

THIS AGREEMENT IS SUBJECT TO MANDATORY ARBITRATION PURSUANT TO THE FEDERAL ARBITRATION ACT OR, IF THE FEDERAL ARBITRATION ACT IS INAPPLICABLE, THE UNIFORM ARBITRATION ACT, SECTION 15-48-10, ET SEQ., CODE OF LAWS OF SOUTH CAROLINA 1976 AS AMENDED.

**THE POINTE
REAL ESTATE PURCHASE AGREEMENT (Non-Presale)**

THE MANAGING MEMBER OF THE POINTE LLC IS A LICENSED REAL ESTATE AGENT IN SOUTH CAROLINA.

THIS REAL ESTATE PURCHASE AGREEMENT (this "Agreement") made by and between The Pointe LLC, a South Carolina limited liability company ("Seller"), and the Purchaser(s) identified in Part I hereof (collectively if more than one "Purchaser").

PART I – IDENTIFICATIONS

A. Purchaser.

NAME: _____	NAME: _____
SS#: _____	SS#: _____
ADDRESS: _____	ADDRESS: _____
CITY: _____	CITY: _____
STATE: _____ ZIP: _____	STATE: _____ ZIP: _____
HOME PHONE: _____	HOME PHONE: _____
BUSINESS PHONE: _____	BUSINESS PHONE: _____
FAX #: _____	FAX: _____
MOBILE PHONE #: _____	MOBILE PHONE #: _____
E-MAIL ADDRESS: _____	E-MAIL ADDRESS: _____

B. The Villa and Purchase Price.

Villa Number: _____ (the "Villa")

Address of Villa: _____ Purchase Price: \$ _____

- (a) Payment of Purchase Price. Purchaser will pay the Purchase Price set forth above in installments as follows:
- (i) Earnest Money Deposit. Purchaser agrees to pay an "Earnest Money Deposit" in the amount of 15% of the Purchase Price in two installments:
 - (ii) Earnest Money already on deposit with Drake Development Company USA (if applicable). \$ _____
 - (iii) Earnest Money due with delivery to Seller of this Agreement. \$ _____
 - (iv) Balance at Closing. The balance of the Purchase Price (not including all of Purchaser's Closing costs, prepaids, and escrow deposits required hereunder) in cash or certified funds. \$ _____
- Total Purchase Price** \$ _____

C. **Definitions:**

- (a) "Association" means The Pointe Condominium Association, Inc., a non-profit corporation, which will be established pursuant to the Master Deed.
- (b) "Effective Date" means the date on which Seller or Purchaser, whichever is later, dates its execution of this Agreement.
- (c) "Escrow Agent" means Drake Development Company USA. Purchaser acknowledges that Escrow Agent is affiliated with Seller.
- (d) "Master Deed" means the Master Deed that Seller has recorded to establish the condominium regime for The Pointe. If this agreement is for purchase of a villa in an additional phase of the Project, "Master Deed" means the Master Deed for phase 1 of the Project and all amendments thereto, including the amendment which will add the Villa to the Project.
- (e) "Project" means The Pointe condominium project, including the Villa.
- (f) "Regime" means the horizontal property regime for the Project, which is established by the recording of the Master Deed.

D. **Real Estate Commission.** Purchaser warrants and represents that, other than Drake Development Company USA, Purchaser has not dealt with any real estate agent who may be entitled to claim a real estate commission in this transaction, other than the following (if left blank, there are none):

Company: _____

Agent: _____

PART II – TERMS & CONDITIONS

The rights and obligations of Seller and Purchaser are determined solely by reference to the terms and conditions set forth in this Part II.

1. **The Purchase Price.** Purchaser will pay to Seller at Closing the Purchase Price of the Villa set forth in Paragraph B of Part I of this Agreement, plus Purchaser's closing costs.

1.1 **Earnest Money Deposit.** Escrow Agent will receive the Earnest Money Deposit and any additional deposit to be made, as set forth in Paragraph B of Part I of this Agreement, and will deposit said sums in its escrow account, to be held by the Escrow Agent as an earnest money deposit and disbursed in accordance with this Part II. All interest earned on the Earnest Money Deposit shall be paid to Seller and not credited against the Purchase Price.

1.2 **Payments at Closing.** The Purchase Price, together with all of Purchaser's Closing costs, prepaids, and closing escrow deposits required hereunder, less the Earnest Money Deposit, will be paid in cash or by certified, collected funds at the Closing.

2. **Financing.**

2.1 **Purchaser's Responsibility.** Purchaser will be responsible for obtaining financing for the purchase of the Villa should it so choose.

2.2 **Financing.** Purchaser affirms that financing is not a contingency of this Agreement.

2.3 **Purchaser understands that FNMA approval is not being sought and will not be obtained for the Project and that loans for the purchase of the Villas are not qualified for purchase by FNMA.**

THIS AGREEMENT IS NOT INTENDED AS AN OFFER TO SELL NOR A SOLICITATION OF OFFERS TO BUY REAL ESTATE IN SOUTH CAROLINA BY RESIDENTS OF CONNECTICUT, HAWAII, IDAHO, ILLINOIS, NEW YORK, NEW JERSEY, NORTH CAROLINA, OREGON OR ANY OTHER JURISDICTION WHERE PROHIBITED BY LAW OR WHERE REGISTRATION OF THE PROJECT OR INCORPORATION OF ADDITIONAL CONTRACT PROVISIONS WOULD BE REQUIRED.

2.4 Purchaser shall indicate by initialing below whether or not Purchaser intends to apply for financing referred to above (check one of the following):

___ I will pay CASH at Closing and will not require financing.

___ I am undecided at this time.

___ I DO intend to apply for mortgage financing.

Purchaser intends to use the Villa as (check one of the following):

primary residence

secondary residence

other purpose

3. **Master Deed.** Seller will provide Purchaser at Closing and transfer of title with a copy of the executed and recorded Master Deed of the Project and of the By-Laws for the Association. A copy of the recorded Master Deed is available for review on the internet at www.drakedevelopment.com.

4. **Title.** In consideration of the conditions and covenants contained in this Agreement, Seller agrees to convey to Purchaser a marketable title in fee simple to the Villa by general warranty deed subject only to the following (the "Title Matters"):

4.1 All rights, covenants, conditions, restrictions and easements of record;

4.2 Licenses and easements for utilities serving the Villa;

4.3 Interests created by or limitations on use imposed by the Federal Coastal Zone Management Act or other applicable federal law or by S.C. Code Section 48-39-200, as amended, or other applicable state law, or any regulations promulgated pursuant to said state or federal laws;

4.4 Taxes and assessments not yet due and payable;

4.5 Applicable state, county and municipal laws, ordinances, regulations, building codes and development standards;

4.6 The Master Deed and the Association By-Laws, as amended, to be recorded on or before the Closing in the office of the Register of Deeds for the County in which the Project is located (the "ROD Office");

If a title insurance company which is a member of the American Land Title Association will issue a binder to issue an owner's title insurance policy at Purchaser's expense insuring the title to the Villa in an amount equal to the Purchase Price, which owner's title insurance policy will have as exceptions only standard exceptions and exceptions to the Title Matters, Seller will be deemed to be able to convey acceptable marketable title to Purchaser. If, at the Closing, Seller cannot deliver a general warranty deed to the Villa subject only to said matters, Seller will have the right to extend the Closing for an additional 90 days to comply with the terms of the title policy; provided that closing must occur in any event by the Outside Closing Date.

5. **Closing Costs.**

5.1 Seller will pay for the preparation of the deed and the transfer tax required for recording of the deed. Seller will pay the fees of the Designated Closing Agent (as defined below). Purchaser will pay for any and all other Closing costs, including but not limited to recording fees, prepaid items and title insurance premiums. Purchaser will also pay at the Closing: assessments and working capital contributions as are due and payable under the Master Deed and the Association By-Laws and ad valorem taxes for the pro rata portion of the calendar year during which Purchaser will hold title to the Villa. If the Villa has not been established as a separate taxable unit at the County's property tax office at the date of Closing, the property tax for the year of Closing will be billed to Seller by the County at year end. Accordingly, at Closing the settlement statement will include a credit to Seller and against Purchaser for the estimated annual property tax for the Project, divided by the number of units in the Project, and prorated as of the date of Closing. Seller will pay the property tax bill when due. Beginning the year after Closing, Purchaser's Villa will be separately taxed and Purchaser will be responsible for paying the property tax. If the Villa is already separately taxed at the date of Closing, the proration credit shall be in Purchaser's favor at the Closing, based on the estimated property tax on the Villa, and Purchaser will pay the property tax bill when due.

5.2 The parties acknowledge that Seller and Purchaser will benefit from having one attorney, who is familiar with title to the Property and the closing procedures for the Project, to handle the Closing. Accordingly, Seller will designate a law firm (the "Designated Closing Agent") that will conduct the Closing. Seller will pay the legal fees charged by the Designated Closing Agent for the Closing. Purchaser acknowledges and agrees that the Designated Closing Agent also may represent Seller with respect to the Project, may represent Seller in preparation of closing documents, and may represent Seller in any subsequent dispute with Purchaser concerning the Villa or the Project not related to the closing services provided by the Designated Closing Agent to Purchaser. Seller will not pay for title insurance, loan fees and other closing costs, which will be the responsibility of Purchaser. Purchaser may at its option and its expense retain an additional attorney to advise Purchaser with respect to the Closing, provided that such attorney does not delay the Closing.

6. Closing.

6.1 The Closing shall be conducted at a time, place and date selected by Seller and Seller shall give Purchaser not less than fifteen (15) days prior written notice thereof. Seller may, after giving such notice, extend the Closing date for a reasonable time if required by circumstances, subject to the Outside Closing Date. Purchaser must inspect the Villa with Seller and/or the Contractor for the Project, at a time designated by Seller, prior to Closing, and immediately notify Seller and Contractor of any items which are not completed in a workmanlike manner so that arrangements can be made with the Contractor to correct same. Since Seller is providing the one (1) year Limited Warranty mentioned below (**AFFECTIVE FROM THE TIME THE CERTIFICATE OF OCCUPANCY WAS ISSUED**), acceptance at the Closing by Purchaser of the Deed from Seller shall constitute full performance by Seller in accordance with the Agreement, except for items listed in the Inspection Report (defined below) and items correctable under the terms of the one (1) year Limited Warranty. The terms and conditions set out in the attached Limited Warranty, Limitation of Remedies & Disclaimer and Exclusion of All Other Warranties (the "Limited Warranty") are incorporated herein by reference. Seller and Purchaser will execute the Limited Warranty at Closing and the terms thereof, at Seller's option, shall be included in the deed from Seller to Purchaser. The terms of the Limited Warranty shall be binding on the heirs, successors, and assigns of the grantee and run with the title to the Villa.

6.2 Inspection Procedure for the Villa:

- (a) Inspection shall be made by Purchaser (or at Purchaser's option, an independent home inspector designated by Purchaser) at a time and date designated by Seller and in the company of a representative of Seller and/or the Contractor. Items to be corrected as mutually agreed will be listed in an inspection report ("Inspection Report") which is signed by Purchaser and Seller's representative and/or the Contractor.
- (b) Seller shall make every reasonable effort to correct all of the items listed in the Inspection Report.
- (c) No corrections will be made for defects not recorded on the Inspection Report or for defects first claimed or discovered after the expiration of the Limited Warranty period. Correction of defects will be made within a reasonable time after Seller is notified of such defects in writing during the Limited Warranty period.

Seller shall have the right to charge Purchaser interest on the Purchase Price at a rate equal to the highest rate Seller is paying the Construction Lender plus two percentage points ("Delay Interest Rate") per annum for each day Purchaser delays his closing or pursue all other remedies available to Seller under law or equity for said delays. In addition, prorations for all assessments and taxes shall be calculated from the originally scheduled Closing date as set by Seller pursuant to this Agreement, even if Purchaser delays Closing and closes at a later date. The acceptance of a deed by Purchaser will be deemed to be a full performance and discharge of every agreement and obligation on the part of Seller, and Purchaser will not be entitled to possession of the Villa until conclusion of Closing.

7. **Closing Date.** Seller agrees to close on the Villa on or before _____, provided that the Outside Closing Date shall be extended to the extent delayed by labor dispute, fire or other casualty, government or utility agency moratorium, war, act of terrorism, civil unrest or other event beyond Seller's control.

8. Defaults.

8.1 **Default by Purchaser.** In the event of a default in the performance of any obligation of Purchaser pursuant to this Agreement, Seller will have the right to specifically enforce this Agreement according to its terms and/or to pursue any and all other remedies available to Seller at law or in equity, or Seller may, at Seller's election, elect to terminate this Agreement and to be released from any further obligations to Purchaser pursuant to this Agreement, and in such event will be entitled to retain the Earnest Money Deposit and all other deposit(s) as agreed liquidated damages, it being the intention

and agreement of the Parties that the amount of such Earnest Money Deposit and all other deposit(s) will act as a fair measure of compensation for actual damages incurred by Seller as a result of Purchaser's default.

8.2 **Default by Seller.** If Seller defaults in the performance of any of Seller's obligations as set forth in this Agreement and such default (other than Seller's failure to complete by the Outside Closing Date) is not cured within 90 days after written notice of default is given by Purchaser to Seller, Purchaser will be entitled to, at its election, either

- (a) terminate this Agreement and receive from Seller an amount equal to Purchaser's Earnest Money Deposit; provided, however, that in the event of the nonmaterial breach of any term or condition of this Agreement, Purchaser's remedies will not include termination of this Agreement; or
- (b) seek specific performance by Seller of this Agreement, but not damages.

9. **Villa Construction Plans. Building is complete.**

10. **Limited Warranty.** AT CLOSING, SELLER WILL DELIVER THE ATTACHED CERTIFICATE OF "LIMITED WARRANTY, LIMITATION OR REMEDIES, DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES" FORM (HEREINAFTER THE "LIMITED WARRANTY"). THE LIABILITY OF SELLER IS EXPRESSLY LIMITED ONLY TO THE ONE-YEAR LIMITED WARRANTY (AFFECTIVE FROM THE TIME THE CERTIFICATE OF OCCUPANCY WAS ISSUED) CONTAINED THEREIN. SELLER MAKES NO WARRANTY, EXPRESSED OR IMPLIED, FOR THE VILLA OR ANY FURNISHINGS, FURNITURE OR EQUIPMENT PURCHASED ALONG WITH THE VILLA (INCLUDING, BUT NOT LIMITED TO, WARRANTY OF HABITABILITY OR FITNESS FOR PURPOSE, WARRANTY OF MERCHANTABILITY, SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, OR FITNESS), OTHER THAN THE EXPRESS WARRANTY OF TITLE CONTAINED HEREIN.

11. **Insulation.** Common party walls between Villas will contain a blanket of sound insulation with a thickness of 3.5 inches. The outside of the exterior walls will be a 10 inch poured concrete with an R-Value of 1. Attached to the exterior of the exterior walls is 1/2 inch Power Wall Finish with an R-Value of .5. The interior side of the exterior walls includes 2.5 inches batt insulation with an R-Value of 11 as well as a 5/8 Gypsum Board with an R Value of .5. The total R-Value of the exterior wall system according to the manufacturer will equal 13. The roof area will be insulated with Iso-Board to a varying thickness, which according to the manufacturer will yield an average R-Value of 19. Purchaser understands and acknowledges the data on insulation, thickness and R values may vary depending on local conditions and vagaries in construction including, but not necessarily limited to, such items as window openings in walls (which cannot carry the same R value as the rest of the wall, or plumbing or other structures within walls which displace insulation thickness, etc.). Purchaser acknowledges that information regarding R values is based solely on information given to Seller by the appropriate manufacturers based on the thickness listed. Purchaser agrees that Seller is not responsible for any manufacturer's errors.

12. **The Pointe Horizontal Property Regime.** The Villa will be conveyed to Purchaser subject to the Master Deed and the Association Bylaws. The Master Deed provides or will provide, in part, that every owner of property within the Project will be liable for assessments, both regular and special, for the purpose of insuring, maintaining, repairing and replacing the common elements of the Project, commencing with the date Seller conveys title to the Villa. Seller reserves the right to modify the Master Deed in any manner whatsoever prior to Closing; after Closing, any amendments to the Master Deed will be undertaken as provided in the Master Deed.

13. **Casualty.** Partial loss or damage to the Project by fire, storm or other casualty between the date hereof and the Closing shall not void or impair this Agreement, but all such damages prior to Closing may be repaired by Seller. In the event of total or substantial loss as a result of the hazards mentioned above, Seller shall, subject to the rights of the Construction Lender, have sole rights to all insurance proceeds payable with respect to such loss and Seller shall have the option to repair all damages at its cost or to cancel this Agreement and refund the Earnest Money Deposit without interest.

14. **Economic Advisability.** PURCHASER REPRESENTS THAT PURCHASER IS PURCHASING THE VILLA FOR PURCHASER'S PERSONAL USE AND ENJOYMENT AND THAT NO REPRESENTATION HAS BEEN MADE TO PURCHASER BY SELLER, DRAKE DEVELOPMENT COMPANY USA AND ANY SALES AGENT OR OTHER PARTY REGARDING THE ECONOMIC ADVISABILITY OF THIS TRANSACTION, FUTURE APPRECIATION OR POTENTIAL RENTAL RETURNS. SELLER, DRAKE DEVELOPMENT COMPANY USA AND ANY SALES AGENT OR OTHER PARTY MAKE NO REPRESENTATION OR WARRANTY AS TO ANY TAX OR OTHER BENEFITS, INCLUDING APPRECIATION, WHICH PURCHASER MIGHT RECEIVE AS A RESULT OF PURCHASER'S OWNERSHIP OF THE VILLA. SELLER HEREBY ADVISES PURCHASER TO CONSULT WITH PURCHASER'S OWN LEGAL AND/OR FINANCIAL

ADVISORS AS TO THE TAX BENEFITS, IF ANY, AVAILABLE TO PURCHASER AS A RESULT OF PURCHASER'S OWNERSHIP OF THE VILLA.

15. **Agency Disclosure.** THE LAW REQUIRES THAT PURCHASER AND SELLER RECEIVE AN AGENCY DISCLOSURE BROCHURE, ALONG WITH AN EXPLANATION OF THE AGENCY DISCLOSURE BROCHURE. THE BROCHURE DEFINES THE RELATIONSHIP BETWEEN THE PARTIES. DRAKE DEVELOPMENT COMPANY USA AND ITS AGENTS ALWAYS REPRESENT SELLER. A FULL DISCLOSURE AND AN EXPLANATION OF THE RELATIONSHIPS ARE INCLUDED IN THE AGENCY DISCLOSURE BROCHURE. SHOULD PURCHASER HAVE ANY QUESTIONS ABOUT THIS BROCHURE OR THE AGENCY RELATIONSHIP, THEY ARE DIRECTED TO THE BROKER-IN-CHARGE OF PURCHASER'S AGENT, IF APPLICABLE, OR THE SOUTH CAROLINA REAL ESTATE COMMISSION OR AN ATTORNEY OF THEIR CHOICE. THE MANAGER OF SELLER IS A LICENSED REAL ESTATE BROKER/AGENT IN SOUTH CAROLINA. BY SIGNING BELOW, PURCHASER IS ACKNOWLEDGING RECEIPT OF THE AGENCY DISCLOSURE BROCHURE, ALONG WITH AN EXPLANATION OF THE DIFFERENT TYPES OF AGENCY IN SOUTH CAROLINA.

16. **Coastal Zone Disclosure.** NOTICE AS REQUIRED BY § 48-39-330, S.C. CODE ANN., IS HEREBY GIVEN THAT THE PROPERTY WHICH IS THE SUBJECT OF THIS AGREEMENT IS OR MAY BE AFFECTED BY BASELINES, SETBACK LINES, JURISDICTION LINES, SEAWARD CORNERS OF ALL HABITABLE STRUCTURES AND EROSION RATES, AS ESTABLISHED BY THE SOUTH CAROLINA DEPARTMENT OF ENVIRONMENTAL COASTAL, OFFICE OF COASTAL RESOURCE MANAGEMENT.

17. **Option of Review by Attorney.** This Agreement has important legal consequences that should be read thoroughly prior to signing. If you have any questions about your rights or responsibilities under this Agreement, you may wish to consult an attorney.

18. **Additional Seller Disclosures.** Purchaser acknowledges the following:

18.1 No representations are made that the Villa is or will be soundproof or that sound may not be transmitted from one Villa to another.

18.2 Purchaser understands and agrees that there are various methods for calculating the square footage of a Villa, and that depending on the method of calculation, the quoted square footage of the Villa may vary by more than a minimal amount. Accordingly, during the pre-closing inspection, Purchaser should, among other things, review the size and dimensions of the Villa. By closing, Purchaser shall be deemed to have conclusively agreed to accept the size and dimensions of the Villa, regardless of any variances in the square footage from that which may have been disclosed to Purchaser at any time prior to Closing, whether included as part of the Plans, Seller's promotional materials or otherwise. Without limiting the generality of any other provision of this Agreement, Seller does not make any representation or warranty as to the actual size, dimensions or square footage of the Villa, and Purchaser hereby waives and expressly releases any such warranty and claim for loss or damage resulting from any variances between any represented or otherwise disclosed square footage and the actual square footage.

18.3 The Villa may trap humidity created by everyday living (cooking, bathing, laundering, etc.). As a result, condensation may appear on the interior portion of windows and glass surfaces and fogging of windows and glass surfaces may occur due to temperature disparities between the interior and exterior portions of the windows and glass. If left unattended and not properly maintained by Purchaser, the condensation may increase resulting in staining, damage to surrounding seals, caulk, paint, wood work and sheetrock, and potentially mildew or mold. Further, given the climate and humid conditions in South Carolina, molds, mildew, toxins and fungi may exist and/or develop within the Villa and/or the Project. Purchaser is hereby advised that certain molds, mildew, toxins and/or fungi may be, or if allowed to remain for a sufficient period may become, toxic and potentially pose a health risk. By acquiring title to a Villa, Purchaser shall be deemed to have assumed the risks associated with molds, mildew, toxins and/or fungi and to have released the Seller and Association from any and all liability resulting from same.

18.4 Exposed concrete surfaces in portions of the Project which are not heated and cooled are subject to cracking due to (A) water penetration, (B) expansion and contraction of the concrete with temperature changes, and (C) building settlement.

18.5 Concrete surfaces in heated and cooled portions of the Project are subject to cracking due to building settlement.

18.6 Radon is a naturally occurring radioactive gas that when it has accumulated in a building in sufficient quantities, may present health risks to persons who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been found in buildings in South Carolina. Additional information regarding radon and radon testing may be obtained from the South Carolina Department of Health and Environmental Control. Seller makes no representation to Purchaser concerning the presence or absence of radon gas in the Villa at any time in any quantity. Purchaser hereby

expressly releases Seller from any loss, claim, liability or damages now or hereafter arising from or related to the presence or absence at any time of radon gas in the Villa.

19 Disclaimer Concerning Drake Development Company USA and Its Agents and Brokers. The parties acknowledge that Drake Development Company USA and its agents and brokers:

- 19.1 Make no guaranty, representation or warranty of any kind, express or implied, as to the physical condition of the Project or the Villa;
- 19.2 Make no guaranty, representation or warranty, express or implied, as to the merchantability or fitness for a particular purpose of the Project or Villa and any implied warranty is hereby disclaimed;
- 19.3 Make no warranty as to title;
- 19.4 Make no guaranty or warranty concerning (a) any certification or inspection concerning the condition of the Project or Villa, (b) any matters which would be reflected by a current survey of the Project, or (c) the accuracy of the published square footage of the Villa;
- 19.5 Make no guaranty, representation or warranty as to any other matters concerning the Villa or the Project.

20 Arbitration.

20.1 **SELLER AND PURCHASER AGREE THAT ANY "DISPUTE" (AS DEFINED BELOW) BETWEEN THE PARTIES SHALL BE SUBJECT TO MANDATORY ARBITRATION, AT THE REQUEST OF EITHER PARTY, WHETHER MADE BEFORE OR AFTER INSTITUTION OF ANY JUDICIAL PROCEEDING, PURSUANT TO THE FEDERAL ARBITRATION ACT OR, IF IT IS DEEMED NOT TO APPLY, THE SOUTH CAROLINA UNIFORM ARBITRATION ACT, SECTION 15-48-10 ET. SEQ. OF THE CODE OF LAWS OF SOUTH CAROLINA.** The term "Dispute" shall mean any dispute, claim or controversy of any nature whatsoever between Seller and Purchaser, including without limitation (i) any dispute, claim or controversy arising out of or relating to this Agreement, (ii) any dispute, claim or controversy arising out of or relating to the Villa, the condition of the Villa or any alleged defect in the Villa, or in the property on which the Villa is located, (iii) any dispute, claim or controversy concerning any aspect of the Project, including the condition of the common elements or any alleged defect in the common elements of the Project, (iv) any dispute, claim or controversy concerning the sale of the Villa by Seller, and (v) any other dispute, claim or controversy which concerns the Villa, the Project (including the common elements) or their surrounding land or environment in any manner, whether or not based on or relating to this Agreement. Without limiting the generality of the foregoing, Disputes which are subject to arbitration under this paragraph shall include disputes based on alleged breach of contract, Disputes based on alleged negligent or intentional misrepresentation or non-disclosure in the inducement of a contract or in the execution or performance of a contract, Disputes concerning alleged breach of any alleged duty of good faith and fair dealing, Disputes under the Limited Warranty provided in this Agreement, and Disputes concerning the design, construction or condition of the Villa, the Project (including the common elements) or the surrounding subdivision or environment. Disputes subject to arbitration hereunder also include all disputes, claims and controversies alleging negligence, gross negligence, reckless conduct, intentional conduct, breach of implied warranty of habitability or any other basis or theory of liability whatsoever. The parties confirm their intention that this arbitration paragraph be construed liberally to give effect to the parties' desire that all Disputes between the parties of every nature whatsoever be subject to arbitration. Institution of a judicial proceeding by a party does not waive the right of that party to demand arbitration hereunder. Disputes include disagreement as to whether a matter is subject to arbitration, claims brought as class actions, and claims arising from documents executed in the future.

20.2 Arbitration shall be conducted under and governed by the Construction Industry Arbitration Rules of the American Arbitration Association (the "AAA"). All applicable statutes of limitation shall apply to a Dispute. As a condition precedent to arbitration, the dispute shall first be mediated in accordance with the Construction Industry Mediation Rules of the AAA, or such other mediation service selected by us. The arbitration proceedings shall be conducted in the county where the Project is located, on an expedited basis before a neutral arbitrator who is a member of the Bar of the State of South Carolina, and has been actively engaged in the practice of law for at least 15 years, specializing in commercial transactions with substantial experience in the subject matter of this Agreement. The arbitrator should be of recognized standing in South Carolina and need not necessarily be an attorney who generally serves as an arbitrator for AAA or otherwise. Any attorney who serves as an arbitrator shall be compensated at a rate equal to his or her current regular hourly billing rate. Upon the request of either party, the arbitrator's award shall include findings of fact and conclusions of law provided that such findings may be in summary form. Either party may seek review of the arbitrator's award before an arbitration review panel comprised of three arbitrators qualified in the same manner as the initial arbitrator (as set forth above) by submitting a written request to the AAA. The right of review shall be deemed waived unless requested in writing within ten (10) days of the delivery of the initial arbitrator's award. The arbitration

review panel shall be entitled to review all findings of fact and conclusions of law in whatever manner it deems appropriate and may modify the award of the initial arbitrator in its discretion. Unless otherwise deemed appropriate by the arbitrator(s), the prevailing party shall be entitled to an award of all reasonable out-of-pocket costs and expenses (including attorneys' and arbitrators' fees) related to the entire arbitration proceeding (including review if applicable). In the event that the arbitration provision herein is invalidated by a court of competent jurisdiction, Seller and Purchaser, binding their heirs, successors and assigns, agree that any and all disputes which would have been subject to this arbitration provision shall be tried non-jury and further expressly agree that they hereby waive all resort to trial-by-jury of any and all issues otherwise so triable. Seller and Purchaser hereby consent to jurisdiction in South Carolina. This provision shall survive Closing and shall be binding on the heirs, successors and assigns of the parties.

23 Licensed Only in South Carolina. Drake Development Company USA and its agents are not licensed to sell real estate in any other state and all sales activity shall be conducted in South Carolina.

24. Rental Company Disclosure. Seller and Drake Development Company USA are NOT rental companies, do not discuss economic or tax benefits of rental arrangements or provide projected rental rates and occupancies of comparable villas, and do not provide purchasers with any data concerning rental rates or occupancy rates of comparable villas. Purchaser's purchase of the Villa is based on primary residence, recreational and vacation home aspects of the Project. Purchaser may at its option in its sole discretion may include the Villa in a rental arrangement. Purchaser is free to use any rental management services provider it may select, should Purchaser choose to rent the Villa through a rental management provider. **See restrictions on rentals as set forth in the Master Deed.**

25 Miscellaneous.

25.1 Utilities. Purchaser acknowledges that water, sewer, electricity, cable TV and other utility services will be provided by the applicable governmental authority or utility company, and that by owning the Villa, Purchaser will be charged directly by the utility providers for such services; provided, however, that if for any reason such services are not billed separately to Purchaser and are billed to the Project under a master meter, Purchaser will pay the Project for such service as reasonably determined by the Association. Purchaser has three (3) working days from the Closing of the Villa to have the applicable electricity provider put the account for electricity in Purchaser's name. If at the end of the three (3) working days this has not taken place, the general contractor for the Project will notify the electricity provider to remove the electrical meter for this Villa.

25.2 Notices. Any and all notices or other communication provided for in this Agreement will be given in writing and delivered by personal delivery or by registered or certified mail, first class postage prepaid, by facsimile transmission or by e-mail transmission. Any notices mailed in accordance with this Section will be deemed received upon actual receipt thereof or after the expiration of five (5) days, whichever is earlier. Notices sent by facsimile or via e-mail transmission will be deemed received on the date of its transmission, provided transmission occurs prior to 5:00 p.m., Eastern Time, and the sender retains proof of its transmittal and receipt without error. Notices will be addressed as follows:

If to Seller: The Pointe LLC
 c/o Drake Development Company USA
 3710 Landmark Drive suite 114
 Columbia, SC 29204
 ATTN: W. Russell Drake
 Fax: (803) 252-2684

If to the Escrow Agent: Drake Development Company USA
 3710 Landmark Drive suite 114
 Columbia, SC 29204
 ATTN: W. Russell Drake
 Fax: (803) 252-2684

If to Purchaser: As set forth on Page 1 of this Agreement

25.3 Further Conditions. This Agreement is intended to be exempt from registration under the Interstate Land Sales Full Disclosure Act and regulations issued pursuant thereto, and this Agreement will in all ways be construed so as to bring the transaction of purchase and sale set forth herein within the exemption provisions. Any terms contained herein which would have the effect of rendering this a nonexempt transaction will be void ab initio, but the remainder of this Agreement will remain in effect.

25.4 **Time is of the Essence.** It is expressly understood and agreed that **TIME IS OF THE ESSENCE** as to all obligations hereunder, including Purchaser's obligation to obtain a mortgage commitment and provide the Lender with all information requested, and close.

25.5 **Modification of Agreement.** Purchaser represents and warrants that Purchaser has not modified this Agreement from the standard form of this Agreement provided by Seller. This Agreement may not be changed or modified in any manner except by written instrument executed by both parties to this Agreement.

25.6 **Interpretation Presumption.** This Agreement has been negotiated by the parties hereto and/or by the respective attorneys for each party. The parties represent and warrant to one another that each has, by counsel or otherwise, actively participated in the finalization of this Agreement, and in the event of a dispute concerning the interpretation of this Agreement, each party hereby waives the doctrine that an ambiguity should be interpreted against the party which has drafted the document.

25.7 **Binding Effect; Assignment.** This Agreement is binding upon the heirs, devisees, personal representatives, successors and assigns of the parties; provided however, this Agreement and any rights of Purchaser hereunder may not be assigned by Purchaser. Seller may freely, and without restriction or notice to Purchaser, assign this Agreement.

25.8 **Unenforceable Provisions.** Should any provision of this Agreement be void or become unenforceable at law or in equity, the remaining provisions will remain in full force and effect and will not in any manner be thereby affected or impaired.

25.9 **Survival.** This Agreement and all the terms and conditions hereof will survive the Closing of the transaction contemplated hereby and will thereafter continue to bind the parties to this Agreement.

25.10 **Governing Law.** This Agreement shall be governed by the Laws of the State of South Carolina without regard to the conflicts of laws principles thereof.

25.11 **Delays.** Seller shall have no liability for any delays in construction caused by Purchaser's change orders and/or selection of materials.

25.12 **Execution by Facsimile; Multiple Counterparts.** This Agreement may also be executed by a party signing a facsimile or Internet e-mail copy thereof and transmitting same to the other party by facsimile or e-mail. This Agreement may be executed separately by the parties on multiple counterpart signature pages.

NOTE:

THIS IS A LEGALLY BINDING AGREEMENT. PLEASE READ EACH OF THE PAGES CAREFULLY AND BE SURE EACH BLANK HAS BEEN FILLED IN.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

25.13 **Entire Agreement of Parties.** This Agreement represents the entire agreement of Seller and Purchaser, all prior and contemporaneous agreements, understandings, representations and statements by either party being merged herein. Purchaser acknowledges that Purchaser is not relying upon, and Seller is not bound by, any promise, representation or statement of any nature made by any member, officer, employee, agent of Seller, Drake Development Company USA, Purchaser's broker, or any other broker or party not stated in writing in the body of this Agreement. Purchaser confirms, by writing "**NO ORAL STATEMENTS OR PROMISES**" or words of similar meaning below, that no promises, representations or statements have been made to Purchaser not set forth in writing in the body of this Agreement.

(Purchaser should complete this section in his or her handwriting in the space provided below; failure to complete shall mean that no promises, representations or statements have been made to Purchaser not set forth in this Agreement.)

The undersigned verifies that this Agreement with the attached Limited Warranty, Limitation of Remedies, Disclaimer and Exclusion of All Other Warranties was duly executed and signed in the State of South Carolina.

IN WITNESS WHEREOF, the undersigned have set their hands and seal on the date(s) indicated below. If the dates of signature differ between the parties, the later of the dates shall serve as the Effective Date of this Agreement.

WITNESSES AS TO ALL PURCHASERS' SIGNATURES: (Two (2) witnesses 18 years old or older)

WITNESS

WITNESS

WITNESSES AS TO SELLER: (Two (2) witnesses 18 years or older)

WITNESS

WITNESS

PURCHASER(S):

Purchaser

Date: _____

Purchaser

Date: _____

SELLER:

THE POINTE LLC

By: _____
W. RUSSELL DRAKE, MANAGER

Date: _____

OR

By: _____
AUTHORIZED OFFICER

Date: _____

MAKE CHECKS PAYABLE TO DRAKE DEVELOPMENT COMPANY, USA.

PURCHASER'S AGENT (PLEASE PRINT)

AGENCY NAME & ADDRESS (PLEASE PRINT)

CITY STATE ZIP

PHONE NUMBER

FAX NUMBER

DRAKE DEVELOPMENT COMPANY USA REPRESENTATIVE (PLEASE PRINT)

THE UNDERSIGNED ESCROW AGENT EXECUTES THIS AGREEMENT SOLELY TO ACKNOWLEDGE RECEIPT OF PURCHASER'S EARNEST MONEY DEPOSIT IN THE SUM SET FORTH IN PARAGRAPH B OF PART I OF THIS AGREEMENT AND TO ACKNOWLEDGE THE AGREEMENT OF ESCROW AGENT TO HOLD AND DISBURSE THE ESCROW MONEY DEPOSIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT.

WITNESSES:

ESCROW AGENT:

Drake Development Company USA

By: _____

Its: _____

Date: _____

731003

Attached To and Part of
The Pointe Real Estate Purchase Agreement

**LIMITED WARRANTY,
LIMITATION OF REMEDIES &
DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES**
(AFFECTIVE FROM THE TIME THE CERTIFICATE OF OCCUPANCY WAS ISSUED)

Villa # _____ (the "Dwelling")

NOTE: THIS DOCUMENT IS CONTRACTUAL IN NATURE AND LIMITS YOUR RIGHTS IN SIGNIFICANT RESPECTS.

This document provides a LIMITED WARRANTY, a LIMITATION OF REMEDIES, and a DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES.

The Limited Warranty identifies the sole limited warranty provided to the Purchaser, by Seller, pertaining to the Dwelling.

The Limitation of Remedies limits the obligations of Seller to the Purchaser in case of claims by the Purchaser under the Limited Warranty. Seller's only obligation is limited to the repair or replacement, at Seller's option, of the defective condition.

The DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES disclaims all other warranties besides the LIMITED WARRANTY. The LIMITED WARRANTY is the Purchaser's sole warranty on the Dwelling.

The LIMITED WARRANTY, the LIMITATION OF REMEDIES, and the DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES, are all subject to the ADDITIONAL TERMS AND CONDITIONS described herein.

The Pointe LLC, a South Carolina limited liability company ("Seller"), assigns to Purchaser all its rights under the LIMITED WARRANTY as received from _____ (the "Contractor"), and more fully described in the Project Manual for The Pointe, Horry County, South Carolina, prepared by **Jenkins Hancock & Sides Architecture, Interiors, Engineering Inc.** (the "Architect"), dated _____. This warranty is limited to the Work performed by the Contractor pursuant to the Plans and does not apply to any portion of the Dwelling which has not been constructed by the Contractor.

The LIMITED WARRANTY is further subject to the following LIMITATION OF REMEDIES, DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES, and ADDITIONAL TERMS AND CONDITIONS.

Seller's sole obligation and Purchaser's sole remedy under the Limited Warranty described above, to the exclusion of all other remedies, is limited to the repair or replacement, at Seller's option, of the defective condition of the work pursuant to the Plans (the "Work"). Any portion of the buildings or other improvements not included in the Plans is sold "AS IS" without warranty. Purchaser must give written notice to Seller, specifically describing the defect to be repaired or replaced within one (1) year after the date of Closing (the "Warranty Period"). No warranty is given for matters as to which Seller does not receive written notice during the Warranty Period.

THE "LIMITED WARRANTY" PROVIDED ABOVE IS IN LIEU OF ALL OTHER WARRANTIES OF SELLER, WHETHER EXPRESS OR IMPLIED (INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OF MERCHANTABILITY, SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS, HABITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE).

THE "LIMITED WARRANTY" PROVIDED ABOVE IS NON-TRANSFERABLE AND IS PERSONAL ONLY TO PURCHASER WHO HAS SIGNED AND APPROVED THIS LIMITED WARRANTY, UNLESS APPROVAL IS OBTAINED FROM SELLER PRIOR TO TRANSFER.

AS TO ANY FURNITURE, FURNISHINGS, OR OTHER PERSONAL PROPERTY (INCLUDING WITHOUT LIMITATION, FAN COIL UNITS(S), MOTORIZED DAMPERS, AND HEATING, VENTILATING AND COOLING CONTROLS) CONVEYED ALONG WITH THE DWELLING BY SELLER TO PURCHASER, AND AS TO ANY "CONSUMER PRODUCT" (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL LAW OR IMPLEMENTING REGULATIONS, OR AS A TERM OF SIMILAR MEANING MAY BE DEFINED UNDER STATE, OR LOCAL LAWS, OR THEIR IMPLEMENTING REGULATIONS), AND AS TO ANY PORTION OF THE CONDOMINIUM AND OTHER IMPROVEMENTS, NOT CONSTRUCTED BY CONTRACTOR PURSUANT TO THE PLANS, WHICH MAY BE CONTAINED IN THE PURCHASED DWELLING, OR THE COMMON AREA, SELLER NEITHER MAKES NOR ADOPTS ANY WARRANTY WHATSOEVER AND SPECIFICALLY EXCLUDES, EXPRESS OR IMPLIED, WARRANTIES OF ANY NATURE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. ADDITIONALLY, SELLER EXCLUDES AND DISCLAIMS ALL WARRANTIES OF SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS, OR OF HABITABILITY.

Additional Terms and Conditions:

The Limited Warranty provided above is subject to the following terms, conditions and exclusions, all of which are a part hereof:

1. Inspection Procedure.
 - (a) Purchaser has the right to a pre-occupancy inspection of the purchased Dwelling to be made prior to the scheduled Closing. This inspection is to be made by Purchaser in Seller of a representative of Seller and/or the Contractor. Items to be corrected as mutually agreed upon are listed in an inspection report ("Inspection Report"), which is signed by Purchaser and a representative of Seller and/or the Contractor.
 - (b) Seller and Contractor shall make every reasonable effort to correct all of the items listed in the Inspection Report.
 - (c) No corrections will be made for defects in the Work not recorded on Seller's Inspection Report or for defects in the Work first claimed or discovered after the expiration of the Warranty Period. Correction of latent defects as defined above will be made within a reasonable time after Seller is notified in writing during the Warranty Period.

2. Warranty Exclusions. The following exclusions and limitations apply to Seller's LIMITED WARRANTY obligations set forth above:
 - (a) All chips, scratches or mars on items such as tile, walls, porcelain, glass (including breakage or cracks), plumbing fixtures, plastic laminate counter tops, granite or marble, must be noted on the Inspection Report, or else they will not be covered under Seller's LIMITED WARRANTY obligations set forth above.
 - (b) Faucet leaks, toilet door and door frame adjustments, floor and wall tile grouting are covered for a period of one (1) year after Closing. Thereafter, any repairs or corrections become the sole responsibility of Purchaser.
 - (c) Nail or screw pops or cracks in the walls and ceilings which do not result from faulty workmanship or defective materials but are the result of natural shrinkage and drying of building materials, or of normal settlement of the building, wind loads or other normal movement of the building components are not covered. To the extent that Seller may elect at its sole discretion to perform repairs for the above conditions, provided that notice of such conditions in writing is received by Seller during the Warranty Period, Seller will not be liable for repainting, wallpapering or refinishing any repaired areas.
 - (d) The LIMITED WARRANTY obligations set forth above do not cover correction of the results of ordinary wear-and-tear, or damage due to misuse or neglect, negligence, or Purchaser's or Association's failure to provide proper maintenance.
 - (e) The LIMITED WARRANTY obligations set forth above do not cover damage arising from leaks or water infiltration at perimeter walls or ceilings.
 - (f) The LIMITED WARRANTY obligations set forth above do not cover the Common Elements.
 - (g) The LIMITED WARRANTY obligations set forth above do not cover any personal property.

SELLER:

THE POINTE LLC

By: _____
Its

PURCHASER(S):

Purchaser's Signature

Co-Purchaser's Signature