

SAMPLE PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made by and between Purchaser and Seller as of the Effective Date.

RECITALS

In consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Purchaser hereby agree as follows:

1.

DEFINITIONS

1.1 As used herein, the following terms shall have the meanings set forth below in this Section 1.1:

Casualty Amount shall mean an amount equal to ten percent (10%) of the Purchase Price.

Closing shall mean the act of settlement of the purchase and sale of the Property in accordance with this Agreement at which, among other matters, title to the Property is conveyed from Seller to Purchaser and the Purchase Price is paid by Purchaser to Seller.

Closing Date shall mean on or before 2:00 p.m. (San Juan, Puerto Rico time) on June 9, 2017, unless such date is extended pursuant to this Agreement, in which case the term shall mean on or before the extended date.

Commonwealth shall mean the Commonwealth of Puerto Rico.

Earnest Money shall mean _____ and No/100 U.S. Dollars (\$_____.00).

Effective Date shall mean the date this Agreement is last executed by Purchaser and Seller (whether in counterparts or not).

Environmental Requirements shall mean all laws, ordinances, statutes, codes, rules, regulations, agreements, judgments, orders, and decrees, now or hereafter enacted, promulgated, or amended, of the United States, the Commonwealth, the municipalities, or any other political subdivisions in which the Property is located, and any other political subdivision, agency or instrumentality exercising jurisdiction over the owner of the Property, the Property, or the use of the Property, relating to pollution, the protection or regulation of human health, natural resources, or the environment, or the emission, discharge, release or threatened release of pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or waste or Hazardous Materials into the environment (including, without limitation, ambient air, surface water, ground water or land or soil).

Escrow Agent shall mean Ferraiuoli LLC, whose address for notice under this Agreement is as follows:

P.O. Box 195168
San Juan, Puerto Rico 00919-5168
Tel: 787-766-7000
Fax: 787-766-7001

Escrow Agreement shall mean an Escrow Agreement entered into by and among Seller, Purchaser, and Escrow Agent concurrently with this Agreement, pursuant to which Escrow Agent shall hold the Earnest Money.

Hazardous Materials shall mean any substance which is or contains (i) gasoline, diesel fuel, or other petroleum hydrocarbons; (ii) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (iii) polychlorinated biphenyls; (iv) radon gas; and (v) any additional substances or materials which are now or hereafter classified or considered to be hazardous or toxic under Environmental Requirements (as hereinafter defined) or the common law, or any other applicable laws relating to the Property. Hazardous Materials shall include, without limitation, any substance, the presence of which on the Property, (A) requires reporting, investigation or remediation under Environmental Requirements; (B) causes or threatens to cause a nuisance on the Property or adjacent property or poses or threatens to pose a hazard to the health or safety of persons on the Property or adjacent property; or (C) which, if it emanated or migrated from the Property, could constitute a trespass.

Improvements shall mean all improvements and related amenities located in and on the Land, together with Seller's right, title and interest in any appliances, fixtures, equipment, machinery, furniture, carpet, drapes and other personal property, if any, owned by Seller and located on or about the Land.

Land shall mean that certain parcel of land more particularly described on Exhibit A attached hereto and made a part hereof for all purposes, together with Seller's right, title and interest in and to easements, if any, benefiting such land and any rights and appurtenances pertaining to such land, if any, including any right, title and interest of Seller in and to adjacent streets, alleys or rights-of-way.

Permitted Encumbrances shall mean any lien or encumbrance set forth in Exhibit D, attached hereto and made a part hereof for all purposes, other utility and access easements, and any restrictive covenant or restriction on use that appear of record in the Registry as a lien or encumbrance on the Property.

Property shall mean, collectively, Seller's right, title and interest in the Land and the Improvements.

Purchase Price shall mean a lump sum (*precio alzado*) equal to _____ and No/100 U.S. Dollars (\$_____.00).

Purchaser shall mean _____, whose address for notice under this Agreement is as follows:

Attn: _____
Tel: _____
Fax: _____

Purchaser's Premium shall mean a premium equal to ten percent (10%) of the Purchase Price to be paid by Purchaser upon the Closing of the transaction contemplated by this Agreement.

Registry shall mean the Registry of Property of Puerto Rico.

Reports shall mean any and all documents, reports, studies, records, financial data, computer records, memoranda, notes, analysis, and the like, provided by Seller to Purchaser or third party reports obtained by Purchaser relating to the Property in the course of Purchaser's review, including, without limitation, any environmental assessment or audit.

Seller shall mean LSREF2 Island Holdings, Ltd., Inc., whose address for notice under this Agreement is as follows:

Washington Mall, Suite 304
7 Reid Street
Hamilton Hm 11
Bermuda
Attn: Legal Department / Tamara Pagán Ortega
Tel: (441) 296-1754
Fax: (441) 296-7112

with a copy to:

Hudson Puerto Rico, LLC
American International Plaza
250 Muñoz Rivera Avenue – Suite 415
Hato Rey, San Juan, Puerto Rico 00918-1814
Attn: Legal Department
Tel: (787) 522-3900
Fax: (787) 522-3855

Surviving Obligations shall mean any obligations under this Agreement which by their terms expressly survive the termination of this Agreement.

Hudson No. _____

2.
PURCHASE AND SALE

2.1 Purchase and Sale. Subject to the terms and conditions of this Agreement, Seller hereby agrees to sell and convey to Purchaser, and Purchaser hereby agrees to purchase from Seller, all of Seller's assignable and transferable right, title and interest in and to the Property.

3.
PURCHASE PRICE

3.1 Purchase Price. The Purchase Price shall be paid by Purchaser directly to Seller at the Closing in immediately available funds by wire transfer or certified or official bank manager's check, payable to the order of Seller.

4.
EARNEST MONEY

4.1 Earnest Money.

Concurrently herewith, Seller, Purchaser, and Escrow Agent shall enter into the Escrow Agreement. Purchaser shall deliver the Earnest Money to Escrow Agent concurrently with entering into this Agreement in immediately available funds. Seller shall have the option of terminating this Agreement if the full amount of Earnest Money is not delivered to Escrow Agent in accordance with this Section 4.1. The Escrow Agreement shall provide that the Earnest Money has been received by and is being held by the Escrow Agent pursuant to the terms of this Agreement; if the sale of the Property is consummated under this Agreement, the Earnest Money shall be paid to Seller and applied to the payment of the Purchase Price at the Closing. The Earnest Money shall be non-refundable to Purchaser unless Purchaser terminates this Agreement in accordance with any right to terminate expressly granted to Purchaser by the terms of this Agreement, in which event the Earnest Money shall be immediately returned to Purchaser, and no party hereto shall have any further obligations under this Agreement except for the Surviving Obligations. In no event shall any Earnest Money be returned to Purchaser hereunder until all Reports have been delivered to Seller.

5.
CONDITIONS TO CLOSING

5.1 Limitations of Seller's Obligation. Notwithstanding anything contained herein to the contrary, Seller shall have no obligation to take any steps, bring any action or proceeding or incur any effort or expense whatsoever to eliminate, modify or cure any objection of Purchaser; provided, however, at the Closing and provided Purchaser is not in default hereunder, Seller agrees, at Seller's sole cost and expense, to cause to cancel any mortgages and other monetary liens voluntarily created or suffered by, through or under Seller that affect the Property. Seller shall have no obligation to conform or cure any difference or variation in the actual area or size of the Property from the area of the Property that is recorded in the Registry. In the event that a new survey reflects any reduction or increase in the area of the Property in the Registry, Purchaser expressly assumes all costs and expenses that are necessary or required to rectify the recorded area of the Property in the records of the Registry.

5.2 Inspection. Purchaser has had the opportunity to examine the title and condition of the Property and agrees to purchase the Property in its "as is, where is" condition. Neither Purchaser nor any of its employees, agents, representatives or contractors shall enter the Property without Seller's prior written or oral consent, which shall not be unreasonably withheld, conditioned or delayed. The Reports shall be treated as confidential information by Purchaser, and Purchaser shall instruct all of its employees, agents, representatives and contractors as to the confidentiality of all such information. Such confidential information shall not be disclosed by Purchaser unless required by law or court order or to Purchaser's actual or potential lenders, consultants, partners, or other similar parties who have a need to know such information for purposes of evaluating or implementing the transactions contemplated by this Agreement. In addition, Purchaser agrees that it will not, directly or indirectly, communicate with any tenants (or subtenants) of the Property without the prior written consent of Seller, such consent not to be unreasonably withheld.

5.3 Purchaser's Representations and Warranties. Purchaser represents and warrants to Seller that:

(a) At the time of the execution of the Deed of Sale, as defined below, Purchaser will accept the Property in its "as is, where is" condition and shall voluntarily resign to the warranties of title and against hidden and latent defects imposed upon sellers of real property by the Civil Code of Puerto Rico. Purchaser is acquiring the Property in its "as is, where is" condition, and as such, Seller does not make any representation as to the condition of the Property, apparent, hidden or otherwise, the intended use, access, utilities, or any other condition of the Property, other than that it is the owner in fee simple (*pleno dominio*) of the Property;

(b) If Purchaser is a business entity, Purchaser is duly organized and in good standing under the laws of the Commonwealth, is qualified to do business in the Commonwealth and has the power to enter into this Agreement and to execute and deliver this Agreement and to perform all duties and obligations imposed upon it hereunder, and Purchaser has obtained all necessary corporate authorizations required in connection with the execution, delivery and performance of this Agreement and has obtained the consent of all entities and parties necessary to bind Purchaser to this Agreement;

(c) Neither the execution nor the delivery of this Agreement, nor the consummation of the purchase and sale contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement conflict with or will result in the breach of any of the terms, conditions, or provisions of any agreement or instrument to which Purchaser, or any related entity or affiliate of Purchaser, is a party or by which Purchaser, any related entity or affiliate of Purchaser, or any of Purchaser's assets is bound;

(d) This Agreement constitutes a legal, valid and binding obligation of Purchaser, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance, moratorium or other laws affecting the enforcement of creditors' rights generally, or by principles of equity, whether applied in a proceeding at law or in equity; and

(e) Purchaser is not a person or entity with whom Seller is restricted from doing business under applicable laws relating to national security (such as the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, commonly known as the "USA Patriot Act") and executive orders and regulations relating to such applicable laws. In this regard, Seller's attention is further directed to Exhibit C attached to this Agreement and incorporated herein by reference and made a part hereof for all purposes. Prior to Closing, Purchaser agrees to complete and deliver to Seller an anti-money-laundering form as required by Seller, at Seller's sole discretion.

5.4 Defective Condition Extension; Termination. The obligations of Seller hereunder are subject to and contingent upon the following: In the event that subsequent to the execution of this Agreement Seller obtains knowledge of either (i) the presence of any Hazardous Materials or the violation or potential violation of any Environmental Requirements or (ii) any structural or other defect in the Improvements, whether or not in violation of any applicable law, ordinance, code, regulation or decree of any governmental authority having jurisdiction over the Property (collectively, a "Defective Condition"), which Seller, in its sole judgment, determines could constitute a potential liability to Seller after the Closing or should be remedied prior to the sale of the Property, Seller shall have the right upon written notice to Purchaser on or before the scheduled Closing Date either (a) to extend the Closing Date for the period of time necessary to complete such remediation at Seller's sole cost and expense, or (b) to terminate this Agreement upon written notice to Purchaser, in which event the Earnest Money shall be refunded to Purchaser and neither party shall have any further right or obligation hereunder other than the Surviving Obligations. The terms of this Section 5.4 are solely for the benefit of Seller, and Purchaser shall have no additional right or remedy hereunder as a result of the exercise by Seller of its rights under this Section.

5.5 Confidentiality. Purchaser acknowledges that it has obtained and will obtain information regarding Seller, the tenants (and subtenants), as applicable, and the Property, including, without limitation, the Reports, which is confidential in nature. Purchaser agrees that such information will be used solely for the purpose of evaluating the Property and Purchaser will keep such information confidential and not disclose any such information to any third party (other than to Purchaser's partners, investors, financing sources, employees, agents, contractors and attorneys ("Representatives") who have a need to know such information for the purpose of evaluating or implementing the transactions contemplated by this Agreement; provided, however, that any such persons are informed of this confidentiality agreement and agree in writing to be bound by its terms as if they were parties hereto, or as otherwise required by applicable law). Except as set forth in the preceding sentence, without the prior written consent of Seller, Purchaser will not, and Purchaser will direct its Representatives not to, publicize, advertise or otherwise disclose to any person either the fact that this Agreement exists or that Seller and Purchaser are contemplating the sale of the Property or any of the terms, conditions or other facts with respect to this Agreement or the potential sale of the Property, including the fact that information regarding the Property has been made available to Purchaser. In the event of any termination of this Agreement for any reason whatsoever, the restrictions on Purchaser's use of all such confidential information will continue in effect, and Purchaser agrees to keep all such information, including, without limitation, the Reports and any environmental reports, studies or assessments, strictly confidential in accordance with this Section 5.5, and Purchaser will, following Seller's request, promptly return to Seller all Reports (and will not retain any copies thereof), along with all computer records, documents, reports, studies, memoranda, notes, analyses and other writings whatsoever prepared for or otherwise obtained by Purchaser or its Representatives in connection with this Agreement, and such return shall be certified in writing to Seller by Purchaser. Notwithstanding the foregoing, all such confidential information which is not specific to the Property or otherwise relates to Seller's or its affiliates' business activities shall be kept confidential after the Closing Date. Any violation of this Section 5.5 by any officer, employee, agent or representative of Purchaser will constitute a violation of this Section 5.5. Given the confidential nature of such information, Seller may be irreparably damaged by any unauthorized disclosure of such information or of the terms, conditions or

other facts with respect to this Agreement or the potential sale of the Property. Without prejudice to the rights and remedies otherwise available to Seller, Purchaser therefore agrees that Seller shall be entitled to equitable relief, including injunction or specific performance, in the event of any breach or threatened breach of the provisions of this Section 5.5 by Purchaser or the Representatives. In addition, Purchaser agrees to indemnify Seller for any reasonable out-of-pocket costs and expenses, including reasonable attorney's fees and expenses that Seller may incur in connection with such breach and/or the enforcement of this Section 5.5. The obligations of Purchaser set forth in this Section 5.5 shall survive the Closing or earlier termination of this Agreement.

6.

NO REPRESENTATIONS OR WARRANTIES BY SELLER:
ACCEPTANCE OF THE PROPERTY

6.1 Disclaimer. **SELLER HAS LIMITED, IF ANY, KNOWLEDGE OF THE PHYSICAL OR ECONOMIC CHARACTERISTICS OF THE PROPERTY.** PURCHASER ACKNOWLEDGES AND AGREES THAT SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, EITHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (A) THE VALUE, NATURE, QUALITY OR CONDITION OF THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE WATER, SOIL, SUBSOIL AND GEOLOGY, (B) THE INCOME TO BE DERIVED FROM THE PROPERTY, (C) THE SUITABILITY OF THE PROPERTY FOR ANY AND ALL ACTIVITIES AND USES WHICH PURCHASER OR ANY TENANT MAY CONDUCT THEREON, (D) THE COMPLIANCE OF OR BY THE PROPERTY OR ITS OPERATION WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY, (E) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE PROPERTY, (F) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE PROPERTY, (G) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE PROPERTY, (H) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATIONS, ORDERS OR REQUIREMENTS, INCLUDING THE EXISTENCE IN OR ON THE PROPERTY OF HAZARDOUS MATERIALS, (I) THE REPORTS OR (J) ANY OTHER MATTER WITH RESPECT TO THE PROPERTY. ADDITIONALLY, NO PERSON ACTING ON BEHALF OF SELLER IS AUTHORIZED TO MAKE, AND BY EXECUTION HEREOF PURCHASER ACKNOWLEDGES THAT NO PERSON HAS MADE, ANY REPRESENTATION, AGREEMENT, STATEMENT, WARRANTY, GUARANTY OR PROMISE REGARDING THE PROPERTY OR THE TRANSACTION CONTEMPLATED HEREIN; AND NO SUCH REPRESENTATION, WARRANTY, AGREEMENT, GUARANTY, STATEMENT OR PROMISE, IF ANY, MADE BY ANY PERSON ACTING ON BEHALF OF SELLER SHALL BE VALID OR BINDING UPON SELLER UNLESS EXPRESSLY SET FORTH HEREIN. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT PURCHASER IS RELYING SOLELY ON ITS OWN INVESTIGATION OF THE PROPERTY AND NOT ON ANY INFORMATION PROVIDED OR TO BE PROVIDED BY SELLER AND AGREES TO ACCEPT THE PROPERTY AT THE CLOSING AND WAIVE AND RELEASE ALL OBJECTIONS, SUITS, CAUSES OF ACTION, DAMAGES, LIABILITIES, LOSSES, DEMANDS, PROCEEDINGS, EXPENSES AND CLAIMS AGAINST SELLER (INCLUDING, BUT NOT LIMITED TO, ANY RIGHT OR CLAIM OF CONTRIBUTION) ARISING FROM OR RELATED TO THE PROPERTY OR TO ANY HAZARDOUS MATERIALS ON THE PROPERTY. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY, TRUTHFULNESS OR COMPLETENESS OF SUCH INFORMATION. SELLER IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENT, REPRESENTATION OR INFORMATION PERTAINING TO THE PROPERTY, OR THE OPERATION THEREOF, FURNISHED BY ANY REAL ESTATE BROKER, CONTRACTOR, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE PROPERTY AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS, WHERE IS" CONDITION AND BASIS WITH ALL FAULTS. IT IS UNDERSTOOD AND AGREED THAT THE PURCHASE PRICE FOR THE PROPERTY HAS BEEN ADJUSTED BY PRIOR NEGOTIATION TO REFLECT THAT ALL OF THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY PURCHASER SUBJECT TO THE FOREGOING. PURCHASER HEREBY AGREES TO INDEMNIFY, PROTECT, DEFEND, SAVE AND HOLD HARMLESS SELLER FROM AND AGAINST ANY AND ALL DEBTS, DUTIES, OBLIGATIONS, LIABILITIES, SUITS, CLAIMS, DEMANDS, CAUSES OF ACTION, DAMAGES, LOSSES, FEES AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES AND EXPENSES AND COURT COSTS) IN ANY WAY RELATING TO, OR IN CONNECTION WITH OR ARISING OUT OF PURCHASER'S ACQUISITION, OWNERSHIP, LEASING, USE, OPERATION, MAINTENANCE OR MANAGEMENT OF THE PROPERTY. THE PROVISIONS OF THIS SECTION 6.1 ARE AN IMPORTANT BASIS OF THE BARGAIN INDUCING SELLER TO CONVEY THE PROPERTY. THE PROVISIONS OF THIS SECTION 6.1 SHALL SURVIVE THE CLOSING OR ANY TERMINATION HEREOF.

7.
CLOSING

7.1 Closing. The Closing shall occur on the Closing Date (unless the parties mutually agree in writing upon another place, time or date). Seller shall have the right to extend the Closing Date for an additional period of thirty (30) calendar days,

7.2 Possession. Possession of the Property shall be delivered to Purchaser at the Closing, subject to the Permitted Encumbrances.

7.3 Proration. All real estate and personal property taxes and other assessments (without reference to any early payment discount) with respect to the Property, including, without limitation, property taxes imposed on the Property by the Municipal Revenue Collection Center, accrued prior to Closing for the taxable year in which the Closing occurs (a taxable year being the year for which taxes accrue, rather than the year during which such taxes are payable), shall be prorated to the date Seller receives the Purchase Price in immediately available funds with Seller being allocated the benefits and burdens of ownership on the Closing Date. Rents, other amounts payable by the tenants under any leases, income, utilities and all other operating expenses with respect to the Property for the month in which the Closing occurs shall not be prorated to the date of ownership at the Closing Date. The agreements of Seller and Purchaser set forth in this Section 7.3 shall survive the Closing.

7.4 Closing Costs. Seller shall pay (i) its own attorneys' fees; and (ii) all legal fees, notarial tariffs, internal revenue stamps, Legal Aid Society stamps, necessary vouchers, and other fees to record any deed or other instrument that may be needed to cancel or release any mortgage, deed of trust, lease or encumbrance (other than the Permitted Encumbrances) needed for title clearance in the pertinent Section of the Registry. Purchaser shall pay: (i) its own attorneys' fees; (ii) the Purchaser's Premium; (iii) the cost of all internal revenue, Legal Aid Society and Notary stamps required to be canceled on the original and first certified copy of the Deed of Sale for the Property (the "Deed of Sale"); (iv) all vouchers and other fees required for recordation of the Deed of Sale in the pertinent Section of the Registry; (v) the notary tariff applicable to the Deed of Sale; (vi) the cost of any premiums charged for Purchaser's title insurance and any endorsements thereto; and (vii) the cost of its inspections of the Property. Any closing costs not otherwise provided for herein shall be paid by the party legally responsible therefor, or if no law applies, according to prevailing norm for commercial transactions in Puerto Rico. The Deed of Sale shall be executed before a Notary Public selected by Seller.

7.5 Seller's Obligations at the Closing. At the Closing, Seller shall deliver to Purchaser the following:

(a) Deed. Deed of Sale executed by Seller, conveying the Land and the Improvements to Purchaser, subject to the Permitted Encumbrances.

(b) Closing Statement. A closing statement (the "Closing Statement") executed by Seller, setting forth the debits and credits in connection with the transaction evidenced by this Agreement.

7.6 Purchaser's Obligations at the Closing. At the Closing, Purchaser shall cause deliver to Seller the following:

(a) Purchase Price. The Purchase Price shall be paid in immediately available funds to Seller directly at the Closing by wire transfer or certified or official bank manager's check, payable to the order of Seller.

(b) Evidence of Authority. Such organizational and authorizing documents of Purchaser as shall be reasonably required by Seller authorizing Purchaser's acquisition of the Property pursuant to this Agreement and the execution of this Agreement and any documents to be executed by Purchaser at the Closing.

(c) Closing Statement. The Closing Statement executed by Purchaser.

(d) CRIM forms. Any applicable CRIM forms required by statutory law.

(e) As-Is Certificate. An As-Is Certificate executed by Purchaser, in the form attached to this Agreement in Exhibit B.

(f) Other documents. Such other documents as Seller shall have reasonably requested.

8.
RISK OF LOSS

8.1 Condemnation. If, prior to the Closing, an action is initiated to take any of the Property by eminent domain proceedings or by deed in lieu thereof, Purchaser may either at or prior to the Closing (a) terminate this Agreement (other than the Surviving Obligations), and receive a refund of the Earnest Money (subject to Section 4.1 above), or (b) consummate the Closing, in which latter event all of Seller's assignable right, title and interest in and to the award of the condemning authority shall be assigned to Purchaser at the Closing and there shall be no reduction in the Purchase Price.

8.2 Casualty. Except as provided in this Section 8.2, Seller assumes all risks and liability for damage to or injury occurring to the Property by fire, storm, accident, or any other casualty or cause until the Closing has been consummated. If the Property, or any part thereof, suffers any damage in excess of the Casualty Amount prior to the Closing from fire or other casualty, which Seller, at its sole option, does not elect to repair prior to Closing, Purchaser may either at or prior to Closing (a) terminate this Agreement (other than the Surviving Obligations) and receive a refund of the Earnest Money (subject to Section 4.1 above); or (b) consummate the Closing, in which latter event all of Seller's right, title and interest in and to the proceeds of any insurance covering such damage (less an amount equal to any expenses and costs incurred by Seller to repair or restore the Property and any portion of such proceeds paid or to be paid on account of the loss of rents or other income from the Property for the period prior to and including the Closing Date, all of which shall be payable to Seller), to the extent the amount of such insurance does not exceed the Purchase Price, shall be assigned to Purchaser at the Closing and there shall be no reduction in the Purchase Price. If the Property, or any part thereof, suffers any damage less than the Casualty Amount prior to the Closing, Purchaser agrees that it will consummate the Closing and accept the assignment of the proceeds of any insurance covering such damage plus an amount equal to Seller's deductible under its insurance policy, and there shall be no reduction in the Purchase Price. Notwithstanding anything herein to the contrary, in no event shall any Purchase Price credits or assignment of insurance proceeds in favor of Purchaser pursuant to this Section 8.2 be in excess of the amount of the damage caused by such casualty.

9.
DEFAULT

9.1 Breach by Seller. Except as Purchaser's remedies may otherwise be expressly limited by the terms of this Agreement:

(a) In the event that Seller shall default in any of its obligations hereunder to be performed prior to Closing, for any reason other than Purchaser's default or a termination of this Agreement by Purchaser or Seller pursuant to a right to do so under the provisions hereof, Purchaser, as its sole and exclusive remedy, may either (i) terminate this Agreement (other than the Surviving Obligations) and receive a refund of the Earnest Money, or (ii) enforce specific performance of this Agreement; provided that Purchaser hereby expressly waives any right which it may have to sue Seller for damages of any kind, unless a court of competent jurisdiction determines that the remedy of specific performance is not available to Purchaser due to a willful act of Seller, in which case Purchaser may bring an action for Purchaser's damages, but specifically limited to its actual, documented reasonable third-party out of pocket expenditures incurred in connection with its due diligence investigations of the Property (and Purchaser agrees to provide evidence of such expenditures to Seller), and in no event shall Seller's liability for such damages exceed \$10,000.

(b) Notwithstanding the foregoing, in no event shall Seller be liable to Purchaser for any actual, punitive, speculative, consequential or other damages. The provisions of this Section 9.1(b) shall survive any termination of this Agreement.

9.2 Breach by Purchaser. If Purchaser fails to comply with this Agreement, Seller may terminate this Agreement (except for the Surviving Obligations) and thereupon shall be entitled to the Earnest Money as liquidated damages (and not as a penalty) and as Seller's sole remedy and relief hereunder. Seller and Purchaser have made this provision for liquidated damages because it would be difficult to calculate, on the date hereof, the amount of actual damages for such breach, and Seller and Purchaser agree that these sums represent reasonable compensation to Seller for such breach. The provisions of this Section 9.2 shall not limit or affect any of Purchaser's indemnities as provided in other sections of this Agreement or limit or affect Seller's rights and remedies with respect to a breach by Purchaser of Section 5.5 above. The provisions of this Section 9.2 shall survive any termination of this Agreement.

10.
FUTURE OPERATIONS

10.1 Future Operations.

From the date of this Agreement until the Closing or earlier termination of this Agreement, Seller may operate and transact business with respect to the Property as Seller deems reasonable in the ordinary course of its business, including, without limitation, performing Seller's duties and obligations under any existing contracts or leases.

11.
MISCELLANEOUS

11.1 Notices. All notices, demands and requests which may be given or which are required to be given by either party to the other, and any exercise of a right of termination provided by this Agreement, shall be in writing and shall be deemed effective either (a) on the date personally delivered to the address indicated herein, as evidenced by written receipt therefor, whether or not actually received by the person to whom addressed; (b) upon deposit in the United States mail if by certified or registered mail, return receipt requested, addressed to the intended recipient at the address indicated herein; (c) upon confirmed transmission, if delivered by facsimile, addressed to the intended recipient at the fax number noted herein; or (d) on the day deposited into the custody of a nationally recognized overnight delivery service such as Federal Express Corporation for overnight next day delivery, addressed to such party at the address specified in Section 1.1 hereof (unless changed by similar notice in writing given by the particular person whose address is to be changed).

11.2 Real Estate Commissions.

Seller and Purchaser each represent and warrant to the other that it has not dealt with any broker or finder in the negotiation of this transaction other than _____ (individually or collectively, "Broker"). Except as set forth above, neither Seller nor Purchaser has contacted any real estate broker, agent, finder or similar person (other than Broker) in connection with the negotiation and execution of this Agreement, the transactions contemplated hereby or the sale and purchase of the Property, and neither Seller nor Purchaser has authorized any broker or finder to act on Seller's or Purchaser's behalf in connection with the sale and purchase hereunder and neither Seller nor Purchaser has dealt with any broker or finder purporting to act on behalf of any other party. Each party agrees to and does hereby indemnify, defend and hold the other harmless against the payment of any commission or finder's fee to any other person or entity claiming by, through or under such party, as applicable. Notwithstanding anything to the contrary contained herein, this Section 11.2 shall survive the Closing or any earlier termination of this Agreement.

11.3 Entire Agreement. This Agreement embodies the entire agreement between the parties relative to the subject matter hereof, and there are no oral or written agreements between the parties, nor any representations made by either party relative to the subject matter hereof, which are not expressly set forth herein. Any and all letters of intent entered into by the parties hereto are hereby terminated and of no further force or effect.

11.4 Amendment. This Agreement may be amended only by a written instrument executed by the party or parties to be bound thereby.

11.5 Headings. The captions and headings used in this Agreement are for convenience only and do not in any way limit, amplify, or otherwise modify the provisions of this Agreement.

11.6 Time of Essence. Time is of the essence of this Agreement; however if the final date of any period which is set out in any provision of this Agreement falls on a Saturday, Sunday or legal holiday under the laws of the Commonwealth, then, in such event, the time of such period shall be extended to the next day which is not a Saturday, Sunday or legal holiday.

11.7 Governing Law. This Agreement shall be governed by, and construed in accordance with, the laws of the Commonwealth, without reference to its choice of law principles.

11.8 Consent to Jurisdiction and Venue. Purchaser: (a) agrees that any suit, action or other legal proceeding arising out of or relating to this Agreement or such other documents which may be delivered in connection with this Agreement may be brought in a competent court in San Juan, Puerto Rico or in the Courts of the United States of America located in the District of Puerto Rico; (b) consents to the jurisdiction of each such court in any such suit, action or proceeding; and (c) waives any objection which it may have to the laying of venue of any such suit, action or proceeding in any of such courts and any claim that any such suit, action or proceeding has been brought in an inconvenient forum.

11.9 Successors and Assigns: Assignment. This Agreement shall bind and inure to the benefit of Seller and Purchaser and their respective heirs, executors, administrators, personal and legal representatives, successors and permitted assigns. Purchaser shall not assign Purchaser's rights under this Agreement without the prior written consent of Seller, which consent may be withheld absolutely; provided, however, upon five (5) days prior written notice, Purchaser may assign this Agreement to any entity which controls, is controlled by or under common control with Purchaser, without Seller's consent. Purchaser hereby agrees that any such assignment to the proposed assignee shall not release Purchaser from any of its duties, liabilities or obligations under this Agreement. In the event Seller consents to an assignment or Purchaser assigns its rights under this Agreement as provided in this Section 11.9, Purchaser and such assignee shall execute and deliver an Assignment of Purchase and Sale Agreement provided by Seller. Any subsequent assignment may be made only with the prior written consent of Seller. This Agreement is solely for the benefit of Seller and Purchaser, there are no third party beneficiaries hereof. Any assignment of this Agreement in violation of the foregoing provisions shall be null and void.

11.10 Invalid Provision. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never composed a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by such illegal, invalid, or unenforceable provision or by its severance from this Agreement.

11.11 Attorneys' Fees. In the event a lawsuit is filed in connection with this Agreement or any provision contained herein, the party prevailing in such suit shall be entitled to recover, in addition to all other remedies or damages, as provided herein, reasonable attorneys' fees and expenses incurred in such suit.

11.12 Multiple Counterparts; Electronic Signatures. This Agreement may be executed in a number of identical counterparts which, taken together, shall constitute collectively one (1) agreement; in making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart with each party's signature. Further, this Agreement may be executed by facsimile or by portable document format (.pdf) signature, such that execution of this Agreement by facsimile or by portable document format (.pdf) signature shall be deemed effective for all purposes as though this Agreement was executed as a "blue ink" original.

11.13 Exhibits. The following exhibits are attached to this Agreement and are incorporated into this Agreement by this reference and made a part hereof for all purposes:

- (a) Exhibit A, the legal description of the Land.
- (b) Exhibit B, the form of the As-Is Certificate.
- (c) Exhibit C, Special Provisions Regarding National Security.
- (d) Exhibit D, Permitted Encumbrances.

11.14 No Recordation. Seller and Purchaser hereby acknowledge that neither this Agreement nor any memorandum or affidavit thereof shall be recorded of public record. Should Purchaser ever record or attempt to record this Agreement, or a memorandum or affidavit thereof, or any other similar document, then, notwithstanding anything herein to the contrary, said recordation or attempt at recordation shall constitute a default by Purchaser hereunder, and, in addition to the other remedies provided for herein, Seller shall have the express right to terminate this Agreement by filing a notice of said termination in the county in which the Land is located.

11.15 Merger Provision. Except as otherwise expressly provided herein, any and all rights of action of Purchaser for any breach by Seller of any representation, warranty or covenant contained in this Agreement shall merge with the Deed of Sale and other instruments executed at Closing, shall terminate at Closing and shall not survive Closing.

11.16 Waiver of Consumer Rights. **PURCHASER HEREBY REPRESENTS AND WARRANTS TO SELLER THAT (A) PURCHASER IS NOT IN A SIGNIFICANTLY DISPARATE BARGAINING POSITION, AND (B) PURCHASER IS REPRESENTED BY LEGAL COUNSEL. PURCHASER HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHTS, REMEDIES AND BENEFITS UNDER ANY LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF PURCHASER'S OWN SELECTION, PURCHASER VOLUNTARILY CONSENTS TO THIS WAIVER. PURCHASER COVENANTS NOT TO SUE SELLER UNDER ANY SUCH CONSUMER PROTECTION LAW.**

11.17 Jury Waiver. **PURCHASER AND SELLER DO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THEIR RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, OR UNDER OR IN CONNECTION WITH THIS AGREEMENT, THE DOCUMENTS DELIVERED BY PURCHASER AT CLOSING OR SELLER AT CLOSING, OR ANY COURSE OF**

CONDUCT, COURSE OF DEALINGS, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ANY ACTIONS OF EITHER PARTY ARISING OUT OF OR RELATED IN ANY MANNER WITH THIS AGREEMENT OR THE PROPERTY (INCLUDING WITHOUT LIMITATION, ANY ACTION TO RESCIND OR CANCEL THIS AGREEMENT AND ANY CLAIMS OR DEFENSES ASSERTING THAT THIS AGREEMENT WAS FRAUDULENTLY INDUCED OR IS OTHERWISE VOID OR VOIDABLE). THIS WAIVER IS A MATERIAL INDUCEMENT FOR SELLER TO ENTER INTO AND ACCEPT THIS AGREEMENT AND THE DOCUMENTS DELIVERED BY PURCHASER AT CLOSING AND SHALL SURVIVE THE CLOSING OR TERMINATION OF THIS AGREEMENT.

11.18 Backup Offers. Following the mutual execution of this Agreement and continuing until the Closing, Seller reserves the right to solicit, obtain, negotiate, document and receive backup offers for the Property as long as such backup offers are expressly subject to Purchaser's prior right to purchase the Property pursuant to this Agreement. Such right of Seller regarding backup offers includes, without limitation, the right to meet with such backup offeror and to allow such backup offeror access to the Property.

11.19 Rule of Construction. The parties acknowledge that each party and its counsel have reviewed and revised this Agreement and that it has not been written solely by counsel for one party. The parties therefore stipulate and agree that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement or any amendments or exhibits hereto to favor one party against another.

11.20 Agreement as Offer. The execution of this Agreement by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m. (San Juan, Puerto Rico time) on the date that is three (3) business days after the submission of the offer by the first party to execute the Agreement, the offer will lapse and become null and void.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Seller and Purchaser have executed this Agreement.

PURCHASER:

Date of Execution
by Purchaser:

May _____, 2017

By: _____
Name: _____
Title: _____

SELLER:

Date of Execution
by Seller:

LSREF2 ISLAND HOLDINGS LTD., INC.,
a Bermuda exempt limited company, authorized to do
business in Puerto Rico

May _____, 2017

By: _____
Name: Tamara Pagán Ortega
Title: Vice President

EXHIBIT A

LEGAL DESCRIPTION

[to be inserted]

EXHIBIT B

AS-IS CERTIFICATE

This As-Is Certificate (this "Certificate") dated this ____ day of _____, 201__, is executed and delivered by _____, a _____ ("Grantee") unto _____ ("Grantor").

RECITALS

A. Reference is hereby made to that certain Purchase and Sale Agreement (as amended and/or assigned from time to time, the "Agreement") dated effective as of _____, 201__, made and entered into by and between Grantor, as seller, and _____, as purchaser, in connection with among other things, the real property described on Exhibit A attached hereto and made a part hereof for all purposes. Capitalized terms used but not otherwise defined herein shall have the meanings assigned to them in the Agreement.

B. Pursuant to Section 7.6 of the Agreement, Grantee agreed to execute and deliver this Certificate to Grantor.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantee hereby certifies, reaffirms and confirms unto Grantor the terms, provisions and agreements set forth in Section 6.1 of the Agreement.

IN WITNESS WHEREOF, Grantee has executed and delivered this Certificate as of the date set forth above.

a _____

By: _____

Name: _____

Title: _____

EXHIBIT C

SPECIAL PROVISIONS REGARDING NATIONAL SECURITY

By its execution of this Agreement, Purchaser hereby makes the following additional representations, warranties and covenants to Seller, all of which shall survive the execution and delivery of this Agreement and the Closing described herein.

(a) **Not a Prohibited Person.** Purchaser (hereinafter sometimes referred to as the “Representing Party”) hereby represents and warrants to Seller that the Representing Party is not now, nor shall it be at any time during the term of this Agreement, a “Person” (as hereinafter defined) with whom a “U.S. Person” (as hereinafter defined) is prohibited from transacting business of the type contemplated by this Agreement, whether such prohibition arises under U.S. law, regulation, executive orders or the “Lists” (as hereinafter defined).

(b) **No Investigations.** Representing Party further represents and warrants to Seller that neither the Representing Party, nor any party affiliated with the Representing Party (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the U.S. would be predicate crimes to money laundering, or any violation of any “Anti-Money Laundering Laws” (as hereinafter defined); (ii) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (iii) has had any of its funds seized or forfeited in any action under any Anti-Money Laundering Laws.

(c) **Compliance.** Representing Party further represents and warrants to Seller that the Representing Party is in compliance with, and during the term of this Agreement shall comply with, any and all applicable provisions of the “Patriot Act” (as hereinafter defined). Purchaser agrees to execute any and all documents and take such further actions as may be required by Seller in connection with these representations or otherwise with respect to the Patriot Act.

(d) **Prohibited Contracts.** Purchaser may not assign any of its rights under this Agreement to any Person who is listed on the Lists or who, to the knowledge of Purchaser, is engaged in illegal activities. Purchaser shall conduct such due diligence as may be reasonably required to comply with the foregoing obligations. Purchaser shall maintain in its files copies of such due diligence, and shall provide a copy of same to Seller upon the submittal of any assignment or request for consent to assignment.

(e) **Source of Funds.** Purchaser represents and warrants to Seller that Purchaser has taken, and shall continue to take during the term of this Agreement, such measures as are required by law, and those which may from time to time be directed by Seller, in the exercise of its reasonable judgment, to assure that the funds used to pay the Purchase Price are derived from permissible sources and transactions that do not violate U.S. law or, to the extent such funds originate outside the U.S., do not violate the laws of the jurisdiction in which they originated.

(f) **Notification.** If Purchaser obtains knowledge that it, or an entity affiliated with it, or the employees of any of Purchaser, becomes listed on the Lists or is indicted, arraigned, or custodially detained on charges involving Anti-Money Laundering Laws, then Purchaser shall immediately notify Seller upon receipt of knowledge of such events, and Purchaser shall with respect to any employees, immediately remove such employee from employment.

(g) **Definitions.** A “U.S. Person” is a citizen of the United States of America, an entity organized under the laws of the United States of America, its territories or any of the several states, or an entity having its principal place of business within the United States of America or any of its territories. “Lists” mean any lists published by OFAC (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC) including the Specially Designated Nationals and Blocked Persons list. “OFAC” is the Office of Foreign Assets Control, Department of the Treasury. “Anti-Money Laundering Laws” shall mean laws, regulations and sanctions, state and federal, criminal and civil, that (1) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (2) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; or (3) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the USA PATRIOT Act of 2001, Pub. L. No. 107-56 (the “Patriot Act”), the Bank Secrecy Act, 31 U.S.C. Section 5311 et. seq., the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et. seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et. seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

EXHIBIT D

PERMITTED ENCUMBRANCES

[to be inserted]