

**ROYAL COURT CONDOMINIUM
PURCHASE AND SALE AGREEMENT**

SELLER:

Royal Court, LLC
801 E. Trade Street, Suite 200
Charlotte, North Carolina 28202

PURCHASER:

Telephone: _____ (H) _____ (O)

1. "Agreement" means this Purchase and Sale Agreement and all schedules and exhibits attached hereto.

2. PURCHASE AND SALE:

A. Seller agrees to sell to Purchaser and Purchaser agrees to purchase from Seller the following property upon the terms and conditions set forth in this Agreement: Unit #____ (the "Unit") of ROYAL COURT CONDOMINIUM (the "Condominium"). The Unit and the remainder of the improvements within the Condominium shall be constructed by Seller in accordance with the terms of this Agreement, and the Condominium shall be created by Seller by recording a Declaration of Condominium (the "Declaration") prior to Closing substantially similar to the form attached as Exhibit "B" to the Public Offering Statement delivered by Seller to Purchaser on or before the date of execution of this Agreement. The Unit shall include one parking space to be designated and assigned to Purchaser by Seller at or prior to Closing, an undivided interest in the "Common Elements" of the Condominium, and an interest in certain "Limited Common Elements," as those terms are defined in the Declaration.

B. The date of closing shall be established as provided in paragraph 2.A of Schedule "A".

3. PURCHASE PRICE AND TERMS OF PAYMENT:

A. The purchase price for the Property (the "Purchase Price") shall be \$_____. The Purchase Price shall be increased by the Additional Costs of any Pre-approved Upgrades requested by Purchaser under Paragraph 6.A. of Schedule "A" and the cost of any additional parking space or any individual storage unit selected by Purchaser under Paragraph 6.B. of Schedule "A".

B. The Purchase Price shall be paid in the following manner:

1. An earnest money deposit in the amount of [5% for an owner-occupant] [10% for an investor] of the Purchase Price, paid to Laurens Properties ("Escrow Agent") at the time of execution of this Agreement \$_____

2. The balance of the Purchase Price, to be paid at closing as provided in Paragraph 2.F of Schedule "A" \$_____

C. The earnest money deposit shall be placed by Escrow Agent in a trust or escrow account in an insured bank or savings and loan association in North Carolina, and shall be held and disbursed by Escrow Agent in accordance with the terms of this Agreement. THE EARNEST MONEY DEPOSIT SHALL BECOME NON-REFUNDABLE THIRTY (30) DAYS AFTER THE EFFECTIVE DATE, AND PURCHASER HEREBY AUTHORIZES AND DIRECTS ESCROW AGENT TO PAY THE EARNEST MONEY DEPOSIT TO SELLER AT ANY TIME AFTER THAT THIRTY (30) DAY PERIOD.

D. If Purchaser requests any Preapproved Upgrades under Paragraph 6 of Schedule "A", SELLER SHALL REQUIRE PURCHASER TO PAY AN ADDITIONAL EARNEST MONEY DEPOSIT TO SELLER IN AN AMOUNT EQUAL TO 50% OF THE COST OF SUCH ITEMS, for example a \$1,000.00 upgrade would require a \$500.00 addition to the Earnest Money Deposit (50% of \$1,000.00 = \$500.00). All costs of such items shall be added to the Purchase Price as provided in Paragraph 6.A. of Schedule "A".

E. Purchaser has the absolute right to cancel this Agreement during the next seven (7) calendar days without penalty. Under the North Carolina Condominium Act, a purchaser electing to cancel a contract may do so by hand-delivering notice to the Seller or by mailing notice by prepaid United States mail to Seller at the address specified above.

F. Pending availability, on the Selection Date, as defined in Section 5 of Schedule "A", Purchaser may be able to select to purchase one (1) additional parking space in the Condominium and/or an individual storage unit in the Condominium. The location of the additional parking space and storage unit shall be designated and assigned to Purchaser by Seller at or before Closing. All costs of such items shall be added to the Purchase Price as provided in Paragraph 6.B. of Schedule "A".

G. Purchaser will also deposit with Seller at Closing, for transmittal to the Royal Court Condominium Owners Association (the "Association"): (1) a portion of the monthly installment of the assessment for Common Expenses against the Unit, prorated to the date of Closing, and (2) an initial working capital contribution in an amount equal to twice the monthly installment of the assessment for Common Expenses against the Unit. These amounts shall be non-refundable.

4. SCHEDULES:

Schedule "A" is attached hereto and incorporated into this Agreement by reference. Purchaser acknowledges he has read all paragraphs and schedules of this Agreement and agrees to be bound by the terms hereof.

5. ADDITIONAL ITEMS:

Purchaser also acknowledges that he has received, reviewed and understood each of the documents or items listed below; as evidence of its receipt of the following items, Purchaser has initialed on the line corresponding to each item:

A. _____ Public Offering Statement for the Condominium

- B. _____ Preliminary Site Plan of the Condominium
- C. _____ Preliminary Floor Plans and Elevation Drawings for the Unit
- D. _____ Preliminary Feature Sheet for the Unit
- E. _____ Description of Agent Duties and Relationships
- F. _____ Designated Service Providers List

6. CONDITIONS ON SELLER’S OBLIGATIONS:

PURCHASER EXPRESSLY UNDERSTANDS AND AGREES THAT SELLER’S OBLIGATIONS UNDER THIS AGREEMENT ARE CONDITIONED ON THE SATISFACTION OF CERTAIN CONDITIONS, AS OUTLINED IN PARAGRAPH 23 OF SCHEDULE “A”, AND THAT IF THOSE CONDITIONS ARE NOT SATISFIED ON OR BEFORE TWELVE (12) MONTHS FOLLOWING THE EFFECTIVE DATE OF THIS AGREEMENT, SELLER SHALL HAVE THE RIGHT TO CANCEL THIS AGREEMENT BY DELIVERY OF WRITTEN NOTICE OF CANCELLATION TO PURCHASER. IF SELLER ELECTS TO CANCEL AS PROVIDED ABOVE, PURCHASER SHALL BE ENTITLED TO THE RETURN OF THE EARNEST MONEY DEPOSIT, AND THE PARTIES SHALL HAVE NO FURTHER RIGHTS AND LIABILITIES UNDER THIS AGREEMENT.

7. OWNER-OCCUPANT OR INVESTORS (CHECK EITHER A. OR B. BELOW)

- A. PURCHASER REPRESENTS AND WARRANTS TO SELLER THAT PURCHASER WILL OCCUPY THE UNIT IMMEDIATELY FOLLOWING CLOSING AND PURCHASER IS NOT ACQUIRING THE UNIT FOR INVESTMENT PURPOSES (WITH THE INTENT TO RE-SELL OR LEASE THE UNIT TO THIRD PARTIES).
- B. PURCHASER REPRESENTS AND WARRANTS TO SELLER THAT PURCHASER IS ACQUIRING THE UNIT FOR INVESTMENT PURPOSES (WITH THE INTENT TO RE-SELL OR LEASE THE UNIT TO THIRD PARTIES).

IN WITNESS WHEREOF, Seller and Purchaser have executed this Agreement as of the day and year indicated below (the “Effective Date”).

SELLER:

PURCHASER:

ROYAL COURT, LLC

Name: _____

By: _____

Name: _____

Name: _____

Title: _____

Date: _____

Date: _____

AGENT:

SELLING BROKER:

HELEN ADAMS REALTY

By: _____

By: _____

Name: _____

Name: _____

Telephone No.: _____

Telephone No.: _____

Purchaser’s Marital Status: () Single; () Divorced; () Married or Separated

Spouse’s full name: _____

SCHEDULE "A"

TERMS AND CONDITIONS

This Schedule "A" is attached to that certain Purchase and Sale Agreement (the "Agreement") dated _____ between ROYAL COURT, LLC ("Seller") and _____ ("Purchaser") pertaining to Unit # _____ of ROYAL COURT CONDOMINIUM.

1. FINANCING:

- A. Purchaser's obligation to purchase the Unit is conditioned upon Purchaser's obtaining written pre-qualification approval for a mortgage loan in an amount acceptable to Purchaser, not in excess of ninety percent (90%) of the Purchase Price, upon prevailing terms and rates in the Charlotte, North Carolina area (the "Mortgage Loan").
- B. Purchaser agrees to apply to pre-qualify for the Mortgage Loan within five (5) days after the Effective Date, to use his best efforts to obtain the Mortgage Loan in good faith, and to take all actions and pay all costs necessary to do so (collectively, the "Mortgage Loan Acts"). All expenses of the Mortgage Loan Acts shall be solely the responsibility of Purchaser. Purchaser shall be obligated to submit a pre-qualification application to at least one of the "Preferred Lenders" designated by Seller, although the foregoing requirement shall not be deemed to preclude Purchaser from submitting a pre-qualification application to another lender, or from obtaining his financing from another lender.
- C. Within thirty (30) days after the Effective Date, Purchaser must deliver a copy of a written pre-qualification letter (the "Pre-Qualification Letter") for the Mortgage Loan. If Purchaser fails to deliver the Pre-Qualification Letter within that thirty (30) day period or if Purchaser notifies Seller within that thirty (30) day period that he has failed to obtain the Pre-Qualification Letter, Seller may either grant Purchaser additional time to seek financing and/or deliver the Pre-Qualification Letter, or either party may terminate this Agreement by delivery of written notice to the other party within thirty (30) days after the Effective Date. Except as otherwise provided in Paragraph 1.D. below, if this Agreement is terminated because of Purchaser's inability to obtain the Pre-Qualification Letter and/or failure to deliver a copy of the same to Seller, Seller shall return to Purchaser the earnest money paid by Purchaser, and the parties shall be released from all further obligations under this Agreement.
- D. If Seller ascertains that Purchaser has not obtained the Pre-Qualification Letter due to the failure of Purchaser to perform any of the Mortgage Loan Acts, or due to a failure on the part of Purchaser to supply accurate information, or due to Purchaser's failure to otherwise meet in good faith his obligations under this Paragraph 1, then Purchaser shall be in default under this Agreement and Seller shall be entitled to all of its rights and remedies for default provided in this Agreement and by law.
- E. Purchaser acknowledges and understands that the Pre-Qualification Letter will not constitute a binding commitment to make a Mortgage Loan, and that during the thirty (30) day period specified in Paragraph 1.C above, Purchaser will not be able to lock in an interest rate effective through the anticipated date of Closing under this Agreement. After the expiration of the thirty (30) day period specified in Paragraph 1.C above, Purchaser shall bear the risk of being unable to obtain a binding commitment for the Mortgage Loan, or for being unable to obtain the Mortgage Loan upon the same terms and conditions, or at the same interest rate, as are currently available in the market. AFTER THE EXPIRATION OF THE THIRTY (30) DAY PERIOD SPECIFIED IN PARAGRAPH 1.C ABOVE, PURCHASER'S OBLIGATIONS TO PURCHASE THE CONDOMINIUM SHALL NOT BE CONDITIONED UPON PURCHASER'S ABILITY TO OBTAIN THE MORTGAGE LOAN.

2. CLOSING:

- A. The closing of the transactions contemplated under this Agreement (the "Closing") shall take place on the "Scheduled Closing Date," which shall be the date specified by Seller in a written notice to Purchaser, delivered at least fifteen (15) business days prior to the Scheduled Closing Date, notifying Purchaser that the Unit will be substantially complete and that a certificate of occupancy for the Unit will be issued by the specified date. If necessary, the Scheduled Closing Date may be extended by Seller for a period not to exceed fifteen (15) business days to allow Seller to complete the construction of the Unit. The issuance of a Certificate of Occupancy or its equivalent by the appropriate governmental agency shall constitute irrefutable and conclusive evidence of substantial completion of the Unit. The fact that the Unit may require minor repairs, touch-ups or adjustments shall not constitute a valid reason for Purchaser to fail to close on the Scheduled Closing Date. The Closing shall constitute acceptance of the Unit by the Purchaser subject only to the required minor repairs, touch ups or adjustments as contemplated above. All warranty work will be subject and limited to the warranty information provided by Seller to Purchaser at Closing.
- B. The Closing shall take place at a location in the Charlotte, North Carolina, metropolitan area, designated by Seller.
- C. The Closing shall be deemed to have occurred on the date that Seller receives all funds due from Purchaser, as shown on the Closing Statement prepared by Seller's Counsel in accordance with this Agreement, and Purchaser has executed all necessary documents (the "Actual Closing Date").
- D. Prior to the Actual Closing Date, Purchaser shall, at its expense, make arrangements with the appropriate utility companies to have the accounts for utility services to the Unit transferred into its name. If Purchaser fails to do so, then Purchaser shall pay to Seller on demand any utility charges for the Unit pertaining to periods after the Actual Closing Date, together with an administrative fee of \$100.00.
- E. If Purchaser is unable or unwilling to close on the Scheduled Closing Date provided for in Paragraph 2.A, Purchaser shall be in default under this Agreement, and Seller shall have the option of exercising all of its rights and remedies as provided in this Agreement or by law for Purchaser's default, or of postponing the Closing, in which event Purchaser agrees to pay a late charge at a rate of \$500.00 per day from the Scheduled Closing Date until the Actual Closing Date. The parties agree that such late charge constitutes a good faith estimate of the damages that will be incurred by Seller as a result of the delay. Time is of the essence with respect to the Scheduled Closing Date, and also with respect to any other provision of this Agreement that requires performance by Purchaser within a specified time period.
- F. All payments at Closing shall be made by certified check or cashier's check drawn on a bank located in the Charlotte, North Carolina, metropolitan area in United States currency.
- G. Seller hereby represents and warrants to Purchaser that the Unit shall be completed within twenty-four (24) months of full execution of this Agreement. As construction of the Condominium progresses, Seller may elect to update Purchaser periodically as to the estimated completion date for the Unit, but such updates shall not be binding upon Seller, and the Scheduled Closing Date shall be established only in the manner provided in Paragraph 2.A. This Agreement will terminate automatically on the second anniversary of the Effective Date, if the Closing has not occurred by that date and Purchaser is not in default hereunder, unless the parties agree in writing to extend the time for Closing.

3. EXPENSES OF CLOSING:

- A. The additional costs to be paid by the Purchaser at the Closing include the following:
 1. Except as provided in Paragraph 3.B, all closing costs associated with the Mortgage Loan, including the loan origination fee, prepaid items such as interest and escrows, loan discount points, Purchaser's legal fees, and any insurance premiums (including private mortgage insurance and homeowners' insurance).
 2. All title insurance premiums.
 3. The cost of recording the deed and the mortgage.

4. Purchaser's pro rata share of all real property taxes on the Unit, which shall be prorated on a calendar year basis as of the Actual Closing Date. If the Unit is not separately assessed and taxed as a separate condominium unit and tax parcel in the calendar year in which the Closing occurs, Purchaser shall pay Seller a pro rata share of the real property taxes on the tax parcel that includes the Unit, and Seller agrees to pay those taxes when due. Further, in the event the Unit has not been separately assessed at or before Closing, Seller and Purchaser agree to enter into an agreement for payment and proration of taxes ("Agreement for Payment and Proration of Taxes"). The Agreement for Payment and Proration of Taxes shall provide a mechanism for reconciling the prorated portions of real property taxes paid at Closing with the actual amount of taxes for the Unit once it has been separately assessed.
 5. Purchaser's pro rata share of the monthly installment of the assessment for Common Expenses against the Unit, prorated to the date of Closing, and an initial working capital contribution in an amount equal to twice the monthly installment of the assessment for Common Expenses against the Unit. These amounts shall be forwarded by Seller to the Association, and shall not be refundable.
- B. The Seller agrees to pay the following amounts in connection with the Closing:
1. The expense of preparation of the deed, the lien affidavit and the Internal Revenue Service Form 1099.
 2. The cost of revenue stamps on the deed, and the cost of recording any release documents.
 3. Provided Purchaser utilizes the "Designated Service Providers" specified below, Seller agrees that it will pay the closing costs and/or provide the items set forth below. As used in this Agreement, the term "Designated Service Providers" shall refer to (i) the "Preferred Lenders" for mortgage loans (and Preferred Lenders' "Preferred Appraiser" for appraisal services) and (ii) "Preferred Closing Agent" for legal services, all as designated by Seller on the Designated Service Providers List provided to Purchaser prior to execution of this Agreement, and any other service firms that may subsequently be designated by Seller to Purchaser as Designated Service Providers. In the event Purchaser uses the Preferred Closing Agent, Seller agrees that it will pay the legal fees payable to such Preferred Closing Agent in connection with Seller's conveyance of the Condominium to, up to an aggregate amount of \$475.00. In the event Purchaser uses one of the Preferred Lenders designated on the Designated Service Providers List, Seller and/or the Preferred Lender will provide the items set forth next to their name of the Designated Service Providers List. Purchaser shall not be obligated to use any Designated Service Provider in connection with the Closing, but Seller's obligation to reimburse Purchaser for the closing costs specified above shall expressly be conditioned upon Purchaser's use of the Designated Service Providers.

4. PREPARATION OF PLANS:

Seller agrees that it will construct or complete the Unit substantially in accordance with final plans and specifications (the "Plans") to be prepared by Seller based upon the Preliminary Floor Plans and Elevation Drawings for the Unit, and the Preliminary Feature Sheet for the Unit (collectively, the "Preliminary Plans"), copies of each of which have been delivered to Purchaser. Purchaser acknowledges that the Preliminary Plans are not the final working drawings for the Unit, and that the Plans may vary from the Preliminary Plans in minor respects. Purchaser also acknowledges that in the course of construction of the Unit, certain minor changes, deviations, or omissions may be necessitated by governmental authorities having jurisdiction over the Unit, job conditions, design changes by the contractor, architect or engineer, availability of materials and other conditions outside Seller's control. All such changes, deviations, and omissions are hereby authorized by Purchaser, provided the changes do not materially affect the size or the value of the Unit. Seller expressly reserves the right to make substitutions of materials or products in the construction of the Unit, provided such substitutions are substantially equal or superior to those shown in the plans and specifications. All Plans are the property of Seller.

5. SELECTIONS

Following the execution of this Agreement, Seller shall deliver to Purchaser a Selection Sheet for the Unit, which will set forth the various colors and options of floor covering, countertops, cabinets and other options that are summarized on the Preliminary Feature Sheet delivered to Purchaser with this Agreement. Following delivery of the Selection Sheet, Seller shall notify Purchaser in writing that the selection process is beginning, and Seller's notice shall establish an outside date (the "Selection Date"), not sooner than thirty (30) days after the notice, by which Purchaser must make its selections. If Purchaser fails to notify Seller in writing of its feature selections on or before the Selection Date, Seller shall be authorized to make such selections for Purchaser. Once the Selection Sheet has been filled out by Purchaser and returned to Seller, it shall be attached to this Agreement as Exhibit A.

6. ADDITIONAL ITEMS

- A. The Selection Sheet also may set forth certain optional construction upgrades or revisions to the prototype plans for the Unit (the "Preapproved Upgrades"), the cost of which is not reflected in the Purchase Price set forth in Paragraph 3.A of this Agreement, and if applicable, will set forth the cost (the "Additional Cost") of each such Preapproved Upgrade. Seller reserves the right, during the course of construction and before Purchaser makes its selections, to modify the Selection Sheet, either to delete Preapproved Upgrades that are no longer available due to the construction schedule, or to modify the Additional Costs. The Plans for the Unit will incorporate the Preapproved Upgrades selected by Purchaser if and only if Purchaser notifies Seller in writing of its selections on or before the Selection Date. As a condition to approving the Preapproved Upgrade, Seller will require Purchaser to pay to Seller the non-refundable additional earnest money deposit set forth in Paragraph 3.D. Upon such notification, the Purchase Price set forth in Paragraph 3.A. of this Agreement shall automatically be increased to reflect the Additional Costs of the Preapproved Upgrades selected by Purchaser.
- B. Pending availability, the Selection Sheet also may set forth certain additional parking spaces and individual storage units in the Condominium, the cost of which is not reflected in the Purchase Price set forth in Paragraph 3.A of this Agreement, and will set forth the Additional Cost of each such additional parking space and additional storage unit. The location of the additional parking spaces and storage units shall be designated and assigned to Purchaser by Seller at or before Closing.
- C. Purchaser acknowledges that the Unit is not, and cannot become, a customized dwelling. Seller will contract with a licensed general contractor ("Contractor") to construct the Unit according to the Plans, and Contractor will agree to complete the Unit by a specified date. Except as expressly provided in Paragraph 5 and 6.A above, Purchaser shall have no rights to request any changes to the Plans.
- D. Seller will not be required to begin work on any Preapproved Upgrades until all contingencies set forth in this Agreement have been satisfied, including any contingencies related to the Mortgage Loan, and Purchaser has complied in all respects with the provision of this Paragraph 6.

7. INSPECTIONS:

- A. After completion of construction of the Unit and prior to Closing, Purchaser shall inspect the Unit with representatives of Seller and Contractor and complete a punch list, noting any work required to be completed or corrected in order for the Unit to conform to the Plans. Purchaser acknowledges that only Purchaser, Purchaser's licensed home inspector and representatives of Seller and Contractor, and not any other party to whom Purchaser may desire to resell the Unit may be present at this inspection, unless Seller, in its sole discretion expressly consents otherwise. Following such inspection, Purchaser shall sign a certificate of satisfaction with respect to the Unit and the Common Elements of the Condominium, subject to the identified punch list items. If Seller has not completed the repairs shown on the punch list prior to Closing, such failure shall not entitle Purchaser to delay the Closing or to hold back any portion of the Purchase Price, and Purchaser shall provide Seller or Contractor with access to the Unit following the Closing for the purpose of making any

such repairs. Following completion of the punch list items, Purchaser shall sign a second certificate of satisfaction regarding completion of the punch list.

- B. Purchaser acknowledges that neither the federal Occupational Safety and Health Act (OSHA) nor Seller's insurance will allow Purchaser to make unaccompanied visits to the construction area. Purchaser agrees that he will not visit the construction area except for the scheduled visits with a representative of Seller provided for in Paragraph 7.A and 7.B. Purchaser agrees to hold Seller harmless from and against any liability for personal injury or property damage resulting from visits to the construction area by Purchaser or his invitees, and releases Seller and Contractor from any liability resulting from an injury to Purchaser or his invitees while visiting the construction area.

8. LIMITED WARRANTIES:

- A. Purchaser acknowledges that the issuance of a Certificate of Occupancy for the Unit by the Mecklenburg County Building Standards Department shall constitute irrefutable and conclusive evidence that the Seller has fulfilled all of its obligations with respect to the Unit, subject to the completion of any unfinished items set forth on the punch list. Seller shall cause Contractor to warrant the construction of the Unit to Purchaser for a period of one (1) year from the Actual Date of Closing in accordance with Contractor's then-prevailing warranty standards.
- B. Seller shall furnish to Purchaser all manufacturers' warranties relating to the appliances, personal property, and equipment included within the Unit, including all components of the heating and air conditioning system. Seller itself is not providing any warranties whatsoever, whether express, implied, or otherwise with regard to the appliances, personal property, equipment, and heating and air conditioning system included within the Unit, and Purchaser agrees to look solely to the manufacturers with respect to any claims relating to those items.
- C. Seller makes no representations or warranties as to the condition or health of any shrubs, trees or plantings located within the Condominium but will deliver to the Association any nursery's warranties with respect to those plants.
- D. Purchaser acknowledges and agrees that notwithstanding anything herein to the contrary, no warranty is being made herein with respect to any "consumer product," as that term is defined in the Magnuson-Moss Federal Trade Commission Improvement Act.
- E. Unless required by law, no additional express or implied warranties with respect to the Condominium or the Unit are made by Seller.
- F. The provisions of this Paragraph 8 shall survive the Closing.

9. REAL ESTATE BROKER:

Seller and Purchaser acknowledge that this Agreement was procured without intervention of any broker except for the brokers listed on the signature page of this Agreement, each of which shall be entitled to a commission payable by Seller in accordance with the terms of a separate agreement with Seller if and only if the sale closes. Purchaser shall indemnify Seller against the claim of any other broker, including any attorney's fees incurred as a result of such claim.

10. DEFAULT:

- A. If Seller fails to perform any of the covenants of this Agreement, then all earnest money and other deposits paid by Purchaser to Seller pursuant to this Agreement shall be returned to Purchaser, and thereafter the parties shall be relieved of further liability hereunder. Purchaser's legal and equitable remedies shall be limited to those contained in this Paragraph 10.A and in no event shall Seller be liable for damages of any kind.
- B. If Purchaser fails to perform any of the covenants of this Agreement, then Seller shall have the right to terminate this Agreement and retain all earnest money and other deposits paid by Purchaser. In addition, Seller shall have the right to exercise any other right or remedy it may have as a result of Purchaser's default, including but not limited to an action for monetary damages or specific performance.

11. CONVEYANCE: Seller shall convey marketable title to the Unit by Special Warranty Deed, subject to the following "Permitted Exceptions":

- A. All taxes and assessments not yet due and payable.
- B. Applicable zoning ordinances and all other restrictions and regulations by governmental authorities.
- C. All of the terms, conditions, provisions, rights, privileges, obligations, easements and liens set forth and contained in the Declaration, and the Articles of Incorporation and the Bylaws for the Association, as now or hereafter amended. Purchaser expressly acknowledges, by execution of this Agreement, that the Unit shall be subject to all of the terms, conditions, use restrictions, easements, assessments, architectural restrictions and other provisions contained in those documents and all amendments thereto, including the obligation to pay monthly assessments to the Association.
- D. All other restrictions, agreements, and easements of record which affect the Unit.
The acceptance of the deed by Purchaser shall be deemed to be full performance and discharge of every agreement and obligation on the part of Seller to perform pursuant to the provisions of this Agreement, except those which are specifically designated in this Agreement to survive the Closing or which survive the Closing by operation of law.

12. COMPLETION OF DEVELOPMENT:

- A. Purchaser acknowledges that construction activities at the Condominium may continue subsequent to the Closing, and that such activity may cause some inconvenience to Purchaser. Purchaser agrees to make no claim against Seller, its employers, contractors or agents as a result of such activity and further acknowledges that if Purchaser or a member of Purchaser's family, or any invitee of Purchaser enters on any construction site, the indemnities and waivers contained in Paragraph 7 shall apply.
- B. The provisions of this Paragraph 12 shall survive the Closing.

13. POSSESSION: Possession of the Unit shall be delivered by Seller to Purchaser at Closing.

14. PERFORMANCE DISRUPTION: Notwithstanding anything to the contrary contained in this Agreement, Seller shall not be liable for delay in the performance of its obligations if such performance is prevented, hindered, delayed or affected by: workers' or subcontractors' labor strike, bankruptcy or other financial difficulties of the general contractor, riots, acts of God (including but not limited to fire, windstorm, flood, tornadoes, earthquakes, lightning or other casualty), failure of Seller's suppliers of building materials to deliver requested building materials, failure of Seller to obtain necessary governmental permits or approvals, or any other unusual act, event or catastrophe, or act or event outside of Seller's control. If the Condominium or the Unit is substantially damaged or destroyed by fire or other casualty prior to Closing, then Seller may, at its option, either terminate this Agreement by delivery of written notice to Purchaser, in which event all earnest money and other deposits paid by Purchaser to Seller shall be returned to Purchaser and neither party shall have any further liability under this Agreement, or extend the Closing for a period of up to one hundred twenty (120) days from the date of the casualty in order to repair the damage.

15. NOTICE: The delivery of any item and the giving of notice in compliance with this Agreement shall be accomplished in writing by personal delivery or by certified mail addressed to the parties at the addresses set forth on the first page of this Agreement. Any notice given in accordance with the provisions of this Paragraph 15 shall be deemed to

be effective, if personally delivered, on the date of such delivery, or if mailed by registered or certified mail, on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be. Each party may give notice to the other party of a change of its address for the purpose of giving notice under this Paragraph 15.

- 16. ASSIGNMENT:** This Agreement is personal to Purchaser and may not be assigned by Purchaser without the prior written consent of Seller, which consent may be withheld by Seller in its sole discretion. Any attempted assignment in violation of this provision shall be null and void. Seller shall have the right to assign its rights under this Agreement without the consent of Purchaser.
- 17. BINDING EFFECT:** This Agreement shall be binding upon, and shall inure to the benefit of, the heirs, successors, executors, administrators, legal representatives and permitted assigns of the respective parties.
- 18. EFFECTIVE DATE:** The Effective Date of this Agreement shall be the date on which the last one of Seller and Purchaser has signed this Agreement.
- 19. ARBITRATION PROVISION:** Purchaser hereby acknowledges and agrees that each and every claim and cause of action (direct or indirect) arising out of or related in any way to the performance of Seller's obligations hereunder, or the design, construction, sale, maintenance, habitability of, or condition of the Unit or the Common Elements of the Condominium, that is asserted against Seller, the architect of the Condominium, the general contractor of the Condominium, or other design and construction professionals involved in the development of the Condominium, shall be resolved by final and binding arbitration before a panel of three arbitrators pursuant to the Rules of the American Arbitration Association. No such claim or cause of action may be asserted that would be barred by the applicable statute of limitations or statute of repose. The arbitration panel shall issue a written decision identifying with specificity each claim or cause of action asserted or resolved in any arbitration, and the legal principles of res judicata and collateral estoppel shall be applicable to any arbitration award. Any arbitration award may be confirmed and enforced in any court of competent jurisdiction.
- 20. AGREEMENT:** Purchaser acknowledges that Purchaser's earnest money deposit is tendered with this Agreement subject to prior sale of the Unit and that this Agreement is not binding upon Seller until executed by an authorized officer of Seller.
- 21. PURCHASER:** If Purchaser is composed of more than one person, the choices, designations, and other decisions of one person shall bind all of the others, and all persons composing Purchaser shall be jointly and severally liable for all obligations of Purchaser under this Agreement.
- 22. MISCELLANEOUS:** References to Purchaser or Seller and other references contained herein shall be deemed to include the plural, neuter, feminine and masculine. If any provision of this Agreement is held invalid or unenforceable, the remainder of it shall not be affected thereby, and to this end the provisions hereof are declared severable.
- 23. COMPLETE AGREEMENT:** This Agreement contains all agreements of Seller and Purchaser with respect to the Unit, and supersedes any prior written or oral agreements between the parties. Neither party is relying on any statement or representation made by or on behalf of the other party that is not set forth in this Agreement. This Agreement may not be modified orally, but only by a written modification agreement executed by both Seller and Purchaser.
- 24. CONDITIONS TO SELLER'S OBLIGATIONS:** Seller's obligations under this Agreement are expressly conditioned upon the satisfaction of the following conditions, on or before twelve (12) months following the Effective Date (the "Conditions Date"):
 - A. Seller obtaining mortgage financing for the development and construction of the Condominium on terms and conditions acceptable to Seller in its sole discretion. Seller agrees to apply for mortgage financing in a timely manner, and to use reasonable good faith efforts to obtain financing acceptable to Seller, but informs Purchaser that such financing may be contingent upon items outside of Seller's control, such as satisfying pre-sale requirements imposed by prospective lenders.
 - B. Seller obtaining all necessary governmental permits and approvals to construct the Condominium, including but not limited to grading permits and building permits. Seller agrees to apply for all such permits and approvals in a timely manner, and to use reasonable good faith efforts to obtain all such permits and approvals prior to the Conditions Date.

If Seller, despite good faith efforts to do so, is unable to satisfy all of the foregoing conditions prior to the Conditions Date, then Seller may terminate this Agreement by delivery of written notice to Purchaser, and in that event Seller shall return to Purchaser the earnest money paid by Purchaser, and the parties shall be released from all further obligations under this Agreement.

24. EIFS DISCLOSURE: It is the position of the Association of REALTORS® that the presence of a product known as "exterior insulation and finishing system" ("EIFS"), which is often referred to as "Synthetic Stucco," be disclosed to prospective buyers. With EIFS exteriors, as with all exterior finishes on real property, the possibility of moisture damage may occur. EIFS will be used in the exterior construction of the Condominium.

Seller's Initials:

Purchaser's Initials:

EXHIBIT "A"
SELECTION SHEET

[TO BE ATTACHED]