

PRELIMINARY RESERVATION AGREEMENT

SALE BEFORE COMPLETION

**Residence "LE ROCHER VERT"
14 Apartments - 28 Parking
97150 ST BARTELEMY**

The Seller:

SCCV SAPHIR

A Building-Sale Civil Society with a capital of 10 000 Euros, registered in the trade and Companies Registry of Basse Terre under number 433 877 693 - Management Number 2000 D 140

Registered Office: c / o SCI Corail de Feu- Vitet - 97133 SAINT BARTHELEMY

Represented by its manager, **Mrs Diana SUZE-JOHNS** domiciled for her position at the head office, herself being represented by Ms. Marie-Hélène GARRAUX, notary clerk, domiciled for her position at ST BARTHELEMY 58 Rue de la Paix in Gustavia, under the delegation of authority to sign she has granted to her, which is attached hereto.

The Buyer:

Mr. Mrs. Ms. Miss:

and Mrs. (his wife):

married under the regime

address: _____

Home phone: _____ Office. _____ Cell: _____

E-mail: _____

Reserved lots:

	PLAN N°	Co-property lot N°
APARTMENT (S)		
PARKING (S)		

PART 1 - GENERAL CONDITIONS

1.1 – THE SELLER: see designation page 1

1.2 –BUILDING-SALE PROJECT

The seller plans to build the property complex described hereinafter and market it, in portions, according to the arrangement Sale Pending Future Completion.

This property complex, called **Residence "LE ROCHER VERT"** **principally** for residential use shall be built on a land registered section AP No. 0296, AP 0006, AP 0245, SAINT BARTHELEMY Collectivity.

It shall include after completion: 14 housing units, 28 parking spaces.

- The building permit registered under No. PC 971123 1300169 was issued on October 3rd, 2013.

- The start of works was filed with the Planning Service of the Collectivity on September 23, 2015 and the works were declared undertaken on that day.

1.3 –RESERVATION

The Seller in consideration of the deposit hereinafter referred to, commits to the buyer, who agrees, to reserve for the latter the right to acquire the co-property lot or lots provisionally designated in Part 2.

However, he specifies that he shall only complete his building-sale project if, inter alia, he previously obtains the necessary and final bank approvals, and if his project receives a favorable reception from future buyers. Consequently, the Seller shall have the right, at any time, to modify this project, to postpone the realization and even renounce it, with notification to the Buyer as soon as possible. This is expressly accepted by the Buyer who irrevocably waives, in such a case, any complaint other than the reimbursement of the paid deposit.

Any transmission of the benefits of this preliminary contract, particularly in the form of transfer, is formally prohibited under penalty of cancellation if the Seller so wishes.

1.4 - GUARANTEE AND TIME OF COMPLETION

The sale of property subject to the reservation, if carried out, shall take place in a **future state of completion** pursuant to Article 1601-3 of the Civil Code, under the usual sales conditions of buildings to be built concerning premises for housing and those specified below.

a) The sale shall include a **financial guarantee of completion** provided by the Code of Construction and Housing.

The **SELLER** recalls that under Article L.261-11 of the Code of Construction and Housing, the validity of the contract of sale in a future state of completion is subject to the condition that completion of the property sold or reimbursement of the amounts paid by the **BUYER** are guaranteed in case of resolution imposed for failure to complete.

In this regard the **BUYER** is informed of the following articles of the Code of Construction and Housing :

Article R 261-17

"The guarantee of completion of the building is the result of either the existence of conditions for the operation or the intervention, as provided below, of a bank, a financial institution authorized to do mortgage operations, an insurance company approved for that purpose or a mutual guarantee company incorporated under the provisions of the law of March 13th, 1917, that focuses on the organization of credit to small and medium businesses, and small and medium industry.

The money back guarantee is provided by one of the institutions listed in the paragraph above. "

Article R 261-21

"The completion guarantee given by the institutions mentioned in Article R.261-17 takes the form of:

a) – Either an opening of credit through which the one who grants it undertakes to advance the funds to the seller or to pay for his account the amounts necessary for the completion of the building.

This agreement shall stipulate for the benefit of the purchaser or sub-purchaser the right to require execution;

b) – Or a surety agreement under which the surety agency binds itself towards the buyer to pay the amounts necessary for the completion of the building, jointly with the seller.

Payments made by the guarantor establishment under a) and b) above are deemed to be made in the interests of the creditors. "

Article R 261-24

"The completion or refund guarantee shall end with the completion of the building.

This completion results from the observation made by a designated person as provided by Article R.261-2."

b) The seller shall retain the powers of the Owner of the project and shall, in addition, have the irrevocable authority to enter after the sale, if applicable, any agreement of land transfer, common courtyards, easements and other, necessary for the completion of the building and to file all requests for building permits or administrative authorization that may be necessary or useful for the proper performance of the construction operation.

c) Taking possession shall only occur after completion, within the meaning of Article R. 261-1 of the Code of Construction and Housing, of the property subject to the reservation and payment of the balance of the price under reservations of Article R. 261-14, R. 261-18-1 or R. 261-19 of the same code as well as delay compensation that may be due under the provisions of Article 3.2 above.

d) Payment of the fractions of the price payable in the future shall be guaranteed by the seller's preferential rights and the action for rescission.

e) The rescission of the sale shall result, as a charge for the party to whom it is due, in compensation equal to 10% of the price without prejudice to the right of the party invoking the rescission to seek restoration of the damage actually suffered.

f) The seller shall be required to guarantee apparent defects in the provision to the purchaser under the terms of Article 1642-1 of the Civil Code, provided that the seller shall be discharged if, within the period provided in the same Article, the purchaser

did not report the defects that have been noticed. It shall be the same, in identical conditions, with the lack of conformity to specifications in the deed of sale.

g) The seller states that the building shall be insured against fire immediately after topping-out. This fire insurance policy shall be continued or terminated by the co-ownership representing corporation under the terms of the contract.

The deed of sale shall replace this contract altogether; in case of conflict, only the provisions of the deed of sale shall take effect.

The properties matter hereto shall be completed during the period defined in Part 2. However, this time shall, where applicable, be increased by the days of delay consecutive to a case of force majeure or a legitimate cause. Both the occurrence of such event and the time during which such event would have hindered further work shall be sufficiently evidenced by a certificate issued by the architect in charge.

For the application of the preceding provisions, the following causes shall be considered as "legitimate": bad weather under the sense of the labor regulations on building sites; discovery of underground construction, quarry or cavity of all kinds; precautionary excavations and archaeological discoveries; works for the treatment of pollution or contaminated materials; strike, whether general or specific to the construction industry, to a company involved in the works or to any of its suppliers; delays due to public or licensed services; judicial regulation or judicial liquidation of a company involved in the works or of one of its suppliers; administrative or judicial injunctions to suspend or stop the works; construction site accidents.

1.5 - SALES ACHIEVEMENT

The Seller indicates that, in accordance with provisions of Article R. 261-28 of the Code of Construction and Housing, the sale may be concluded within a maximum period of **two year from today**. The amount of the security deposit can not exceed 5% of the estimated selling price if the deadline for completion of the sale does not exceed one year; this percentage is limited to 2% if this period does not exceed two years. No deposit may be required if this period exceeds two years.

To this end, the Seller shall notify to the Buyer the draft deed of sale at least one month before the date of signature. He shall also notify to the buyer at least four (4) days in advance, that he has to appear at a fixed time and date at the office of the drafting notary to sign the deed of sale and pay the corresponding price and costs. If the Buyer does not respond to this request nor pay the price and fees, a report of failure or difficulty shall be drawn and the Buyer shall be deemed automatically and without further formality, to have renounced the sale, the Seller then recovering his full freedom.

1.6 - CONDITIONS OF THE SALE

The sale, if implemented, shall take place under the charges and conditions of the Descriptive State of Division and Co-property Regulations of the property complex. For the rest it shall also occur under the usual conditions and law in such matters and under those hereafter that the parties, becoming respectively Seller and Buyer, commit to respect.

The Seller shall only be obligated by the guarantees that the provisions of the Civil Code make the responsibility of the seller of a building to be built. He shall provide for the guarantee of reimbursement or completion under Article L. 261-11 of the Code of Construction and Housing.

A tolerance of five percent (5%) shall be admitted in the performance of works, concerning, first the overall surface of the lot or lots sold, and secondly the vertical dimensions mentioned in the deed or the documents that will be annexed to it or to which reference will be made.

The Buyer shall pay all costs, fees and expenses of the deed of sale and its consequences, and fees for making and publishing the Descriptive State of Division and Co-Ownership Regulations.

As the property complex may include minor works taking place after the completion of the property subject matter hereof, the Buyer shall bear the inconveniences and problems of finishing the site (traffic, parking, noise, various works, etc.) and waive all related claims against the Seller and the Seller's companies.

1.7 - CODE OF CONSTRUCTION AND HOUSING

As required by Article R. 261-27 of the Code of Construction and Housing, Articles R. 261-28 to R. 261-31 of the same code are reproduced below. In addition, for the full information of the Buyer, Article L. 271-1 of the same Code is partially reproduced, establishing a right of withdrawal in his favor.

Art. R. 261-28. - The amount of the security deposit can not exceed 5% of the estimated selling price if the completion time of the sale does not exceed one year; this percentage is limited to 2% if this period does not exceed two years. No deposit may be required if the delay exceeds two years.

Art. R. 261-29. - The guarantee deposit is made to a special account opened in the name of the buyer in a bank or establishment specifically authorized for this purpose or by a notary. Deposits from buyers of various premises constituting one building or one same property complex can be grouped into a single special account with one section per buyer.

Art. R. 261-30. - The seller must notify the draft deed of sale to the buyer at least one month before the date of signing this deed.

Art. R. 261-31. - The guarantee deposit is returned to the buyer without deductions or penalty:

- a) If the sales contract is not concluded by the seller within the period specified in the preliminary contract,*
- b) If the sale price exceeds by more than 5% the expected price revised if necessary in accordance with the preliminary contract. This is so regardless of the other causes of price increases, even if they are due to an increase in the composition of the building or to an improvement of its quality,*
- c) If the loan or loans provided in the preliminary contract are not obtained or transmitted or if the amount is less than 10% of the provisions in the contract,*
- d) If any of the items of equipment provided in the preliminary contract is not to be performed,*
- e) If the building or part of a building subject to this contract shows a 10% value reduction of the composition or quality of the works planned.*

*In the cases provided for in this Article, the buyer notifies his claim for reimbursement to the seller and to the agent by registered letter with return receipt.
Subject to the justification by the applicant of his right to restitution, reimbursement occurs within a maximum three-month period from this request.*

*Art. L. 271-1 (extract) - For any deed under private signature which has the purpose of construction or acquisition of a building for residential use, subscription of shares entitling the allocation into possession or ownership of residential buildings or the sale of buildings to build or buildings in lease-option, the non-professional buyer may withdraw within ten days from the day after the first presentation of the letter notifying the deed to him.
This deed is notified to the buyer by registered letter with return receipt or by any other means presenting equivalent guarantees for the determination of the date of receipt or delivery. The right of withdrawal is exercised in these same forms.*

1.8 - DEFINITION

Except for the provisions of Article L. 271-1 of the Code of Construction And Housing reported above, notification shall be validly made, at the home of the Buyer, by extrajudicial document, registered letter with return receipt or hand delivered against receipt. Any notification by registered letter shall be effective on the date of its first presentation.

PART 2 - SPECIAL CONDITIONS

2.1 - THE BUYER: see description on page 1

The person or persons called the "Buyer" attest themselves or through their representatives, that nothing may limit their ability to perform the commitments they shall take. In addition, in case of multiple buyers, they shall contract the obligations applicable to them jointly and severally liable without needing solidarity to be reminded. They shall oblige both themselves and their assignees and beneficiaries, even incapable, who shall themselves be jointly and severally liable in cases of multiple buyers.

2.2 - DESCRIPTION - COMPLETION TIME

1) Description of reserved properties:

	Plan No.	Floor	Type	Area
apartment				
Covered Parking (s)				

N.B. the numbers mentioned are those of marketing plans. As such they may be different from those assigned to the lots under the description of division to take place..

All resulting from the plans and summary descriptive note that remain annexed herewith after approval. It is specified that the above summary descriptive note indicates the nature and quality of materials and equipment components, as well as the collective facilities useful for the reserved premises.

2) Estimated time of completion: SECOND QUARTERLY 2018

2.3 - SALE PRICE – PAYMENT TERMS

1) Sale price:

The sale shall be offered for the main forecast price of: _____
EURO

2) Payment terms:

This price shall be payable according to the following schedule and the works progress which shall be sufficiently justified by a certificate of the operation project owner.

STATE OF PROGRESS	AMOUNT	ACCUMULATION
Signature of the reservation contract	%	2%
Completion of the foundations	33%	35%
Completion of the bottom floor 1st floor	25%	60%
Completion of the roof	10%	70%
Installation of windows and doors	15%	85%
Interior partitions	5%	90%
Completion (R. 261-1 C.C.H.)	5%	95%
Delivery	5%	100%

At the signing of the deed of sale, the price shall be payable in cash up to the amount payable depending on the progress of work on that date with a minimum of two percent (2%).

The fixed-term price fractions shall be paid within fifteen days of the notification of a certificate from the architect attesting the progress of work. After this time, the Buyer would be liable, in addition and of full right, to a late fee of one (1) % per month, without this entailing deadline extension.

The fraction of the price payable at the deed of sale signing shall depend on the progress of the works. Payments shall be made within 15 days after sending each certificate of completion established under the conditions specified in the deed of sale.

Price fractions shall be paid by bank transfer to *SELAS "RICOUR-BRUNIER Notaire & Associés"* in SAINT BARTHELEMY (97133) with bank details listed above.

The amount deposited as security shall be deducted from the payment due at the deed signature.

Payment of the price balance shall be guaranteed by the preferential rights of the seller reserved by the SELLER regardless of the action for rescission.

2.4 - SALES ACHIEVEMENT

The deed of sale shall reproduce the unexpired terms and conditions hereof and shall be drawn up by the notary **Maître Sylvie RICOUR - BRUNIER, notary in a partnership of the SELAS "RICOUR-BRUNIER Notaire & Associés" 58 Rue de la Paix - Gustavia à 97133 SAINT-BARTHÉLÉMY**

2.5 - FINANCING WITH OR WITHOUT A LOAN

The Buyer says that he intends to use one or more loans with the following characteristics, that shall allow him, given his own funds, to ensure full financing of the acquisition:

loan organization	Nature of the loan	maximum total amount	minimum duration		maximum Basic rate	
				years		% per year
				years		% per year
				years		% per year

The Buyer undertakes to file one or more loan applications, consistent with what has been said above, within **ONE (1) MONTH** from the expiration of the withdrawal period provided for in Article L. 271-1 and to inform the Seller without delay by the notification of receipt copies for such applications. He also commits to notify to the Seller the copies of loan offers made to him as well as refusals which would be made.

The Buyer commits to notify the obtaining of the necessary loan or loans at the latest at the end of a **Three-Month (3)** period from the expiry of the withdrawal period provided for in Article L. 271-1 of the Code of Construction and Housing above-reproduced.

If the Buyer does not inform the Seller of the approval of the aforesaid loan or loans within the agreed deadline, the present agreement shall be null and void, eight (8) days after the sending by the Seller of a formal notice to bring evidence of the approval of the said loans. The deposit shall be returned to the Buyer, provided that he brings evidence that he filed his loan applications within the agreed time and that these loans were refused to him or that he could not accept the offers made to him because they did not meet the pre-mentioned characteristics. Otherwise, the deposit shall be kept by the Seller as liquidated damages and criminal clause.

2.7 - LIST OF APPENDICES

The following documents are appended after approval:

- Summary descriptive note
- Plans of the reserved premises
- Building permit
- Certificate of non appeal against the Collectivity's building permit.
- Declaration of site opening

2.8 – WITHDRAWAL TERMS

SELECT the corresponding case

1. - Reservation contract notified to the buyer

Pursuant to Article L. 271-1 of the Code of Construction and Housing, this reservation contract will be notified by registered letter with return receipt to the buyer who may within ten days after the day of first presentation of the letter notifying him the contract, exercise a right of withdrawal by sending a registered letter with return receipt to the seller. In this case, the security deposit, if it was made, shall be returned to the buyer by the depositary, without restraint or penalty as quickly as possible.

2. –Reservation contract delivered directly to the buyer

Pursuant to Article L. 271-1, paragraph 3 of the Code of Construction and Housing, the buyer has a withdrawal period of ten days from the day the deed was received.

Article L. 271-2 of the Code of Construction and Housing:

At the conclusion of a deed referred to in Article L. 271-1, no one can receive from the non-professional buyer, directly or indirectly, any payment for any purpose or in any form whatsoever before the expiry of the withdrawal period, unless otherwise express legislative provisions especially for contracts for the acquisition or construction of a new residential building, the subscription of shares entitling the allocation into possession or ownership of residential buildings and preliminary contracts for the selling of real estates to build or lease-option agreements. If the parties agree to a payment on a date after the expiry of this period and which amount they determine, the deed is concluded under the condition precedent of paying these amounts on the agreed date.

However, when one of the deeds mentioned in the preceding paragraph is entered via a professional who received a mandate to assist in the sale, a payment can be received from the buyer if put in the hands of a professional with a financial guarantee assigned to the refund of the money paid. If the buyer exercises his right of withdrawal, the professional depositary of the funds shall give them back within twenty-one days from the day after the date of such withdrawal.

Requiring or receiving payment or a payment commitment in breach of the paragraphs above is punishable by a fine of € 30, 000.

Also, if the contract is **signed off-premises**, the withdrawal period is extended to 14 days as a result of Article L 121-21 of the Code.

Exercise of withdrawal

The BUYER shall have the possibility to withdraw during a period of 10 or 14 days from the receipt of this letter. The withdrawal option shall be exercised before the expiry of that period, by registered letter with return receipt.

For notification: **SELAS "RICOUR-BRUNIER, Notaire & Associés", 58 Rue de la Paix - Gustavia - 97133 SAINT BARTHELEMY**

Effects of the withdrawal:

- a) In case of withdrawal within this period, these will lapse and shall not be performed, even partially.
- b) In case of withdrawal, the depositary of the funds paid by the BUYER shall return them to the latter within twenty-one days from the day following the date of withdrawal and from notification of the withdrawal.

2.9 - RISKS

The tax base on which the housing complex will be built is located in an area covered by a technological risk prevention plan prescribed or approved or by a prevention plan for foreseeable natural risks, prescribed or approved, or in a seismic zone defined by State Council decree.

The provisions of Article L 125-5 of the Environmental Code are therefore applicable to it and are recalled below:

Reminder of the provisions of Article L 125-5 of the Environmental Code:

“I - Owners or tenants of premises located in areas covered by a plan of prevention from technological risks, or by a plan of prevention from foreseeable natural risks, prescribed or approved or in seismic areas such as defined by a decree of the State Council are informed by the seller or the leaser of the existence of risks mentioned in these plan or decree.

A report on the risks based on information provided by the Prefect is attached to any unilateral commitment to sell or buy and to any contract carrying out or noting the sale.

II. - For the tenants of immovable property situated in the areas mentioned in I, the report on the risks described in I is appended to the written lease confirming the new tenant's entry into the premises

III – the Prefect establishes the list of the cities where provisions of I and II hereabove are applicable, as well as for each city, the list of the risks and documents which must be considered.

IV – If a built property has been damaged entailing payment of an indemnity within the frame of article L 125-2 or article L 128-2 of the code of Insurance, the seller or the tenant of the premises has to inform in writing the buyer or the lessee of any damage that occurred during the period he was the owner of the premises, or any damage he has been informed of according to the present provisions. In case of sale of the premises, this information is mentioned in the authentic deed of sale.

V – In case of non compliance with the provisions of the present article, the buyer or the tenant can claim for the cancellation of the contract or apply in Court for a lower price.”

VI. - A State Council decree sets the conditions of application of this article. »

The prefectural decree provided for in Article L.125-5 III of the Environmental Code and subject to the COM of SAINT-BARTHELEMY as a territory exposed to major technological and natural risks and laying down procedures for informing buyers of real estate on the above risks intervened on February 8th, 2006 under No. 2006/171 / SIDPC - the information provided by the prefect mention the existence of the collectivity of SAINT-MARTIN the following major natural hazards:

- flood
- cyclones
- earthquakes
- volcanism
- Landslides

The SELLER declares that it results from the consultation of the mapping that the property subject matter hereof is included in the scope of this plan - The report on natural and technological hazards in accordance with Order of October 13th, 2005 implemented by Article R 125-26 of the Environmental Code is annexed hereto. The BUYER acknowledges being informed and says that he wants to be personally responsible on this matter.

2.10 - NOTARY IN CHARGE

The plans, descriptive notice and construction documents will be filed in the reports of SELAS "RICOUR-BRUNIER Notaire & Associés" – holder of a notary office in SAINT -BARTHELEMY (97133) - 58 rue de la Paix - Gustavia Tel: 05.90.52.92.83 / Fax: 05.90.27.20.74, ricour-brunier@notaires.fr.

The reiterative deed hereunder shall be received by the said office.

2.11 - NEGOTIATION BY AN INTERMEDIATE

The parties acknowledge that the terms, price and conditions hereof have been negotiated by

Name of the agency:.....

Sales Mandate: date: N °

Amount of the remuneration payable by the SELLER:.....

This remuneration shall be paid on the day of the regularization of reiterative act hereof.

2.12 – ELECTION OF DOMICILE

For the execution of these and their consequences, the parties elect domicile:

- The SELLER in the above-mentioned office
- The BUYER in his home above-indicated.

Done in.....,on

Done in three originals, one for each of the parties who acknowledges it, and one that shall be sent to the Seller in accordance with the provisions of Article L 271-1 of the Code of Construction and Housing.

THE SELLER	
THE BUYER	