

THE PORTOFINO GRANDE AT TOWN CENTER CONDOMINIUM

RESERVATION AGREEMENT AND RECEIPT FOR DEPOSIT

PRIORITY NUMBER _____

The Portofino Grande at Town Center Condominium

Date of Agreement: _____

Deposit: \$ 5,000.00

Purchaser:

Name: _____

Address: _____

Telephone: _____

PRELIMINARY STATEMENT

A. Developer plans to develop and sell up to 132 residential town homes in "Portofino Grande at Town Center Condominium" located at Town Center at Palm Coast. Developer projects that Units in the initial phase will be offered for sale on or before December 15, 2010. In the event Developer elects to proceed with additional phases, such phase shall be added within two (2) years after the recording of the Declaration for this project.

B. Prospective purchaser desires to reserve the opportunity to purchase a residential unit ("Residential Unit") at such time as Residential Units are offered for sale.

C. This Agreement does not create a legal obligation for Prospective Purchaser to purchase the Residential Unit, but simply assigns Prospective Purchaser a priority over other potential Purchasers for the opportunity to purchase a Residential Unit.

D. Developer will provide Prospective Purchaser with a prospectus and other information describing the Units prior to Prospective Purchaser making any legally binding commitment to purchase the Residential Unit.

Gary B. Davenport, Esq., Gary B. Davenport, P.A., whose address is 1280-B Ponce De Leon Blvd N, St. Augustine, FL 32084 (the "Escrow Agent") hereby acknowledges receipt of the specified Deposit from the Purchaser identified above, on behalf of Portofino Development Group, LLC, a Florida limited liability company, whose address is 399 SW Palm Coast Parkway, Unit 1, Palm Coast, FL 32137 (the "Developer"). The Developer intends to construct a residential condominium

to be known as The Portofino Grande at Town Center Condominium (the "Condominium") in Flagler County, Florida. The Purchaser has placed the Deposit with the Escrow Agent as a reservation for the Purchaser's purchase of a Unit in the Condominium at the specified Purchase Price prior to entering into a binding purchase agreement. Escrow Agent must provide a receipt to Purchaser for the Deposit.

Developer has assigned Prospective Purchaser the priority number set forth above. Prospective Purchaser's priority number has been determined by the order in which Developer received this Agreement completed and signed by Prospective Purchaser and Prospective Purchaser's Reservation Deposit. In the event Developer has received this Reservation Agreement within the same day it has received Reservation Agreement from other potential Purchasers of Residential Units, the Prospective Purchaser's priority number has been determined by the Developer in its sole discretion from among the Reservation Agreement received that day.

When the Developer delivers a Contract for the Unit to the Purchaser, the Purchaser shall have ten (10) days within which to sign and return the Contract and tender the balance of the earnest money required by the Contract. If the Purchaser does not do so within that time, then this Agreement may be terminated at option of Seller and the Deposit will promptly be returned to the Purchaser. The Developer is obligated to file with the Division of Florida Land Sales, Condominiums and Mobile Homes those documents required by Chapter 718 of the Florida Statutes (the "Condominium Act") prior to entering into a binding purchase agreement and the Purchaser is entitled to receive copies of all such documents required by the Condominium Act before entering into an enforceable Contract. However, no assurance is given that the Developer will tender a Contract to the Purchaser.

The Deposit must be made payable to, and will be held by, the Escrow Agent in accordance with a separate escrow agreement between the Developer and the Escrow Agent (the "Escrow Agreement", which is incorporated herein by this reference). If the Purchaser decides to purchase the Unit, the Deposit will be applied to the Unit's price under the Contract. The Escrow Agent is providing a copy of this executed Agreement to the Purchaser as a receipt for its Deposit and as acknowledgment that the Deposit shall be held by the Escrow Agent in an interest bearing account at SunTrust Bank, 323 Moody Blvd., Flagler Beach, FL 32136, pursuant to and in compliance with the requirements of Section 718.202(6), Florida Statutes. Interest on Reservation Deposits shall accrue to the benefit of the Developer. At any time prior to execution of a Contract for the Unit, the Developer may instruct the Escrow Agent to return the Purchaser's Deposit, or the Purchaser may demand an immediate, unqualified refund of the Deposit in writing, and upon such refund, this Agreement shall terminate.

PROSPECTIVE PURCHASER'S RIGHTS SUBJECT TO PRIOR SALE

No more than 132 Units will be sold in all phases of the Portofino Grande Town Center Condominium. However, Developer may accept more than 132 Reservation Deposits for Residential Units. In the event all 132 Residential Units are sold to purchasers with priority numbers that are less than Prospective Purchaser's, Prospective Purchaser shall receive a refund

of the Reservation Deposit after the sales of all 132 Residential Units have closed. If one or more of these sales fail to close, or if a purchaser rejects the Condominium Documents, the Units will be offered to purchasers in the order of their priority.

RIGHTS AND OBLIGATIONS OF PURCHASER

Prospective Purchaser has the right to enter into a binding written agreement for the purchase of a Residential Unit, prior to any other potential purchaser with a priority number greater than Prospective Purchaser's, provided:

A. Reservation agreement is assignable for the limited period of time.
B. The Prospective Purchaser must notify Developer of Prospective Purchaser's Unit selection within three (3) calendar days after the Developer has furnished Prospective Purchaser with building and unit's floor plans; and

C. The Prospective Purchaser must do the following within ten (10) calendar days after Prospective Purchaser receives a copy of the Condominium Documents:

1. Execute and accept a Purchase Contract as presented by Developer; and
2. Deliver the Purchase Contract to Developer with an additional deposit which, when combined with the Reservation Deposit, will equal twenty percent (20%) of the purchase price ("the Binder Deposit").

Developer makes no assurance as to the purchase price for the Residential Units that will be set forth in the Purchase Contract.

Purchaser warrants that if another broker is involved in the sale of this Unit on behalf of Purchaser, then any commission due that broker will be the responsibility of Purchaser only, and not the responsibility of Seller or Broker. Seller and Purchaser agree to indemnify and save the other party harmless from and against all claims and demands that may result from Seller's or Purchaser's breach, as the case may be, of the foregoing agreements regarding responsibility for brokerage commissions. The provisions of this section shall be deemed to have been reaffirmed on the closing date and shall survive the closing.

This Agreement may not (or any mention of it) be filed in the public records. Any attempt to record this Agreement (or any mention hereof) shall render this Agreement voidable, at the Developer's sole option. As used in this Agreement, the term "Purchaser" shall include all numbers and genders, as applicable. Any notice or other communication to be given under this Agreement must be in writing, and shall be hand-delivered or mailed by U.S. certified mail, return receipt requested.

DEVELOPER'S RIGHT TO CANCEL

THIS RESERVATION AGREEMENT DOES NOT BIND OR COMMIT THE DEVELOPMENT TO DEVELOP AND SELL THE UNITS, AND IF DEVELOPER ELECTS NOT TO PROCEED WITH THE SALE OF ANY OF THE UNITS OR ELECTS NOT TO ADD SOME OR ALL OF THE PHASES, WHICH ELECTION SHALL BE MADE IN

DEVELOPER'S SOLE DISCRETION, THE RESERVATION DEPOSIT SHALL BE REFUNDED TO PROSPECTIVE PURCHASER AND ALL RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS RESERVATION AGREEMENT SHALL TERMINATE.

Purchaser:

Developer: **PORTOFINO
DEVELOPMENT GROUP, LLC**

Print

Print:

By: Joseph Brifman, Managing Partner

Escrow Agent

Gary B. Davenport, Esq.

S:\Brifman, Joseph\Reservation Agreement.doc