Watersound® Gallery

AGREEMENT TO PURCHASE A LOT

In this agreement ("Agreement"), the words "BUYER," "YOU" and "YOUR" mean or refer to all the buyers listed below who have signed this Agreement, jointly and severally. The words "SELLER," "US," "WE" and "OUR" mean or refer to **The Watersound Company, LLC, a Florida limited liability company**, whose address is 130 Richard Jackson Boulevard, Suite 200, Panama City Beach, Florida 32407, and its successors and assigns. The word "Community" means or refers to the master planned community being developed in Walton County ("County"), Florida ("State"), under the name **Watersound® Gallery** whose boundaries are stated in a plat recorded in Plat Book 30, Pages 8-9, in the public records of the County, as amended from time to time (the "Plat").

Buyer(s): _____
Exact Legal Name to appear on deed

Address: _____

City: _____ Country: _____

State: _____ Zip Code: _____

Primary Telephone: _____ Alternate Telephone: _____

E-Mail Address: _____

Estimated Closing Date: _____

Sales Representative: _____

Outside Broker (See Article 14 -- if not filled in, there is none): _____

Escrow Agent: Watersound Title Agency, LLC
34 Origins Main Street, Suite 102
Inlet Beach, FL 32461
Telephone (850) 231-6445

1. THIS IS WHAT YOU ARE BUYING FROM US. You agree to buy and We agree to sell to You (on the terms and conditions stated in this Agreement) the following described real property:

a. Lot _____ of Watersound® Gallery as depicted on the Plat ("Property"). The Property is an empty lot.

2. THIS IS WHAT YOU ARE PAYING FOR THE PROPERTY.

The purchase price that You will pay for the Property is the sum of all of the following ("Total Purchase Price"):

a.	Lot Price	$ _____
b.	Water Impact Fee	$ 3,092.66
c.	Sewer Impact Fee	$ 4,824.54
d.	Irrigation System Connection Fee	$ 1,500.00
e.	**Total Purchase Price**	$ _____

f. In addition, You will be paying other costs, including but not limited to the "Closing Costs" described in Article 10, when this transaction is concluded at a closing ("Closing") that will be scheduled pursuant to Article 8.

g. All other sums required by this Agreement to be paid by You.

3. THIS IS YOUR GOOD FAITH DEPOSIT. You are obligated to make the following payments to Us prior to the Closing:

PAYMENT	DUE DATE	AMOUNT
Initial Deposit (10% of Total Purchase Price, including any reservation deposits previously paid by You)	When you sign this Agreement	$_____

The Initial Deposit, after it is received by Us, is referred to in this Agreement as the "Deposit Funds."

If there is a dispute as to any part of the Deposit Funds, the dispute will be submitted to binding arbitration (see Article 18 for more information). In any dispute, the party who is entitled to receive the Deposit Funds will also be entitled to receive the interest earned on the Deposit Funds, if any.

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4. **THIS IS HOW YOU MUST PAY THE TOTAL PURCHASE PRICE.** The balance due at Closing (which is the Total Purchase Price less the Deposit Funds) must be paid by cashier's check or wire transfer only. All payments must be made in U.S. funds. YOU ARE REQUIRED TO PAY ALL CASH FOR THE PURCHASE OF THE PROPERTY. Your obligation to purchase the Property is not contingent, in any way, upon obtaining mortgage financing, nor upon any conditions of any financing that You may seek. You must still give Us and the Escrow Agent at least twenty-one (21) days prior to the Closing the name, phone number and address of any Mortgage Lender who will be providing any of the closing proceeds. The Closing may not be delayed if You decide later to borrow money for Your purchase of the Property but Your Mortgage Lender does not have sufficient time to process the loan, if You fail to qualify for a loan, or if You obtain the loan but Your Mortgage Lender does not deliver the loan funds on the Closing Date. At Our request, You will give Us sufficient information to establish Your ability to pay the Total Purchase Price. We have the right to terminate this Agreement within twenty-one (21) days after You sign it if We decide, in Our sole and absolute discretion, that You may not be financially capable of paying the Total Purchase Price. Such termination must be in writing, and all Deposit Funds will be promptly returned to You, after which You will have no further rights under this Agreement or to any part of the Property. Upon such termination, You and We shall be released from all liabilities and obligations arising from this Agreement except for those that expressly survive termination. **YOU WILL BE A MEMBER OF A HOMEOWNERS ASSOCIATION.** A not-for-profit corporation will enforce and administer conditions, covenants and restrictions encumbering all or part of the Community ("Association"). This Association is identified in recorded declarations that govern the use of property located in the Community. Once You take title to the Property, You will automatically become a member of one or more Associations. As a member of the Association(s), You will enjoy all the rights and privileges of membership, and You will be responsible for all costs, obligations and liabilities of membership. By initialing below, You are acknowledging that before signing this Agreement You received a copy of the following documents:

BUYER'S INITIALS:

_____

a. all of the following "Community Documents:"

- All declarations of covenants and restrictions (as may be amended and supplemented from time to time before or after the Closing) administered by the Association and encumbering the Property, including the Declaration of Covenants, Conditions and Restrictions for Watersound® Gallery recorded or to be recorded on _____, in Book ____, Page _____, *et seq*. of the Official Records of Walton County, as amended and supplemented ("Declaration").

- Articles of Incorporation, Bylaws and Rules and Regulations of the Association in which You will have membership.

- Operating Budgets for the Association (which are estimates and may be changed at any time without notice to You and without Your consent) in which You will have membership.

- **DISCLOSURE SUMMARY.** YOU ACKNOWLEDGE THAT PRIOR TO SIGNING THIS AGREEMENT, YOU HAVE RECEIVED AND READ THE DISCLOSURE SUMMARY AS REQUIRED BY FLORIDA STATUTES §720.401, WHICH IS INCORPORATED HEREIN BY REFERENCE. YOU SHOULD NOT SIGN THIS AGREEMENT UNTIL YOU HAVE RECEIVED AND READ THE DISCLOSURE SUMMARY.

  IF THE DISCLOSURE SUMMARY REQUIRED BY FLORIDA STATUTES §720.401 HAS NOT BEEN PROVIDED TO THE PROSPECTIVE PURCHASER BEFORE EXECUTING THIS AGREEMENT, THIS AGREEMENT IS VOIDABLE BY BUYER BY DELIVERING TO SELLER OR SELLER'S AGENT WRITTEN NOTICE OF THE BUYER'S INTENTION TO CANCEL WITHIN THREE (3) DAYS AFTER RECEIPT OF THE DISCLOSURE SUMMARY OR PRIOR TO CLOSING, WHICHEVER OCCURS FIRST. ANY PURPORTED WAIVER OF THIS VOIDABILITY RIGHT HAS NO EFFECT. BUYER'S RIGHT TO VOID THIS AGREEMENT SHALL TERMINATE AT CLOSING.

b. and the following documents as well:

- Design Guidelines which set forth guidelines for designs, minimum size, grading, landscape and other requirements pertaining to construction in the Community. These guidelines may be changed by Us from time to time in the exercise of Our sole discretion.

- The agency notice from our affiliated broker as required by Florida law.

If this Agreement is terminated for any reason, You will promptly return to Us all of these documents.

5. **RECEIVING TITLE TO YOUR PROPERTY.** At the Closing, You will receive from Us a Special Warranty Deed ("Deed"). The Deed will convey to You marketable title to the Property free and clear of all liens, encumbrances and exceptions, except for the following permitted exceptions ("Permitted Exceptions"):

a. Liability for all taxes affecting the Property starting the year You receive title and continuing thereafter.

b. All laws and all restrictions, covenants, conditions, limitations, agreements, reservations and easements recorded in the public records of the County as of the date of Closing, or otherwise established with respect to the Property; for example, zoning restrictions, property use limitations and obligations, mineral rights and reservations, easements,

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rights of way, plat restrictions, agreements relating to telephone lines, water and sewer lines and other utilities, and matters arising from or connected with any applicable community development special tax district and declarations of covenants, conditions and restrictions set forth as part of the Community Documents.

c. The restrictions, covenants, conditions, limitations, agreements, reservations, easements, terms and other provisions imposed by the Deed and the documents contained or referred to in the Community Documents, as described in Article 4, which are recorded by Us or Our affiliate now or at any time after the date of this Agreement in the public records of the County, and all amendments to any of such documents.

d. Final Development Order No LTM26-000008, amending Development Order MIN24-000061 issued on May 27, 2026, by Walton County (referred to as "**Development Order**").

e. Your mortgage, if any.

f. Those matters contained on Schedule B-II of the Title Commitment which remain following the Title Objection Response Period (defined below), if any.

g. All standard printed exceptions contained in an ALTA Owner's title insurance policy customarily issued in the County, except those standard printed exceptions that pertain to parties in possession, construction liens and unrecorded easements.

6. **INSURING TITLE TO YOUR PROPERTY.** At the Closing, We will convey the Property to You free of Title Defects. "Title Defects" means anything that has a material adverse effect on title to the Property and which would render the title unmarketable, but does not include any of the Permitted Exceptions. Prior to or at Closing, We will deliver to You at Our cost a title insurance commitment ("Title Commitment") written by or for an insurer doing business in Florida ("Title Insurer") agreeing to issue to You, upon recording of the Deed, an owner's policy of title insurance (ALTA Form B) in the amount of the Total Purchase Price, insuring Your title to the Property ("Owner's Title Policy"), subject to the Permitted Exceptions and those matters contained on Schedule B-II of the Title Commitment which remain following the Title Objection Response Period (defined below). The Title Commitment shall show that, upon performance by Us of all of the items listed on Schedule B-1 of the Title Commitment, We will convey to You fee simple title to the Property free and clear of Title Defects. You must notify Us in writing of any Title Defects which are objectionable to You by no later than five (5) days after You have received the Title Commitment from Us ("Your Title Objection Notice").

We will have fifteen (15) days after receiving Your Title Objection Notice to either (i) remove the Title Defects, or (ii) deliver to You a Title Commitment which does not contain an exception for the Title Defect (the "Title Objection Response Period"). If We fail to do either of these, then You will have the option of either: (i) accepting the title as it then is; or (ii) demanding a refund of the Deposit Funds, at which time this Agreement will terminate and You will have no further rights under this Agreement or to any part of the Property. Upon such termination, You and We shall be released from all liabilities and obligations arising from this Agreement except for those that expressly survive termination. We will use reasonable efforts to remove any Title Defects, but We are not obligated to institute a lawsuit or expend any sums to do so.

7. **CLOSING DATE.** Your purchase of the Property in accordance with this Agreement will be completed at a "Closing" that will take place within thirty (30) days after the day We sign this Agreement ("Closing Date"). The Closing will be conducted by the Escrow Agent. We will give You at least four (4) days' written notice ("Closing Notice") of the time and place of the Closing, and at least two (2) days' oral notice of any change in the Closing Date. A change of time and place of Closing only (that is, one not involving a change of date) will not require any additional notice period. You will have no right of possession or use of the Property until after the Closing.

IF YOU DO NOT CLOSE ON THE CLOSING DATE, YOU WILL BE IN DEFAULT UNDER THIS AGREEMENT. Upon Your default, We will have the right to terminate this Agreement by written notice to You and retain all Deposit Funds, at which time this Agreement will terminate and You will have no further rights under this Agreement or to any part of the Property. Upon such termination, You and We shall be released from all liabilities and obligations arising from this Agreement except for those that expressly survive termination.

8. **CLOSING DOCUMENTS.** At Closing, We will deliver to You the following "Closing Documents:" (i) the Deed; (ii) an Owner's (No Lien, Gap and FIRPTA) Affidavit [which may be one affidavit], in such form as shall be acceptable to the title company for purposes of removing any standard title exceptions; (iii) a "marked up" Title Commitment, with all exceptions, other than Permitted Exceptions, omitted or insured over; and (iv) a statement describing in detail the consideration, prorations, adjustments, costs and expenses associated with this transaction ("Settlement Statement"). At Closing, You will deliver to Us the following: (i) the Total Purchase Price, minus the Deposit Funds, plus or minus any other prorations and other adjustments to be made in accordance with this Agreement; (ii) the Settlement Statement signed by You; (iii) a signed "Disclosure and Acknowledgment" acknowledging various disclaimers, disclosures and other matters described in this Agreement; (iv) a signed and acknowledged memorandum of agreement (substantially in the form of *Exhibit "A"* attached to this Agreement) ("Memorandum of Agreement") to reflect the terms of Article 10 and Article 11, if applicable; and (iv) all other documents reasonably necessary or appropriate to effect the intent of this Agreement.

9. **CLOSING COSTS.** You must pay certain fees or costs (collectively, the "Closing Costs") when You take title at the Closing, which include, but are not limited to, the following:

BUYER'S INITIALS:

_____

a. The cost of recording the Deed.

b. Documentary stamp tax on the Deed.

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c. The cost of a lot survey, should you choose to have your lot surveyed.

d. The cost of the Estoppel Certificate.

e. The Property's share of assessments charged by the Association prorated for the number of days during the quarter during which You will hold title to the Property.

f A prepayment of the Association assessments for the Property for the quarter immediately following the quarter in which Closing occurs.

g. A contribution to the initial operating fund of the Association in an amount equal to one-quarter of the annual Base Assessment per Unit for that year, which is in addition to, and not in lieu of, annual assessments the Association charges.

h. Any costs, fees, charges, points or prepaid items imposed by Your Mortgage Lender, including the cost of any title insurance required by your lender.

i. Any late fees, costs, charges or expenses provided for elsewhere in this Agreement.

j. Water and sewer impact fees for the Property.

k. Irrigation system connection fee for the Property.

l. i. If the current real estate tax bill is available and if we have paid the ad valorem real estate taxes on the Property, Your share of taxes and assessments which will be prorated based on the current assessed year's taxes and assessments with due allowance made for the maximum allowable discount.

ii. If the current real estate tax bill is not available as of the Closing Date, We will not have been able to pay the taxes and You will receive a tax bill from the County later in the year. In that case, taxes shall be based on the prior year's tax bill and You will be given a credit for that portion of the estimated taxes applicable to the portion of the year that the Property is owned by Us.

iii. If any proration is based on an estimate or a prior year's tax bill, either You or We may request a reproration after the Closing based on actual figures, provided that the actual figures are at least ten percent (10%) higher or lower than the estimates used. If the applicable tax bill includes land other than the Property, Your share shall be equitably determined by Us based on square footage.

m. Other fees and costs normally paid in the County by the buyer of a residential lot.

n. Transfer fee to The St. Joe Community Foundation, Inc., as set forth in the Declaration, in an amount equal to one-half percent (0.50%) of the Lot Price of the Property identified in Article 2a.

We will pay the following fees and costs at the Closing:

a. The premium on the Owner's Title Policy and any applicable endorsements, the cost of the title search, title examination, settlement fee, overnight delivery/courier fees, and other costs charged by the Title Insurer.

b. Our share of prorated taxes and assessments if the current year's tax statement has been issued. Otherwise, We will give You a credit at closing in accordance with subparagraph (g) above for our share of the estimated taxes for the current year.

c. Other fees and costs normally paid in the County by the seller of a residential lot.

The Settlement Statement will detail these charges. If there is a mistake on the Settlement Statement, You and We will have a continuing duty to correct the error, and that may require You or Us to make adjustments or additional payments. If there is a dispute between You and Us concerning a post-Closing correction to the Settlement Statement, that dispute will be submitted to binding arbitration in accordance with Article 18. This Article shall survive Closing and any termination of this Agreement.

10. THIS IS HOW YOU MUST DESIGN AND BUILD A HOUSE ON THE PROPERTY. You acknowledge that We have a legitimate interest in assuring that all construction in the Community is of the highest quality. Construction should be conducted expeditiously with the least possible disruption to neighboring properties so that property values within the Community may at all times be protected and maintained at the highest possible levels.

a. Approved Builders and Architects. The design and construction of the single family residence to be constructed on the Property must be undertaken only by architects and builders who are duly licensed by the State and have been previously approved by Seller to design and build residences in the Community (hereinafter referred to as "Approved Architects" and "Approved Builders"). You may request Us to approve specific architects and builders, but We are not obligated to do so. You will not act as Your own builder unless You have been licensed by the State as a general contractor and have been approved in writing by Seller. You acknowledge and agree that neither We nor any affiliate has recommended or endorsed any architect, builder, contractor or subcontractor. You acknowledge that any architect or builder that is chosen by You will be chosen in Your sole discretion and that You will perform examinations of said architect's and builder's qualifications and financial ability as You deem appropriate. You further acknowledge that We are not responsible for Your choice of architects and builders, and that said architects and builders are not Our agents, partners or affiliates. You hereby release and forever waive any claims, actions, suits, damages (both direct and consequential) and judgments You may ever have against Us (and any entity affiliated with Us) based on or arising from an architect's or a builder's acts or omissions to act, or for any defects in the design or construction of improvements on the Property.

b. Design Review. Before starting any building activity on the Property, You must submit to the Declarant, unless the Declarant has established a Watersound® Gallery Design Review Board (the “DRB”), and if so to the DRB, detailed and complete plans and specifications for all proposed improvements to the Property (including architectural plans prepared by an Approved Architect, landscaping plans and a drainage plan that complies with the Community's drainage system plan). All plans and specifications will be subject to approval in accordance with

SAMPLE

the Community Documents. No construction may occur on the Property unless it is in accordance with plans and specifications approved in accordance with the Community Documents.

c. Commencement of Construction. Construction of a single family residence must commence on the Property no later than NOT APPLICABLE months (or "Not Applicable" if left blank) after the Closing ("Promised Commencement Date"). Commencement of construction for a single family residence shall be evidenced by (i) complete installation of the footings and pouring of the building slab, or (ii) complete installation of the pilings, as applicable. Once started, construction shall be diligently and continuously pursued to completion, in accordance with the terms of subsection 11.d. herein.

d. Completion of Construction. You agree that once construction on a single-family residence has commenced on the property, construction shall be completed on or before eighteen (18) months after the earlier of commencement of construction or the Promised Commencement Date ("Promised Completion Date"). Commencement of construction for a single-family residence shall be evidenced by (i) complete installation of the footing and pouring of the building slab, or (ii) complete installation of the pilings, as applicable. Completion of construction shall be evidenced by issuance by the applicable government agency of a certificate of occupancy or written approval of final inspection for the single family residence on the Property, and installation of all landscaping and related site improvements in accordance with plans approved by the Association.

e. Lien and Foreclosure Rights for Failure to Commence Construction. If construction of a single family home on the Property is not commenced on or before the commencement of construction or the Promised Commencement Date, if applicable, or completed by the Promised Completion Date, You will pay Us or the Declarant (as defined in the Declaration), as liquidated damages, a monthly amount equal to ten percent (10%) of the Total Purchase Price divided by eighteen (18) for each month (or portion thereof, if applicable) for which commencement of construction or completion of construction is delayed. We (or the Declarant) shall give written notice to You of any amounts owed pursuant to this subsection. If You do not pay the charges due within thirty (30) days of Our (or the Declarant's) notice given pursuant to this subsection, We (or the Declarant) shall be entitled to file a lien on the Property for such unpaid amounts, which lien may be foreclosed by Us (or the Declarant). You expressly acknowledge that if You fail to commence construction on or before the Promised Commencement Date or complete construction by the Promised Completion Date, the extent and amount of Our (or the Declarant's) actual damages suffered would be uncertain and difficult to determine. You agree that the monthly amounts charged in accordance with this subsection are a reasonable estimate of such damages, and are liquidated damages and not a penalty.

f. Setbacks. No buildings, parking areas or structures or other improvements (except landscaping) shall be permitted or erected in any setback areas.

g. Landscaping. Landscaping on the Property must be in accordance with the Design Guidelines referenced in the Community Documents.

h. Miscellaneous Fees. Except as may be otherwise specifically provided in this Agreement, all fees, costs, and charges incurred in connection with Your acquisition of the Property and construction of a residence on it will be paid by You, including all impact fees, utility hook-up fees and similar charges. If We are charged for any utility services (electricity, water, etc.) benefiting the Property after Closing, You will reimburse Us within ten (10) days of receipt of a written statement from Us.

i. Impact on Neighbors. You acknowledge that the Property may be in proximity to occupied single family residences, the use and occupancy of which could be affected by nearby construction activities. Accordingly, You agree that at all times during construction on the Property: (i) the Property shall be maintained in a neat and orderly manner free from unnecessary construction debris, (ii) construction activities upon and around the Property shall comply with such rules and regulations as either We or an Association may promulgate from time to time, and (iii) You will take reasonable precautions to minimize the impact on adjacent landowners of noise, dust, truck traffic, litter, obstructions, building materials, vehicles, debris, nuisances and other consequences of construction activities. Either We or an Association may install a temporary barrier or fence around all or part of Your Property if You fail to do so within three (3) days after demand.

j. Elevations. By the time construction is completed on the Property, You will, at Your cost, bring the Property to the engineering grade plan elevations required by all applicable permits and the Seller. Upon completion of construction, You will deliver to Us, at Your expense, a boundary and topographic survey certified to Us by a licensed land surveyor confirming all elevations to be in accordance with the foregoing requirements. If the elevations do not conform to the foregoing requirements, You will immediately, at Your expense, cause the necessary filling, grading and other work to be performed. Either We or an Association may obtain a survey or perform the work required by this paragraph if You do not.

k. Damage to Improvements. Berms, swales, drainage facilities, parks, sidewalks, streets, trees, landscaping, irrigation facilities, lighting, utility lines, curbing, paving and other improvements may be built by Us or other property owners ("Neighborhood Improvements"). You will not cause any damage to or alteration of any Neighborhood Improvements. You will indemnify and hold Us, all Association and other property owners in the Community harmless from and against any and all claims, damages, expenses (including reasonable attorneys' fees and court costs) and liabilities incurred in connection with any damage or alteration to Neighborhood Improvements caused by You or Your employees, agents or independent contractors.

l. Governmental Requirements. You will, at Your expense, comply with all governmental requirements applicable to the Property. You will not seek to change the zoning, land use provisions, permitted uses, planned unit development provisions, development of regional impact provisions, plats, water management or wastewater disposal provisions, or any other governmental provisions affecting the Property, without obtaining Our prior written consent, which may be withheld in Our sole and absolute discretion.

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m. Pre-Construction Maintenance. At all times prior to construction of any improvements on the Property, the entire surface of the Property shall be properly maintained with existing native plant material and consistent with the Design Review Guidelines. Either We or an Association may properly maintain, at Your expense, the Property if You do not.

n. Private Facilities and Assessments. You acknowledge that the streets and roads within the Community are or will be owned and maintained by the Association with funds derived from assessments made against property within the Community (including the Property). You also acknowledge that there are or will be open areas and other amenities within the Community which are or will be owned and maintained by the Association with funds derived from assessments made against property within the Community (including the Property) as more particularly set forth in the Community Documents.

o. Cable Television. You agree, at Your own cost and expense, to pre-wire the residence on the Property for cable telecommunications and other services so that the home may take full advantage of such cable telecommunications and other services as may be available within the Community. Further, You agree and acknowledge that one (1) or more Association will contract with a cable television provider, which may be affiliated with the Seller. You will grant such easements as may be required by the cable television provider to install and maintain a central telecommunications system serving the Property and the Community.

p. Storm Water Management. You will be responsible for implementing water drainage, stormwater management, and erosion control practices, including but not limited to silt fencing, retaining walls, swales, and landscaping, for your Property that comply with the Community's practices and are in accordance with the Community Documents

If any paragraph of this Article allows either Us or an Association to perform work or acquire and install goods, services or documents if You do not, We will bill You for the expense incurred. If the bill is not paid within thirty (30) days, or if any other payment due from You is not timely made, a lien may be recorded against the Property (as improved) for such expenses or charges, which lien may be foreclosed. These remedies are in addition to any other remedies available under this Agreement, at law or in equity. The provisions of this Article will survive the Closing.

11. EXERCISE OF LIEN AND FORECLOSURE RIGHT. We (or the Declarant) may, in Our sole and absolute discretion, elect to exercise or not exercise Our rights of lien or foreclosure against You, Your Property, or any other owner or property in the Community; and You expressly and specifically agree that We (or the Declarant) may discretionally and discriminately elect to exercise or not exercise Our (or the Declarant's) lien or foreclosure rights provided in this Article or the Declaration in Our (or the Declarant's) sole and absolute discretion. You waive any and all losses, claims, demands, damages, costs and expenses of whatever nature or kind, including attorneys' fees and costs and appellate fees and costs, related to, arising out of, or resulting from the exercise of Our (or the Declarant's) lien or foreclosure rights pursuant to the terms of this Article or the Declaration. You hereby expressly and specifically waive the right to raise or assert any and all defenses against, the right to object to, or any claims arising from, Our (or the Declarant's) discriminatory and discretionary exercise or lack of exercise of lien or foreclosure rights provided in Article 10 or the Declaration against You, Your Property, or any other owner or property in the Community. You agree that as a condition to owning Your Property in the Community, You are subject to the terms and conditions of the Declaration, Article 10 and this Article, and any other statements of Our lien or foreclosure rights herein or in the Memorandum of Agreement.

a. Indemnity. You agree to save, defend, indemnify and hold Us (or the Declarant) harmless from and against any and all claims, damages, expenses (including reasonable attorney's fees and court costs) and liabilities of any nature whatsoever asserted against or incurred in connection with any mortgages, mechanic's liens, judgment liens and other matters pertaining to the Property arising on or after the Closing Date not satisfied and released by You.

b. Memorandum of Agreement. A Memorandum of Agreement, if applicable, shall be recorded at Closing to reflect the terms of Article 10 and this Article. Our (or the Declarant's) rights to lien and foreclose the Property will expire on the earlier of: (1) one hundred eighty (180) days after issuance of a certificate of occupancy or written approval of final inspection from the applicable government agency for a single-family home built on the Property; or (2) the tenth (10^{th}) anniversary of the Closing.

c. Rights and Remedies Cumulative. The rights, remedies and options granted to Us (or the Declarant) pursuant to Article 10 and this Article are in addition to, and not exclusive of, any other rights or remedies to which We (or the Declarant) are entitled hereunder, at law or in equity, or in any other agreement, declaration, covenant or restriction which may be recorded in the public records of the County.

d. Plans and Specifications. If We (or the Declarant) obtain title to the Property through exercise of foreclosure or otherwise, We (or the Declarant) shall be entitled, at Our sole election, to the use and ownership of Your plans and specifications for the structures which were to be built on the Property. You shall deliver the plans and specifications to Us within ten (10) days after notice together with all paid invoices for them. To the extent that the plans and specifications are used by Us (or the Declarant), but only in such event, We (or the Declarant) shall reimburse You for their cost. It is in Our (or the Declarant's) sole discretion whether Your plans and specifications will be used by Us (or the Declarant). We (or the Declarant) acknowledge and agree that Our (or the Declarant's) rights to the plans and specifications shall be limited to use on the Property. You agree that in Your contracts for plans and specifications with architects, builders and subcontractors, that assumption by Us (or the Declarant) shall be permitted and provision shall be made in Your contracts for plans and specifications with architects, builders and subcontractors for Our (or the Declarant's) rights in accordance with this subsection. Upon request, We (or the Declarant) shall be permitted to review all contracts for plans and specifications to assure Us that Our rights to such plans and specifications are preserved.

The provisions of this Article will survive the Closing.

12. REMEDIES FOR DEFAULT.

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a. If You:

i. default under this Agreement prior to the Closing and You do not cure the default within ten (10) business days after We give You written notice of the default, or

ii. do not close on the Closing Date set forth in the Closing Notice, then We will have the right to terminate this Agreement by written notice to You and retain all Deposit Funds, at which time this Agreement will terminate and You will have no further rights under this Agreement or to any part of the Property. Upon such termination, You and We shall be released from all liabilities and obligations arising from this Agreement except for those that expressly survive termination, and We may retain all Deposit Funds (together with interest, if any), as liquidated damages. You acknowledge that the extent and amount of Our actual damages would be uncertain and that all the Deposit Funds (together with interest, if any) are agreed and liquidated damages and are not a penalty.

b. Since certain parts of this Agreement survive Closing or termination, then if You default under this Agreement after the Closing, We will be entitled to all rights and remedies described in this Agreement, and those available at law and in equity, including the right to specifically enforce the terms of this Agreement.

c. If We default under this Agreement, You will give Us written notice and if We have not cured the default within ten (10) business days after We receive the notice, You may either terminate this Agreement by delivering written notice of termination to Us, or You may pursue any remedy available to You at law or in equity other than consequential, special, treble, punitive, or exemplary damages. If You elect to terminate this Agreement, the Deposit Funds will be refunded to You (together with interest, if any) and You and We shall be released from all liabilities and obligations arising from this Agreement except for those that expressly survive termination.

The provisions of this Article will survive Closing.

13. IMPORTANT FACTS ABOUT OWNING PROPERTY IN THE COMMUNITY. You are buying property in a community that has not yet been completely planned and developed, and We want You to know what to expect and what Your obligations are as a property owner in the Community. By buying the Property, You agree to all of the following:

a. We, and others who are building homes in the Community, may keep offices and model homes in the Community. This may include advertising signs and other promotional devices necessary or helpful for sales, leasing or management.

b. An Association may own recreational and social facilities and operate them for the benefit of its members ("Association Amenities"). The Community Documents describe who has the right to use any Association Amenities. You should refer to the Community Documents to determine what Your rights and eligibility are with respect to use of any Association Amenities. You may not use or enjoy any Association Amenities except as specifically and expressly granted by the Community Documents. Furthermore, You may have no rights or privileges with respect to any Association Amenities owned by an Association in which You will not be a member, and You may have no rights or privileges with respect to any Association Amenities owned by an Association in which You will be a member if those Association Amenities are restricted for the use of residents of an area of the Community other than the area in which the Property is located. Except for specific rights and privileges explicitly granted to You by the Community Documents for facilities owned by an Association in which You will be a member, You will have no rights or privileges to use any Association Amenities. As provided in the Community Documents certain Association Amenities may be made available for use by people who do not own a lot or reside in the Community.

c. We may or may not build additional improvements on those portions of the Community that We still own, except that We have or will complete the following: (i) paved roads to the Property, and (ii) water, sewer and electric utilities to the Property. We will not provide potable water, sewer, or electric service. Such service shall be provided to the Property by the applicable public utility company. We are not obligated to build or complete any improvements in the Community, and the construction or completion of any improvements will not be a pre-condition to Your obligation to purchase the Property. Plans for designing, developing, building and marketing the Community, including other houses in the vicinity of the Property, constantly change, and no one has the authority to promise to You that those plans will not change in the future. We have the absolute right to add, modify or eliminate homesites, dwellings and common areas (and any facilities thereon) to, on or from the Community generally without notice and without Your consent. Any such changes may have a financial or other impact on the Association which assess charges against Your Property, for which We will not be responsible. You acknowledge and agree that You are not entitled to rely on and have not received or relied on any representations, warranties or guarantees whatsoever as to: (i) the design, construction, completion, development, use, benefits or value of the Community; or (ii) the number, types, sizes, prices or designs of residential or other structures which are to be built in any part of the Community. You will not pay or give, and You acknowledge that You have not paid or given, any consideration to Us or any of Our affiliates for any such representation, warranty or guaranty. "Affiliate," for the purposes of this Agreement, means a person or entity which (either directly or indirectly, through one or more intermediaries) controls, is in common control with or is controlled by, Us, and any person or entity that is a director, trustee, officer, employee, agent, partner, shareholder, member, subsidiary, successor-in-interest, successor-by-merger, or attorney of any of the foregoing.

d. **COMPLETING THE COMMUNITY WILL REQUIRE MAJOR AND CONSTANT CONSTRUCTION WORK. THIS WILL INCLUDE EXCAVATION, DREDGING, CONSTRUCTION, CLEARING AND OTHER DEVELOPMENT ACTIVITIES WITHIN OR AROUND THE COMMUNITY, BOTH BEFORE AND AFTER YOU CLOSE ON THE PURCHASE OF YOUR PROPERTY. BY SIGNING THIS AGREEMENT, YOU ACKNOWLEDGE OUR RIGHT TO CONDUCT ALL THIS CONSTRUCTION WORK AND AGREE THAT YOU WILL NOT (I) DEEM ANY OF THESE ACTIVITIES TO BE NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES; (II) ENTER, OR ALLOW ANY OTHERS UNDER YOUR CONTROL TO ENTER, ANY AREAS WHERE SUCH ACTIVITIES ARE BEING CONDUCTED (EVEN WHEN THE ACTIVITIES HAVE TEMPORARILY CEASED, SUCH AS DURING NON-WORKING HOURS); AND (III) HOLD US OR OUR AFFILIATES LIABLE OR SUE US OR OUR**

SAMPLE

AFFILIATES FOR ANY DAMAGE, INJURY OR DEATH ARISING FROM OR CONNECTED WITH ANY OF THE ACTIVITIES DESCRIBED ABOVE. FURTHER, YOU ACKNOWLEDGE THAT VARIOUS INFRASTRUCTURE WORK MAY NOT BE FULLY COMPLETED BOTH BEFORE AND AFTER YOU CLOSE ON THE PURCHASE OF YOUR PROPERTY (i.e., SIDEWALKS MAY NOT BE COMPLETED AND CONTIGUOUS TO EACH OTHER AND MANHOLE COVERS, VALVE BOXES, ETC. MAY PROTRUDE ABOVE THE SURFACE OF THE PAVEMENT OR THE GROUND UNTIL THE ROADS AND LOT GRADING ARE COMPLETED). WE WILL NOT BE RESPONSIBLE FOR ANY INJURIES INCURRED BY YOU OR YOUR GUESTS IF YOU VISIT YOUR HOMESITE PRIOR TO CLOSING, OR ANY OTHER HOMESITE IN THE COMMUNITY AT ANY TIME.

e. Certain recreational and social facilities may be located within or in the vicinity of the Community which facilities are not Association Amenities, such as a beach club, golf courses, tennis/pickleball courts, golf clubhouses, tennis clubhouses, parks, swimming pools, locker rooms, baseball, football or soccer fields, basketball courts, equestrian facilities, aquatic facilities, inns or dining facilities (collectively, the "Separate Recreational Facilities," and individually referred to as a "Separate Recreational Facility"). No part of the Total Purchase Price includes a charge for any rights, memberships or privileges in or to any Separate Recreational Facilities. Your ownership of the Property and membership in an Association will not confer membership in, or any rights, easements (whether prescriptive or otherwise) or privileges with respect to the use and enjoyment of any Separate Recreational Facilities. The right and privilege to use and enjoy any Separate Recreational Facilities shall be conferred only by and in the sole and absolute discretion of the owners and operators of the Separate Recreational Facilities pursuant to separate application and payment for use, and in accordance with rules promulgated from time to time by those owners and operators. We have not made, do not make and have disclaimed any warranty or representation to You, that either You or Your successors will be approved for or otherwise be eligible for membership in or use of any Separate Recreational Facilities. You acknowledge and agree that no such representation or warranty has been made by Us or Our representatives, and that You have no expectation of any right to use any Separate Recreational Facilities. Any information provided to You by Us or Our representatives regarding the charges or operations of Separate Recreational Facilities has been done only as a matter of convenience and may not be accurate. Any information desired by You about the Separate Recreational Facilities should be requested directly from the operator of the Separate Recreational Facilities and received in writing. The owner of any Separate Recreational Facilities may also, at any time, modify or eliminate the Separate Recreational Facilities in its sole and absolute discretion, including without limitation the following: (i) make use privileges available to persons who are not residents of the Community, including, without limitation, any members of the public at large, (ii) sell or lease the Separate Recreational Facilities, (iii) change management or alter, eliminate or cease operating all or part of the Separate Recreational Facilities; (iv) require memberships in a privately-owned club in order for residents of the Community to use the Separate Recreational Facilities; (v) manage the Separate Recreational Facilities itself or engage a third party management company; or (vi) do any combination of the foregoing. Separate Recreational Facilities are not common areas and will not be owned by an Association.

f. The Property may be located next to or near one or more bodies of water. All of the water bodies are part of a water drainage and management plan for the Community and are not designed to be aesthetic features. You acknowledge and agree that:

i. The water levels in all of the water bodies will rise and fall -- sometimes dramatically -- for a variety of reasons, such as tides, fluctuations in groundwater elevations, weather conditions, pumping from wells for municipal water needs, and the irrigation of homes, common areas and Separate Recreational Facilities. We do not regulate or control the water levels of any bodies of water, and You agree to release Us and Our affiliates from, and You waive, any and all losses, claims, demands, damages, costs and expenses of whatever nature or kind, including attorneys' fees and costs and appellate fees and costs, related to, arising out of, or resulting from changes in the water elevations, including without limitation, the absence of any water in the bodies of water. In no event will any part of the Total Purchase Price be refunded due to changes in water levels.

ii. The design and maintenance of the water bodies is regulated by various government agencies. You may not alter, modify, expand or fill any bodies of water or wetlands located in the Community without the prior written approval of those agencies and Us. Easements or other use restrictions may be imposed and recorded against the title to the Property at any time in order to promote the regulatory authority of these government agencies.

iii. In accordance with Section 161.57(2) of the Florida Statutes, you waive receiving a survey indicating the location of the coastal construction control line (as defined in Section 161.053 of the Florida Statutes).

g. Please note that any utility, lake maintenance or other easements located on the Property may permit the holder of the easement to have access to the Property for the purpose of installing and maintaining equipment, and may prohibit You from putting any structures or equipment over the easement area. We do not control, and We are not responsible for, the actions of any easement holder. You may be required by the easement holder to tear down anything that is built over the easement area, in which case You will not be compensated for the loss by Us or the easement holder. Please refer to a survey of the Property for the locations of any easements and to a copy of each easement for the specific restrictions and rights created by it. Copies of easements are available from Your title agent.

h. Property is "As Is." You have examined to Your satisfaction the physical condition of the Property, Our current plans for the overall Community (residential, commercial and recreational, all of which are subject to change from time to time without notice and without Your approval), zoning, permitting and all governmental approvals required for construction of a single-family residence on the Property. We make no representation or warranty with respect to the soil or subsoil conditions of the Property and We shall have no liability or responsibility to You for any loss, damage or expense incurred by You which are caused by the condition or characteristics of the soil or subsoil of the Property,

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whether observable or unobservable. Except as expressly set forth in this Agreement, You are acquiring the Property in its "as is, where is, with all faults" condition, with no warranties or obligations on Our part to add fill or to make any repairs, alterations, changes or improvements. Acceptance of title at the Closing will constitute full and complete acceptance by You of the Property in its then existing condition.

i. THE PROPERTY DESCRIBED HEREIN IS PART OF THE BAY WALTON SECTOR PLAN DSAP 1 (MAJ 20-00021) AND IS SUBJECT TO A DEVELOPMENT ORDER, (LTM26-000008 AMENDING MIN24-000061), WHICH IMPOSES CONDITIONS, RESTRICTIONS AND LIMITATIONS UPON THE USE AND DEVELOPMENT OF THE SUBJECT PROPERTY WHICH ARE BINDING UPON EACH SUCCESSOR AND ASSIGN OF THE ST. JOE COMPANY. THE DEVELOPMENT ORDER DOES NOT CONSTITUTE A LIEN, CLOUD OR ENCUMBRANCE OF THE REAL PROPERTY OR CONSTITUTE ACTUAL OR CONSTRUCTIVE NOTICE OF SAME. A COPY OF THE DEVELOPMENT ORDER MAY BE REVIEWED AT THE WALTON COUNTY PLANNING AND DEVELOPMENT SERVICES DEPARTMENT.

j. The Community is located near the Gulf of Mexico in south Walton County, Florida. Both the Property and the Community are vulnerable to the dangerous effects of hurricanes, which include extremely high winds, floods, storm surges, flying debris and lightning. You should take adequate safety precautions (including evacuation) in the event of a hurricane to avoid injury and the loss of life and property.

k. Habitat management activities inside or near the Community may be performed by Us, Our Affiliates, by other landowners, or by state or local government agencies. Some of these activities may be necessary to prevent uncontrolled wildfires and could involve burning trees, groundcover and other vegetation, resulting in (among other things) intense heat, heavy smoke and airborne ash. By signing this agreement, You acknowledge and agree that You will not deem any of these habitat management activities to be nuisances or noxious or offensive activities.

l. The Community is separate and distinct from other communities owned or being developed by The Watersound Company, LLC, and its affiliates. You will not have any rights to use amenities that are part of or associated with other communities including amenities that are part of the Watersound Origins®, Watersound Camp Creek® or Watersound Origins® II communities. You agree that you are relying only on the amenities that will be located inside of the Community, if any, and have no expectation for amenities not located inside of the Community.

m. **Ecosystem Management Agreement Compliance.** The Property is subject to The St. Joe Company Ecosystem Management Agreement for Bay and Walton Counties entered into by Us and the Florida Department of Environmental Protection ("FDEP") dated October 11, 2004, and updated August 4, 2025(the "EMA"). The EMA establishes certain guidelines for regulatory permitting of the Property subject to the jurisdiction of the FDEP, the U.S. Army Corps of Engineers ("Corps") and other applicable governmental agencies and may be reviewed at https://floridadep.gov/northwest/nw-permitting/content/st-joe-company-ecosystem-management-agreement-1 Buyer acknowledges and agrees that any permitting contemplated pursuant to the EMA shall require Us to be a co-applicant under such application at Your expense. You agree to comply with all applicable laws, rules and regulations, including but not limited to provisions of the EMA, governing the use and development of any wetlands. In the event You are permitted to fill or otherwise impact any wetlands located on the Property pursuant to the EMA, You agree not to fill or otherwise impact any wetlands beyond the boundary of that for which a permit is obtained. Furthermore, You acknowledge and agree that you will comply with the stormwater management system requirements attached as Appendix E to the EMA. You agree to indemnify and hold Us harmless from and against any and all claims, costs, expenses and damages associated with either (a) the unauthorized filling or impacting of wetlands within or beyond the boundary of the Property, including but not limited to the impacting of wetlands beyond that permitted hereunder, and agree to promptly restore Property to its original condition prior to filling or impacting pursuant to Our written direction and/or the written direction of the applicable governing authorities or (b) Your failure to comply with the stormwater management requirements of the EMA.

The provisions of this Article shall survive Closing and delivery of the Deed.

14. SALES COMMISSIONS. We will pay a commission to Our broker and to the Outside Broker, if any, named on the first page of this Agreement. If You have consulted or dealt with any other broker, salesperson, agent or finder, You will pay all commissions, over and above the Total Purchase Price, due to any broker who is not Our affiliate or is not named in this Agreement as the Outside Broker. You will indemnify and hold Us and Our affiliates harmless from the claims of any such person or company claiming commissions. You acknowledge and agree that We may pay, at any time before the Closing, part or all of the sales commission to the Outside Broker and the sales representative of Our broker. This Article shall survive Closing and any termination of this Agreement.

15. NOTICES. Each notice or document required or permitted to be given under this Agreement (collectively referred to in this Section as "notice") shall be in writing. Whenever this Agreement requires You or Us to give notice to one another, the notice must be in writing unless otherwise permitted by the express terms of this Agreement. Written notice must be addressed to the address set forth on Page 1 of this Agreement and it must be sent by express mail, courier or certified mail, postage prepaid, with a return receipt requested or if to Us, by sending an email to info@watersoundgallery.com. You may change the address where notices are sent by giving Us written notice of the address change in the manner required by this Article, and We may give You notice of Our address change in the same way. Notices (other than a change of address) will be effective on the date properly mailed, telecopied or placed with a private express delivery system (e.g., Federal Express or Airborne), whether or not received. Notice of a change of address will be effective upon receipt. If We are changing the Closing Date as permitted by Article 8, We may give notice by e-mail or by leaving an oral message on an answering machine or voice-mail system. This Article shall survive Closing and any termination of this Agreement.

16. TRANSFER OR ASSIGNMENT. You may not assign, sell or transfer any rights or interests in this Agreement without Our prior written consent. After any assignment of Your rights and interests in this Agreement, You will continue to be responsible for all of the Buyer's obligations arising from this Agreement if Your assignee breaches any part of this Agreement, including

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the failure to close. We may, in Our sole and absolute discretion, assign, pledge and lien Our rights and interests in this Agreement.

17. BACK-UP OFFER CONTINGENCY.

a. ☐ **Not applicable.**

b. ☐ **We have accepted a third-party contract for the Property (the "Prior Executed Contract").** You acknowledge that this Agreement is deemed a Back-Up Contract between Us and a third party for the sale of the Property. If the prior executed contract is terminated and We deliver written notice of the termination to You before 5:00 p.m. on _____, this contingency shall be removed and Your Back-Up Contract shall move into first position. The effective date of your Back-Up Contract shall be the date We deliver written notice of the termination of the previously executed contract. You may terminate this Back-Up Contract by delivering to Us written notice prior to Us delivering You written notice of the termination of the prior executed contract, and You shall be refunded the Deposit thereby releasing both You and We from all further obligations under this Agreement.

18. ARBITRATION

BUYER'S INITIALS:

_____

A. Purpose: If You have a Dispute (as defined below) with Us or Our affiliates arising under or in any way related to this Agreement, your Property, or your relationship with Us, either You or We may elect to arbitrate the Dispute in accordance with the provisions of this Article 18 rather than litigate the Dispute in court. Arbitration means there will be a fair hearing before a neutral arbitrator instead of in court by a judge or jury.

B. Definitions: As used in this Article 18, the term "Dispute" means any dispute, claim or controversy related to, arising from or associated in any way with the Agreement, your Property or your relationship with Us, whether based in contract, statute, regulation, ordinance, tort (including, but not limited to, fraud, misrepresentation, fraudulent inducement, negligence or any other intentional tort), or any other legal or equitable theory, and includes the validity, enforceability or scope of this Article 18. "Dispute" is to be given the broadest possible meaning that will be enforced and includes all disputes, claims or controversies that may have accrued before, during or after the signing of the Agreement.

C. Initiation of Arbitration: If either You or We elect to resolve the Dispute by arbitration, the party initiating the arbitration proceeding may select from the following arbitration services, which will apply the appropriate rules for the Dispute at issue:

1. American Arbitration Association ("AAA")
   2200 Century Parkway, Suite 300
   Atlanta, GA 30345
   1-800-778-7879
   www.adr.org

2. Construction Arbitration Services, Inc. ("CAS")
   2777 Stemmons Freeway, Suite 1452
   Dallas, TX 75207
   214-638-2700
   www.cas-usa.org

3. DeMars & Associates, Ltd.
   P.O. Box 1424
   Waukesha, WI 53187
   262-549-6700
   www.demarsassociates.com

D. Arbitration Procedures: The Federal Arbitration Act ("FAA"), not state arbitration law, shall govern the arbitrability of all Disputes. However, applicable federal law or the law of the state where your Property is located may apply to and govern the substance of any Dispute. Any state statutes pertaining to arbitration, however, shall not be applicable under this Article 18. If there is a conflict between this Article 18 and the rules of the arbitration service selected, the rules contained in this Article 18 shall govern. You and We agree that a single arbitrator will resolve the Dispute. You should know that participating in arbitration may result in limited discovery depending on the rules of the arbitration service selected to resolve the Dispute. The arbitrator will apply applicable statutes of limitation, will honor claims of privilege recognized by law and will take reasonable steps to protect confidential or proprietary information, including the use of protective orders to prohibit disclosure outside of the arbitration, if requested to do so by You or Us. The arbitrator will make any award in writing but need not provide a statement of reasons unless requested by a party. Upon a request by You or Us, the arbitrator will provide a brief statement of the reasons for the award. An award rendered by the arbitrator may be entered in any court having jurisdiction over the parties. The arbitrator may award only actual compensatory damages and may not award consequential, special, treble, punitive or exemplary damages.

E. Appeal: If an award granted by an arbitrator exceeds $75,000, either You or We can appeal the award to a three-arbitrator panel administered by the same arbitration service selected. The members of the three-arbitrator panel will be selected according to the rules of the arbitration service. If no rules for appointment of an appellate panel exist, then each party shall select one arbitrator to the panel, and the third arbitrator will be selected by the two arbitrators chosen by the parties. The party wishing to appeal the decision of the single arbitrator shall have thirty

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(30) days from the date of entry of the written arbitration award to notify the arbitration service, through a written notice of appeal,
that it is exercising its right to appeal. The arbitration service will then notify the other party that the award has been appealed. The three-arbitrator panel will issue its decision within one hundred and twenty (120) days of the date of the appealing party's notice of appeal. The decision of the three-arbitrator panel shall be final and binding, except for any appellate right which exists under the FAA.

F. Restrictions: ALL PARTIES TO THE ARBITRATION MUST BE INDIVIDUALLY NAMED. THERE SHALL BE NO RIGHT OR AUTHORITY FOR ANY CLAIMS TO BE ARBITRATED OR LITIGATED ON A CLASS-ACTION OR CONSOLIDATED BASIS OR ON BASES INVOLVING CLAIMS BROUGHT IN A PURPORTED REPRESENTATIVE CAPACITY ON BEHALF OF THE GENERAL PUBLIC (SUCH AS PRIVATE ATTORNEY GENERAL), OTHER HOMEOWNERS, OR OTHER PERSONS SIMILARLY SITUATED.

G. Location of Arbitration: The arbitration will take place in the location convenient to You in the area where your Property is located.

H. Payment of Arbitration Costs and Fees: WE WILL ADVANCE ALL ARBITRATION FILING FEES AND ARBITRATOR'S COSTS AND EXPENSES UPON YOUR WRITTEN REQUEST. YOU ARE RESPONSIBLE FOR ALL ADDITIONAL COSTS THAT YOU INCUR IN THE ARBITRATION, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS OR EXPERT WITNESSES. IF THE ARBITRATION IS DECIDED IN OUR FAVOR, YOU WILL REIMBURSE US FOR THE FEES AND COSTS ADVANCED TO YOU ONLY UP TO THE AMOUNT THAT YOU WOULD HAVE PAID TO FILE A CASE REGARDING YOUR DISPUTE WITH US IN THE STATE COURT WHERE YOUR PROPERTY IS LOCATED. IF THE ARBITRATION PROCEEDING IS DETERMINED IN YOUR FAVOR, YOU WILL NOT BE REQUIRED TO REIMBURSE US FOR ANY OF THE FEES AND COSTS ADVANCED. IN THE EVENT A PARTY ELECTS TO APPEAL AN AWARD TO A THREE-ARBITRATOR PANEL, THE PREVAILING PARTY IN THE APPEAL SHALL BE ENTITLED TO RECOVER ALL REASONABLE ATTORNEYS' FEES AND COSTS INCURRED IN THAT APPEAL. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS ARBITRATION PROVISION, WE WILL PAY ALL FEES AND COSTS WHICH WE ARE REQUIRED BY LAW TO PAY.

I. Severability: If any clause within this Article 18 (other than the class action waiver clause identified in paragraph F above) is found to be illegal or unenforceable, that clause will be severed from this Article 18, and the remainder of this Article 18 will be given full force and effect. If the class action waiver clause is found to be illegal or unenforceable, this entire Article 18 will be unenforceable.
In the event this entire Article 18 is determined to be illegal or unenforceable for any reason, or if a claim is brought in a Dispute that is found by a court to be excluded from the scope of this Article 19, You and We have each agreed to waive, to the fullest extend allowed by law, any trial by jury.

J. Continuation: This Article 18 shall survive the termination of the Agreement.

19. **GOVERNING LAW.** This Agreement will be governed exclusively by the laws of Florida.

20. **TIME OF THE ESSENCE.** The performance of all obligations on the precise times stated in this Agreement is of absolute importance and failure to perform any of them on time is a default, time being of the essence.

21. **RECORDING.** Neither this Agreement, nor any notice or summary hereof, other than the Memorandum of Agreement, may be recorded among any public records**.**

22. **RADON GAS.** Florida law requires the following disclosure: 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.

23. **RESPA DISCLOSURE.** As required by the Real Estate Settlement Procedures Act of 1974, You acknowledge that We have not directly or indirectly required You, as a condition of this sale, to purchase either an owner's or mortgagee's title insurance policy from any particular insurer or agency.

24. **FINCEN.** Each party to this Agreement that is a legal entity or trust represents and warrants that it has complied, or will timely comply, with all applicable reporting and disclosure requirements of the Financial Crimes Enforcement Network ("FinCEN"), including but not limited to the Beneficial Ownership Information reporting requirements under the Corporate Transparency Act, 31 U.S.C. § 5336, and applicable regulations. Such party agrees to provide, upon reasonable request, any information or certifications required by any closing agent, title insurer, lender, or governmental authority in connection with compliance with FinCEN requirements. Failure to provide such information shall constitute a default under this Agreement. The parties agree to cooperate in good faith with the escrow agent, title insurer, and any applicable governmental authority to satisfy all FinCEN reporting, certification, and recordkeeping requirements applicable to this transaction. Each entity party agrees to execute any FinCEN-related certification or disclosure reasonably required to consummate closing.

25. **ACKNOWLEDGMENTS.** You acknowledge that the Association will be obligated to maintain the roads within the Community.

26. **PROPERTY TAXES.** 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.

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27. 1031 EXCHANGE. Please check one: ☐Yes ☐No

Buyer intends to perform an exchange under Internal Revenue Code, Section 1031, by conveying the Property to a "Qualified Intermediary" as defined in the Internal Revenue Code. While Seller agrees to execute an Assignment Agreement at the request of Buyer for the purpose of effectuating such exchange, Buyer agrees that Seller is not a party to the exchange and Buyer releases Seller from any and all liability or responsibility related to the Buyer's exchange.

28. DURATION OF OFFER. Until signed by Us, this Agreement will be considered to be an offer by You. If this Agreement is not signed by Us and delivered to You on or before twenty-one (21) days after You sign it, then this offer will be considered void.

29. ENTIRE AGREEMENT. You may rely only on explicit promises made in this Agreement or in a written addendum to this Agreement signed by Our authorized representative at or after the time We sign this Agreement. If You require a specific promise or representation about anything that is important to Your purchase of the Property, and it is not found in this Agreement, it must be added to this Agreement in writing. Otherwise, it will not be binding on Us or enforceable by You. This Agreement is the entire agreement for Your purchase and Our sale of the Property and once it is signed, it can only be amended in writing. **ANY CURRENT OR PRIOR AGREEMENTS, REPRESENTATIONS, UNDERSTANDINGS AND ORAL STATEMENTS, INCLUDING, BUT NOT LIMITED TO, RENDERINGS OR REPRESENTATIONS CONTAINED IN SALES BROCHURES, ADVERTISING OR SALES MATERIALS AND ORAL STATEMENTS BY SALES REPRESENTATIVES, IF NOT WRITTEN IN THIS AGREEMENT, ARE VOID AND HAVE NO EFFECT. YOU ACKNOWLEDGE AND AGREE THAT YOU HAVE NOT RELIED ON ANY SUCH ITEMS.**

Addendum	Name of Addendum	BUYER'S INITIALS indicating the Addenda attached hereto:
A	Memorandum of Agreement	_____
B	_____	_____
C	_____	_____

30. You agree not to use any of the trade names, trademarks or service marks of The St. Joe Company or its affiliates, including, without limitation, Watersound® as a trade name, trademark, service mark or domain name, or part thereof, without The St. Joe Company's prior written consent. Any permission granted shall not be transferable and shall terminate upon the earlier to occur of the sale of the Property by You or the written request of The St. Joe Company. This provision shall survive Closing and/or expiration or termination of this Agreement.

THE BALANCE OF THIS PAGE IS INTENTIONALLY LEFT BLANK. NOTICES, OTHER IMPORTANT MATTERS AND THE SIGNATURES OF THE PARTIES ARE CONTAINED ON THE FOLLOWING PAGE.

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WATERSOUND® GALLERY AGREEMENT TO PURCHASE A LOT
NOTICES AND RIGHTS TO CANCEL THIS AGREEMENT AND OTHER IMPORTANT MATTERS
AND SIGNATURES OF THE PARTIES

NOTE: BEFORE YOU SIGN THIS AGREEMENT, YOU SHOULD READ IT AND THE COMMUNITY DOCUMENTS CAREFULLY AND YOU ARE FREE TO CONSULT AN ATTORNEY OF YOUR CHOICE. THIS AGREEMENT IS A LEGALLY BINDING CONTRACT. BY SIGNING BELOW, YOU AND WE AGREE TO BE OBLIGATED TO COMPLY WITH ALL THE TERMS AND PROVISIONS OF THIS AGREEMENT. YOU ARE ADVISED TO CAREFULLY REVIEW SUCH TERMS AND PROVISIONS AS WELL AS THE VARIOUS DISCLAIMERS APPEARING IN THIS AGREEMENT.

BUYER(S):

BUYER:
ENTITY NAME: _____,
a _____

By: _____

Its: _____

Date: _____

SELLER:

The Watersound Company, LLC,
a Florida limited liability company

By: _____
Signature of Authorized Representative

_____
Printed Name of Authorized Representative

Date: _____

Equal Housing Opportunity

"WaterSound®" is a registered service mark of The St. Joe Company and used under license.

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EXHIBIT "A"

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT is entered into and is effective on_____, by _____, maintaining a principal mailing address at _____, and his/her/their/its successors and assignees ("Buyer") to and for the benefit of The Watersound Company, LLC, a Florida limited liability company, maintaining an address at 130 Richard Jackson Boulevard, Suite 200, Panama City Beach, Florida 32407, and its successors and assignees ("Seller").

A. Buyer and Seller entered into a certain Agreement to Purchase a Lot dated _____ ("Sales Agreement") pursuant to which Buyer has acquired title to the following real estate:

> Lot ____ of Watersound® Gallery, according to the Plat thereof, as recorded in Plat Book 30, Pages 8-9, Public Records of Walton County ("County"), Florida ("State").

The above-referenced lot ("Lot"), along with all improvements located thereon, is hereinafter referred to as the "Property."

B. The Sales Agreement grants to Seller or the Declarant (as defined in that certain Declaration of Covenants, Conditions and Restrictions for Watersound® Gallery recorded on _____, in Book ____, Page _____ of the Public Records of Walton County, Florida ("Declaration") certain rights in the event that Buyer, subsequent purchasers, or Buyer's successors and assigns do not meet the deadlines established for commencement and completion of construction on the Property.

C. The Sales Agreement grants Seller and the Declarant the right to charge Buyer a monthly amount for each month (or portion thereof, if applicable) that construction is not commenced on or before the Promised Commencement Date (as defined below) or completed on or before the Promised Completion Date (as defined below) and certain lien and foreclosure rights in accordance therewith.

D. The purpose of this Memorandum of Agreement is intended to put all persons whomsoever on notice of the existence of Seller's (or the Declarant's) lien and foreclosure rights set forth in the Sales Agreement.

NOW, THEREFORE, in consideration of the sum of Ten and No/100 U.S. Dollars ($10.00), the mutual covenants and obligations set forth in the Sales Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Buyer acknowledges as follows:

1. Lien and Foreclosure Rights for Failure to Commence Construction. If construction of a single family home on the Property is not commenced within ____ months (if left blank, "Not Applicable") after the date of closing of the purchase and sale of the Lot pursuant to the Sales Agreement (the "Promised Commencement Date") or completed on or before eighteen (18) months after the earlier of commencement of construction or the Promised Commencement Date (the "Promised Completion Date"), Buyer is obligated to pay Seller (or the Declarant) as liquidated damages, a monthly amount equal to ten percent (10%) of the Total Purchase Price divided by eighteen (18) for each month (or portion thereof, if applicable) for which commencement of construction or completion of construction is delayed. Seller (or the Declarant) shall give written notice to Buyer of any amounts owed pursuant to this Section. If Buyer does not pay the charges due within thirty (30) days of Seller's (or the Declarant's) notice given pursuant to this Section, Seller (or the Declarant) shall be entitled to file a lien on the Property for such unpaid amounts, which lien may be foreclosed by Seller (or the Declarant). Buyer expressly acknowledges that if construction is not commenced on or before the Promised Commencement Date or completed by the Promised Completion Date, the extent and amount of Seller's (or the Declarant's) actual damages suffered would be uncertain and difficult to determine. Buyer expressly agrees that the monthly amounts charged in accordance with this provision are a reasonable estimate of such damages, and are liquidated damages and not a penalty.

Commencement of construction of a single family residence shall be evidenced by (i) complete installation of the footings and pouring of the building slab or (ii) complete installation of the pilings, as applicable.

2. Institutional Mortgagee. If Seller (or the Declarant) elects to exercise its rights to foreclose a lien, any "Institutional Mortgagee" (as hereinafter defined) shall be entitled to receive notice of such election if the Institutional Mortgagee has given written notice (in accordance with Paragraph 5 hereof) to Seller (or the Declarant) of (a) a copy of the mortgage; and (b) its name and address. Such Institutional Mortgagee may, within ten (10) days after receipt of such notice, elect to assume Buyer's obligations hereunder and promptly cure the default and proceed to complete construction in accordance with the approved plans and specifications whereupon Seller (or the Declarant) shall be deemed to waive its rights to liquated damages and foreclosure as to that specific default, but not as to any future default under the Sales Agreement. Any such election shall be exercised by such Institutional Mortgagee giving written notice thereof to Seller whereupon the Institutional Mortgagee shall execute promptly formal assumption documents, in such form and content as Seller (or the Declarant) may reasonably require. An "Institutional Mortgagee" shall be any bank, savings and loan association, credit union, life insurance company or recognized real estate investment trust holding a first mortgage on the Property to secure a loan for purposes of financing acquisition of the Lot, or construction of approved improvements thereon, or both.

3. Release of Rights. Notwithstanding anything stated herein to the contrary, Seller's (or the Declarant's) right to lien the Property shall automatically terminate upon the earlier to occur of: (a) one hundred eighty (180) days after issuance by the applicable government agency of a certificate of occupancy or written approval of final inspection for a single family home located on the Property; or (b) the tenth (10^{th}) anniversary of the closing of the purchase and sale of the Lot pursuant to the Sales Agreement.

4. Nature of Notice. This Memorandum of Agreement is intended to provide notice of Seller's (or the Declarant's) lien, and foreclosure rights under the Sales Agreement.

5. Notices. All notices required or permitted by this Memorandum of Agreement shall be delivered in person or mailed (certified mail, return receipt requested, postage prepaid), to Buyer and Seller at the respective addresses stated at the

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beginning of this Memorandum. Any notice to Seller shall be effective only if a copy is also delivered, in person, or mailed (certified mail, return receipt requested, postage prepaid) to: General Counsel, The Watersound Company, LLC, 130 Richard Jackson Boulevard, Suite 200, Panama City Beach, Florida 32407. Any notice to Seller, to be effective, must contain the Buyer's name, the date of this Memorandum of Agreement, and the legal description of the Property. Notices delivered in person shall be effective upon receipt. Notices given by mail shall be effective three (3) business days after deposit with the U.S. postal service, properly posted and addressed.

6. Assignment of Seller's Rights. Seller may assign any of its rights described herein in whole or in part to one or more persons or entities.

7. Declarant's Lien. Any lien created by the Declarant pursuant to a lien right described in Paragraph 1 hereof and Section 8.6 of the Declaration shall be superior to all other liens except (i) the liens of all taxes, bonds, assessments, or other liens which by law would be superior, and (ii) the lien or charge or any recorded mortgage made in good faith and for value having first priority over any other mortgages on the lot.

IN WITNESS WHEREOF, Buyer has caused the foregoing Memorandum of Agreement to be executed effective the date first dated above.

Witnessed and Delivered in the presence of:

BUYER:

_____
Signature of Witness

_____
Signature

_____
Typed Name of Witness

_____
Print Buyer's Name

_____
Signature of Witness

_____
Signature

_____
Typed Name of Witness

_____
Print Buyer's Name

ADDRESS:

_____

_____

STATE OF _____)
SS:
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____, who is personally known to me or who has produced _____ as identification and who did (did not) take an oath.

_____
Signature of Notary

_____
Printed Name of Notary

_____
Serial Number (If Any)

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