

EXHIBIT K TO PROSPECTUS

Estimated Closing Costs and Title Insurance

ESTIMATED CLOSING EXPENSES

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CLOSING EXPENSES incurred by the Purchaser (Buyer) of a unit in TopSail Village, a condominium, will vary depending upon whether the purchase price is paid in cash, whether a mortgage is required to provide a part of the purchase price, the amount of the selling price of the unit and the amount of the mortgage required, if any.

The Developer will pay closing expenses as follows:

Owner's Title Insurance, along with related title examination and title search fees
(Approximately 1% of the purchase price)

A Purchaser (Buyer) closing the purchase of his unit for cash will incur closing expenses as follows:

Documentary stamps to be affixed to the Deed (\$.70 per \$100.00 of amount of purchase price)

Recording Fee for Deed
(\$10.00 for first page of Deed and \$8.50 per page for each additional page)

Closing Documents Preparation
(Usually \$250.00 to \$400.00 but varies with work required)

Closing Fee
(Usually \$400.00 to \$600.00 but varies with work required)

Personal Attorney's Fee, if any
(Usually \$50.00 to \$150.00 but varies with work required)

Operating Capital
(An amount equal to one (1) quarter's maintenance fee as required by Section 5(C) of the Declaration of Condominium)

Maintenance fees
Pro-rated portion of the quarterly maintenance payment for the quarter in which the sale closes from the date of sale to the end of the calendar quarter; varies according to unit type as designated in the Budget)

Assignment fee to Developer
In the event of an Assignment of Contract, the Developer may choose to charge a fee, estimated to be \$1,000.00, but in any event will not exceed the savings in documentary stamps that would have been due had the original contract closed.

Assignment fee to Closing Agent
In the event of an Assignment of Contract, the Closing Agent's fee is estimated to be \$1,000.00, but will not be greater than the overall compensation that the Closing Agent would have received had the Closing Agent closed the original contract instead of closing an assignment of contract.

1031 Exchange Fee
(Usually \$450.00 to \$650.00, but can be more depending on the work involved.)

Administrative Fee to Burke, Blue & Hutchison, P.A., to cover such things as excess postage/delivery costs, e.g., Federal Express, Overnight Mail Service, handling and delivery expenses, long distance calls and copies. (Usually does not exceed \$45.00 to \$95.00 but varies on a case-by-case basis.)

Escrow Fee (\$250.00), pursuant to the Escrow Agreement)

Letter of Credit Fee (\$175.00), pursuant to the Escrow Agreement)

A Purchaser (Buyer) closing the purchase of his unit with funds provided in part by a mortgage on his unit will incur certain closing expenses in addition to those incurred by closing for cash. The amount of the closing expenses

charged by a lender vary depending upon the lender and the amount of the loan. Typical closing expenses to be incurred when a portion of the purchase price is financed by a mortgage include all of the expenses listed above from a Purchaser (Buyer) closing for cash plus the following:

Recording fee for Mortgage
(\$10.00 for first page of mortgage and \$8.50 per page for each additional page)

Documentary Stamps on the Note
(\$.35 per \$100.00 of amount of Note)

Intangible Tax on Mortgage
(\$.20 per \$100.00 of amount of Note)

Lender's Title Insurance Policy
(Approximately \$135.00 in addition to the amount of the Owner's Title Insurance Policy shown above plus \$110.00 Search Fee)

Credit Report
(Usually \$50.00 but varies with work required)

Photos
(Usually \$5.00 but varies with photos required)

Origination Fee and/or Discount Points
(Usually 1-3% of loan amount, as Lender may require)

Lender Documents Preparation
(Usually \$250.00 to \$400.00 but varies with work required)

Loan Handling Fee to Closing Agent
(Usually \$350.00, but varies with the work required of Closing Agent)

Appraisal Fee
(Usually \$225.00 but varies with work required)

Private Mortgage Insurance Premium
(Required for loans in excess of 80%; usually 1% to 1.5% of loan amount)

Tax Service Fee charged by some lending institutions.
(Usually between \$50.00 and \$95.00)

Underwriting Fee charged by some lending institutions.
(\$100.00)

Lender Delivery Charges
(Usually not more than \$100.00, but varies with lender)

Costs of copies of closing documents as required by Lender.
(Usually not more than \$40.00 but may vary with each Lender.)

Not all lender and financing costs can be predicted as the types and amounts of costs vary from lender to lender. Purchaser is responsible for all costs imposed by the lender selected by Purchaser to facilitate the purchase of the Unit.

In addition to the closing expenses set forth above, the lender may require certain items to be prepaid (usually condominium fees and interest from date of closing to date of first payment period) and may require certain escrow accounts to be established (usually escrow accounts are required for the payment of real property taxes and next year's private mortgage insurance premium, if any).

If any sales tax is imposed by the State of Florida in connection with any service, charge or closing cost hereunder, the party responsible for paying for such service, charge or closing cost shall also pay the sales tax in connection therewith.