

**THIS CONTRACT CONTAINS A BINDING IRREVOCABLE,
AGREEMENT TO ARBITRATE AND IS SUBJECT TO ARBITRATION
PURSUANT TO TITLE 9, CHAPTER 9, ARTICLE 1 (GEORGIA ARBITRATION
CODE) OF THE CODE OF GEORGIA**

STATE OF GEORGIA))) COUNTY OF GLYNN)	PURCHASE AGREEMENT FOR ATTACHED SINGLE FAMILY HOME
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THIS AGREEMENT made by and between THE COTTAGES AT JEKYLL ISLAND, LLC, a South Carolina limited liability company, its successors and assigns, hereinafter called "Seller", whose mailing address is 4605 C Oleander Drive, Suite 301, Myrtle Beach, South Carolina 29577, and

hereinafter singularly or collectively called "Purchaser", who has the following contact information and mailing address is:

Home _____ Business _____ Cell _____

Fax _____ Email _____

RECITALS:

WHEREAS, Seller plans to construct residential dwellings, which may be attached single family residential, on certain real property located within the Jekyll Island State Park, pursuant to a ground lease upon such real property, which was formerly known as "Jekyll Oceanfront Resort, a Hotel Condominium", such tract or parcel of land located in Glynn County, Georgia, more particularly described in Exhibit "A" attached hereto (the "Property");

WHEREAS, Seller intends to develop the Property in more than one phase, consisting of 123 total townhomes, more or less (individually a "Home", and collectively the "Homes"), as shown on the preliminary site plan attached hereto as Exhibit "B" (the "Site Plan");

WHEREAS, the Site Plan, or any portion thereof, will not be final until such time as Seller has recorded a plat within the records of Glynn County, Georgia, by which the Property is subdivided into individual lots (the "Plat"), upon each of which Seller intends to develop a residential town home;

WHEREAS, in addition to the Plat, Seller has recorded a Declaration of Covenants, Conditions and Restrictions, a copy of which has been provided to Purchaser for Purchaser's review;

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WHEREAS, Purchaser desires to purchase Lot No. _____, Phase _____, of the Property (the "Lot"), to be improved with Cottage Plan _____, pursuant to the terms and conditions of this Agreement. Construction of the improvements upon the Lot have not yet commenced, and prior to the payment of the second Earnest Money Deposit set forth in Section 1(c) below, the plans, specifications and selections for Purchaser are attached hereto as Schedule A, and subject to the provisions of Schedule B also attached hereto.

NOW, THEREFORE, for and in consideration of the mutual promises contained in this Agreement, Purchaser agrees to purchase and Seller agrees to sell the improved Lot, subject to the exceptions and the terms and conditions set forth below:

1. **PURCHASE PRICE**: The Purchase Price to be paid by Purchaser to Seller is:
- a. Base Home Price \$ _____
 - b. Options/Upgrades Price \$ _____
 - c. Purchase Price \$ _____
 - d. Earnest Money Deposit 5% of Purchase Price \$ _____
 - e. Earnest Money Deposit, 5% at later of Building Permit issued; or Financing Contingency satisfied \$ _____
 - f. Remaining Balance of Purchase Price due and payable at closing (cash or certified funds) \$ _____

Seller and Purchaser acknowledge that the respective real estate agents and brokers responsible for the transaction contemplated by this Agreement are as follows:

Listing Agent: Jay Kaufman
Brokerage Agency: Parker Kaufman Realtors
Address: 509 Gloucester Street, Brunswick, GA 31520

Selling Agent: _____
Brokerage Agency: _____
Address: _____

Commissions to be paid by Seller at the time of Closing, in accordance with Seller's listing agreement with the above listing agent, including any co-brokerage provisions from which the above Selling Agent would be paid, also at the time of Closing.

*In the event Purchaser selects Ligon, Lindberg & Lanier, P.C. as Purchaser's settlement attorney, and Lender, as hereinafter defined, as Purchaser's mortgage lender for financing the purchase of the Lot, Lender shall provide to Purchaser a credit at closing equal to \$1,000.00 from Lender to Purchaser (the "Lender Credit"), and Seller shall provide to Purchaser a credit at closing equal to \$500.00, for an aggregate credit of \$1,500.00, provided Purchaser selects Ligon, Lindberg & Lanier, P.C. and Lender, as Purchaser's settlement attorney and mortgage lender, respectively.

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2. **CLOSING DATE:** For purposes of this Agreement, the "Closing Date" shall be the earlier to occur of (i) _____, _____; or (ii) the date which is _____ days following the issuance of a certificate of occupancy for the improvements on the Lot.

Notwithstanding the above, Purchaser shall schedule with Seller, not less than Five (5) days prior to the anticipated Closing Date, a final walkthrough and inspection for the benefit of Purchaser. The purpose of this final walkthrough and inspection is for Purchaser and Seller to compile and agree upon a "punch list" of remaining items to be completed by Seller not later than Forty Five (45) days from the Closing Date. In accordance with Section 11 below, the compilation of a punch list shall not entitle Purchaser to withhold funds from closing and does not entitle Purchaser to refuse to close the purchase of the improved Lot.

3. **EARNEST MONEY:** Upon receipt of Earnest Money deposit(s) (the "Deposit"), the Deposit shall be held by Ligon, Lindberg & Lanier, P.C. ("Escrow Agent") in a non-interest bearing account. Seller reserves the right to use the Deposit for payment of costs related directly to the construction of the improvements on the Lot. At closing, the amount of the Deposit shall be credited toward the purchase price of the improved Lot.

4. **FINANCING:** This Agreement is subject to the following financing arrangements (if such provision is checked). The prequalification process described below, should Purchaser elect to apply with Seller's pre-arranged financing source, is administered by the following lender or lenders:

- (i) Prime South Bank
101 Hyde Park Commons
St. Simons Island, Georgia 31523
Attn: Danny Maddox

The above lender being hereinafter referred to as "Lender":

a. At the time of execution this Agreement, Purchaser has provided to Seller written "Prequalification Approval" (as hereinafter defined) from Lender for a first mortgage loan at current market rates and upon current market terms in an amount not to exceed the greater of (i) Eighty percent (80%) of the Purchase Price; or (ii) such greater amount as Lender may then be offering with regards to the Property. In the alternative, Purchaser has provided the Lender Representative (as hereinafter defined) prior to execution of this Agreement, with satisfactory evidence of Purchaser's ability to purchase the improved Lot without financing. **Purchaser further agrees that "Prequalification Approval" of financing from Lender, or the approval by the Lender Representative, as defined below, of Purchaser's ability to purchase the improved Lot without financing, has satisfied any and all contingencies for financing and financing is not a contingency of the Purchase Agreement.** For purposes of this Section the term "Prequalification Approval" shall mean a letter from Lender indicating that based upon a preliminary review of Purchaser, Purchaser meets Lender's requirements for financing, subject to its normal application and underwriting process. "Prequalification Approval" does not mean that Purchaser has received final approval from Lender for a loan.

b. This Agreement is contingent upon the Purchaser obtaining a "Prequalification Approval" from Lender for a first mortgage loan at current market rates and upon current market terms in an amount not to exceed greater of (i) Eighty percent (80%) of the Purchase Price; or (ii) such

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greater amount as Lender may then be offering with regards to the Property. Purchaser will endeavor in good faith to promptly obtain the aforementioned loan on said terms. To evidence same, Purchaser shall (i) submit a completed loan application to Lender within ten (10) days from date of this Agreement; (ii) supply Lender with such other information as Lender shall require; (iii) pay the usual charges therefore; and (iv) execute and deliver the necessary instruments required by Lender. **Furthermore, not later than twenty-one (21) days after the date of this Agreement, Purchaser agrees to provide to Seller “Prequalification Approval” from Lender prequalifying Purchaser for a loan to purchase the improved Lot.** Once such “Prequalification Approval” is received, Purchaser shall take no action that would result in Purchaser being denied financing for the purchase of the improved Lot. In the event that Purchaser is denied “Prequalification Approval” from the Lender after compliance with the foregoing, Seller shall return to Purchaser the Deposit hereunder and this Agreement shall become null and void with neither party hereto having any rights against the other. Notwithstanding the foregoing, Purchaser acknowledges and agrees that it may obtain financing from any institution that it desires. **However, Purchaser further agrees that “Prequalification Approval” of financing from Lender shall act as satisfaction of this contingency for financing and the subsequent refusal of Lender or another institution to approve Purchaser for financing shall not relieve Purchaser from its obligations pursuant to this Agreement.** For purposes of this section the term “Prequalification Approval” shall mean a letter from Lender indicating that based upon a preliminary review of Purchaser, Purchaser meets Lender’s requirements for financing, subject to its normal application and underwriting process. “Prequalification Approval” does not mean that Purchaser has received final approval from Lender for a loan.

c. **Purchaser does not intend to apply for financing and Purchaser affirms that financing is not a contingency of this Purchase Agreement.** However, Purchaser agrees to submit financial information to a representative of Lender designated by Seller (the “Lender Representative”) within fifteen (15) days after the date of this Agreement evidencing Purchaser’s ability to purchase the improved Lot without financing. If the Lender Representative determines, in its sole discretion, that Purchaser does not have the financial ability to purchase the improved Lot without obtaining financing, Seller, at Seller’s option and unless otherwise agreed to in writing by Seller, may refund the Deposit to Purchaser within sixty (60) days of the date of this Agreement and terminate this Agreement, in which case, neither party shall have any further liability pursuant to this Agreement.

5. **CONSTRUCTION:** Seller has caused, or shall cause the improvements on the Lot to be constructed substantially in accordance with the plans and specifications thereof prepared by Seller, which are attached hereto and made a part of this Agreement, Exhibit “B”. Seller offers Purchaser certain limited options as to the plans and specifications, provided, however, that the time for electing such options is also limited, and, to the extent Purchaser makes option selections at the time of this Agreement, the price of those options shall be included in the Purchase Price. In the event Purchaser makes option selections following the date of this Agreement, to the extent such options remain available, the costs of such options shall be treated as a change order, which must be paid, in advance, by Purchaser at the time of such option election. In any event, no options may be added following the date on which a building permit is issued, unless specifically agreed to by Seller, in Seller’s sole discretion. Seller reserves the right to make structural and architectural revisions, as well as the right to make substitutions of equivalent or better quality in the various components, fixtures, and appliances set forth in the Plans, Specifications and Selections, as set forth in the respective Schedule A attached hereto.

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Seller acknowledges its unconditional obligation to complete and deliver the improved Lot to Purchaser on the Closing Date, as set forth in Section 2 above, but in any event, not later than two (2) years following the date of this Agreement.

a. Insulation. Pursuant to Federal Trade Commission regulations, notice is hereby given to you that the Home constructed, or to be constructed upon the Lot, will have batt insulations installed in all exterior walls to a minimum thickness of R-13; and in the roof ceiling to a thickness of R-30. We do not warrant that the insulation will yield the R-values as represented by the manufacturer. In the event the R-values of this Section are unavailable at the execution hereof and blanks appear herein, we will, when such insulation R-values become available to it, provide a written statement thereof to you.

6. **COVENANTS, CONDITIONS AND RESTRICTIONS**: Prior to the conveyance hereunder, the Property has been, or will be submitted and subjected to certain Covenants, Conditions and Restrictions (the "CCR"), recorded, or to be recorded in the records of Glynn County, Georgia. Seller will, prior to closing, provide Purchaser with a copy of the CCR and the related By-Laws for the associated homeowners association (collectively the "Association Documents"). Purchaser hereby expressly consents to all provisions of the Association Documents, including, but not limited to a lien which may arise by virtue of the CCR to secure assessments, and an arbitration provision substantially similar to the one set forth below in this Agreement.

7. **TITLE**: In consideration of the conditions and covenants contained in this Agreement, Seller agrees, at Closing, to execute and deliver to Purchaser, a sublease for the Improved Lot, free and clear of all liens and encumbrances other than as set forth below, together with a bill of sale for any improvements to the Improved Lot, vesting all of Seller's right, title and interest in the Improved Lot in Purchaser, subject to the following:

- a. The Ground Lease by which Seller acquired it's interest in the Property;
- b. All rights, covenants, conditions, restrictions and easements of record;
- c. Taxes and assessments not yet due and payable;
- d. Glynn County, and the State of Georgia or any agency thereof, and their respective ordinances, including zoning ordinances, if any, and county building codes and development standards, if any;
- e. the CCR;

If a title insurance company which is a member of the American Land Title Association will issue a commitment to issue an owner's title insurance policy at Purchaser's expense insuring the title to the improved Lot in an amount equal to the Purchase Price (which owner's title insurance policy will have as exceptions only standard exceptions and those exceptions as are herein agreed and set forth), Seller shall be deemed to be able to convey a marketable leasehold interest in the Improved Lot. If, at the Closing, Seller cannot deliver an unencumbered leasehold interest to the improved Lot subject to the exceptions above and standard exceptions, Seller shall have the right to extend the Closing for up to an additional thirty (30) days to comply with the requirements of this paragraph, provided said extension does not result in a closing date

later than two (2) years from the date Purchaser enters this Agreement.

8. **CLOSING COSTS:** Purchaser shall reimburse Seller for the preparation of the residential ground sublease (the "Ground Sublease"), not to exceed \$300.00, and Purchaser shall pay for the recording fees required to be paid for recordation of the Ground Sublease. The Purchaser shall pay for any and all other closing costs, including but not limited to, recording fees, prepaid items, Purchaser's attorney's fees and title insurance premiums. At closing, the Purchaser shall also pay the following: advance assessments for hazard and liability insurance; assessments, in advance for Association Dues, an initial Capital Contribution to the Association in the amount of \$2,000.00; and ad valorem taxes for the pro rata portion of the calendar year during which Purchaser holds an interest in the improved Lot.

9. **CLOSING:** Purchaser shall close the purchase of the improved Lot on the Closing Date. In the event Purchaser fails to close pursuant to the provisions of this Agreement, the Seller may, at Seller's option cancel this Agreement, allow the Purchaser to extend the Agreement, or in the alternative, Seller may bring any proceeding or action afforded to Seller by law or in equity. In the event that the Seller allows the Agreement to be extended, the Purchaser agrees to pay to Seller \$200 per day to cover the Seller's carrying cost from 5 days after the Closing Date until the date on which Purchaser actually completes the closing of the improved Lot. In the event Purchaser fails to close pursuant to this Agreement, Seller has the right to retain all monies paid by Purchaser as liquidated damages. Seller shall complete the improvements to the Lot within two (2) years of the date of this Purchase Agreement. The only allowable excuse for extension of the schedule or termination of this agreement is acts of others or circumstances beyond Seller's control that make it impossible to complete the improvements to the Lot on-time or close the purchase of the improved Lot on-time, including war, terrorism, national strike, major tropical storm, or other acts of God.

The acceptance of a Ground Sublease by the Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of the Seller. Purchaser shall not be entitled to possession of the improved Lot or any portion thereof until conclusion of closing.

10. **CONTINGENCY AS TO ATTACHED IMPROVED LOTS; FINAL SITE PLAN:** Seller's obligations hereunder shall be contingent, at Seller's option, upon the following conditions:

(a) As to any attached improvements on any Lot, Seller's obligations shall be contingent upon Seller entering into Purchase Agreements for the sale of enough improved Lots to satisfy Seller's construction lender, within 120 days from the date of execution by Purchaser. If the Seller fails to enter into a sufficient number of Purchase Agreements to satisfy Seller's construction lender, Seller may, at Seller's option, terminate this Agreement, and all rights and obligations of the parties shall also terminate.

11. **WARRANTY AND DISCLOSURES: FOR A PERIOD OF ONE (1) YEAR FROM DATE OF CLOSING, SELLER WILL AT NO COST TO PURCHASER, REPAIR OR REPLACE ANY PORTION OF THE PROPERTY WHICH IS DEFECTIVE AS TO MATERIALS OR WORKMANSHIP, EXCEPT FOR FIXTURES AND APPLIANCES COVERED BY A MANUFACTURER'S WARRANTY. SELLER MAKES NO WARRANTIES OF HABITABILITY, MERCHANTABILITY OR FITNESS FOR A**

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PARTICULAR OR INTENDED PURPOSE. SELLER IS NOT RESPONSIBLE FOR ANY CONSEQUENTIAL DAMAGES PROXIMATELY CAUSED BY BREACH OF WARRANTY. SELLER'S TOTAL LIABILITY SHALL BE THE COST OF REPLACEMENT OR REPAIR AND PURCHASER WILL NOT BE ENTITLED TO ANY COMPENSATION FOR LOST RENTAL OR INCONVENIENCE. PURCHASER FURTHER AGREES TO NONWARRANTABLE CONDITIONS ATTACHED AS EXHIBIT "C".

A list for completion of minor punch list items shall not entitle Purchaser to withhold funds from closing and does not entitle Purchaser to refuse to close the purchase of the improved Lot.

12. **NOTICE:** Any notice or communication which may be given or is required to be given under the terms of this Agreement shall be in writing, sent by certified mail, return receipt requested or by Federal Express (or some other recognized overnight courier) and sent to the respective party at the address set forth in Paragraph 1 above, which mailing (postage prepaid, addressed as above indicated) shall constitute full and complete notice to the other party as of the date of deposit in the U.S. Mail or deposit with such courier.

13. **NO OTHER REPRESENTATIONS:** All prior understandings and agreements between the parties hereto are merged into this Agreement, which fully and completely expresses the parties' agreement, and the same is entered into after full investigation, neither party relying upon any statement or representation not embodied in this Agreement made by the other. Purchaser represents that the improved Lot is purchased for personal use and that no representations have been made to Purchaser concerning economic or tax advisability of this purchase.

Without limiting the foregoing, Purchaser acknowledges and agrees that the improved Lot has been marketed without any representations regarding rental arrangements, rental pools or other similar services whereby emphasis was/is placed on the future economic benefits to the Purchaser from the managerial efforts of the Seller or any other party arranged for by the Seller. In addition, the improved Lot has been marketed without any representations regarding required or guaranteed resale arrangements or other similar services whereby emphasis was/is placed on the economic benefits to the Purchaser to be derived from the resale efforts of the Seller or any party arranged for by the Seller. In the event the Purchaser elects to rent the improved Lot, it is understood and acknowledged by the parties hereto that the Purchaser may handle the rental of the improved Lot or contract with the real estate agency of Purchaser's choice.

14. **MODIFICATION OF AGREEMENT:** This Agreement may not be changed or modified, absent some subsequent written instrument executed by both parties to this Agreement, including, but not limited to Schedule A and Schedule B, and the following addendums:

Purchaser Initials _____ Purchaser acknowledges that Seller builds "pre-assigned, speculative" homes, not custom homes, which means all selections are made from our pre-chosen samples and vendors. We do not accommodate "vendor shopping". All of the items that you can choose will be selected with a representative of Seller at Seller's selection center, subject to the limitations of Schedule A and Schedule B attached hereto.

Purchaser Initials _____ Purchaser acknowledges that all upgrades, changes and

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additions must be submitted on a Change Order form signed by Purchaser and accompanied by non-refundable payment in full in the amount of such Change Order.

15. **BENEFIT/ASSIGNMENT/GOVERNING LAW:** This Agreement shall be binding upon the parties, their heirs, successors, executors, or administrators, but the rights of the Purchaser may not and shall not be assigned to any party, persons, or entity, without the express written consent of the Seller. However, Seller may assign its rights and obligations pursuant to this agreement without consent from the Purchaser. This Purchase Agreement shall be governed by the laws of the State of Georgia.

16. **DEFAULT:** If Purchaser shall default in any of the terms and conditions hereof, and such default shall continue for a period of five (5) days after notice sent by certified mail, return receipt requested or by Federal Express (or some other recognized overnight courier) by the Seller to the Purchaser at the above address, the Purchaser shall, at the option of the Seller, lose any and all rights under this Agreement, and all deposits shall be retained by Seller as liquidated damages. If the Seller shall default under the terms and conditions hereof, the Purchaser may elect to have all deposits paid hereunder returned as liquidated damages. In addition to the remedies set forth herein, either party may exercise any other legal and/or equitable rights available under applicable law, including specific performance.

17. **TIME IS OF THE ESSENCE:** It is expressly understood and agreed that time is of the essence as to all obligations hereunder, including the Purchaser's obligation to obtain a loan commitment and provide the lending institution with all information requested, if necessary.

18. **ARBITRATION:** Each claim and cause of action against any person or entity arising out of or related in any way to the design, construction, sale, habitability, or condition of any Improved Lot or any common area that is asserted by (i) any person that now or hereafter acquires any interest in an Improved Lot, (ii) the Seller, (iii) the Property Owners Association or other entity formed to serve as Property Owners Association, (iv) any person or entity that has previously or hereafter supplies (directly or indirectly) labor, materials, design services, equipment or other things of value in connection with the construction or maintenance of any Improved Lot, the common area, or limited common area, or (v) any heir, successor, delegate or assignee of any of such persons or entities, shall be resolved by final and binding arbitration before a panel of three arbitrators pursuant to the Rules of the American Arbitration Association, as modified herein. Any attempt by any such person or entity to enforce this arbitration provision shall constitute conclusive consent to be bound hereby. The arbitration hearing shall be conducted in Glynn County, Georgia or other location agreed to by all parties. All claims and causes of action of all persons and entities entitled to enforce (or bound by) this arbitration provision shall be asserted in a single arbitration proceeding, and multiple parties may be joined in the arbitration proceeding so that all disputes may be resolved in one forum. No claim or cause of action may be asserted that would be barred by the statute of limitations or the statute of repose.

In any arbitration proceeding, requests for production of documents may be served by each party, and non-privileged, responsive documents shall be produced. Depositions may be taken as allowed by the arbitration panel. The panel shall limit the number of depositions in order to avoid unnecessary or excessive expense, delay, or harassment. The arbitration panel shall issue a written decision identifying with specificity each claim or cause of action asserted or resolved in any arbitration. Any arbitration award may be confirmed and enforced in any court

of jurisdiction.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this _____ day of _____, 20____.

WITNESSES:

PURCHASER:

SELLER:

**THE COTTAGES AT JEKYLL
ISLAND, LLC**

By: CHG Manager, LLC, its Manager

By _____
Gary N. Wadsten, its Manager

EXHIBIT A

Description of Seller's Property

A LEASEHOLD INTEREST, expiring not later than January 7, 2089, in the following described real property:

PARCEL 1

All of that lot, parcel or tract of land, lying and being in the 25th Georgia Militia District, Jekyll Island, Glynn County, Georgia and being more particularly described as follows;

Commencing at the intersection of the northerly right of way line of Tallu Fish Lane and the easterly right of way line of North Beachview Drive; thence along said North Beachview Drive right of way line N 03°06'18" W a distance of 626.03' to a capped iron rebar set, said point also being the POINT OF BEGINNING; thence proceed along said right of way line N 03°06'18" W a distance of 468.84' to an iron pipe found; thence with a curve turning to the left having a radius of 5826.54', a chord bearing of N 05°57'06" W and a chord length of 579.98' thence along the arc of said curve a distance of 580.22' to a concrete monument found; thence N 08°48'57" W a distance of 285.54' to a concrete monument found; thence leave said right of way line and proceed N 81°05'04" E a distance of 324.28' to an iron pipe found; thence S 05°48'01" E a distance of 1182.51' to a concrete monument found; thence S 04°20'16" E a distance of 176.19' to a capped iron rebar set; thence S 85°32'07" W a distance of 324.89' to the POINT OF BEGINNING; said tract of land has an area of 9.615 acres more or less.

AND

PARCEL 2

All of that lot, parcel or tract of land, lying and being in the 25th Georgia Militia District, Jekyll Island, Glynn County, Georgia and being more particularly described as follows;

Beginning at a concrete monument found at the intersection of the northerly right of way line of Tallu Fish Lane and the easterly right of way line of North Beachview Drive; thence along said North Beachview Drive right of way line N 03°06'18" W a distance of 626.03' to a capped iron rebar set; thence leave said right of way line and proceed N 85°32'07" E a distance of 324.89' to a capped iron rebar set; thence S 04°20'16" E a distance of 633.82' to a concrete monument found; thence S 86°53'01" W a distance of 338.43' to the POINT OF BEGINNING; said tract of land has an area of 4.796 acres more or less.

Initial

Date

Initial

Date

Initial

Date

EXHIBIT B

Plans and Specifications

[To be attached]

EXHIBIT C

NONWARRANTABLE CONDITIONS

THIS LIST OF NONWARRANTABLE CONDITIONS ARE COMMON ITEMS THAT SELLER IS UNABLE TO WARRANT AND ARE NOT INTENDED TO BE AN EXHAUSTIVE LIST OF NONWARRANTABLE ITEMS. NONWARRANTABLE CONDITIONS SHALL NOT RESULT IN SELLER LIABILITY.

1. Concrete foundations, walks, drives and patios can develop hairline cracks not affecting the structural integrity and strength of the building. There is no method of eliminating this condition which is caused by expansion and contraction and not covered by warranty.
2. Masonry and mortar may normally develop cracks due to shrinkage in either the mortar or brick. This is not a defect and not covered by warranty.
3. Wood will sometimes crack and “spread apart” due to the drying process usually caused by heat inside the house or exposure to sun on the outside. This normal condition is a maintenance item to be cared for by the homeowner and not covered by warranty.
4. Drywall/sheetrock may develop nail pops or settlement cracks which is a normal part of the drying process and may be easily handled by the homeowner with spackling during normal redecorating and therefore not warranted. If the purchaser makes request within one year of a purchase of a new home, we will make necessary repairs that will not include repainting.
5. Floor squeaks generally appear and disappear over time with changes in weather. Extensive research has determined that much has been tried but little can be done about floor squeaks that are therefore not covered by warranty.
6. Wood, tile and carpet floor surfaces require care and maintenance and are not covered by warranty for damage caused by use or neglect. Floor casters are recommended to prevent scratching and chipping. Stains in wood, tile and carpets should be cleaned immediately to prevent discoloration. Carpet loosens in damp weather and stretches tight again in dry weather.
7. Caulking of exterior and interior including tubs, showers and tile will crack or bleed in the months after installation as a normal minor occurrence to be maintained by the homeowner and not covered by warranty.
8. Broken glass or mirrors not noted at the final inspection report shall not be covered by warranty.

Initial

Date

Initial

Date

Initial

Date

EXHIBIT C

NONWARRANTABLE CONDITIONS
(CONTINUED)

9. Frozen pipes and sillcocks are not covered by warranty because the homeowner must take precautions to prevent freezing during severe cold weather such as removing outside hoses, leaving faucets with a slight drip, or turning off the water system if the house is to be left for extended periods during cold weather.
10. Stained woods will normally have variation of colors that may change due to the different texture and drying. Paneled doors may dry leaving small cracks of bare wood. None of these are warrantable conditions.
11. Good paint has been used on your home, nevertheless, paint can crack, and is not a defect in the paint but most often caused by other sources. Avoid allowing lawn sprinklers to hit painted areas and avoid washing down painted areas. Inside, do not scrub or wash down latex painted areas. Be aware of newly painted walls when moving furniture. Even the best paint will stain or chip if not cared for properly. Defects in painting not noted at the final inspection report will not be covered by warranty.
12. Chips, scratches, mars in tile woodwork, walls, porcelain, brick, plumbing fixtures, marble, formica, lighting fixtures, appliances, doors, paneling, siding, screens, windows, carpet, vinyl floors, cabinets, etc. that is not noted by you on final inspection report are not covered by warranty.
13. Dripping faucets, toilet adjustments and toilet seats are covered by the warranty for a 30-day period after closing only. Plumbing that is stopped-up during the warranty period as detected by the person servicing the plumbing finding foreign materials in the line will result in a service charge billing for the service call.
14. Grading has been performed on your lot to provide drainage away from your home. Changes in landscaping, installation of patio or service walks or other reasons may result in a change of drainage pattern and slope. Drainage, subsequent flooding or stagnant pool formation is not covered by warranty if the established pattern is altered.
15. Roof material is warranted only as prorated over the period of the lifetime use of the roof. Warranty claims for defects in roof materials must be directed to the manufacturer with our limited assistance. Damage caused to the roof by walking on the roof or by installing a TV antenna or other alterations and installations on a roof is not covered by warranty.
16. Heating and air-conditioning is only covered by manufacturer's warranty. The homeowner is responsible for installing clean filters that are to be changed on a regular 30-day basis because failure to do so may void your warranty. It is good to have equipment properly inspected and serviced annually.

SCHEDULE A

Plans, Specifications and Selections

PLANS, SPECIFICATIONS AND SELECTIONS TO BE ATTACHED.

SCHEDULE B

Reservation of Flexibility for New Construction

SELLER'S RESERVATION OF FLEXIBILITY: Seller cannot guarantee a firm completion and availability date for any uncompleted improved Lot. Seller shall make every reasonable and diligent effort to meet or exceed estimated construction schedule; however, Seller shall not be obligated to provide or compensate for any accommodations or costs to Purchaser or any other damages as a result of construction or other delays. Further, such delays shall not serve to cancel, amend or diminish any of the Purchaser's obligations herein undertaken. However, Seller acknowledges its unconditional obligation to complete and deliver the improved Lot to Purchaser within not more than two (2) years from the date Purchaser signs this Agreement. **ALL MAPS, BROCHURES AND PLANS ARE PURELY FOR PLANNING AND ILLUSTRATION PURPOSES AND ARE NOT TO BE RELIED UPON AS THE FINAL MAPS FOR RECORDING. SELLER SHALL BE OBLIGATED FOR AND PURCHASER SHALL RELY SOLELY UPON THE PLANS AND PLATS THAT ARE OR WILL BE RECORDED IN THE PUBLIC RECORDS OF GLYNN COUNTY.**

Initial

Date

Initial

Date

Initial

Date