security, and there shall be no restrictions on Seller's ability to assign its obligations and rights under this Agreement to any third party.

11. SELLING AGENT. Purchaser represents to Seller that the only sales agent with whom the Purchaser has dealt in connection herewith \_\_\_\_\_ is the agent or broker, if any, and Seller agrees to pay the commission earned by the sales agent or broker (if any) pursuant to separate agreement. The Purchaser agrees to save, defend, indemnify and hold harmless the Seller from any and all loss or liability or claim including reasonable attorney's fees resulting from or arising out of any claim against the Seller by any real estate broker or sales agent other than the broker or sales agent whose name appears above, who claims to have dealt with the Purchaser in connection herewith.

12. PROJECTIONS. All projections of costs or expenses contained within this Agreement including but not limited to the estimated operating budget for the residential condominium Units and the Association are estimates based upon the past experience of the Seller and its advisers. The actual amount of said payments, costs and expenses may vary from the estimates depending upon future economic conditions.

13. CONDOMINIUM IMPROVEMENTS AND AMENITIES. Buyer and Seller agree that no representations regarding the provision or completion by the Seller of sewer, water, electric services, or recreational amenities have been made by or on behalf of Seller, or relied upon by Buyer, except as specifically set forth in this Agreement and the Prospectus delivered to Buyer prior to execution of this Agreement.

14. PURCHASER'S REPRESENTATIONS. The Purchaser represents to the Seller as follows:

(A) The subject condominium Unit has been purchased by the Purchaser for residential purposes and has not been offered and sold with an emphasis on the economic benefits to Purchaser to be derived from the managerial efforts of others.

(B) There has been no offering of participation in a rental pool arrangement (an arrangement under which Purchaser agrees to rent his Unit and to place the rents received therefrom in a common pool from which each owner can draw his proportionate share irrespective of the number of times his Unit is actually rented).

(C) There has been no offering of a rental or similar arrangement whereby Purchaser must hold his Unit available for rental for any period of the year, must use an exclusive rental agent, or is otherwise materially restricted in occupancy or rental of his Unit.

(D) The Purchaser may decide to rent, or not to rent, and may use the rental agent of his choice or no rental agent and may enter into a non-pooled rental arrangement with other owners, if other owners desire to enter into such an arrangement on terms that are mutually agreeable. However, there has been no representation made to the Purchaser that there will be other owners who desire to enter into such rental arrangements.

(E) This Unit may have been occupied temporarily by someone other than the Purchaser on a short term vacation rental or sales related stay. To the extent that this concerns the Purchaser, Purchaser has consulted with Seller on this question and is satisfied with the condition of the Unit.

15. RADON GAS. Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding radon and radon testing may be obtained from your county public health Unit.

Purchaser may wish to contact the EPA to obtain a copy of Publication OPA-86005, "Radon Reduction Methods: A Homeowner's Guide" or other publications dealing with radon gas which the EPA has made available.

It is understood and agreed by Purchaser that Seller makes no representations of any kind about the present or future existence of radon gas, or about acceptable levels of radon gas in or around the property being purchased. Further, Purchaser understands that the Seller does not make any warranty, express or implied, including but not limited to, warranties of good workmanship, habitability, merchantability, and fitness for a particular purpose regarding radon gas as it relates to the property being purchased. Purchaser releases Seller from any present or future claims or liability it may ever have of any kind against Seller, in any way related to the existence of radon gas in or around the property being purchased, including but not limited to any expenses Purchaser may incur in any radon reduction methods that Purchaser may pursue if elevated levels of radon gas should ever occur.

16. SUBORDINATION. Purchaser hereby subordinates all of its right, title and interest in and to the condominium Unit arising by virtue of this Purchase Agreement to the lien of any mortgage which may be executed by Seller to acquire, develop or construct the condominium Unit.

17. CONTRACT NOT RECORDABLE; BINDING AGREEMENT. Neither this Contract nor any notice thereof shall be recorded in any Public Records; to do so is a substantive breach of this Contract. This Agreement shall be binding upon the parties hereto and their respective heirs, legal representatives, successors, distributees and assigns, as the case may be.

18. NOTICE. Except as otherwise provided in this Agreement, the delivery of any item or the giving of notice in compliance with this Agreement shall be accomplished by delivery of the item or notice to the party intended to receive it, or by mailing it within the Continental United States by certified mail, addressed to the address of the party as stated on the first page of this Agreement. Notice of delivery by mail shall be effective when mailed.

19. FINAL AGREEMENT. This instrument embodies the full, final and complete agreement between the parties. No representations, claims, statements, advertising or promotional activities, brochures, maps or verbal statements otherwise made by Seller or its sales agents or other representatives shall be in any way binding upon Seller unless the same be fully set forth in detail herein. This contract

supersedes any and all prior or contemporaneous written or oral understandings between the parties, and constitutes their entire agreement.

20. CONSTRUCTION OF AGREEMENT. This Agreement shall be construed and enforced in accordance with the laws of the State of Florida. The date this Agreement is executed by Seller shall be deemed to be the date of this Agreement for all purposes. If any term, covenant or condition of this Agreement shall, to any extent, be invalid or unenforceable for any reason whatsoever, the remainder of this Agreement shall not be affected thereby, and each term, covenant, and condition hereof shall be valid and enforceable to the fullest extent permitted by law. The captions and headings throughout this Agreement are for the convenience of reference only and the words contained therein shall in no way be deemed to define, limit, or modify the interpretation or meaning of any provision of this Agreement. No failure by either party to exercise any power given such party hereunder or to insist upon strict compliance by the other party with its obligations hereunder, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of either party's rights to demand exact compliance with the terms hereof. Time is of the essence of this Agreement.

21. MODIFICATION OR CANCELLATION OF PURCHASE AGREEMENT. Seller and Purchaser covenant and agree that no change, modification or cancellation of the Purchase Agreement (except for the termination of the Purchase Agreement in accordance with its terms) shall be effective unless set forth in a writing signed by Seller, Purchaser and the holder of any mortgage encumbering the condominium Project and/or its appurtenant lands (whether such mortgage is executed before or after this Agreement). Seller and Purchaser further acknowledge and agree that this provision is for the express benefit of the holder of any such mortgage and may not be changed or waived by either Seller or Purchaser, or both, without the express written consent of the holder of any such mortgage.

22. MORTGAGEE'S RIGHT TO CURE. Notwithstanding any contrary provision in this Purchase Agreement, Purchaser hereby covenants and agrees that Seller shall not be deemed to be in default under this Agreement unless and until Purchaser has first given written notice of Seller's default to the holder of any mortgage encumbering the Condominium Project and/or its appurtenant land (whether such mortgage is executed before or after this Agreement) and such default is not cured within a reasonable time (but in no event less than thirty (30) days) after the receipt of such written notice by the holder of such mortgage.

23. COASTAL CONSTRUCTION LINE WAIVER. Purchaser hereby waives the requirements under Florida Chapter 161 that if an interest in real property is located either partially or totally seaward of the coastal construction control line that the Seller provide the Purchaser with an affidavit, or a survey, meeting the requirements of Florida Chapter 472 delineating the location of the coastal Construction Control Line on the property being transferred.

**24. CANCELLATION BY PURCHASER. THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF EXECUTION OF THIS AGREEMENT BY THE BUYER, AND RECEIPT BY BUYER OF ALL OF THE ITEMS REQUIRED TO BE DELIVERED TO HIM OR HER BY THE DEVELOPER UNDER SECTION 718.503, FLORIDA STATUTES. THIS AGREEMENT IS ALSO VOIDABLE BY BUYER BY DELIVERING WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN 15 DAYS AFTER THE DATE OF RECEIPT FROM THE DEVELOPER OF ANY AMENDMENT WHICH MATERIALLY ALTERS OR MODIFIES THE OFFERING IN A MANNER THAT IS ADVERSE TO THE BUYER. ANY PURPORTED WAIVER OF THESE VOIDABILITY RIGHTS SHALL BE OF NO**

**EFFECT. BUYER MAY EXTEND THE TIME FOR CLOSING FOR A PERIOD OF NOT MORE THAN 15 DAYS AFTER THE BUYER HAS RECEIVED ALL OF THE ITEMS REQUIRED. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING. FIGURES CONTAINED IN ANY BUDGET DELIVERED TO THE BUYER PREPARED IN ACCORDANCE WITH THE CONDOMINIUM ACT ARE ESTIMATES ONLY AND REPRESENT AN APPROXIMATION OF FUTURE EXPENSES BASED ON FACTS AND CIRCUMSTANCES EXISTING AT THE TIME OF THE PREPARATION OF THE BUDGET BY THE DEVELOPER. ACTUAL COSTS OF SUCH ITEMS MAY EXCEED THE ESTIMATED COSTS. SUCH CHANGES IN COST DO NOT CONSTITUTE MATERIAL ADVERSE CHANGES IN THE OFFERING.**

**25. PROCESS NOTICE IN RELATION TO FILING A LAWSUIT FOR CONSTRUCTION DEFECTS. FLORIDA LAW CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT FOR DEFECTIVE CONSTRUCTION AGAINST A CONTRACTOR, SUBCONTRACTOR, SUPPLIER, OR DESIGN PROFESSIONAL FOR AN ALLEGED CONSTRUCTION DEFECT IN YOUR HOME. SIXTY DAYS BEFORE YOU FILE YOUR LAWSUIT, YOU MUST DELIVER TO THE CONTRACTOR, SUBCONTRACTOR, SUPPLIER, OR DESIGN PROFESSIONAL A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE AND PROVIDE YOUR CONTRACTOR AND ANY SUBCONTRACTORS, SUPPLIERS, OR DESIGN PROFESSIONALS THE OPPORTUNITY TO INSPECT THE ALLEGED CONSTRUCTION DEFECTS AND MAKE AN OFFER TO REPAIR OR PAY FOR THE ALLEGED CONSTRUCTION DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY THE CONTRACTOR OR ANY SUBCONTRACTORS, SUPPLIERS, OR DESIGN PROFESSIONALS. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER FLORIDA LAW.**

**PROPERTY TAX DISCLOSURE SUMMARY**

**BUYER SHOULD NOT RELY ON THE SELLER'S CURRENT PROPERTY TAXES AS THE AMOUNT OF PROPERTY TAXES THAT THE BUYER MAY BE OBLIGATED TO PAY IN THE YEAR SUBSEQUENT TO PURCHASE. A CHANGE OF OWNERSHIP OR PROPERTY IMPROVEMENTS TRIGGERS REASSESSMENTS OF THE PROPERTY THAT COULD RESULT IN HIGHER PROPERTY TAXES. IF YOU HAVE ANY QUESTIONS CONCERNING VALUATION, CONTACT THE COUNTY PROPERTY APPRAISER'S OFFICE FOR INFORMATION.**

Witnesses as to Purchasers:

\_\_\_\_\_  
\_\_\_\_\_

**PURCHASER(S):**

\_\_\_\_\_  
\_\_\_\_\_

Witnesses as to Seller:

\_\_\_\_\_  
\_\_\_\_\_

**SELLER:**

**STERLING BREEZE, LLC**, a Florida limited liability company

By: Cornerstone Development Group, Inc.  
Manager

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

Its: \_\_\_\_\_