

# SAMPLE COPY

## PRE- CONSTRUCTION PURCHASE AGREEMENT

### 1. PARTIES TO CONTRACT - PROPERTY.

Purchaser and Seller acknowledge that Panama Safe Harbor, a subsidiary of Caribex Inc, a Florida Corporation with an address at 9173 Old Pine Road, Boca Raton, Florida 33439 is the developer of the property for sale in this transaction and herein is referred to as Seller with the purchaser referred to as the Buyer and or Purchaser.

The following terms and conditions shall govern this transaction;

The property legally described as: Lot \_\_\_\_\_ , Street \_\_\_\_\_ Postal Number \_\_\_\_\_ City of David, Chiriquí State, Country of Panama, together with a new single family home as described in exhibit 1 of this purchase contract.

This is a pre-construction agreement; The Buyer understands that the property described above is owned by the Seller and that the Seller will construct the structure as described in Exhibit 1 of this agreement. The construction is divided into three stages as defined in exhibit 1. A period of three to six months is scheduled for the construction to be completed. Construction progress reports with photographs will be sent to the Buyer on a regular basis by the Seller.

2.0 The purchase price is \$ 158,000.00 (one hundred and fifty eight thousand US DOLLARS) to be paid as follows:

2.1 Deposit money; the first deposit in the amount of (\$50,000 US DOLLARS (fifty thousand us dollars) shall be deposited into the accounts of the Seller on the next legal banking day after acceptance of this offer.

Other purchase money provisions:

2.2 The second deposit; an additional \$50,000.00 (Fifty thousand dollars) when the home is under roof to be evidenced by digital photographs or personal inspection as the buyer determines.

2.3 The balance of \$58,000.00 (fifty eight thousand USD) to be paid to Seller when the house is completed as per the specifics as described in exhibit one herein.

3.0 The Seller may expend Buyer's funds only after the structure is under roof as defined in Exhibit 1 herein.

4. WARRANTY: Seller has provided a one year warranty from the date of closing on the home as defined in Exhibit one herein.

5. TAXES. Purchaser is aware that property taxes are waived for a period of years for those qualified buyers who elect to become residents of Panama. Any and all Special Assessments, taxes, rents, road maintenance, water, sewer, and homeowner's association fees, if any are to be paid by the buyer as accessed and specified in the closing statement documents to be prepared in Panama.

6. TITLE. Merchantable title shall be conveyed by Warranty Deed or other sufficient conveyance instrument under Panamanian law and acceptable to Purchaser, subject to conditions, zoning, restrictions, and easements of record, if any, which do not interfere with or restrict the existing use of the property. An owner's policy of Title Insurance in the amount of the purchase price may be furnished if available with costs to be paid by the buyer.

7. CLOSING/POSSESSION. Closing date will be on or before \_\_\_\_\_ with possession to be given Purchaser at time of closing. Seller agrees to maintain the property in an acceptable condition and agrees that Purchaser will have the opportunity for a personal inspection prior to closing. Seller agrees to maintain all existing insurance coverage on the property until time of closing. Closing service fees, if any, cost to be distributed as follows: Purchaser ( as required under Panamanian property law), Seller ( as required under Panamanian property law) All personal property, including refuse, not included in the purchase price, shall be removed by Seller prior to closing.

8.0 Change Orders by Buyer. One the specifications and design plans are approved by the parties no changes are permitted.

8. AGREEMENT TO MEDIATE. Any dispute or claim arising out of or relating to this contract will be submitted to mediation, if available, in accordance with the rules and procedures of the Sellers/Purchasers Dispute Resolution System. Otherwise, mediation will be submitted to a private mediation service. Any costs of mediation will be shared equally between Purchaser and Seller.

9. The parties understand and agree that delays caused by weather, civil unrest, fire and acts of God may affect the delivery schedule of the completed house. Such factors may result in the inability of the Seller to deliver the units. In such a case, one hundred (100%) of the Purchaser's funds will be will be repaid.

10. ADDENDA TO THIS AGREEMENT. The following documents are addenda to this contract and are attached and become part of this contract by reference. If none, so state.

Exhibit 1, covering the physical description of the improvement to the property to be conveyed to Buyer shall be considered part and parcel of this pre-construction sales contract.

11. This agreement is void if not accepted by Seller by the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by \_\_\_\_\_ a.m./p.m.

12. The laws of Panama shall govern this transaction.

On this \_\_\_\_\_ day of \_\_\_\_\_ 2015

For Purchaser:

\_\_\_\_\_ Signature

\_\_\_\_\_ Printed name

For Seller:

\_\_\_\_\_  
Caribex Inc. Seller

## EXHIBIT ONE

### PRE CONSTRUCTION AGREEMENT & WARRANTY

#### *DRAFT*

Contractor, seller warrants and guarantees that the lot defined in the pre purchase agreement is buildable as per the set of construction plans provided to the Buyer/ Purchaser upon entering into this pre -construction agreement. It understood that the purchaser has received a detailed set of construction plans and has selected from the options as defined below.

The property to be constructed is defined as; A single family structure as per the floor plans agreed to between the parties; Construction to begin with 14 business days of the receipt of the initial deposit as specified in the pre-construction agreement.

*Note; each of the following items will be specified by the Purchaser.*

- Exterior walls finish/ colors/ stucco/ treated wood, etc
- Dry wall, interior colors
- Windows/ skylights sliding doors
- decks/ stairs front door
- Number / type of bathrooms:
- Kitchen cabinets
- Counter tops
- Appliances ( washer/ dryer/ stove ( gas / electric) microwave, hot water heater, refrigerator
- Sinks- as specified
- Showers baths
- Type of dry wall
- Flooring as specified
- Electrical service/ overhead fans/ lighting fixtures
- Air conditioning/ as specified
- Stand by Generator
- Security system / optional
- Insulation type and rating
- Car park and or garage
- Driveway/ gravel, asphalt / as specified
- Roofing with underlayment & asphalt shingles
- Lawn/ landscaping/ as specified
- Optional/ internet/ TV antenna

Schedule:

Month 1- 3 The foundation and all underground infrastructure/ water/ sewer / septic

Month 3-4, Unit to be under roof

Month 4-6 Unit to be completed and ready for occupancy

## NEW HOME WARRANTY

**At closing, the Contractor will provide the buyer with ten ( 10) contractor certificates. Any warranty (or other work) work wherein the contractor sends his workers to make repairs will require the Buyer to provide the Contractor with one of the Contractor certificates. At the end of the warranty period, the Contractor will redeem any unused contractor certificates for \$150.00 usd each.**

This warranty covers the Items specifically identified herein and excludes all others. Items are not covered unless they are in safe working order at the start of coverage. To be covered, Items must be installed for diagnosis and located within the confines of the perimeter of the foundation of the primary living quarters or garage (except well pump, septic tank, sewage ejector pump, pressure regulator, air conditioning and pool/spa equipment; when applicable).

### COVERAGE TIME AND RENEWAL

The Buyer must report defects or malfunctions to Company during the 12 month term of the warranty period.

1. Coverage begins on Contract Effective Date and continues for 12 months.

2. Payment for repairs not covered under warranty are due when completed

### 3. PLUMBING — COVERED

- Pressure regulators
- Circulating hot water pump
- Whirlpool bath motor, pump and air switch assemblies

- Permanently installed sump pumps (ground water only)
- Valves: shower, tub, diverter, riser, angle stop and gate valves
- Leaks and breaks of water, drain, gas, vent or sewer lines (except caused by freezing)
- Toilet tanks, bowls and mechanisms (replaced with white builder's standard as necessary)

Not Covered: Fixtures, faucets, filter, shower head, shower arm, shower enclosure and base pan, caulking and grouting, septic tank, hose bibbs, flow restrictions in fresh water lines, water conditioning equipment, sewage ejectors, saunas or steam rooms, whirlpool jets and fire suppression systems.

NOTE: Company is only responsible for providing access for covered plumbing repairs through unobstructed walls, floors or ceilings and will return the opening to a rough finish. Coverage for diagnosis, access, repair or replacement of heating systems utilizing steam, heated water, glycol, Items located in or below a concrete slab and Items encased in or covered by concrete is limited under this Contract to a maximum of \$1,000 in the aggregate.

#### PLUMBING STOPPAGES — COVERED

- Clearing of stoppages in sink, tub, shower drains and toilets. Clearing of sewer and mainline stoppages (including hydrojetting if stoppage is unable to be cleared with cable) to 125 feet of point of access where ground level cleanout is existing. Clearing of lateral drain lines to 125 feet from point of access including accessible cleanout, p-trap, drain or overflow access point.

Not Covered: Stoppages caused by foreign objects, roots, collapsed or broken lines outside the foundation, access to drain or sewer lines from roof vent, costs to locate, access or install a ground level cleanout and removal of toilets.

#### AIR CONDITIONING, HEATING — COVERED

- Heat pump, ac UNITS,
- Heating elements • Radiators
- Gas, electrical, oil furnaces • Gas valves to furnace
- Thermostats (including base) • Baseboard convectors
- Heat pump refrigerant recharging • Hydronic circulating pumps

Not Covered: Auxiliary space heaters, cable heat, mini-split ductless systems (including heat pump versions), filters (including electronic air cleaners), registers, fuel storage tanks, heat lamps, fireplaces and key valves, humidifiers, baseboard casings and grills, chimneys, flues and vents, underground or outside components and piping for geothermal or water source heat pumps, well pumps and well pump components for geothermal or water source heat pumps, grain, pellet, or wood heating units

ROOF: Roof Leaks found during the warranty period will be repairs by the Developer builder at no cost to the buyer.

WINDOWS AND DOORS: During the warranty period, any defects such as leaks will be repaired by the contractor at no cost to the Buyer.

**Exclusions as follows:**

- 1. Damage or defects caused by the failure to maintain any item or keep it in good working order.
- 2. As a result of unforeseen site conditions occurring beyond contractor's control.
- 3. Damage resulting from fire, freezing, storms, electrical malfunction or surge, lightening, earthquake, pest damage, acts of God, or other unforeseen causes or accidents.
- 4. Damage from alterations, misuse, or abuse by any person; ordinary wear and tear; or problems caused by lack of maintenance.
- 5. Damage resulting from failure to observe any operation instructions furnished at the time of installation.
- 6. Any item furnished, installed, modified, altered, or repaired by any other person other than contractor.

- 7. Any appliance, piece of equipment, material, or other item that is a consumer product under manufacturer's Warranty.
- 8. Left blank
- 9. Any loss, injury, or damage attributable to the subsidence or movement of land as a result of landslide, mud flow, flooding, water infiltration or damage, earth sinking or shifting, or expanding or contracting.
- 10. Bodily injury or property damage relating to pollutants or toxics.
- 11. Conditions resulting from condensation on, expansion of, or contraction of materials.
- 12. Problems which arise in an attempt to match existing materials. There are limitations inherent in the matching of existing materials such as stucco, drywall, paint, wood, tile, flooring, concrete, and the like. Exact duplication in matching, texture, and color will not be guaranteed. Variations within industry tolerances will be considered acceptable.
- 13. Pre-existing conditions of the structure or its components.
- 14. Left Blank.
- 15. IN certain cases, problems associated with the owner or its agents (architect or engineer) failing to provide an adequate design, plans, or specifications, or failing to exercise professional care.
- 16. Delays caused by factors beyond the control of the contractor.
- 17. Delays due to the unavailability of material.
- 18. Left Blank.
- 19. If there are plans, specifications, or drawings by design professionals retained by the owner, those persons impliedly warrant that the resulting structure and its component's will be suitable for the particular purpose for which they were intended. The same applies to substitute material approved by the owner.
- 20. The owner agrees to provide contractor, or it's representative, access to the premises and the first opportunity of repairing or replacing any defective items. If contractor is not given that opportunity, any expenses incurred by another contractor will be at owner's expense.