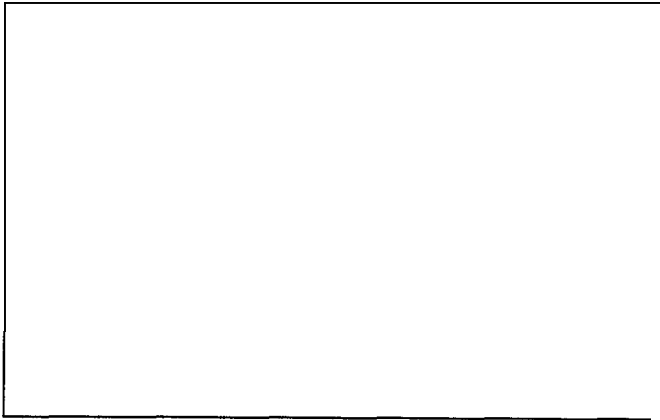


Prepared by:

Robert Banks
Assistant County Attorney
301 North Olive Avenue
West Palm Beach, FL 33401

Return To:
Palm Beach County, Zoning Division
100 Australian Ave
West Palm Beach, FL 33406



CONTRACT FOR THE SALE AND PURCHASE OF DEVELOPMENT RIGHTS

THIS CONTRACT entered into this 16th day of January 2003 by and between Palm Beach County, Florida (hereinafter referred to as "County") and Coastal One Management Inc. (hereinafter referred to as "Developer").

WHEREAS, the County has established a Transfer of Development Rights (hereinafter referred to "TDR") Special Density Program pursuant to Section 6.10 of the Palm Beach County Unified Land Development Code (hereinafter referred to as "ULDC").

WHEREAS, the County has established a TDR Bank to facilitate the purchase and transfer of development rights.

WHEREAS, the Developer is desirous of purchasing 2 development rights and "County" is desirous of selling and transferring 2 development rights from the TDR bank for use on the subject property (hereinafter referred to as the "Property"), as described in Exhibit A.

WHEREAS, Developer seeks to use the development rights within the "Property" more particularly described as in Exhibit A attached hereto and made a part hereof.

WHEREAS, Upon signing of this contract, that the funds for the purchase of the 2 TDR units be placed in escrow to be released to the County upon approval of the first building permit for the project.

NOW THEREFORE, in consideration of the premises and other valuable consideration, the parties hereby agree as follows:

1. Recitals. The foregoing recitals are true and correct and are incorporated herein for reference.
2. Purchase and Sale. The County hereby agrees to sell and "Developer" hereby agrees to purchase the 2 TDR units to be used within the Property.
3. Purchase Rights. The purchase price for each TDR unit is \$ 10,399.00 for a total purchase price of \$ 20,798.00
4. Timing. The Developer shall immediately place the funds for the total purchase price for the development rights, in full, by cash, or certified or cashiers check, into an escrow account. The said escrow account shall be established as set forth in the TDR Escrow Agreement which is incorporated and made a part thereof. After delivery of sworn receipt from Escrow Agent to the County, County shall deliver executed deed conveying the applicable TDR units from the County TDR Bank to the subject property, to the Escrow Agent. Prior to issuance of the first building permit for the project, full payment for all the TDR units shall be made to the County, from said escrow account. After full payment for the TDR units is made to the County, Escrow Agent shall deliver the TDR deed to developer to be recorded in the public records by the Developer. Building permits issued for sales models and/or

temporary real estate sales and management offices permitted pursuant to ULDC standards shall not require the release of the escrow funds.

5. Escrow Agreement. Simultaneously with this contract, the parties have entered into an escrow agreement which provides for disbursement of the escrow funds required by this contract.
6. Notices. Unless otherwise specifically provided herein, all notices shall be in writing and sent to the parties, by certified mail, return receipt requested, postage prepaid, or by other nationally recognized overnight courier service. Unless otherwise specifically provided herein, said notices shall be effective on the third (3rd) day following such notice being deposited in the United States mails or one (1) business day following mailing by overnight express mail.

As to County: Palm Beach County Zoning Division
100 Australian Avenue
West Palm Beach, Florida 33406

cc: Palm Beach County Attorney
301 North Olive Avenue, Suite 601
West Palm Beach, FL 33401
ATTN: Landuse Section

As to Developer: Coastal One Management, Inc.
695 Cypress Green Circle
Wellington FL 33414

7. Governing Law, Venue. This instrument shall be governed by and enforced and construed under the laws of the State of Florida. Venue for all actions shall be in Palm Beach County.
8. Assignment. This contract is assignable to any entity that is controlled by ~~Coastal One Management, Inc.~~ for the benefit of this Property only. With the exception of this assignment provision, neither this Contract nor any interest therein may be assigned without the prior written consent of the County. Prior to approval of assignment of the contract, the escrow agreement shall be modified to reflect the assignment.
9. Enforcement. In the event any action, suit or proceeding is commenced with respect to this contract, each party shall be responsible for their own fees and costs.
10. Severability. In the event that any section, paragraph, sentence, clause, or provision hereof be held by a final judgment of a court of competent jurisdiction to be invalid, such shall not affect the remaining portions of this Agreement and the same shall remain in full force and effect.
11. Public Records. This document shall be recorded in the public records of Palm Beach County, Florida.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the dates set after their respective signatures.

ATTEST:
DOROTHY H. WILKEN, Clerk

PALM BEACH COUNTY
BOARD OF COUNTY
COMMISSIONERS:

By: _____
Deputy Clerk

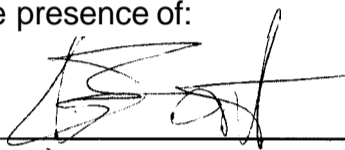
Karen T. Marcus, Chair

APPROVED AS TO FORM
AND LEGAL SUFFICIENCY

By: _____
County Attorney

Signed, sealed and delivered in
the presence of:

Developer



Signature

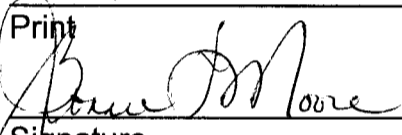
Developer Name

By: Doreen Ryan * Doreen Ryan
Name

Mark Richards

Print

Title: President



Signature

Date: January 16, 2003

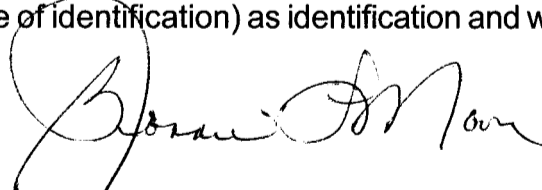
Bonnie L Moore

Print

STATE OF FLORIDA
SS:
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 16 day of January, 2003, by Doreen Ryan (name of person acknowledging) who is personally known to me or has produced _____ (type of identification) as identification and who did (did not) take an oath.

My Commission Expires:



Notary Public
State of Florida



Bonnie L Moore
MY COMMISSION # DD167931 EXPIRES
November 28, 2006
BONDED THRU TROY FAIR INSURANCE, INC

EXHIBIT A

EXHIBIT 'A'

PARENT TRACT LEGAL DESCRIPTION:

BEING THE SOUTH 170 FEET OF THE WEST 100 FEET OF THE EAST 155 FEET OF LOT 126, BLOCK 29, PALM BEACH FARMS CO., PLAT NO. 3, RECORDED, IN PLAT BOOK 2, PAGE 45, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA. (A/K/A LOT 450, PLAT 5, FLORIDA GARDENS, UNRECORDED)

BEING THE SOUTH 170 FEET OF THE EAST 100 FEET OF THE WEST 175 FEET OF LOT 126 BLOCK 29, OF THE PALM BEACH FARMS CO., PLAT NO. 3, RECORDED IN, PLAT BOOK 2, PAGE 45, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA. (A/K/A LOT 451, PLAT 5, FLORIDA GARDENS, UNRECORDED)

BEING THE SOUTH 170 FEET OF THE WEST 75 FEET OF LOT 126 BLOCK 29, TOGETHER WITH THE SOUTH 170 FEET OF THE EAST 25 FEET OF LOT 125, BLOCK 29, BOTH OF THE PALM BEACH FARMS COMPANY, PLAT NO. 3, RECORDED IN, PLAT BOOK 2, PAGE 45, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA. (A/K/A LOT 452, PLAT 5, FLORIDA GARDENS, UNRECORDED)

THE SOUTH 170 FEET OF THE WEST 100 FEET OF THE EAST 125 FEET OF LOT 125 BLOCK 29, PALM BEACH FARMS CO., PLAT NO. 3, RECORDED IN, PLAT BOOK 2, PAGE 45, OF THE PUBLIC RECORDS OF PALM BEACH COUNTY, FLORIDA. (A/K/A LOT 453, PLAT 5, FLORIDA GARDENS, UNRECORDED)

Return To:

Robert Banks
Assistant County Attorney
301 North Olive Avenue
West Palm Beach, FL 33401



**TRANSFER OF DEVELOPMENT RIGHTS
ESCROW AGREEMENT**

Palm Beach County, (the "County"), being the stated beneficiary of this agreement, Coastal One Management Inc ("Developer") and Richard J Morecalch, (the "Escrow Agent"), in consideration of the mutual covenants contained in this Agreement, hereby agree as follows:

1. Developer has contracted to buy 2 TDR units in Palm Beach County, Florida for use in the development known as Pines at Lucerne Pointe. The County requires that Developer pay County for the TDR units prior to the issuance of the first building permit other than for sales models or a temporary real estate sales and management office is issued by County to Developer. Developer is to pay \$ 20,738.00 for the purchase of 2 TDR units.
2. Establishment of Escrow Account. The parties hereby authorize and direct the Escrow Agent to establish an Escrow Account (the "Account") at Wachovia, a national banking association, located at Lake Worth Rd. Lake Worth FL (the "Bank") to be held pursuant to the terms of this Agreement. The account shall be an interest bearing account, maintained in a segregated account which is not a loan reserve or hold back of bank funds. When the escrowed funds are released to the County, all interest earned by such funds while in escrow shall accrue to the County. If the County is not entitled to the funds, the interest earned by such funds shall accrue to the Developer. Developer shall pay all costs, fees and expenses of Bank and Escrow Agent arising from or in connection with the Account.
3. Deposit of Funds. Upon execution of this agreement, Developer shall deposit \$ 20,798.00 into the Account. The Escrow Agent shall hold funds in escrow. Developer shall evidence such deposit by delivering to County two copies of a sworn receipt (which is attached hereto as Exhibit "A") executed by Escrow Agent.
4. Delivery of Deed. Upon receipt of the evidence of deposit of funds, County shall deliver to Escrow Agent an executed deed conveying the 2 TDR units to developer. This deed shall be held by the Escrow Agent.
5. Disbursement of Escrowed Funds. Escrow agent shall hold the escrow funds until it receives written notice from County that a building permit (as described in Paragraph 1 above) for the development has been approved. Within ten (10) days after receipt of notice from County, escrow agent shall disburse the funds to the County. Building permits to be issued simultaneous with dispersal of funds. Any accrued interest earned on the escrow account shall be disbursed to the County.

6. Release of Deed. Simultaneously with the disbursement of funds, Escrow Agent shall deliver the deed to Developer to be recorded in the public records.
7. Revocation or abandonment of Approval. In the event that the approval of this development is revoked in accordance with Section 5.8 of the Palm Beach County Unified Land Development Code, or formally abandoned by the Developer and that the abandonment has been approved by the County, the County shall send written notification to Escrow Agent. Escrow Agent shall then disburse all funds to Developer and return the deed to County.
8. Dispute Resolution. In the event of dispute between County and Developer, Escrow Agent may, at its option, continue to hold any disputed funds until Developer and County mutually agree to disbursement, or until a final administrative or judicial order is issued; or Escrow Agent may interplead such disputed sums in the Circuit Court for Palm Beach County, Florida. County and Developer agree that Escrow Agent shall not be liable to any person for its acts pursuant to this Agreement other than for Escrow Agent's willful breach of this Agreement or Escrow Agent's gross negligence.
9. Standard Provisions:
 - A. Additional Instruments. Each of the parties shall from time to time at the request of the other, execute, acknowledge and deliver to the other party any and all further instruments that may be reasonably required to give full force and effect to the provisions of this Agreement.
 - B. The Entire Agreement. This Agreement constitutes the entire understanding of the parties and there are no representations, warranties, covenants or undertakings other than those expressly set forth herein.
 - C. Modification. A modification or waiver of any of the provisions of this Agreement shall be effective only if made in writing and executed with the same formality as this Agreement.
 - D. Waiver. The failure of either party to insist upon strict performance of any of the provisions of this Agreement shall not be construed as a waiver of any subsequent default of the same or similar nature.
 - E. Severability. If any provisions of this Agreement are held to be invalid or unenforceable, all of the other provisions shall nevertheless continue in full force and effect.
 - F. Notices. Unless otherwise specifically provided herein, all notices shall be in writing and sent to the parties by certified mail, return receipt requested, postage prepaid, or by other nationally recognized overnight courier service. Unless otherwise specifically provided herein said notices shall be effective on the third (3rd) day following such notice being deposited in the United States mails or one (1) business day following mailing by overnight express mail.

As to County: Palm Beach County Zoning Division
 100 Australian Avenue
 West Palm Beach, Florida 33406
 Cc: PB County Attorney

As to Developer: Coastal One Management, Inc.
 695 Cypress Green Circle
 Wellington FL 33414

As to Escrow Agent:
RICHARD J. MONESCALCH, PA
6894 LAKE WORTH ROAD SLL 203
LAKE WORTH, FL 33467

- G. Captions. Captions contained in this Agreement are inserted only as a matter of convenience or for reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision hereof.
- H. Venue. This instrument shall be governed by and enforced and construed under the laws of the State of Florida. Venue for all actions shall be in Palm Beach County.

IN WITNESS WHEREOF, the parties have executed this Escrow Agreement this 16th day of January, 2003

Witnesses:

[Signature]
Mark Richards
Typed or Printed Name

Date: January 16, 2002

[Signature]
Bonnie L Moore
Typed or Printed Name

DEVELOPER

[Signature]
Doreen Ryan, President Coastal One Management Inc.
Typed or Printed Name

Date: January 16, 2003

561-753-7139
Telephone Number

Witnesses:

[Signature]
Peggy Hall
Typed or Printed Name

[Signature]
Bonnie L Moore
Typed or Printed Name

ESCROW AGENT

[Signature]
RICHARD J. MONESCALCH
Typed or Printed Name

Date: JANUARY 16, 2003

561-968-7577
Telephone Number

ATTEST:

DOROTHY H. WILKEN, Clerk

By: _____
Deputy Clerk

PALM BEACH COUNTY, FLORIDA,
BY ITS BOARD OF COUNTY
COMMISSIONERS

By: _____
Karen T. Marcus, Chair

APPROVED AS TO FORM AND LEGAL
SUFFICIENCY:

By: _____
County Attorney

EXHIBIT A

CERTIFIED RECEIPT

STATE OF FLORIDA

COUNTY OF PALM BEACH

Before me, the undersigned authority, personally appeared Escrow Agent, who, being by me first duly sworn, deposes and says:

1. Escrow Agent hereby acknowledges that it has received \$20,798.00 to be held by Escrow Agent pursuant to the Transfer of Development Rights Escrow Agreement dated 1-16-2003 in connection with DRC Application No. 02-062 of the Development known as Pines at Lucerne Pointe, Zoning Petition _____, in connection with the purchase of 2 development rights.

2. Escrow Agent acknowledges that this Affidavit is being given as an inducement to Palm Beach County to produce a deed conveying the development rights.

Further Affiant sayeth not.

SWORN TO before me this 16 day of January, 2003

Bonnie L. Moore

NOTARY PUBLIC

My commission expires:



Bonnie L. Moore
MY COMMISSION# DD167931 EXPIRES
November 28, 2006
BONDED THRU TROY FAIR INSURANCE INC.