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THE STATE OF SOUTH CAROLINA
In The Court of Appeals

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APPEAL FROM BERKELEY COUNTY
Court of Common Pleas

J.C. Nicholson, Jr., Circuit Court Judge

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Appellate Case, No. 2016-2339
Case No. 2014-CP-08-2424

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RECEIVED
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SC Court of Appeals

Patricia Damico and Lenna Lucas, Individually and on behalf of all others similarly situated, Joshua and Brettany Beutow, Edward and Sylvia Dengg, Jonathan and Theresa Douglass, Anthony and Stacey Ray, Danny and Ellen Davis Morrow, Czara and Chad England, Bryan and Cynthia Camara, and Matthew Collins,
Respondents,

v.

Lennar Carolinas, LLC, Spring Grove Plantation Development, Inc., Manale Landscaping, LLC, Super Concrete of SC, Inc., Southern Green, Inc., TJB Trucking/Leasing, LLC, Paragon Site Constructors, Inc., Civil Site Environmental and Rick Bryant, Individually,
Defendants,

Of which Spring Grove Plantation Development, Inc., Manale Landscaping, LLC, Super Concrete of SC, Inc., Southern Green, Inc., TJB Trucking/Leasing, LLC, and Civil Site Environmental are Respondents.

And

Lennar Carolinas, LLC, Appellant,

v.

The Earthworks Group, Inc., Volkmar Consulting Services, LLC, Geometrics Consulting, LLC, Land/Site Services, Inc., Myers Landscaping, Inc., A.C. & A. Concrete, Inc., Knight's Concrete Products, Inc., Knight's Redi-Mix, Inc., Coastal Concrete Southeast, LLC, Costal Concrete Southeast II, LLC, Guaranteed Framing, LLC, Ozzy Construction, LLC, Construction Applicators Charleston, LLC, LA New Enterprises, LLC, Décor Corporation, DVS, Inc., Raul Martinez Masonry, LLC, Alpha Omega Construction Group, Inc., South Carolina Exteriors, LLC, Builders Firstsource-Southeast Group, LLC, and Low Country Renovations and Siding LLP, Third-Party Defendants,

Of which Volkmar Consulting Services, LLC, Land/Site Services, Inc., Myers Landscaping, Inc., A.C. & A. Concrete, Inc., Knight's Concrete Products, Inc., Knight's Redi-Mix, Inc., Coastal Concrete Southeast, LLC, Coastal Concrete Southeast II, LLC, Guaranteed Framing, LLC, Ozzy Construction, LLC, Construction Applicators Charleston, LLC, LA New Enterprises, LLC, Decor Corporation, DVS, Inc., Raul Martinez Masonry, LLC, Alpha Omega Construction Group, Inc., South Carolina Exteriors, LLC, Builders Firstsource-Southeast Group, LLC, are also Respondents.

and

Decor Corporation, Fourth Party Plaintiff,

v.

Baranov Flooring, LLC, DJ Construction Services, LLC, Creative Wood Floors, LLC, Geraldo Cunha, Ebenezer Flooring, LLC, Emmanuel Flooring and Siding, LLC, Eusi Flooring and Covering, LLC, Nicolas Flores, Alexander Martinez, Isidru Mejia, Juan Perez, Ernesto M. Perez, N&B Construction, LLC, Jose Dias Rodrigues, Livia Sousa, Jose Betio Pereira, Jose Paz Castro Hernandez, Divinio Aperecido Corgosinho, Ricardo Chiche, CEBS Construction, Bayshore Siding and Flooring, Sebastio Luiz de Araujo, and John Does 1-4, Fourth-Party Defendants.

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**RECORD ON APPEAL VOL. II**

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5. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Edward F Dengg
802DBE55215E4D2...
Buyer - Edward F Dengg
Date 3/9/2013

DocuSigned by:
Sylvia K Dengg
CEB3A45291EB415...
Buyer - Sylvia K Dengg
Date 3/9/2013

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

DocuSigned by:
Thomas J Filippello
23F4DD8654D4F7...
Authorized Agent of Seller - Thomas J Filippello
Date 3/19/2013

DocuSign Envelope ID: C28384C5-3479-4AF2-BBEE-6F07B7AA0C6E

# DISCLOSURE STATEMENT REGARDING CHANGE OF OWNERSHIP AND DEVELOPMENT CONTROL OF COMMUNITY

**THIS DISCLOSURE STATEMENT** (this "**Disclosure**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of March 09, 2013, between Edward F Dengg, Sylvia K Dengg (collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0019 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Acknowledgment**. Buyer acknowledges and understands that the real estate market reacts to economic and other conditions which are beyond Seller's control. Due to current real estate market conditions, Buyer acknowledges that Seller has decided not to build additional homes and/or not pursue any further development in the Community. Seller agrees to work cooperatively to effectuate a smooth transition of ownership of certain lots in the Community and/or effectuate the transition of development control of the Community in accordance with applicable law. Buyer understands that the Community will be in a state of transition for an uncertain period of time.

3. **Effect on Community**. Buyer acknowledges that the Seller's decision to not build additional homes in the Community and/or to not pursue further development in the Community may result in the change in ownership of certain homesites and development control, if any, by the Seller. Seller's decision could have adverse impacts upon Buyer or other homeowners in the Community (e.g., the completed or partially completed homes which are currently unsold may remain unsold and vacant for an uncertain period of time). Additionally, Buyer acknowledges that any further development within the Community could be delayed indefinitely, and there is no assurance the Community will ever be completed as originally planned and approved by the local governmental agencies, if any. Also, various common improvements within the Community which have not been completed (e.g., gated entries, signage, club house, etc.) may not be completed for an extended period of time or may never be completed as originally planned. Further, the management and operation of the Community by the homeowners' association could be disrupted during the transition period. Some of the specific changes in this Community include: [*if known, provide information regarding certain amenities that will not be built certain phases that will not be completed, etc.*].

4. **Additional Impacts**. The above provisions provided in Section 3 are not intended to be an exhaustive list of all of the potential adverse impacts to Buyer or other homeowners in the Community that might result from the change in ownership of certain homesites and/or development control by Seller. In contrast, if the transition of ownership of certain homesites and development control to the Seller's successor were to occur as real estate market conditions improve, the foregoing potential adverse impacts could be mitigated.

Seller desires that Buyer be as informed as reasonably possible under the current uncertain circumstances about the potential impacts that might result from the change in ownership of homesites and development control of the Community by Seller prior to Buyer's close of escrow. Buyer acknowledges that Seller cannot predict every impact that may be material to Buyer and that it is imperative that Buyer make his own independent evaluation of the potential adverse impacts that may affect Buyer's decision to consummate the purchase of a home in the Community.

5. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

6. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

7. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

[THE REST OF THIS PAGE LEFT INTENTIONALLY BLANK]

**BY THE SIGNATURES BELOW, BUYER ACKNOWLEDGES THAT BY CLOSING ESCROW FOR THE PURCHASE OF A HOME IN THIS COMMUNITY, BUYER IS MAKING SUCH PURCHASE WITH FULL KNOWLEDGE, UNDERSTANDING AND AGREEMENT AS TO ALL OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.**

DocuSigned by:
Edward F Dengg
002D0E5C216E4D2...
Buyer - Edward F Dengg
Date 3/9/2013

DocuSigned by:
Sylvia K Dengg
DE08A1C291FD415...
Buyer - Sylvia K Dengg
Date 3/9/2013

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC
DocuSigned by:
Thomas J Filippello
33F4DD8661D41F7...
Authorized Agent of Seller - Thomas J Filippello
Date 3/19/2013

DocuSign Envelope ID: C28384C5-3479-4AF2-BBEE-6F07B7AA0C6E

# Affiliated Business Arrangement Disclosure Statement

**BUYER: Edward F Dengg, Sylvia K Dengg**

**PROPERTY: 238 Maywood Drive, Moncks Corner SC 29461**

This is to give you notice that the following companies have business relationships with each other: Universal American Mortgage Company, LLC, Lennar Carolinas, LLC and North American Advantage Insurance Services, LLC, and each of these companies is, directly or indirectly, wholly owned by Lennar Corporation. Because of these relationships, referral of services by the undersigned may provide a financial or other benefit.

Set forth below are the types of settlement services offered by these affiliated companies and the estimated charge or range of charges generally required by these companies for such settlement services. You are NOT required to use any of the companies listed above as a condition for purchase of the subject property.

THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

**Provider and Settlement Services/ Estimated Range of Charges**

## MORTGAGE

**Universal American Mortgage Company, LLC** arranges and makes mortgage loans and the following are estimated mortgage loan related charges or range of charges **(not all of the charges may apply):**

| Description of Fee | Range of Cost |
|---|---|
| Loan Origination Charges (Block 1 of GFE) | |
| Loan Origination Points | 0% - 1% (of the loan amount) |
| Loan Originator Fees | $575 - $900 |
| Loan Points for Interest Rate Chosen | 0% - 3% (of the loan amount) |
| Appraisal Fee Paid to Appraiser | $450 - $750 |
| Credit Report Fee Paid to Outside Agency | $ 12 - $100 |

The actual fees charged may vary based on the size of your loan, loan program and interest rate you choose. There also will be other third party charges. You will receive a Good Faith Estimate when you apply for your mortgage loan, that will give you an estimate of all anticipated charges.

## TITLE

Lester & Lester, P.A. and Buist, Byars & Taylor LLC (collectively, Attorney) provides closing services and also arranges for title insurance through numerous underwriters, one of which is North American Title Insurance Company (North American). Attorney is not affiliated with Lennar Corporation. In connection with the purchase of the subject property, we recommend Attorney to handle the closing and the issuance of any title insurance, which (if Attorney is selected by you) may be provided by North American. Because of the business relationship and arrangement described above, the referral to Attorney may provide Lennar Corporation a financial or other benefit. You are not required to use Attorney or North American.

The following are estimated charges or range of charges for the settlement services listed should North American provide the title insurance:

* Owner's Policy:
  $3.00 per $1,000 of purchase price up to $50,000
  $2.50 per $1,000 of purchase price over $50,000 and up to $100,000
  $1.75 per $1,000 of purchase price over $100,000 and up to $500,000
  $1.50 per $1,000 of purchase price over $500,000 and up to $5,000,000
  $1.00 per $1,000 of purchase price over $5,000,000

* Loan Policy:
  $3.00 per $1,000 of loan amount up to $50,000
  $2.50 per $1,000 of loan amount over $50,000 and up to $100,000
  $1.75 per $1,000 of loan amount over $100,000 and up to $500,000
  $1.50 per $1,000 of loan amount over $500,000 and up to $5,000,000
  $1.00 per $1,000 of loan amount over $5,000,000

* Enhanced Owner's or Loan Policies are 20% more

## Affiliated Business Arrangement Disclosure Statement

* Loan Simultaneous Issue: $75 for the amount of insurance not in excess of the Owner's Policy. Any liability amount over the Owner's Policy shall be calculated at the Loan Policy rates shown above.

* Title Policy Endorsement(s):
$50.00 - $100 each for standard endorsements, 10% or 20% of policy premium for extra-risk endorsements

### INSURANCE

North American Advantage Insurance Services, LLC (NAAIS) is an insurance agent that provides, among other products, homeowner's/hazard and flood insurance. Set forth below is the estimated range of charges by NAAIS for the settlement services listed.

| Settlement Service | Range of Charges - Annual Premium |
|---|---|
| Hazard Insurance | .2% - 2.5% of Home Price |
| Flood Insurace | .1% - .5% of Home Price |

NOTE:
The above is a premium range for hazard and flood insurance. If enhancements to the standard policy such as increased limits, scheduled articles, and/or earthquake coverage are required, the premium may increase. Actual quote and acceptance by NAAIS is subject to NAAIS' application of its underwriting guidelines, including but not limited to verification of your credit score and previous loss history.

Of course, the cost of your insurance may vary due to many factors including, without limitation, the size, location and cost of your home.

### Acknowledgement

I/we have read this notice and understand that Seller is referring me/us to purchase the above described settlement services and may receive a financial or other benefit as a result of this referral.

DocuSigned by:
Edward F Dengg
3/9/2013
Buyer's Signature - Edward F Dengg — Date

DocuSigned by:
Sylvia K Dengg
3/9/2013
Buyer's Signature - Sylvia K Dengg — Date

Buyer's Signature - — Date

Buyer's Signature - — Date

Lennar Carolinas, LLC
Printed Name of Seller

DocuSigned by:
Randy Floyd
3/9/2013
Sales Associate's Signature — Date
Randy Floyd

DocuSign Envelope ID: C28384C5-3479-4AF2-BBEE-6F07B7AA0C6E

**RICEFIELD WAY and THE ABBEY AT SPRING GROVE PLANTATION**
**MASTER DISCLOSURE AND INFORMATION ADDENDUM TO**
**PURCHASE AND SALE AGREEMENT**
**SOUTH CAROLINA**

THIS MASTER DISCLOSURE AND INFORMATION ADDENDUM (this "Addendum") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") entered into as of the Ninth day of March , 2013, between Edward F Dengg, Sylvia K Dengg ("Buyer") and Seller, as defined in the Agreement, respecting Lot 0019 of Building/Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as Spring Grove Plantation (the "Community").

1. Defined Terms. All capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. Community. The Property lies within a neighborhood known as Ricefield Way or The Abbey at Spring Grove Plantation (the "Neighborhood"), which lies within a community known as Spring Grove Plantation (the "Community"). This Addendum explains certain terms which are applicable to the purchase of Homes within the Community and the Neighborhood. Current plans are for Ben McCormick Homes, Harbor Homes and First Coast Homes to build homes in the Community. Other builders besides Seller may be added or deleted from the list of builders in the future. Seller, and any other builder in the Community, shall have the right, without notice to Buyer, to make changes to, among other things, homesite sizes, number of homes being built, size and style of homes being built, features and materials in homes being built, prices of homes (whether more or less than currently published), price per square foot of homes (whether more or less than currently published), street layout, amenity layout, and usage, location, size and number of trees, bushes and other foliage (current and future), and any other items or uses which are currently planned for the Community or the Neighborhood. Seller makes no representation or warranties that Seller will be the exclusive builder or developer in the Community or the Neighborhood or that the Community or the Neighborhood will be built out exactly as currently planned, and Seller expressly reserves the right to make whatever changes it deems necessary relating to future development or build out of the Community and the Neighborhood. Any current maps or other materials showing any final or projected community development may be modified or updated in the future.

SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES WITH REGARD TO THE DEVELOPMENT OF HOMESITES IN AND AROUND THE COMMUNITY. HOMESITES IN AND AROUND THE COMMUNITY MAY REMAIN UNDEVELOPED AT THE SOLE DISCRETION OF SELLER, OTHER BUILDERS IN THE COMMUNITY, AND/OR THE DEVELOPER OF THE COMMUNITY. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES, STATED, IMPLIED, OR OTHERWISE WITH REGARD TO SELLER BEING THE SOLE OR EXCLUSIVE BUILDER WITHIN THE COMMUNITY. SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES, STATED, IMPLIED, OR OTHERWISE WITH REGARD TO CONTINUING TO BUILD IN THE COMMUNITY THROUGH FINAL BUILD OUT AND/OR BUILDING UPON ANY UNDEVELOPED HOMESITE(S). FURTHERMORE, IT IS UNDERSTOOD THAT NO REPRESENTATIONS, ESTIMATES OR PROJECTIONS HAVE BEEN CONVEYED REGARDING THE FINAL BUILD OUT TIME OF ANY UNDEVELOPED HOMESITE(S) OR THE OVERALL COMPLETION SCHEDULE OF THIS COMMUNITY. BUYER ACKNOWLEDGES THAT SELLER CONSTANTLY EVALUATES THE PRICING, DESIGNS, PRODUCT MIX AND AMENITIES OF ITS COMMUNITIES AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING WHETHER TO CONTINUE TO BUILD HOMES WITHIN THE COMMUNITY AND BUYER IS NOT RELYING UPON ANY OF THE FOREGOING IN DECIDING TO PURCHASE THE PROPERTY.

3. Governing Documents. Buyer acknowledges receipt, either in hard-copy or via internet or electronic means, of all documents ("Governing Documents") for the Community and the Neighborhood.

3.1 Buyer acknowledges receipt of, and agrees to be bound by the Declaration for Spring Grove Plantation Community (the "Declaration"), the Articles of Incorporation, By-Laws and any Rules and Regulations of Spring Grove Plantation Community Service Association, Inc., all as amended and supplemented from time to time (collectively, the "Community Documents"). Buyer acknowledges and agrees that title to the Home will be subject to the Community Documents.

3.2 The Property will be subject to certain deed restrictions as reflected in the Limited Warranty Deed executed by Seller and furnished to Buyer at Closing. The deed restrictions run with the Homesite and require, among other things, that (i) buyer give Seller notice of Seller's defaults or any Claim (as defined therein) after Closing and (ii) Seller have an opportunity to inspect and cure defects in the Home. The deed restrictions further require the arbitration of any Claim against Seller that cannot be resolved.

3.3 Buyer acknowledges the provisions of the Governing Documents are fair and reasonable.

4. Association Memberships.

4.1 Upon conveyance and recording of the Deed to the Home, Buyer understands and agrees that Buyer will then become a member of the Spring Grove Plantation Community Service Association, Inc., a South Carolina nonprofit corporation (the "Association"). Buyer agrees to accept the liability and obligations of

such memberships. Buyer understands that as a member of the Association, Buyer will be required to pay Assessments (as defined in the Governing Documents) for the maintenance of the Common Areas (as defined in the Governing Documents) and for such other uses and purposes as are provided for in the Governing Documents. Buyer also understands and agrees that a failure to pay Assessments when due could cause the Association to record a lien on the Home and to foreclose such lien. Assessments are subject to additional increases in the manner currently provided for in the Governing Documents. Neither Seller, the Association, nor any other builder can estimate the amount or frequency of any such increase.

4.2 Buyer acknowledges that nominees of Seller, and the developer of the Community and the developer of the Neighborhood may serve as the initial officers and directors of the Association. The officers and directors and the management company, which may be an affiliate of Seller, are authorized by Buyer to act for and on the behalf of the Association. Seller may, but is not required to, advance monies to the Association for operations. In the event such advances are made, they will be considered a loan from Seller, and the Association will be obligated to repay such advances as set forth in the Community Documents.

4.3 Buyer acknowledges that all new construction and modifications of existing construction and exterior improvements within the Community are subject to the prior written approval of the appropriate architectural review, design review or similar committee or authority, which is appointed by the Board of Directors of the Association. Buyer agrees to comply with all rules and regulations of the appropriate authority (or authorities) governing construction of improvements within the Community and the Neighborhood as the same may be amended and exist from time to time. These restrictions are subject to change without notice. Building and use restrictions include, but are not limited to, residential and nonresidential uses, building specifications, accessory structures, nuisance, home occupancy, signage, antennas, animals, driveways, vehicle parking, rubbish, utility and drainage easements, clothes lines, fences, special rights of Seller, the developer of the Community, the developer of the Neighborhood and homebuilder(s), leases and restoration of homesites. Buyer agrees not to commence any construction upon the Homesite until it has obtained all requisite written approvals therefore. Buyer further agrees not to make any modifications of any existing buildings and improvements, including, but not limited to, landscaping and landscape irrigation, without the prior written approvals of the appropriate authority (or authorities) pursuant to any city, county or state regulation and pursuant to recorded covenants, conditions or restrictions governing the land. In addition, every city, county or town has building codes and other ordinances that regulate what is permissible within its jurisdictional limits. Prior to making changes to the Home or Homesite, Buyer should contact the applicable governmental authorities for further information concerning local codes and ordinances. Decks, fences and exterior color are among the more common, although not the only, improvements for which architectural approval is required.

4.4 Approval of any work by the appropriate reviewing authority or authorities shall not constitute an express or implied warranty of representation that any work complies with applicable codes, ordinances or other governmental regulations, or that the work is well designated or will be constructed in a proper manner.

4.5 Failure to submit plans and specifications to the appropriate reviewing authority or authorities for approval is a violation of the provisions of the Declaration and/or applicable deed restrictions, which may result in sanctions and/or the imposition of fines, and the removal, at homeowner expense, any of non-approved improvements or modifications.

5. Community Charges. In addition to the Closing Costs set forth in Rider B, Buyer shall pay the following additional Closing Costs respecting the Community:

5.1 Association Assessments. Assessments payable to the Association ("Association Assessments"), prorated for the month in which the Closing occurs (based on the then current Assessments at the time of closing). Such Assessments are estimated to be $330.00 per year at this time. Buyer understands that the estimated operating budget for the Association is only an estimate of what it will cost to run the Association. The Association may make changes in the budget at any time to cover increases or decreases in expenses or estimates in the budget. Without limiting the generality of this Section, those changes will not give Buyer any right to cancel the Agreement.

5.2 Association Initial Capital Contribution. Buyer acknowledges that among other Assessments provided for in the Community Documents, the Association has established an initial capital contribution ("Initial Capital Contribution"). Buyer acknowledges that upon conveyance of the Property an Initial Capital Contribution in an amount equal to $300.00 (or such amount as determined from time to time) is due. The Initial Capital Contribution may be used for any reason whatsoever including, without limitation, reimbursement for costs in setting up the Association and costs of deficit funding. Buyer acknowledges and agrees that the Initial Capital Contribution is not to be considered as an advance payment of Assessments.

5.3 Resale Capital Contribution. Buyer acknowledges that the Association may establish a Resale Capital Contribution (as defined in the Governing Documents). For more information on the Resale Capital Contribution, please refer to the Governing Documents.

6. Security. The Community is not a gated community and the roads in the Community are public.

7. Building and Use Restrictions. Every homesite is subject to building and use restrictions as set forth in the Declaration. These restrictions are subject to change without notice. Building and use restrictions may affect,

among other things, residential and nonresidential uses, building specifications, accessory structures, nuisance, home occupancy, signage, antennas, satellite dishes, animals, driveways, vehicle parking, rubbish, utility and drainage easements, clothes lines, fences, special rights of Seller, any developer and homebuilder(s), leases and restoration of homesites. Seller encourages you to carefully review the Declaration and to ensure the long-term quality of life for both you and your neighbors.

8. Municipal Building Codes And Ordinances. Every city or town has building codes and other ordinances that regulate what is permissible within its jurisdictional limits. Prior to making changes to your Home or Homesite, you should contact the Building Inspector for Berkeley County at 843.719.4095 for further information concerning local codes and ordinances. Seller is not responsible for notifying Buyer or any other homeowners of the content or restrictions contained in any local codes or ordinances.

9. Architectural Review.

9.1 The Declaration currently provides that no improvements shall be commenced upon any homesite, nor shall the exterior color, style and materials of an approved structure on a homesite be altered without the prior written approval of the Architectural Control Committee ("ACC"), as applicable, which is appointed by the Board of Directors of the Association. Improvements constructed by Seller or the developer of the Community, or the Neighborhood, as applicable, are exempt from this requirement. Approval of any work by the ACC shall not constitute an express or implied warranty or representation by the ACC that any work complies with applicable codes, ordinances or other governmental regulations, or that the work is well designed or will be constructed in a proper manner. Decks, fences and exterior color are among the more common, although not the only, improvements for which architectural approval is required. For more information concerning architectural review, please review the Declaration.

9.2 Failure to submit plans and specifications to the ACC for approval is a violation of the Declaration, which may result in sanctions and/or the imposition of fines, and the removal, at homeowner expense, of any non-approved modifications.

10. Pet Restrictions. Buyer understands that the only pets allowed in the Neighborhood and the Community are those which are in accordance with the restrictions contained in the Community Documents or any amendments thereto.

11. Short-Term Rentals. Buyer acknowledges that homes in the Community may be rented for any length of time, subject to certain restrictions set forth in the Community Documents.

12. Flood Zone. Buyer acknowledges that the Property may be in a flood zone. Mortgage lenders will typically require the issuance of flood insurance as a requirement for financing, which insurance must be present at Closing. Seller recommends that each Buyer of a Home protect his/her Home by obtaining proper insurance coverage. It is possible, however, for Buyer to submit documentation to the Federal Emergency Management Agency (FEMA) to have the Home re-classified by FEMA, whereby the mortgage lender may have the option to waive the requirement of flood insurance. Buyer is solely responsible for the submission to FEMA for such re-classification and any and all expenses related to such submission. Further, Buyer acknowledges and understands that the waiver of flood insurance is at the sole discretion of the mortgage lender.

13. Utilities.

13.1 Buyer acknowledges that no septic tanks shall be permitted within the Community and the Neighborhood. No wells shall be installed without the express written consent of the ACC and all other applicable government agencies.

13.2 Some homesites contain or are adjacent to drainage and utility structures such as storm water overflow swales, storm water retention and/or detention basins, manholes, fire hydrants, electrical transformers, switch boxes, telephone pedestals and streetlights. None of these items shall be altered, obstructed, buried, modified, restricted or interfered with in any manner whatsoever. Overflow swales are generally utilized for overflow storm water capacity as a result of water drainage. Electrical transformers may only be landscaped to the extent permission is given by the utility provider. In some cases, water may flow from one homesite to another. State law may provide that the owner of the homesite receiving water is required to accept the water flow and may not impede the flow of this water. In addition, the Property will be graded to provide for reasonable drainage away from the Home's foundation. The vast majority of foundation problems are caused by insufficient drainage or lack of watering of soil around the foundation. Buyer should keep Buyer's lawn well watered to maintain consistent moisture content and avoid excess wetness, dryness or cracking of soil. The construction of curbs, decks, retaining walls, pools, spas, patios, landscape edging and similar items can also trap water within the yard area and cause structural damage to the Home's foundation. Seller strongly recommends that Buyer consult with a licensed landscape architect and civil engineer before performing any work or making any changes that may affect the existing drainage pattern.

13.3 Berkeley County provides water to the Community. Because Seller does not control the water supply, Seller cannot guarantee the quality of the water provided to the Community. In addition, this area is periodically subjected to extended periods of drought that may cause depletion of water supplies. Municipalities and other providers of water services (including the Town of Moncks Corner) may enact mandatory or voluntary cut backs or other restrictions in water usage. Seller has no control, influence, responsibility or liability for or over decisions concerning water rationing.

13.4 If Buyer has any questions about utility rates, services, safety, or anything else to do with overhead or underground transmission or utility lines, Buyer should contact the utility companies directly. Because Seller values Buyer's safety and that of Buyer's neighbors, no excavation or trenching should be done without first calling the utility companies for the location of buried utilities. There is currently no charge by the utilities for this service. This is especially important in utility easements where buried utility equipment is probable. Digging without advance notification and approval of the utility companies may be illegal, is dangerous and can result in severe personal injury or death to Buyer and Buyer's neighbors, and can also result in severe property damage to homes, property and utility equipment.

14. Waterbodies. BUYER ACKNOWLEDGES THAT THE WATER LEVELS OF LAKES, PONDS OR OTHER WATERBODIES WITHIN THE COMMUNITY AND/OR THE NEIGHBORHOOD MAY VARY. THERE IS NO GUARANTEE BY SELLER, THE ASSOCIATION THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME; AT TIMES, WATER LEVELS MAY BE NONEXISTENT.

15. Regulatory And Governmental Approvals. The zoning, plans, etc. have been approved by Berkeley County. The development of the project, lot, sidewalks, etc. is subject to approval by Berkeley County. For more information on the approvals required and pending in the Community, Buyer should contact the Berkeley County Planning & Zoning Department at 843.719.4095.

16. Prices/Market Values. Seller, and any other builder in the Community, shall have the unilateral right to establish prices for the homes it builds in the Community. Seller and any other builder in the Community may, at its sole discretion, increase or decrease the price or the price per square foot for any home, homesite or option at any time, or offer incentives for sales of homesites and homes, all without notice to Buyer. Once Buyer has signed the Agreement establishing a price for the Property, the prices for any subsequent changes or upgrades to the Home as requested by Buyer, including but not limited to design, floor plan, options, materials or otherwise, are subject to change by Seller until a written and signed agreement on the price is reached by Seller and Buyer for such change or upgrade. Seller makes no representations or warranties that the price for the Property or options in the Home will be increased or decreased for other buyers of identical or similar homes or options. Seller also makes no representations or warranties that changes or options made by Buyer will or will not increase or decrease the market value of the Property. The Property is being sold for residential purposes and not as an investment.

17. Construction And Sales Activities. BUYER ACKNOWLEDGES THAT SOME AREAS OF THE NEIGHBORHOOD AND THE COMMUNITY MAY BE UNDER CONSTRUCTION AND DEVELOPMENT FOR AN EXTENDED TIME. INCIDENT TO THE DEVELOPMENT PROCESS, THE QUIET ENJOYMENT OF THE NEIGHBORHOOD AND THE COMMUNITY MAY BE UNAVOIDABLY INTERFERED WITH TO SOME EXTENT BY THE CONSTRUCTION OPERATIONS. Construction, development and sales activities in the Community and/or the Neighborhood will likely occur after Buyer has taken occupancy of Buyer's Home. Depending upon Buyer's sensitivities, this may result in some inconvenience to Buyer and Buyer's family and guests due to increased noise, dust, road closures, operation of the model homes and sales offices, and other activities. Construction activities can occur at various hours throughout the day, and sales activities can result in additional traffic and visitors throughout the Community, particularly before the Community is completely built out. Neither Seller nor any other builder that may be active in the Community can guarantee that Buyer will not be affected or impacted as a result of the overall construction and development of the Community. Seller gives no guarantees or assurances on the active time of the Community model homes. Homesites across the street or next to the model homes may remain undeveloped until Seller determines that these homesites are no longer needed for marketing purposes.

18. Views. Future development and construction activities in the Community can and will modify the view from homesites (including but not limited to the Homesite). Trees and other foliage may be added or removed from lots or common areas of the Community. Additional housing and other improvements will be added within the community. Because future development and construction activities in the Community will modify views from homesites, Seller does not warrant or guarantee any existing views will be maintained in the future relative to the Property.

19. Streetlights. Numerous streetlights will be installed within the Community, many of which will be installed after homes have been completed, sold and occupied. Streetlights are sized and placed in accordance with Town ordinances and governmental requirements, and could in some instances generate light in or obstruct views from homes in the Community. Information about streetlight size, light output, design and location of streetlights within the Community can be obtained from the service provider.

20. Trees And Foliage. The Community contains numerous native trees of various sizes and varieties. While Seller has taken great care during the planning and construction of the Community to save trees, future development and construction will require the removal of additional trees, shrubs and other foliage and, therefore, Seller does not guarantee the preservation of any trees, shrubs, ground cover or other foliage in the Community or Buyer's Homesite, and cannot be responsible for short or long-term damages to foliage due to construction or development activities. Seller makes no representation or warranty that trees on the Homesite being purchased or any other homesite or common area in the Community will not be removed. All care and maintenance of foliage on an individual homesite is the responsibility of the homeowner, and Seller does not guarantee or warranty the survival of any foliage. Berkeley County has adopted a Tree Ordinance regulating the removal of any tree over a certain size. Before removing a tree, Buyer should contact Berkeley County to ensure that its regulations are adhered to. The Declaration also contains restrictions regarding the removal of any tree over a certain size. Buyer should contact the Association to ensure that its regulations are adhered to.

21. Facilities And Conditions Affecting Homesites.

21.1 The information set forth in this section contains an overview of facilities and conditions which may affect some or all homesites in the Community (including but not limited to the Homesite). Because Seller does not have control over development outside of the Community, Seller does not warrant or guarantee any future development, usage, or lack of development or usage for properties located outside of the Community, or their possible impact on the residents of the Community. For additional information about offsite features that may affect the purchase of the Property, please contact the local governmental authorities having jurisdiction over the Community.

21.2 Seller advises Buyer that some of the homesites (including but not limited to the Homesite) are or may be adjacent to or near some of the following:

DRAINAGE CHANNEL, AIRPORT, RAILROAD TRACKS, STORM WATER DETENTION FACILITY, COMMUNITY CENTER, ELEVATED WATER STORAGE TOWER, SCHOOL FACILITY, PARK SCHOOL SITE, SPORTS FACILITY OR BALL FIELD, COMMUNITY LAKES, PARK AND/OR RECREATION FACILITY, WATER PLANT/SEWER PLANT, LIFT STATION, CELLULAR PHONE, RADIO, TELEVISION OR OTHER TOWER ANTENNA SITE, HIGH VOLTAGE TRANSMISSION LINES OR PIPELINE EASEMENT.

Buyer acknowledges that such facilities may impact noise, vibration, lighting, traffic and other conditions caused by daily operations of the facility. Drainage channels, lakes and storm water detention facilities will have varying levels of water for varying periods of time depending upon rainfall.

21.3 Approximately 10 miles from the edge of the Community is the Charleston International Airport. Some flights landing at or taking off from the airport currently pass over the Community. Jets, helicopters or other aircraft may be seen or heard overhead from the Homesite or even from within the Home. The Charleston International Airport may, in the future, expand the Airport and its operations.

21.4 As a result of the open spaces and bodies of water in and around the Community, Buyer may periodically find wild animals within the confines of the Community including, but not limited to, skunks, nutria, opossums, deer, raccoons, spiders, snakes, bees, fire ants, and other insects common to the area. Contact with any wild animal can be dangerous. Should Buyer encounter any such animal, Buyer is encouraged to contact Buyer's local animal control office for further instructions.

21.5 Property West of the Community. The property west of the Community is currently comprised of agricultural and wooded land and land occupied by the Charleston Steel & Metal plant, Parker Gas Turbine Fuel Systems, and Mt. Holly Hill Park.

21.6 Property North of the Community. The property north of the Community is currently comprised of undeveloped woodlands and land used for residential purposes.

21.7 Property East of the Community. The property east of the Community is currently comprised of forested wetlands and undeveloped woodlands and land used for residential purposes. The property further east of the Community was occupied by the former Pattillo/Stone Mountain Industrial Park Site.

21.8 Property South of the Community. The property south of the Community is currently comprised of undeveloped woodlands and forested wetlands and land used for residential purposes.

21.9 Future Commercial/Retail Uses. The Community is located adjacent to properties which will be developed with major commercial and retail uses in the future. The development of such uses adjacent to the Community may increase traffic volumes, noise, outdoor lighting, pedestrian activity and other similar impacts resulting from commercial development.

21.10 Development of Adjacent Property. Buyer acknowledges that Seller's current construction plans for the Community where the Home and Homesite are located may change and that no representations or warranties are made concerning the development of the Community, or any property adjacent to, surrounding, or near such Community.

21.11 Public Ballfields. Public ballfields are located within the Community. The ballfields are or will be owned by the Association and the future use of the ballfields is in the discretion of Association.

21.12 Major Public Roads. The Community is located along portions of Old Hwy 52 and Cypress Garden Road. These roads may experience heavy traffic.

22. **Floor and Roof Truss Support**. The Home has been designed and constructed with the intent to support typical loads on the floor and roof trusses. Placing or storing excessive loads such as a waterbed or pool table, may result in the warping or failure of the supporting structural components of the Home.

23. **Real Estate Taxes**. When a new home is built, the full value of the home is typically not reflected in the real estate taxes until the second calendar year after construction has been completed. Seller is not responsible for communicating any information regarding real estate taxes (current or future) and cannot and will not predict what the taxes on the Home may be. Buyer should confirm any information provided concerning appraisals, tax valuation, tax rates or other tax-related questions, with Buyer's personal tax advisor and the local taxing authorities.

24. **Public Financing of Capital Improvements**. Berkeley County may finance certain capital improvements in the Community, may issue bonds in connection with such financing and may create one or more special tax districts

within the Community to provide for repayment of such bonds.

25. Town and County Taxes, Charges And Fees. Property within the Community is subject to Berkeley County taxes, utility charges, fees and may become part of a special taxing district. For additional information, contact the Tax Collector's office of Berkeley at 843.719.4030.

26. Addendum Not A Substitute. Buyer acknowledges and agrees that this Addendum is not a substitute for reading the entire Governing Documents. For a more detailed explanation of any section contained in this Addendum, refer to the Governing Documents.

27. Pre-Sale Contingency. Seller shall have the right to terminate this Agreement and cause Buyer's deposits to be refunded in the event that Seller does not enter into binding contracts to sell at least ten percent (10%) of the homes and homesites in the Community. Seller must, however, notify Buyer of such a termination at any time within one hundred eighty (180) days following the date of the first purchase agreement for the sale of a home in the Community, otherwise Seller will be required to construct the Community and the Home and otherwise proceed to perform its obligations under this Agreement. This shall not delay the effectiveness of this Agreement, which shall be immediate, but rather, shall be deemed a "condition subsequent" to this Agreement. In the event of Seller's termination of this Agreement pursuant to this Section, upon such termination and the return of Buyer's Deposit, Seller and Buyer will be fully relieved and released from all obligations and liabilities under and in connection with this Agreement. Seller agrees to use its good faith efforts to meet the foregoing pre-sale requirement.

28. Third Party Developer. Seller is not the developer/declarant of the Community ("Developer"). Buyer acknowledges that (i) Seller is neither related to nor a joint venture partner with Developer, (ii) Seller does not control the amenities (existing or planned), landscaping, or other improvements that Developer may provide within the Community in the sole and absolute discretion of Developer, (iii) Seller has neither prepared nor participated in the preparation of the Community budgets or any other financial information with regard to the Community, and (iv) any representations or warranties which relate to amenities or other matters contained within the Community shall not be construed as representations made by Seller nor shall such representations be relied upon by Buyer in Buyer's determination as to whether to purchase the Property located within the Community. Seller has no control or influence related to the construction timing, completion, changes in design, changes in location, or other major decisions, including the decision not to build future amenities. Buyer agrees to look solely to the Developer with respect to any matters regarding the Association, existing Community amenities, any proposed amenities, landscaping or other improvements.

29. Statements Made By Sales Staff And Brokers. Seller wants to ensure that Seller and Buyer are in full agreement on all terms and conditions relating to the Agreement. To best ensure that there are no misunderstandings, Buyer should ensure that all terms and conditions (including all statements, representations, or understandings upon which Buyer relies in purchasing the Home) are set forth in writing in the Agreement. **If there are any statements, representations or understandings which are made by a sales staff person or any other representative of Seller which are material to Buyer's decision to purchase, Buyer should insist that any such statement, representation or understanding is put in writing and contained in the Agreement. Seller reserves the right to reject the Agreement notwithstanding the inclusion of any such item in the Agreement.**

30. Public School Assignment. Seller does not control and cannot guarantee public school assignments for the Community. Because Seller does not control public school assignments, Seller cannot assure Buyer that public school assignments will not be changed in the future. For more information about public school assignments, Buyer should contact the Berkeley County School Board.

31. Counterparts. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

32. Conflicts. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

33. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

34. **Survival**. All of the terms of this Addendum shall survive Closing and the delivery of the Deed.

DocuSigned by:
Edward F Dengg
602DBE5E215E4D2...
Buyer - Edward F Dengg
Date 3/9/2013

DocuSigned by:
Sylvia K Dengg
DEB3A4B291EB415...
Buyer - Sylvia K Dengg
Date 3/9/2013

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

DocuSigned by:
Thomas J Filippello
23F4D1B6541D4F7...
Authorized Agent of Seller - Thomas J Filippello
Date 3/19/2013

## INSULATION ADDENDUM

THIS INSULATION ADDENDUM (this "Addendum") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") dated as of the ninth day of MARCH , 2013, between Edward F Dengg, Sylvia K Dengg (collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0019 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. Insulation. Pursuant to Title 16, Chapter I, Section 460.16 of the Code of Federal Regulations, the insulation that is or will be installed in the Home where conditioned space meets unconditioned space is as follows and will, according to the manufacturer, yield the R-values stated:

| Location | Type | Thickness | R-Value |
|---|---|---|---|
| Exterior Masonry Walls | N/A | N/A | N/A |
| Exterior Stud Wall | Batt | 3 1/2 inches | R-13 |
| Ceilings | Batt | 10 inches | R-30 |
| Roof | Blown | 12 inches | R-30 |
| N/A | N/A | N/A | N/A |

If so indicated above, fiberglass (also known as glass wool) is/will be used for insulation in the Home. The U.S. Department of Health and Human Services ("HHS") has listed fiberglass as a substance "which may reasonably be anticipated to be a carcinogen." This listing identifies substances selected for further study because of their potential carcinogenic risk but is not an assessment by HHS that there is a causal connection between fiberglass and human cancer. The listing does not establish that fiberglass presents a risk to persons in their daily lives.

3. Counterparts. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

4. Conflicts. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

5. Entire Agreement. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Edward F Dengg
8C2DBE5E215E4D2...
Buyer - Edward F Dengg
Date 3/9/2013

DocuSigned by:
Sylvia K Dengg
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Buyer - Sylvia K Dengg
Date 3/9/2013

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC
DocuSigned by:
Thomas J Filippello
33F4DD66541D4F7...
Authorized Agent of Seller - Thomas J Filippello
Date 3/19/2013

# INDOOR ENVIRONMENTAL QUALITY DISCLOSURE

THIS INDOOR ENVIRONMENTAL QUALITY DISCLOSURE (this "Disclosure") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") dated as of the ninth day of MARCH , 2013, between Edward F Dengg, Sylvia K Dengg (collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0019 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Disclosure to the Agreement shall be deemed to include references to this Disclosure and to any other disclosure and/or addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. Indoor Environmental Contaminates. There are many different types of indoor environmental contaminants, such as pet dander, dust mites and mold. Molds and other potential contaminants have been a part of our environment for millions of years. Contaminants are everywhere, indoors and outdoors. Therefore, everyone is exposed to some contaminants on a daily basis without evident harm. Due to a number of factors, including the fact that sensitivities to various types of molds and other potential contaminants vary from person to person, there are no state or federal standards concerning acceptable levels of exposure to mold. According to the Consumer Product Safety Commission and the American Lung Association, some diseases or illness have been linked with biological pollutants in the indoor environment, including some forms of mold. However, many of these conditions also have causes unrelated to the indoor environment. Therefore, it is unknown how many potential health problems relate exclusively to poor indoor air. Buyer should determine for himself/herself whether Buyer, Buyer's family members or any other individuals who will occupy or use the Home have special needs or increased risk to these conditions. Buyer should carefully monitor the conditions in the Home for mold growth and other contaminants.

When excessive moisture or water accumulates indoors, mold growth can and will occur, particularly if the moisture problem remains unaddressed. There is no practical way to eliminate all molds or mold spores in an indoor environment. The key to controlling indoor mold growth is to control moisture.

There are many ways to help control moisture in and beneath the Home. The U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the American Lung Association and others recommend taking measures such as those listed below to help control moisture in and beneath the Home. The following list is not meant to be all-inclusive.

- o Fix leaking plumbing and any other source of unwanted water immediately.
- o Maintain proper indoor humidity. Equipment that conditions the air, such as air conditioners, humidifiers and ventilation systems must be operated year round.
- o Raise the temperature in areas where moisture condenses on surfaces and open doors between rooms to increase air circulation in the Home, including doors to closets.
- o Have major appliances, such as furnaces, heat pumps, central air conditioners, window air conditioning units, ventilation systems and furnace attached humidifiers inspected, cleaned and serviced regularly by a qualified professional.
- o Clean and dry refrigerator, air conditioner and dehumidifier drip pans and filters regularly and make sure that refrigerator and freezer doors seal properly.
- o Keep water away from the foundation of the Home by maintaining required slopes, drainage and keeping plantings and sprinklers the proper distance from the Home.
- o If there is a sump pump in the Home, inspect it regularly to ensure that it is properly operating.
- o If there is a crawl space or structural sub-floor, inspect the ground beneath the floor on a regular basis to make sure there is no standing or excessive water. If there is standing or excessive water, seek professional assistance to remove the water. If Buyer is interested in finishing the basement, only do so after consulting an expert to determine the suitability of the basement for a finished area.

The following are suggestions that may assist Buyer in preventing and addressing mold growth in the Home.

- o It is important that Buyer responds promptly when Buyer sees signs of moisture or mold.
- o Do not allow moisture to stand or make contact with carpet, furniture and cellulose-based materials, such as wood, drywall or other non-tile, non-plastic or non-metal materials.
- o Dry all water damaged areas and items immediately to prevent mold growth.
- o If mold develops, clean up the mold by washing off hard surfaces with detergent and water and completely dry the surface.
- o Depending upon the nature and extent of the mold infestation, trained professionals may be needed to assist in the remediation effort.
- o Mold that is not properly and adequately removed may reappear.

Proper maintenance and cleaning of the Home is the responsibility of each homeowner and will lessen the potential for water intrusion and help to control indoor environmental contaminants. Further, it is the responsibility of each homeowner to monitor their Home on a continual basis for excessive moisture, water and mold accumulation. If Buyer discovers accumulation of water or moisture in, around or under the Home, Buyer should immediately seek to control the source of the water or moisture. Failing to control the source could result in additional damage and the growth of mold. Plumbing leaks and water penetrations that are covered by the Limited Warranty, if any, during the term of the Limited Warranty must be reported to Seller immediately. If the Limited Warranty has expired or does not cover the specific problem, Buyer should not delay in having professionals address the problem. Seller will not be responsible for, and Buyer agrees to indemnify and hold harmless Indemnified Parties from and against all Claims in connection with, water-related damages, including personal injuries or property damage caused by mold, but only to extent that the damages are caused by (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction. Buyer also agrees to waive all rights of subrogation for damages resulting from water-related damages, mold growth, any personal injuries, or any remediation resulting from (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction.

3. Counterparts. This Disclosure may be executed in counterparts, a complete set of which shall form a single Disclosure.

4. Conflicts. In the event of any conflict between this Disclosure and the Agreement or any other addenda and/or riders, this Disclosure shall control. In all other respects, the Agreement shall remain in full force and effect.

5. Entire Agreement. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Edward F Dengg
802DBE5E215E4D2...
Buyer - Edward F Dengg
Date 3/9/2013

DocuSigned by:
Sylvia K Dengg
DEB3445291EB41S...
Buyer - Sylvia K Dengg
Date 3/9/2013

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC
DocuSigned by:
Thomas J Filippello
22F4DD66544D4F7...
Authorized Agent of Seller - Thomas J Filippello
Date 3/19/2013

# HOME AUTOMATION ADDENDUM

THIS HOME AUTOMATION ADDENDUM (this "Addendum") is, by this reference, made part of the Purchase and Sale Agreement (the "Agreement") dated as of the Ninth day of March , 2013, between Edward F Dengg, Sylvia K Dengg (collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0019 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. Nexia Home Intelligence. The Property will be equipped with Nexia Home Intelligence (formerly known as Schlage LiNK) which uses Z-Wave® technology in a secure, web-based system that allows remote monitoring and control of Z-Wave® enabled equipment. There is a monthly fee for remote access capabilities and there must be a wireless router and internet access. Nexia has agreed to provide 12 months of free monitoring commencing at TBD

3. Nexia Home Intelligence Performance. Buyer will receive a warranty from the manufacturer. Seller assumes no liability for either the performance of Nexia Home Intelligence or the performance or availability of remote access.

4. Contact Authorization. By signing below, Buyer authorizes Nexia to contact Buyer to assist Buyer in explaining, setting up and operating the system, as well as, optional equipment that can be added to the system.

5. Manufacturers' Warranty Disclaimer. SELLER ASSIGNS AND PASSES THROUGH TO BUYER THE MANUFACTURERS' WARRANTIES FOR SCHLAGE LINK AND SELLER MAKES NO WARRANTIES WITH RESPECT THERETO. SELLER DISCLAIMS ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, ON SCHLAGE LINK, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF USE, FITNESS OF USE, WORKMANSHIP OR QUALITY. SELLER SHALL NOT BE LIABLE FOR ANY DAMAGES OR INJURY TO THE SCHLAGE LINK OR FOR ANY DAMAGES OR INJURY CAUSED BY SCHLAGE LINK. SELLER'S DISCLAIMER OF MANUFACTURERS' WARRANTIES DOES NOT LIMIT OR OTHERWISE AFFECT THE WARRANTY OF ANY MANUFACTURER.

6. Counterparts. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

7. Conflicts. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

8. Entire Agreement. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Edward F Dengg
A02DBE5E215E4D2...
Buyer - Edward F Dengg
Date 3/9/2013

DocuSigned by:
Sylvia K Dengg
DEB3A46291EB415...
Buyer - Sylvia K Dengg
Date 3/9/2013

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

DocuSigned by:
Thomas J Filippello
23EADD68541DAF7...
Authorized Agent of Seller - Thomas J Filippello
Date 3/19/2013

# Electronic Document Delivery Consent

GENERAL INFORMATION. For purposes of this Consent form the term "UAMC", refers to Universal American Mortgage Company, LLC or Universal American Mortgage Company of California. The terms "you" and "your" refer to the recipient of this Consent.

The Electronic Signatures in Global and National Commerce Act, (E-Sign Act), Section 101(c)(1) of Title 1, allows a financial institution to issue electronic records to a customer to satisfy any statute or regulation that requires such information to be in writing, after first obtaining the customer's affirmative consent. The E-Sign Act requires certain information to be provided to the customer regarding this service, which is disclosed in this Consent. You have the right to have the documents described in this Consent provided or made available to you on paper. By signing this Consent you agree to the terms and conditions listed below. Please read this document carefully and retain it for future reference.

ELECTRONIC DOCUMENT DELIVERY. By signing this Consent, you hereby request and consent to UAMC providing your mortgage loan documents in Portable Document Format (PDF) via a link that will be sent to the e-mail address listed below. The mortgage loan documents include important and legally binding disclosures, notices, information and conditions regarding your loan transaction. The e-mail will contain a link to a secure website for you to access such documents. This Electronic Document Delivery service replaces the creation of paper documents and their delivery through land-based mail services. In the event of equipment failure, or for any other reason you are unable to retrieve your e-mails or download the documents, you may obtain a copy of any of the documents on paper by telephoning UAMC at _____ or by sending a written request to: _____. No fee will be imposed to receive a paper copy of any document delivered electronically from UAMC.

YOUR RESPONSIBILITIES: In order to receive and access your documents electronically you must have equipment that meets the following minimum hardware, software and system requirements:

1. Have an active e-mail account.
2. Be able to view disclosures on a monitor or other medium.
3. Have access to the Internet and use Internet Explorer 7.0 and above; Mozilla Firefox 3.0, 3.5, 3.6; Chrome 5; or Safari 5.0.1 to receive required information.
4. Be able to receive email that contains hyperlinks to websites in order for UAMC to deliver required information to you.
5. Be able to access documents with Adobe Acrobat Reader. ®
6. Be able to print or download PDF files from websites.

You are responsible for accessing, opening and reading all mortgage documents when notified by UAMC that such documents, which contain important and legally binding disclosures, notices, information and conditions regarding your loan transaction are available. All documents made available to you pursuant to this Consent will constitute your only notice of matters contained in such documents. You are responsible for promptly notifying UAMC if any of the e-mails you receive or documents you attempt to access are incomplete, are unreadable or are not accessible.

Your Consent to receive notifications and documents electronically will remain in effect until amended or withdrawn by you or until this Consent is cancelled. The hardware, software and system requirements listed above may change at any time at UAMC's sole discretion. UAMC will provide you with advance notice of any such change and you may withdraw this Consent if you no longer meet the requirements. If you need to update your e-mail address or other contact information with UAMC or would like to withdraw this Consent and unsubscribe from receiving documents electronically at any time, please contact us via telephone at _____ or by sending a written request to: _____.

You are solely responsible for the cost associated with receiving and downloading documents electronically (computer, Internet, e-mail services, etc).

**Before documents will be available electronically, you must demonstrate the ability to receive e-mails and electronic documents by responding to an e-mail that will be sent from UAMC. After signing this Consent and responding to the e-mail, you will be enrolled in the electronic delivery of mortgage documents and disclosures pursuant to the terms of this Consent. UAMC has no obligation to monitor or notify you if e-mails are undeliverable because your e-mail address on file with us is expired or otherwise invalid or because of other technical problems related to your equipment, internet service, or e-mail service. It is you responsibility to ensure that the e-mail address UAMC has on file for you is correct and up to date at all times.**

UAMC may cancel this Consent and opt to deliver documents and disclosures to you in paper form at its sole discretion.

By signing, dating and providing your e-mail address(s) below you agree to receive notifications and documents electronically from UAMC.

| | | |
|---|---|---|
| DocuSigned by: Edward F Dengg 802DBE5E215E4D2... | eddydengg@insightbb.com | 3/9/2013 |
| Borrower - Edward F Dengg | Email | Date |
| DocuSigned by: Sylvia K Dengg DEB3A4B291FB415... | skdengg@hotmail.com | 3/9/2013 |
| Borrower - Sylvia K Dengg | Email | Date |
| | | |
| Borrower - | Email | Date |
| | | |
| Borrower - | Email | Date |

I have completed the sales review of the above purchase agreement documents.

DocuSigned by:

[redacted]

Sales Reviewer Cheryl Williams

Date 3/15/2013

# EXHIBIT 6

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

Lennar Carolinas, LLC
1941 Savage Road, Ste. 100-C
Charleston, South Carolina 29407
843-388-8989

# PURCHASE AND SALE AGREEMENT

**PURSUANT TO SECTION 15-48-10, SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED, THIS SHALL CONSTITUTE WRITTEN NOTICE THAT THIS AGREEMENT IS SUBJECT TO MANDATORY BINDING ARBITRATION PURSUANT TO SECTION 16 OF THIS AGREEMENT.**

**THIS PURCHASE AND SALE AGREEMENT** (together with the Riders and Addenda attached hereto and incorporated by reference herein, this "**Agreement**") is made and entered into as of the thirteenth day of FEBRUARY , 2012 by and between Lennar Carolinas, LLC ("**Seller**"), and Buyer(s) named below ("**Buyer**"):

| BUYER(S): | Check Applicable: |
|---|---|
| 1. Jonathan WE Douglass | Married ☐ Single ☐ Male ☒ Female ☐ |
| 2. Theresa A Douglass | Married ☐ Single ☐ Male ☐ Female ☒ |
| 3. | Married ☐ Single ☐ Male ☐ Female ☐ |
| 4. | Married ☐ Single ☐ Male ☐ Female ☐ |
| No Buyer Changes Will Be Permitted | |

| Buyer Address: 824 Old Point Avenue | | |
|---|---|---|
| City: Hampton | State / Country: VA | Zip: 23663 |

By providing your telephone and fax numbers and your email address, you hereby consent to receiving telephonic, fax and email communications, including advertisements, made or sent by or on behalf of Seller and/or its affiliates.

| | |
|---|---|
| **Home Telephone:** | **Facsimile Numer:** |
| **Business Telephone:** | **Email Address:** tnapi003@gmail.com |
| **Cellular Telephone:** +1 818 4780998 | |

1. **Purchase and Sale**. Buyer agrees to buy and Seller agrees to sell to Buyer (on the terms and conditions set forth below) Model Linden constructed or to be constructed on the following described property:
Lot 0043 of Block _____ of The Abbey at Spring Grove Subdivision/Plat, in Berkeley County (the "**County**"), South Carolina

Address: 215 Maywood Drive Moncks Corner SC 29461

The residence and improvements (the "**Home**") constructed or to be constructed on the above described property (the "**Homesite**"), and all appurtenances thereto are collectively referred to in this Agreement as the "**Property.**" The Property is located within the community known as The Abbey at Spring Grove (the "**Community**").

2. **Purchase Price and Payments**. The total purchase price ("**Total Purchase Price**") for the Home, exclusive of any Builder's Fee, as applicable, and Closing Costs as described in Rider B and the Purchase Price and Payment Addendum, is $ 179,998.00. Buyer (and not a third party) has made an earnest money deposit upon the signing of this Agreement (the "**Initial Deposit**") of $ 500.00. Buyer shall make further payments to Seller, including but not limited to any "Additional Deposit" or "Advanced Payment" (consisting of non-refundable deposit(s) for options, extras, and upgrades) as set forth in the Purchase Price and Payment Addendum attached hereto and made a part hereof. The term "**Deposit**" shall include the Initial Deposit, Additional Deposit and Advanced Payment.

3. **Legally Binding Agreement**. THIS AGREEMENT IS A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, PLEASE SEEK COMPETENT LEGAL ADVICE. NO WARRANTIES OR REPRESENTATIONS, OTHER THAN THOSE SPECIFIED IN THIS AGREEMENT, ARE EXPRESSED OR IMPLIED. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF SELLER. FOR CORRECT WARRANTIES AND REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THIS AGREEMENT, INCLUDING THE RIDERS AND ADDENDA ATTACHED HERETO, AND THE "**DOCUMENTS**" (AS SUCH TERM IS DEFINED IN RIDER B) PROVIDED TO BUYER, IF ANY.

4. **Financing**.

☐ **NO CONTINGENCY.** If this box is checked, this is a cash transaction and not contingent on financing. Buyer agrees to provide within five (5) calendar days from the Buyer's execution of this Agreement financial statements or other written verification of Buyer's ability to purchase the Property with cash. If Buyer does not (in Seller's sole judgment, based on the documentation provided by Buyer to Seller) have the financial ability to purchase the Property with cash, then Seller may terminate this Agreement by refunding to Buyer any paid Deposit.

☒ **MORTGAGE CONTINGENCY.** If this box is checked, this Agreement is contingent on Buyer obtaining a loan commitment within the Mortgage Contingency Period (as such term is defined in Rider B attached hereto) for a first mortgage loan from Universal American Mortgage Company, LLC (an affiliate of Seller), or another qualified institutional mortgage lender of Buyer's choice ("**Lender**"), with interest, term and service charges at current market rates at time of Closing (as defined below) for a borrower of

Buyer's credit qualifications (the "**Mortgage Contingency**"). Buyer agrees to apply within five (5) calendar days from the execution of this Agreement for a loan at the then prevailing interest rate and terms (the "**Mortgage Contingency Period**"). In the event Buyer chooses to obtain financing through a Lender other than Universal American Mortgage Company, LLC, Buyer agrees to promptly provide Seller, upon Seller's request, with the name, address and phone number of such Lender, the loan officer and the loan processor. Buyer shall furnish promptly and accurately to Lender all information and documents requested by Lender in connection with such application. If Buyer properly makes and pursues the loan application as provided herein but is unable to provide Seller with a copy of a written loan commitment reasonably satisfactory to Seller within the Mortgage Contingency Period, or if Buyer is at any time disapproved for such loan (and Buyer does not cancel or withdraw his/her loan application), then Seller, at its sole discretion, may cancel this Agreement by written notice to Buyer, at Buyer's last known address, in which event Seller shall refund any paid Deposit made by Buyer. If Buyer properly makes and pursues the loan application as provided herein but is unable to obtain mortgage loan financing, despite Buyer's good faith efforts to do so, and Buyer is not otherwise in default under this Agreement, and further provided that Buyer provides Seller with documentation from Lender that the loan has been declined, Buyer may cancel this Agreement by giving written notice to Seller within the Mortgage Contingency Period, in which event Seller shall refund any paid Deposit. If this Agreement provides for a VA guaranteed or FHA-insured loan, Buyer's obligation to complete the purchase contemplated under this Agreement is subject to the VA/FHA Addendum attached hereto and incorporated herein.

The following shall apply only if this Agreement is subject to the Mortgage Contingency, as indicated above:

4.1 Mortgage Loan. Unless Buyer shall have otherwise notified Seller in writing within the Mortgage Contingency Period, Buyer shall be conclusively presumed to have obtained the loan commitment or agreed to purchase the Property without mortgage financing, and the Mortgage Contingency shall be deemed to have been satisfied.

4.2 Application. Buyer understands that any loan application required under this Agreement must be fully completed in order to obtain the mortgage loan, and Buyer will make a good faith attempt to qualify for the mortgage loan. If Buyer has a spouse who does not constitute a Buyer under this Agreement, Buyer agrees to have his/her spouse sign the mortgage documents as required by Lender. BUYER AGREES TO INCUR NO DEBT SUBSEQUENT TO THE DATE HEREOF WHICH MIGHT JEOPARDIZE APPROVAL OF BUYER'S MORTGAGE LOAN. IF THE PROPERTY IS BEING PURCHASED BY A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, BUYER AGREES TO (1) OBTAIN ANY PERSONAL ENDORSEMENTS OR GUARANTEES REQUIRED BY LENDER AND (2) PROVIDE TO LENDER AND/OR THE TITLE INSURER PROMPTLY UPON REQUEST SUCH CERTIFICATES, RESOLUTIONS OR OTHER CORPORATE, PARTNERSHIP OR OTHER ORGANIZATIONAL DOCUMENTS AS MAY BE REQUIRED. Except as provided in this Agreement, Buyer agrees to pay all loan fees and closing costs charged by Lender in connection with the mortgage loan. Buyer will pay any prepaid interest due on the mortgage loan at the time of Closing and any amount Lender may require to be put into escrow toward the payment of property taxes and insurance on the Property. Buyer will also pay any mortgage insurance premiums (prepaid or otherwise), if required by Lender.

4.3 Commitment. Buyer understands that the rate of interest on the mortgage is established by Lender and not by Seller and that any predictions or representations of present or future interest rate that may have been contained in any advertising or promotion by Seller are not binding. If Buyer obtains a written mortgage loan commitment and the mortgage loan commitment is subsequently withdrawn through no fault of Seller including, but not limited to, any condition to such loan commitment not being satisfied for any reason (other than failure of the Property to appraise equal to or greater than the Total Purchase Price), this Agreement shall remain in full force and effect and Buyer shall be conclusively presumed to have agreed to purchase the Property without mortgage financing. If the Lender's appraiser does not appraise the Property for the Total Purchase Price then Seller shall have the option in, Seller's sole discretion, to (i) lower the Total Purchase Price to the appraised value and Buyer shall proceed to Closing, or (ii) terminate this Agreement and return the Deposits to Buyer. If Buyer obtains a loan commitment containing any special condition that is not ordinarily contained in typical loan commitments for the Community, Seller, in Seller's sole discretion, may treat Buyer's loan application as having been denied; whereupon, Seller shall have the rights set forth in this Section 4.

4.4 Sale of Other Residence. Unless the Home Sale Contingency Addendum is executed, Buyer represents and warrants that this Agreement and the mortgage loan referenced herein, are not and will not be subject to or contingent upon Buyer's selling and/or closing on the sale of Buyer's present residence or other property. Failure to close on the purchase of the Property will constitute a default by Buyer and the remedies available to Seller for Buyer's default under this Agreement shall apply.

5. **Funds**. Any funds paid by Buyer under the terms of this Agreement to Seller through a check or cashier's check are accepted by Seller subject to collection. Buyer acknowledges that Seller shall have the right to deposit such check for the Initial Deposit without such action being deemed acceptance of this Agreement. If any such check is not paid by the bank after acceptance of this Agreement, Seller shall have the option to cancel this Agreement and declare Buyer in default. If Buyer provides any check for a Deposit in the form of Canadian currency (a "**C$ check**"), Seller's depository bank will convert such C$ check into a U.S. dollar amount using its currency procedures and exchange rate then in effect two (2) business days following the date of processing (the "**Conversion Date**") and the amount of the Deposit to be applied toward the Total Purchase Price shall be equal to the amount received by Seller from the depository bank on the Conversion Date. Seller reserves the right to charge or pass through any currency conversion-related fees or costs to the Buyer at Closing (as hereafter defined). Notwithstanding the foregoing or anything contained in the Agreement to the contrary, the balance of the Total Purchase Price plus all applicable Closing Costs (the "**Closing Proceeds**") shall be paid to Seller at Closing by wire transfer in immediately available funds or by cashier's check (subject to collection) issued by a bank with a branch in the County where the Property is located. If Buyer delivers all or any portion of the Closing Proceeds in the form of a cashier's check exceeding $25,000.00, then Buyer will not be entitled to possession of the Home until the Closing Proceeds have cleared.

6. **Credit Information Authorization**. Buyer authorizes Lender to whom Buyer has applied or is in the process of applying for a mortgage loan in connection with this transaction to disclose to Seller the information contained in any loan application, verification of deposit, income and employment, and credit reports or credit related documentation on Buyer. Buyer authorizes Seller to order one or more credit reports from a consumer reporting agency to be used in connection with this transaction. The cost of said report(s) is (are) to be paid by Buyer. Buyer authorizes Seller to forward all copies of all or any portion of such report(s) without interpretation to Lender who (at the request of Buyer) will evaluate a potential extension of credit to Buyer in connection with this transaction. Buyer authorizes Lender, and any credit bureau or other person or entity utilized or engaged by Lender, to obtain one or more consumer reports regarding Buyer and to investigate any information, reference, statement, or data, provided to Lender by Buyer or by any other

person or entity, pertaining to Buyer's credit and financial status. Buyer shall indemnify, defend and hold harmless Seller, its officers, directors, shareholders, employees, agents, contractors, subcontractors and suppliers ("Indemnified Parties"), Lender, and any credit bureau or other person or entity utilized or engaged by Lender or Seller, from and against any deficiencies, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, awards, suits, costs or disbursements of any kind or nature whatsoever, including attorneys' fees and expenses ("Claims") arising from an investigation of Buyer's credit and financial status.

7. **Closing**. Without limiting the terms of Section 8, Buyer acknowledges and agrees that Seller has the right in its sole discretion to schedule the date, time and place for the closing of the transaction contemplated by this Agreement ("**Closing**") and Buyer shall close on such Closing Date (the "**Closing Date**"). Buyer will be given notice of the Closing Date, time and place by the "**Closing Date Notice Period**" (as such term is defined in Rider B attached hereto). Seller is authorized to postpone or advance the date of Closing at its discretion. Seller must, however, give Buyer reasonable notice of the new Closing Date. Any notice of Closing may be given verbally, by telephone, telegraph, telex, facsimile, mail, e-mail, or other means of communication at Seller's option. All notices of Closing will be given to Buyer at the address or by use of the telephone number(s) or e-mail address(es) specified on page 1 of this Agreement unless Seller has received written notice from Buyer of any change therein prior to the date notice of Closing is given. Buyer's failure to receive the notice of Closing because Buyer has failed to advise Seller of any changes of address or phone number, or because Buyer has failed to pick up a letter when Buyer has been advised of an attempted delivery or for any other reason, shall not relieve Buyer of Buyer's obligation to close on the scheduled Closing Date, unless Seller otherwise agrees in writing to postpone the Closing Date. To the extent not prohibited by applicable law, if Seller, in its sole discretion, agrees in writing to reschedule the Closing Date at Buyer's request, or because Buyer (if a corporation) has failed to produce all corporate documents requested by Seller, or for any other reason (except for delay required by Seller), then (1) Seller may impose a late charge as liquidated damages for such delay equal to One Hundred Twenty-Five Dollars ($125.00) per day for every day from the original Closing Date through the date that the transaction closes, and (2) Seller may require that prorations be made as of the original Closing Date. Buyer agrees the late charge is appropriate in order to cover Seller's administrative and other expenses resulting from a delay in Closing and that the amount of liquidated damages is fixed and agreed to by the parties as a reasonable estimate of the damages that Seller shall suffer and is not in the nature of a penalty. Seller is not required to agree to reschedule Closing, but Seller may reschedule Closing in Seller's sole discretion.

8. **Completion Date**. It is expressly agreed by Buyer that notwithstanding anything to the contrary specified herein or verbally represented (including but not limited to Seller's sales representative), any scheduled completion date is a good faith estimate, and Seller makes no promises or representations concerning the date of completion. Buyer agrees that Buyer has not relied, and will not rely upon, any estimated completion date for any purpose whatsoever, including, without limitation, relocation of residence, storage of personal property, or lock-in financing, and Buyer agrees that Seller shall not be liable for any additional costs, expenses or damages whatsoever should the Home not be completed by an estimated completion date. Notwithstanding the foregoing, Seller is required to complete and does agree that the construction of the Home shall be completed not later than two (2) years from the date of Buyer's execution of this Agreement. If construction is delayed by any event recognized by the law of the state in which the Home is located as a defense to a contract action for non-performance or a delay in performance, then the date of completion shall be extended by the delay period. It is the express intent of the parties that the parties' rights and obligations under this Agreement be construed in the manner necessary to exempt this Agreement and the sale of the Property from registration under the Interstate Land Sales Full Disclosure Act, and both Buyer and Seller hereby expressly waive any right or provision of this Agreement that would otherwise preclude such exemption.

9. **Casualty Before Closing**. If the Property is damaged by fire, act of terrorism or other casualty before Closing and the cost of restoration does not exceed three percent (3%) of the Total Purchase Price and repairs will not substantially delay Closing, Seller shall repair the damage and Closing shall proceed pursuant to the terms of this Agreement. If the cost of restoration exceeds three percent (3%) of the Total Purchase Price or the repairs would substantially delay Closing, Buyer shall have the option to: (1) terminate this Agreement and receive a refund of the Deposit made by Buyer to Seller, in which event both parties shall be released from all obligations under this Agreement, or (2) have Seller repair the damage as soon as reasonably possible, and Closing shall be extended until such repair or rebuilding is complete.
Notwithstanding the foregoing, if all or a portion of the Property is damaged by fire, act of terrorism or other casualty and (1) the plans, specifications or construction materials for the Property must be materially modified in order to repair or reconstruct the Property, or (2) the repair or reconstruction of the Property substantially in accordance with the plans and specifications is rendered impossible by any cause recognized by the law of the state in which the Property is located as a defense to a contract action for non-performance, then Seller shall have the right to terminate this Agreement and Buyer shall receive a refund of the Deposit made by Buyer to Seller in which event both parties shall be released from all obligations under this Agreement.

10. **Deed**. Seller shall convey title to Buyer at Closing by delivery to Buyer of a General Limited Warranty Deed (the "**Deed**") describing the Property, which Deed shall convey title to Buyer subject to all matters described in this Agreement.

11. **Closing and Title Matters**. Title to the Property to be delivered to Buyer at Closing will be marketable and insurable, subject only to the following matters:

11.1 Title to the Property shall be subject to the following: (1) zoning, building codes, bulkhead laws, ordinances, regulations, rights or interests vested in the United States of America or the state in which the Community is located; (2) real estate taxes and other taxes for the year of conveyance and subsequent years including taxes or assessments of any special taxing or community development district (including assessments relating to capital improvements and bonds); (3) the general printed exceptions contained in an owner's title insurance policy; (4) utility easements, sewer agreements, telephone agreements, cable agreements, telecommunications agreements, monitoring agreements, restrictions and reservations common to any plat affecting title to the Property; (5) matters that would be disclosed by an accurate survey or inspection of the Property; (6) the Documents; (7) any laws and restrictions, covenants, conditions, limitations, reservations, agreements or easements recorded in the public records for the County (for example, use limitations and obligations, easements (right-of-way) and agreements relating to telephone, gas or electric lines, water and sewer lines and drainage, provided they do not prevent use of the Property for single family residential purposes); (8) minor encroachments on easements that do not substantially interfere with an easement holder's interest in the Property; and (9) acts done or suffered by Buyer and any mortgage or deed of trust obtained by Buyer for the purchase of the Property. It is Buyer's responsibility to review and become familiar with each of the foregoing title matters, some of which are covenants running with the land. If any title defects are discovered by Buyer after Closing, Buyer's sole remedy shall be to make a claim to Buyer's title insurer.

11.2 Seller shall convey title to Buyer at Closing by delivery to Buyer of the Deed, which shall convey title to Buyer subject to all matters described in Section 11.1 of this Agreement. Any such matters omitted from the Deed shall nevertheless be deemed to be included in the Deed.

11.3 Seller shall provide an affidavit complying with the Foreign Investment in Real Property Tax Act of 1980, as amended, upon written request of Buyer.

11.4 Seller may not own title to the Property as of the date of this Agreement or at Closing. However, Seller shall obtain title to the Property on or before the Closing Date or effect the necessary transfer of title on or before the date when Seller causes title to be transferred to Buyer.

11.5 If Seller cannot provide marketable and insurable title as described above, such failure shall not be an event of default and Seller will have a reasonable period of time (at least one hundred and twenty (120) days from the date of the scheduled Closing Date) to attempt to correct any defects in title; provided, however, Seller shall not be obligated to incur any expense, nor institute any litigation, to clear title to the Property. If Seller cannot or elects not to correct the title defects, Seller shall so notify Buyer within such period, and Buyer may thereafter elect (by written notice from Buyer to Seller) one of the following two (2) options: (1) to accept title in the condition offered (with defects) and pay the balance of the Total Purchase Price for the Property (without set off or deduction therefor), thereby waiving any claim with respect to such title defects and Buyer will not make any claims against Seller because of the title defects; or (2) to terminate this Agreement and receive a full refund of the Deposit deposited hereunder. If all such amounts are refunded, Buyer agrees to accept it as full payment of Seller's liability hereunder, whereupon this Agreement shall be terminated and Seller shall thereafter be relieved and released of all further liability hereunder. Buyer shall not thereafter have any rights to make any additional claims against Seller. In the event Buyer does not notify Seller in writing within five (5) calendar days from the receipt of Seller's notice (time being strictly of the essence) as to which option Buyer elects, Buyer shall be conclusively presumed to have elected option (1) set forth above in this subsection.

11.6 The acceptance of the Deed by Buyer shall be deemed to be full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to this Agreement, except those which are herein specifically deemed to survive Closing or which may survive by operation of law, if any.

11.7 Title to the Property will be deemed marketable if an owner's policy is issued with standard exceptions.

11.8 All of the terms of this Section 11 shall survive Closing and the delivery of the Deed.

12. Closing Costs. The respective responsibilities of Buyer and Seller for all costs, prorations and fees payable at Closing (the "Closing Costs") are shown in Rider B attached hereto.

13. Site and Substitutions. The materials, equipment and fixtures included in and to be used in constructing the Home will be substantially the same as or similar in quality to those described in the applicable plans and specifications (except as to extras, options and/or upgrades).

13.1 Changes to Plans and Specifications.

13.1.1 Industry Practice. It is widely observed construction industry practice for pre-construction plans and specifications for any home or building to be changed and adjusted from time to time in order to accommodate on-going site conditions and in the field construction factors. These changes and adjustments are essential in order to permit all components of the Home to be integrated into a well-functioning and aesthetically pleasing product in an expeditious manner. Based on the foregoing, Buyer acknowledges that such changes and adjustments may occur and agrees that it is reasonable and to Buyer's benefit to allow Seller the flexibility to make such changes and adjustments to the Home.

13.1.2 Seller's Absolute Right to Make Modifications to Plans and Specifications. Seller has the absolute right to make modifications to the plans and specifications for the Home. Without limiting the generality of the foregoing, Buyer specifically agrees that changes in the dimensions of rooms and patios, entrances and terraces, if applicable, and changes in room size, in the locations of windows, doors, walls, partitions, utility lead-ins and outlets (including, but not limited to, electrical, cable television, and telephone), air-conditioning components, lighting fixtures and electrical panel boxes may be made by Seller in its sole discretion, provided however that changes in the layout and dimensions of the Home shall not substantially affect the value of the Home. Such changes may also include, but are not limited to, changes in the building location, setbacks and facing, the building's external configuration, its structural components, its finishes and the landscaping associated therewith.

13.1.3 Buyer's Acceptance of Actual Floor Plan. Buyer further understands and acknowledges that many of the Homes to be constructed within the Community require floor plans which are opposite (i.e. flipped) mirror images of the model floor plan and Buyer fully understands and accepts the floor plan configuration for the Home and improvements to be constructed within the Home.

13.1.4 No Warranty for Plans and Specifications on File. Buyer further acknowledges and agrees that (1) the plans and specifications of the Home and the Community on file with the applicable governmental authorities may not be identical in detail to Seller's plans and specifications, and (2) because of the day-to-day nature of the changes described in this Section 13, the plans and specifications on file with the applicable governmental authorities may not include some or any of these changes (there being no legal requirement to file all changes with such authorities). As a result of the foregoing, Buyer and Seller both acknowledge and agree that the Home and the Community may not be constructed in accordance with the plans and specifications on file with the applicable governmental authorities. Without limiting the generality of the provisions of Rider B attached hereto, Seller disclaims and Buyer waives any and all express or implied warranties that construction will be accomplished in compliance with such plans and specifications. Seller has not given and Buyer has not relied on or bargained for any such warranties. In furtherance of the foregoing, in the event of any conflict between the actual construction of the Home and/or the

Community, and that which is set forth on the plans and specifications, Buyer agrees that the actual construction shall prevail and to accept the Home and Community as actually constructed (in lieu of what is set forth on the plans and specifications).

13.2 Lot Change. In the event that Seller, in its sole discretion, determines that the Model of the Home selected under this Agreement cannot reasonably be built on the Homesite, then Buyer and Seller hereby agree that they will negotiate in good faith to relocate the Home to another lot in the Community, provided however that there are lots available for sale. If no replacement lot is available, then Buyer may terminate this Agreement and will be entitled to a refund of any paid Deposit.

13.3 Decorative and Landscaping Items.

13.3.1 Buyer understands and agrees that certain of the finishing items, such as tile, marble, carpet, cabinets, stone, brickwork, wood, paint, stain and mica are subject to size and color variations, grain and quality variations, and may vary in accordance with price, availability and changes by manufacturers from those shown in the model, if any, or in illustrations or brochures or those included in the specifications. Furthermore, if circumstances arise that, in Seller's opinion, warrant changes of subcontractors, suppliers, manufacturers, brand names or items, Seller reserves the right to substitute equipment, materials, appliances, etc., which in Seller's opinion are considered to be of quality substantially similar or equal, or of better quality, subject to their availability. Buyer also understands that Seller has the right to substitute or change materials and/or stain colors utilized in wood decor, if any.

13.3.2 Lot grades, lot area, options, facades, shrubs, trees, trim, built-ins, wall treatments, window treatments, furniture, furnishings, fences, decks, locations of walks, driveways and other items in or about a model home area in the subdivision are for display purposes only and are not included in the Total Purchase Price unless otherwise expressly provided herein. Seller has the right to remove any existing trees on the Property or on the surrounding area for any reason. Buyer further understands and agrees that the following items (which may be seen in models or shown in illustrations) will also not be included with the sale of the Home: wall coverings, paint colors, accent light fixtures, wall ornaments, drapes, blinds, bedspreads, furniture, furnishings, wet bars, monitoring systems, certain built-in fixtures, special floor coverings, wood trim, upgraded items and/or any other items of this nature which may be added or deleted from time to time. This list of items (which is not all-inclusive) is provided as an illustration of the type of items built-in or placed upon models or shown in illustrations strictly for purposes of decoration and example only.

13.4 Deed. By acceptance of the Deed, Buyer accepts all variations of the Home.

13.5 Survival. All of the terms of this Section 13 shall survive Closing and the delivery of the Deed.

14. **Buyer's Default**. In the event of Buyer's default and to the extent allowed by law, Seller shall be entitled to keep, as liquidated damages and not as a penalty, Buyer's Deposit not to exceed fifteen percent (15%) of the Total Purchase Price, except that Seller may, in addition, keep, as liquidated damages and not as a penalty, any and all Advanced Payments made by Buyer to Seller for options, extras or upgrades for which Seller has made contractual commitments or incurred liability by placing orders or otherwise. Buyer agrees that actual damages in the event of breach by Buyer would be costly and difficult to calculate, and that such liquidated damages are a fair and reasonable remedy and shall not be considered a penalty. The provisions of this Section shall survive the termination of this Agreement.

15. **Seller's Default**. In the event of Seller's default and to the extent allowed by law, Buyer may recover actual damages but shall not be entitled to special, consequential or punitive damages. Notwithstanding the foregoing, Buyer retains all remedies at law and in equity with respect to Seller's obligation to complete the Home within two (2) years pursuant to Section 8 above. The provisions of this Section shall survive the termination of this Agreement.

16. **Mediation / Arbitration of Disputes**.

16.1 The parties to this Agreement specifically agree that this transaction involves interstate commerce and that any Dispute (as hereinafter defined) shall first be submitted to mediation and, if not settled during mediation, shall thereafter be submitted to binding arbitration as provided by the Federal Arbitration Act (9 U.S.C. §§1 et seq.) and not by or in a court of law or equity. "Disputes" (whether contract, warranty, tort, statutory or otherwise), shall include, but are not limited to, any and all controversies, disputes or claims (1) arising under, or related to, this Agreement, the Property, the Community or any dealings between Buyer and Seller; (2) arising by virtue of any representations, promises or warranties alleged to have been made by Seller or Seller's representative; and (3) relating to personal injury or property damage alleged to have been sustained by Buyer, Buyer's children or other occupants of the Property, or in the Community. Buyer has executed this Agreement on behalf of his or her children and other occupants of the Property with the intent that all such parties be bound hereby. Any Dispute shall be submitted for binding arbitration within a reasonable time after such Dispute has arisen. Nothing herein shall extend the time period by which a claim or cause of action may be asserted under the applicable statute of limitations or statute of repose, and in no event shall the Dispute be submitted for arbitration after the date when institution of a legal or equitable proceeding based on the underlying claims in such Dispute would be barred by the applicable statute of limitations or statute of repose.

16.2 Any and all mediations commenced by any of the parties to this Agreement shall be filed with and administered by the American Arbitration Association or any successor thereto ("AAA") in accordance with the AAA's Home Construction Mediation Procedures in effect on the date of the request. If there are no Home Construction Mediation Procedures currently in effect, then the AAA's Construction Industry Mediation Rules in effect on the date of such request shall be utilized. Any party who will be relying upon an expert report or repair estimate at the mediation shall provide the mediator and the other parties with a copy of the reports. If one or more issues directly or indirectly relate to alleged deficiencies in design, materials or construction, all parties and their experts shall be allowed to inspect, document (by photograph, videotape or otherwise) and test the alleged deficiencies prior to mediation. Unless mutually waived in writing by the parties, submission to mediation is a condition precedent to either party taking further action with regard to any matter covered hereunder.

16.3 If the Dispute is not fully resolved by mediation, the Dispute shall be submitted to binding arbitration and administered by the AAA in accordance with the AAA's Home Construction Arbitration Rules in effect on the date of the request. If there

are no Home Construction Arbitration Rules currently in effect, then the AAA's Construction Industry Arbitration Rules in effect on the date of such request shall be utilized. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Dispute. If the claimed amount exceeds $250,000.00 or includes a demand for punitive damages, the Dispute shall be heard and determined by three arbitrators; however, if mutually agreed to by the parties, then the Dispute shall be heard and determined by one arbitrator. Arbitrators shall have expertise in the area(s) of Dispute, which may include legal expertise if legal issues are involved. All decisions respecting the arbitrability of any Dispute shall be decided by the arbitrator(s). At the request of any party, the award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

16.4 The waiver or invalidity of any portion of this Section shall not affect the validity or enforceability of the remaining portions of this Section. Buyer and Seller further agree (1) that any Dispute involving Seller's affiliates, directors, officers, employees and agents shall also be subject to mediation and arbitration as set forth herein, and shall not be pursued in a court of law or equity; (2) that Seller may, at its sole election, include Seller's contractors, subcontractors and suppliers, as well as any warranty company and insurer as parties in the mediation and arbitration; and (3) that the mediation and arbitration will be limited to the parties specified herein.

16.5 To the fullest extent permitted by applicable law, Buyer and Seller agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any other arbitration, judicial, or similar proceeding shall be given preclusive or collateral estoppel effect in any arbitration hereunder unless there is mutuality of parties. In addition, Buyer and Seller further agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any arbitration hereunder shall be given preclusive or collateral estoppel effect in any other arbitration, judicial, or similar proceeding unless there is mutuality of parties.

16.6 Unless otherwise recoverable by law or statute, each party shall bear its own costs and expenses, including attorneys' fees and paraprofessional fees, for any mediation and arbitration. Notwithstanding the foregoing, if a party unsuccessfully contests the validity or scope of arbitration in a court of law or equity, the noncontesting party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in defending such contest, including such fees and costs associated with any appellate proceedings. In addition, if a party fails to abide by the terms of a mediation settlement or arbitration award, the other party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in enforcing such settlement or award.

16.7 Buyer may obtain additional information concerning the rules of the AAA by visiting its website at www.adr.org or by writing the AAA at 335 Madison Avenue, New York, New York 10017.

16.8 Seller supports the principles set forth in the Consumer Due Process Protocol developed by the National Consumer Dispute Advisory Committee and agrees to the following:

16.8.1 Notwithstanding the requirements of arbitration stated in Section 16.3 of this Agreement, Buyer shall have the option, after pursuing mediation as provided herein, to seek relief in a small claims court for disputes or claims within the scope of the court's jurisdiction in lieu of proceeding to arbitration. This option does not apply to any appeal from a decision by a small claims court.

16.8.2 Seller agrees to pay for one (1) day of mediation (mediator fees plus any administrative fees relating to the mediation). Any mediator and associated administrative fees incurred thereafter shall be shared equally by the parties.

16.8.3 The fees for any claim pursued via arbitration in an amount of $10,000.00 or less shall be apportioned as provided in the Home Construction Arbitration Rules of the AAA or other applicable rules.

16.9 Notwithstanding the foregoing, if either Seller or Buyer seeks injunctive relief, and not monetary damages, from a court because irreparable damage or harm would otherwise be suffered by either party before mediation or arbitration could be conducted, such actions shall not be interpreted to indicate that either party has waived the right to mediate or arbitrate. The right to mediate and arbitrate should also not be considered waived by the filing of a counterclaim by either party once a claim for injunctive relief had been filed with a court.

16.10 Buyer and Seller specifically agree that notwithstanding anything to the contrary, the rights and obligations set forth in this Section 16 shall survive (1) Closing and the delivery of the Deed; (2) the termination of this Agreement by either party; or (3) the default of this Agreement by either party.

17. **Other Dispute Resolutions.** Notwithstanding the parties' obligation to submit any Dispute to mediation and arbitration, in the event that a particular dispute is not subject to the mediation or the arbitration provisions of Section 16, then the parties agree to the following provisions: **BUYER ACKNOWLEDGES THAT JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS AGREEMENT ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. BUYER AND SELLER AGREE THAT ANY DISPUTE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY. BUYER AND SELLER HEREBY WAIVE THEIR RESPECTIVE RIGHT TO A JURY TRIAL. SELLER HEREBY SUGGESTS THAT BUYER CONTACT AN ATTORNEY OF BUYER'S CHOICE IF BUYER DOES NOT UNDERSTAND THE LEGAL CONSEQUENCES OF EXECUTING THIS AGREEMENT.** All of the terms of this Section 17 shall survive Closing and the delivery of the Deed.

18. **Selling Agent, Cooperating Broker, and Seller's New Home Consultant.** Unless a Purchase Price and Payment Addendum indicating otherwise is attached hereto, Buyer represents to Seller that Buyer has not consulted, dealt or negotiated with a real estate broker, salesperson or agent other than Seller's sales personnel located at Seller's sales office. Buyer agrees that Seller is not responsible for the payment of a commission to a real estate broker, salesperson or agent other than Seller's sales personnel. Buyer shall indemnify, defend and hold harmless Indemnified Parties from and against any and all Claims resulting from or arising out of any representation or breach of a representation or warranty set forth in this Section. In addition, Buyer acknowledges and

understands that Seller's New Home Consultant ("NHC") and Internet New Home Consultant ("INHC") are agents of Seller, are acting solely for the Seller's interests, and are not acting in any representative capacity for Buyer. Buyer should not disclose any information to Seller's NHC and/or INHC that Buyer considers to be confidential or otherwise does not want disclosed to Seller.

Buyer's Initials JWED TAD

19. Construction Activities. ALL OWNERS, OCCUPANTS AND USERS OF THE COMMUNITY ARE HEREBY PLACED ON NOTICE THAT (1) SELLER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES, AND/OR (2) ANY OTHER PARTIES, WILL BE, FROM TIME TO TIME, CONDUCTING BLASTING, EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO THE COMMUNITY. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF THE COMMUNITY, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (1) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (2) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO THE AREA OF THE COMMUNITY WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (3) TO THE EXTENT PERMITTED OR NOT PROHIBITED UNDER APPLICABLE LAW, SELLER AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT RESULTING DIRECTLY FROM SELLER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, (4) ANY PURCHASE OR USE OF ANY PORTION OF THE COMMUNITY HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING AND (5) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO SELL, CONVEY, AND/OR ALLOW THE USE OF THE PROPERTY.

20. Dangerous Condition; Construction Work.

20.1 Buyer understands and agrees that the Property is a construction site and that the Property and the improvements, equipment and supplies thereon constitute a danger to those who may enter on the Property. Buyer shall not enter onto the Property prior to Closing unless authorized and accompanied by Seller's representative. Any unauthorized, unaccompanied entry by Buyer shall constitute a breach of this Agreement by Buyer, at Seller's election. Moreover, any entry by Buyer onto the Property prior to Closing shall be done at Buyer's own risk and in compliance with all federal, state and local safety laws and regulations. To the extent permitted or not prohibited by applicable law, Buyer waives, releases and shall indemnify, defend and hold harmless Indemnified Parties from and against any Claims made by Buyer, Buyer's family members or guests, as a direct or indirect result of any such unauthorized, unaccompanied entry onto the Property.

20.2 Buyer agrees that supervision and direction of the working forces, including, without limitation, all contractors and subcontractors, is to be done exclusively by Seller, and Buyer agrees not to issue any instructions to the working forces or otherwise hinder construction or installation of improvements on the Property. Buyer shall not do or have any work done on the Property, nor may Buyer store any possessions thereon, prior to Closing and transfer of title to the Property to Buyer.

20.3 Buyer agrees that any and all controversies, disputes and claims arising under this Section shall be resolved through binding arbitration in accordance with the terms of this Agreement.

20.4 All of the terms of this Section 20 shall survive Closing and the delivery of the Deed.

21. OFAC. Executive Order 13224 requires all United States entities and persons to block assets and not transact business with entities, countries and persons (specifically designated nationals) set forth by the Office of Foreign Asset Control ("OFAC"). This requirement applies to all homebuilding entities in The Lennar Family of Builders (including but not limited to Seller), Universal American Mortgage Company, LLC and all of its affiliates, and North American Title Company and all of its affiliates (collectively, the "Lennar Affiliates"). Accordingly, each of Seller and the Lennar Affiliates will check current OFAC lists and other publications in connection with each potential transaction, loan, or home sale. In order to check the OFAC list, Buyer must provide to Seller a Government-issued identification card (this might include a driver's license, birth certificate, passport or resident alien card). To the extent Buyer (or any single person or entity constituting a part of Buyer) matches a name or entity on any such OFAC list or publication, the transactions with Buyer contemplated under or in connection with this Agreement will be immediately suspended, and Buyer shall be reported as instructed by the OFAC.

22. Agreement not to be Recorded. Buyer covenants that Buyer shall not record this Agreement (or any memorandum thereof) in the Public Records of the County. Buyer agrees, if Buyer records this Agreement, to pay all of Seller's attorneys' fees, paraprofessional fees and expenses incurred in removing the cloud on title caused by such recordation. Seller's rights under this Section shall be in addition to Seller's remedies for Buyer's default provided elsewhere in this Agreement.

23. Transfer, Assignment and Persons Bound. Buyer agrees that Buyer will not, and does not have the right to, assign, sell or transfer Buyer's interest in this Agreement (whether voluntarily or by operation of law or otherwise) without Seller's prior written consent. If Buyer is a corporation, other business entity, trustee or nominee, a transfer of any material equity or beneficial or principal interest shall constitute an assignment of this Agreement. If Buyer attempts to assign this Agreement in violation of this Section, Seller can declare Buyer in default and Seller shall be entitled to all remedies available under this Agreement. Buyer agrees that Seller may withhold its consent with or without any reason or condition in any manner it chooses (if it gives it at all) and may charge Buyer a reasonable amount to cover administrative costs incurred in considering whether or not to grant consent. If Buyer dies or in any way loses legal control of his/her affairs, this Agreement will bind his/her heirs and legal representatives. If Buyer has received Seller's permission to assign or transfer this Agreement, then Buyer's approved assignees shall be bound by the terms of this Agreement. If more than one person signs this Agreement as Buyer, each such person shall be jointly and severally liable for full performance of all of Buyer's duties and obligations hereunder.

24. TIME OF THE ESSENCE. BUYER ACKNOWLEDGES THAT TIME IS OF THE ESSENCE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED UNDER THIS AGREEMENT.

25. **Interpretation and Computation of Time.** The use of the masculine gender in this Agreement shall be deemed to refer to the feminine or neuter gender, and the singular shall include the plural, and vice versa, whenever the context so requires. This Agreement reflects the negotiated agreement of the parties. Each party acknowledges that they have been afforded the opportunity to seek competent legal counsel, and each have made an informed choice as to whether or not to be represented by legal counsel. Accordingly, this Agreement shall be construed as if both parties jointly prepared it, and no presumption against one party or the other shall govern the interpretation or construction of any of the provisions of this Agreement. Any reference in this Agreement to the time periods of less than five (5) days shall, in the computation thereof, exclude Saturdays, Sundays and legal holidays. Any reference in this Agreement to time periods of five (5) days or more shall, in computation thereof, include Saturdays, Sundays and legal holidays. If the last day of any such period is a Saturday, Sunday or legal holiday, the period shall be extended to 5:00 p.m. on the next full business day. The section headings in this Agreement are for convenience only and shall not affect the meaning, interpretation or scope of the provisions which follow them.

26. **Notice.** Except as provided in the Closing Section of this Agreement with respect to notices of the scheduled Closing Date, any notice required or permitted to be given in connection with this Agreement shall be in writing and sent by United States certified mail with return receipt requested, professional overnight courier or electronic transmission (with confirmation and copy by (1) certified mail, if Buyer's address is within the United States or (2) overnight professional courier, if to a Buyer whose address is outside of the United States) to Buyer or Seller at the addresses on Page 1 of this Agreement (unless Seller has received written notice from Buyer of any change therein prior to the date such notice is given), and additionally to Seller by hand delivery at Seller's sales office. All notices shall only be effective upon receipt or refusal to accept receipt (by failure to accept delivery or otherwise).

27. **Waiver.** Seller's waiver of any of its rights or remedies shall not operate to waive any other of Seller's rights or remedies or to prevent Seller from enforcing the waived right or remedy in another instance.

28. **Incorporation and Severability.** The explanations and disclaimers set forth in the Documents are incorporated into this Agreement. In the event that any clause or provision of this Agreement shall be void or unenforceable, such clause or provision shall be deemed deleted so that the balance of this Agreement is enforceable.

29. **Governing Law.** Any disputes that develop under this Agreement or questions regarding the interpretation of this Agreement will be settled according to the law of the state where the Property is located to the extent federal law is not applicable.

30. **Entire Agreement.** BUYER CERTIFIES THAT BUYER HAS READ EVERY PROVISION OF THIS AGREEMENT, WHICH INCLUDES EACH RIDER AND ADDENDUM ATTACHED HERETO AND THAT THIS AGREEMENT, TOGETHER WITH EACH SUCH RIDER AND ADDENDUM, CONSTITUTES THE ENTIRE AGREEMENT BETWEEN BUYER AND SELLER. PRIOR AGREEMENTS, REPRESENTATIONS, UNDERSTANDINGS, AND ORAL STATEMENTS NOT REFLECTED IN THIS AGREEMENT HAVE NO EFFECT AND ARE NOT BINDING ON SELLER. BUYER ACKNOWLEDGES THAT BUYER HAS NOT RELIED ON ANY REPRESENTATIONS, NEWSPAPERS, RADIO OR TELEVISION ADVERTISEMENTS, WARRANTIES, STATEMENTS, OR ESTIMATES OF ANY NATURE WHATSOEVER, WHETHER WRITTEN OR ORAL, MADE BY SELLER, SALES PERSONS, AGENTS, OFFICERS, EMPLOYEES, CO-OPERATING BROKERS (IF ANY) OR OTHERWISE EXCEPT AS HEREIN SPECIFICALLY REPRESENTED. BUYER HAS BASED HIS/HER/THEIR DECISION TO PURCHASE THE PROPERTY ON PERSONAL INVESTIGATION, OBSERVATION AND THE DOCUMENTS.

31. **Modification.** This Agreement is the entire agreement for the sale and purchase of the Property and once it is signed by both Buyer and a Division Agent or Officer of Seller, it can only be amended by a written agreement signed by both Buyer and Seller.

32. **Additional Changes.** Notwithstanding Section 32 of this Agreement, Buyer agrees that it may be necessary (at any time and from time to time) after Buyer executes this Agreement for Seller, and/or the developer or declarant under the Documents, to change the terms and provisions of this Agreement and/or the Documents to comply with and conform to the rules and regulations (as same may exist and as same may be promulgated from time to time) of any governmental agency, subdivision or authority or court of competent jurisdiction and Buyer consents to all such changes. Notwithstanding Section 32 of this Agreement, Seller, and/or the developer or declarant under the Documents, shall have the right to amend all Documents for development or other purposes, and Buyer consents to all such amendments.

33. **Inducement.** Buyer acknowledges that the sole inducement to close on the purchase of the Property is the Property itself and not (1) the common facilities comprising part of the Community, if any, or (2) any expectation that the Property will increase in value.

34. **Reservation of Easement.** For the purpose of completing the construction and servicing of the Property and Community, Seller hereby reserves an easement of ingress and egress for itself and its successors and assigns, and each of their respective agents, employees, materialmen and subcontractors, over, under and upon the Property for a period of one (1) year after Closing. Seller shall provide reasonable notice to Buyer before exercising easement rights granted herein. All of the terms of this Section 35 shall survive Closing and the delivery of the Deed.

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35. **Riders and Addenda**. This Agreement consists of nine (9) pages and the following Riders and Addenda, which are attached hereto and by this reference made a part of this Agreement:

Check all that apply:

| | |
|---|---|
| ☒ Rider B | ☐ Home Sale Contingency Addendum |
| ☒ Rider A | ☒ Purchase Price and Payment Addendum |
| ☒ Affiliated Business Arrangements Disclosure Statement | ☐ Cooperating Broker Addendum |
| ☒ Master Disclosure and Information Addendum | ☒ Indoor Environmental Quality Disclosure Addendum |
| ☒ Cooperating Broker Agreement | ☒ Insulation Addendum |
| ☒ Election Form Addendum | ☒ |
| ☒ FHA/VA Addendum | ☐ |
| ☐ | |

36. **Survival**.

36.1 Buyer and Seller agree that it is their express intent that the Sections and documents listed below, together with any other terms in this Agreement that expressly so state, as well as any terms that may survive by operation of law, notwithstanding if the Section, document or term has a survival provision thereto, shall not be merged into the Deed and that these Sections and documents shall survive Closing and the delivery of the Deed: Section 11, Closing and Title Matters; Section 13, Site and Substitutions; Section 16, Mediation / Arbitration of Disputes; Section 17, Other Dispute Resolutions; Section 18, Selling Agent and Cooperating Broker; Section 19, Construction Activities; Section 20, Dangerous Conditions; Construction Work; Section 35, Reservation of Easement; Section 5 of Rider B, Warranties; Section 2 of the Indoor Environmental Quality Disclosure; Cooperating Broker Addendum, in its entirety; and, Master Disclosure and Information Addendum to Purchase and Sale Agreement, in its entirety.

36.2 Buyer and Seller agree that it is their express intent that the Sections and documents listed below, together with any other terms in this Agreement that expressly so state, as well as any terms that may survive by operation of law, notwithstanding if the Section, document or term has a survival provision thereto, shall survive termination of this Agreement: Section 14, Buyer's Default; Section 15, Seller's Default; Section 16, Mediation / Arbitration of Disputes, Section 17, Other Dispute Resolutions; Section 23, Transfer, Assignment and Persons Bound; and Section 6 of Rider B, Documents.

37. **Offer to Purchase/Effective Date**. This Agreement, when executed by Buyer and delivered to Seller, together with the Initial Deposit specified hereunder, shall constitute an offer by Buyer to purchase the Property in accordance with the terms and conditions provided herein, and shall not be binding upon Seller until such time as a Division Agent or Officer of Seller has executed this Agreement. The date of such acceptance is the "**Effective Date**" of this Agreement. In the event Buyer's offer is not accepted by Seller, all paid Deposits made by Buyer to Seller to date shall be returned to Buyer, and Buyer's offer shall be deemed withdrawn.

38. **Counterparts and Signatures**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument. Signatures may be given via electronic transmission and shall be deemed given as of the date and time of the transmission of this Agreement to the other party.

**THE INITIAL DEPOSIT HAS BEEN RECEIVED BY SELLER SUBJECT TO CLEARANCE.**

SELLER: Lennar Carolinas, LLC

New Home Consultant - Samuel Broadway
Date: 2-13-2012

**THIS AGREEMENT IS NOT BINDING ON SELLER UNTIL ACCEPTED BELOW BY AN AUTHORIZED AGENT OF SELLER.**

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date: 2/14/12

**Buyer - Jonathan WE Douglass**
**Date:** 2/13/12

**Buyer - Theresa A Douglass**
**Date:** 2/13/2012

**Buyer -**
**Date:**

**Buyer -**
**Date:**

## ELECTION FORM ADDENDUM

**THIS ELECTION FORM ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the Thirteenth day of February , 2012, between Jonathan WE Douglass, Theresa A Douglass(collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0043 of Building/Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to every other addendum attached to the Agreement, which are hereby incorporated by this reference.

2. **Affiliated Business**. Seller has given Buyer notice in the Affiliated Business Arrangement Disclosure Statement that Seller has business relationships with Universal American Mortgage Company, LLC ("**UAMC**") and North American Title Company, and its affiliate, North American Title Insurance Corporation (collectively, "**North American**"). Buyer is hereby informed that Buyer is not obligated to use an affiliated business of Seller as a condition to the sale of the Home.

3. **Deposits**. Seller's standard practice within the Community is to require the following earnest money deposits:

3.1 Minimum of $1,000 for owner-occupants on homes priced up to $165,000.

3.2 Minimum of $2,000 for owner-occupants on homes priced above $165,000.

3.3 Minimum of $5,000 for non owner-occupants.

3.4 Buyer represents, covenants and warrants to Seller that Buyer is purchasing the Home (check one):

☒ as an owner-occupant.

☐ not as an owner-occupant.

☐ as a cash buyer.

Buyer: JWED TAD

3.5 In the event of Buyer's default and to the extent allowed by law, Seller shall be entitled to keep, as liquidated damages and not as a penalty, Buyer's Deposit. Buyer agrees that actual damages in the event of breach by Buyer would be costly and difficult to calculate, and that such liquidated damages are a fair and reasonable remedy and shall not be considered a penalty.

4. **Mortgage Loan and Title Insurance**.

4.1 Buyer agrees to pay all loan and closing costs in connection with this transaction.

4.2 By checking one of the boxes below and initialing below the selected text, Buyer hereby selects the lender and/or title insurance company that Buyer will use in connection with the purchase of the Home.

4.2.1 ☐ Buyer elects to use UAMC (or such other lender named on the Approved Lender Addendum).

Buyer's Initials: _____ _____

4.2.2 ☐ Buyer intends to purchase the Home without financing.

Buyer's Initials: _____ _____

4.2.2 ☒ Buyer elects to use a lender other than UAMC (or such other lender named on the Approved Lender Addendum) as its Lender.

Buyer's Initials: JWED TAD

4.3 Seller will pay up to $ 3,680.00 toward Buyer's Closing Costs.

4.4 Seller will not accept a Purchase Agreement, without a pre-approval Letter (not a pre-qualification letter), for the loan amount from a lender. Buyer must provide written loan approval within 30 days from approval of the Agreement.

5. **Closing Attorney**.

5.1 By checking the box below and initialing below the selected text, Buyer hereby selects the closing attorney that Buyer will use in connection with the purchase of the Home.

5.1.1 ☒ Buyer elects to use Seller's closing attorney, Richard E. Leister (Myrtle Beach), or Buist, Byars & Taylor (Charleston).

Buyer's Initials: JWED TAD

Buyer is hereby notified and acknowledges that Buyer is not required to use Seller's closing attorney as a condition to purchasing the Home. There are other closing attorneys available who can represent Buyer in this transaction. If Buyer desires to engage an attorney to represent

Buyer, then Buyer may do so at Buyer's sole expense and will not receive the incentives set forth below. If Buyer elects to use Seller's closing attorney, Seller's closing attorney will represent Seller and Buyer in this transaction, and Seller's closing attorney cannot offer substantive legal advice to either party in connection with the sale and purchase of the Home. BUYER HAS CERTAIN RIGHTS IN CONNECTION WITH THIS TRANSACTION, AND SELLER ENCOURAGES BUYER TO CONSULT WITH ITS OWN ATTORNEY ABOUT SUCH RIGHTS, INCLUDING BUYER'S USE OF SELLER'S CLOSING ATTORNEY TO PURCHASE THE HOME. Seller's closing attorney may make additional disclosures with respect to his or her joint representation of Seller and Buyer. Seller's closing attorney may also elect not to represent Buyer in this transaction, in which case Buyer will need to hire an attorney to represent Buyer.

Buyer's Initials: JWED TAD

5.1.2 ☐ Buyer elects to use an attorney other than Seller's closing attorney.

Buyer's Initials: _____ _____

6. **Governing Law**. This Agreement is governed by the law of the state where the Property is located, without regard to its conflicts of law rules.

7. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

8. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

9. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Jonathan WE Douglass
Date 2/13/12

Buyer - Theresa A Douglass
Date 2/13/2012

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 2/14/12

JWED TAD

**RIDER A**
**(SOUTH CAROLINA)**

**THIS RIDER A (SOUTH CAROLINA)** (this "**Rider A**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the thirteenth day of FEBRUARY , 2012, between Jonathan WE Douglass, Theresa A Douglass ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0043 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Rider A to the Agreement shall be deemed to include references to this Rider A and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Deposit**. All payments made by Buyer to Seller with respect to the Total Purchase Price (including but not limited to the Deposit and the Advanced Payments) shall be paid to Seller for such purposes as Seller shall determine, and Seller shall not be required to maintain the payments in an escrow or trust account. Buyer shall have no right to interest upon the payments. If and to the extent such payments are deposited in any interest bearing account, then any interest on such payments shall inure to the benefit of Seller. At the time of Closing, the amount of the payments shall be credited to Buyer against the Total Purchase Price.

**Buyer's Initials** JWED TAD

3. **Return of Deposit**. In the event this Agreement is cancelled for any reason other than Seller's default, the Buyer shall be required to execute and return a release form provided by the Seller prior to return of the Deposit in accordance with this Agreement, as set forth herein.

4. **Real Estate Tax Disclosure**. When a new home is built, the assessed value of the home is calculated as of January 1st. Therefore, if the Home has a certificate of occupancy issued as of January 1st of the calendar year, Buyer will be assessed based on the value of the completed construction for that tax year. Seller is not responsible for communicating any information regarding real estate taxes (current or future) and cannot and will not predict what the taxes on the Home may be. Buyer should confirm any information provided concerning appraisals, tax valuation, tax rates or other tax-related questions, with Buyer's personal tax advisor and the local taxing authorities.

5. **Radon Gas and Environmental Pollutants**. The United States Environmental Protection Agency and various state agencies have detected elevated levels of naturally occurring radon gas in some residential structures. These agencies have expressed concern that prolonged exposure to high levels of radon gas may result in adverse effects on human health. The Seller is not having any testing done on the Property, or in the Home, with respect to radon gas or environmental pollutants. The Buyer acknowledges that Seller has made no representations or warranties, express or implied, concerning the presence or absence of radon gas or environmental pollutants in the Home or on the Property, and the Buyer acknowledges that the Seller is not qualified to analyze or evaluate these very complex issues with respect to the Home or Property. The Buyer releases the Seller from any and all liability and claims with respect to radon gas and environmental pollutants.

6. **FORM I-295**. At Closing, Seller shall provide Buyer with an affidavit on Form I-295 (Seller's Affidavit - Nonresident Seller Withholding), complying with Section 12-8-580, South Carolina Code of Laws 1976, as amended.

7. **Counterparts**. This Rider A may be executed in counterparts, a complete set of which shall form a single document.

8. **Conflicts**. In the event of any conflict between this Rider A and the Agreement, this Rider A shall control. In all other respects, the Agreement shall remain in full force and effect.

9. **Entire Agreement**. The Agreement, together with this Rider A and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Rider A or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

JWED TAD

Buyer - Jonathan WE Douglass
Date: 2/13/12

Buyer - Theresa A Douglass
Date: 2/13/2012

Buyer -
Date:

Buyer -
Date:

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 2/14/12

JWED TAD

**RIDER B**
**Coastal Carolina Division**

**THIS RIDER B (Coastal Carolina)** (this "**Rider B**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the thirteenth day of FEBRUARY , 2012, between Jonathan WE Douglass, Theresa A Douglass ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0043 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Rider B to the Agreement shall be deemed to include references to this Rider B and to any other rider and addenda attached to the Agreement, which are hereby incorporated by this reference. In addition to those terms, the following terms shall have the meanings set forth below:

"**Closing Date Notice Period**" shall mean at least seven (7) days prior to the Closing Date.

"**Mortgage Contingency Period**" shall mean five (5) days if this Agreement is contingent on Buyer obtaining financing as indicated in the Purchase and Sale Agreement.

2. **Additional Mortgage Contingency**. Unless Buyer shall have notified Seller otherwise writing within the Mortgage Contingency Period, Buyer shall be conclusively presumed to have obtained the loan commitment or agreed to purchase the Property without mortgage financing. If Buyer does timely notify Seller within the Mortgage Contingency Period that he/she failed to obtain a loan commitment, Seller may require Buyer to immediately reapply for a mortgage loan with another lending institution designated by Seller. If Buyer then fails to obtain a loan commitment within seven (7) days from Seller's notice to reapply, either Buyer or Seller shall have the right to terminate this Agreement whereupon the Deposit shall be returned to Buyer, and thereupon the parties hereto shall be released from all liability hereunder without any further acts by either party

3. **Closing Costs**. BUYER UNDERSTANDS AND AGREES THAT IN ADDITION TO THE TOTAL CASH TO CLOSE (WHICH AMOUNT IS SPECIFIED IN SECTION 2 OF THE AGREEMENT AND THE PURCHASE PRICE AND PAYMENT ADDENDUM), BUYER SHALL PAY CERTAIN OTHER FEES AND CLOSING COSTS, IF ANY, AT CLOSING (LISTED BELOW). IN CONNECTION THEREWITH, WITHOUT LIMITATION, THE ITEMS LISTED BELOW WILL COLLECTIVELY BE REFERRED TO AS "**CLOSING COSTS**." NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN THE CASE OF AN FHA/VA OR FANNIE MAE LOAN, BUYER SHALL NOT PAY FOR ANY COSTS PROHIBITED BY HUD (FHA), VA OR FANNIE MAE REGULATIONS. ALL REFERENCES TO "PRO RATA SHARES" WILL BE DEEMED A TIME PRO RATION, BASED ON THE CLOSING DATE, WITH BUYER PAYING AMOUNTS ACCRUED ON AND AFTER THE CLOSING DATE. The Closing Costs include, without limitation:

3.1 The premium for a policy of mortgagee's title insurance and the cost to record the Deed. If the settlement charges that VA does not allow Buyer to pay exceed the amount of settlement charges, if any, to be paid by Seller, Seller at its sole discretion may terminate the Agreement and refund Buyer's earnest money. If the settlement charges that FHA does not allow Buyer to pay exceed the amount of settlement charges, if any, to be paid by Seller, Buyer may either pay the additional settlement charges at Closing or the additional settlement charges shall be added to the principal on Buyer's loan, regardless of whether or not the interest rate on Buyer's loan will increase as result of the addition of the settlement charges to the principal.

3.2 Customary closing costs of a Buyer of a single family residence, including but not limited to items such as loan fees, loan closing costs and all other related sums, attorneys' fees, escrows for taxes and insurance, recording fees, documentary stamp taxes on the note, intangible taxes, credit reports and PMI insurance, if applicable, charged by the Lender or otherwise customary for a Buyer at Closing.

3.3 Title search updates, title examination fees, delivery charges, and any other Closing expenses of Buyer.

3.4 All additional costs respecting the Property imposed by any governmental authority.

3.5 The cost of any obligations Buyer incurs not provided for in this Agreement.

3.6 The cost of a survey of the Property.

3.7 Certified governmental liens (liens which can be paid pursuant to written notice), if any, shall be assumed and paid by Seller, pending governmental improvement liens shall be paid and assumed by Buyer.

3.8 A pro rata share of County interim service fees, if any.

3.9 A pro rata share of waste fees.

3.10 A pro rata share of utility deposits and capacity fees (water and/or sewer) for the Property prepaid by Seller..

3.11 Any other expenses of an owner of the Property provided for or referenced in the Documents.

3.12 Amounts reflected in the Master Disclosure and Information Addendum to the Purchase and Sale Agreement, if any, attached hereto and incorporated herein.

3.13 Current expenses of the Property (for example: taxes, special assessments and current monthly assessments to one or more homeowner's associations) will be adjusted between Seller and Buyer as of the Closing Date. Buyer shall reimburse Seller for any prepaid expenses of the Property and capital contributions made to one or more homeowners' associations, paid by Seller in advance and/or for the month in which the Closing Date occurs.

3.14 If real estate taxes for the year in which the Closing Date occurs are assessed in the aggregate on the real estate comprising the portion of the Community (including the Property) rather than on a homesite-by-homesite basis, Seller will pay such taxes in full when due, but Buyer will reimburse Seller at the Closing for Buyer's pro rata share of such taxes from the Closing Date (if such taxes are then known) or the Property's allocable share (so prorated) of Seller's estimate of those taxes (if such taxes are not then known), subject to readjustment at either the request of Seller or Buyer within six (6) months from when the actual tax bill is known. If taxes for the year in which the Closing Date occurs are assessed on a homesite-by-homesite basis but such taxes are not due on the Closing Date, Buyer will be responsible for paying such tax bill in full when due but Seller will reimburse Buyer at the Closing for Seller's pro rata share of such taxes (if the taxes are then known) or Seller's estimate of those taxes (if such taxes are not then known) through the Closing Date, subject to readjustment at either the request of Seller or Buyer within six (6) months from when the actual bill is known. If the Closing takes place after Seller has paid the taxes for the year in which the Closing Date occurs, Buyer will reimburse Seller at Closing for Buyer's pro rata share of those taxes from and after the Closing Date.

3.15 The cost of any modifications or changes which are incurred by Seller as a result of changes in building codes, governmental rules, regulations or requirements, or the enforcement of any of the same, after the Effective Date of this Agreement, shall be paid by Buyer at the time of Closing.

4. **Additional Financing and Closing Costs Disclosures.**

4.1 Although Seller may make available to Buyer the name of one or more lenders or information about one or more available financing alternatives, Buyer agrees that the choice of a lender and loan is Buyer's sole decision, and Seller has not made any promises or representations concerning the likelihood of Buyer obtaining the loan, the terms and conditions of such loan or the interest rate or fees associated with such loan.

4.2 4.2 BUYER IS HEREBY ADVISED BY SELLER THAT INTEREST RATES, LOANS FEES, AND OTHER LOAN CONDITIONS ARE NOT GUARANTEED, FIXED OR ESTABLISHED (AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO SUCH ITEMS) AND ARE SUBJECT TO CHANGE BY ANY LENDER. SUBJECT TO SECTION 8 OF THE AGREEMENT, SELLER DOES NOT WARRANT OR GUARANTEE THAT COMPLETION OF THE IMPROVEMENTS OR LOAN FUNDING CAN BE ACHIEVED WITHIN LOAN LOCK PERIODS, IF ANY, REGARDLESS OF WHETHER SUCH LOCKS ARE PAID FOR BY SELLER OR BUYER. IF BUYER LOCKS IN AN INTEREST RATE AND POINTS FOR LOAN FUNDING PRIOR TO CLOSING, BUYER AGREES TO PAY THE DIFFERENCE BETWEEN THE LOCK-IN RATE AND THE MARKET INTEREST RATE AT CLOSING IF THE LOCK-IN RATE EXPIRES PRIOR TO CLOSING.

4.3 Responsibility for obtaining the loan and for satisfying all conditions made by the Lender with regard to the loan shall rest solely with the Buyer.

5. **Warranties.** Buyer understands and agrees that Seller is making only those express limited warranties set forth in the homeowner's warranty (the "**Limited Warranty**"). The Limited Warranty, incorporated herein, shall be delivered to Buyer at Closing and a copy of which is attached hereto OR a copy of which is available for examination at Seller's office and will, at Buyer's request, be attached as an exhibit to this Agreement. THE EXPRESS LIMITED WARRANTY AND REMEDIES PROVIDED BY SELLER CONSTITUTE THE EXCLUSIVE WARRANTY AND REMEDIES TO BE MADE AVAILABLE BY SELLER AND, EXCEPT WHERE ADDITIONAL WARRANTIES ARE REQUIRED BY APPLICABLE LAW OR REGULATION, ARE IN PLACE OF ALL OTHER GUARANTIES OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF WORKMANSHIP, MERCHANTABILITY, HABITABILITY, SUITABILITY AND FITNESS, WHICH ARE HEREBY EXPRESSLY DISCLAIMED BY SELLER AND WAIVED BY BUYER. TO THE EXTENT OF ANY CONFLICT BETWEEN ANY PROVISION OF THIS AGREEMENT RELATED TO WARRANTIES AND THE LIMITED WARRANTY, THE PROVISIONS OF THE LIMITED WARRANTY SHALL CONTROL. All of the terms of this Section 6 shall survive Closing and the delivery of the Deed. BUYER AND SELLER ACKNOWLEDGE THAT THEY HAVE EXPRESSLY NEGOTIATED AND BARGAINED FOR THE WAIVER OF THE IMPLIED WARRANTY OF HABITABILITY, AND BUYER ACKNOWLEDGES THE SUFFICIENCY AND RECEIPT OF VALUABLE CONSIDERATION FOR SUCH WAIVER IN THE AMOUNT OF $0, WHICH AMOUNT SHALL BE CREDITED TOWARD THE PURCHASE PRICE AT CLOSING. THE CONSIDERATION AGREED UPON ABOVE HAS BEEN SPECIFICALLY NEGOTIATED BETWEEN BUYER AND SELLER.

Buyer JWED Buyer TAD

6. **Documents.** Buyer acknowledges receipt of the Document Book for the Community containing many important documents regarding the Community, including but not limited to some of the documents of record affecting the Property and the Community (collectively, the "**Documents**"). The Document Book is hereby incorporated into this Agreement by this reference. The Document Book may be amended as deemed necessary by Seller in its sole and absolute discretion. Buyer agrees to take title to the Property subject to the Documents, to abide

by and be bound by all of the terms and conditions of the Documents, and any amendments thereto. The Master Disclosure and Information Addendum to Purchase and Sale Agreement attached hereto sets forth additional information respecting lien rights and homeowners association's restrictions affecting the Property. Buyer understands and agrees this Section shall survive the termination of this Agreement.

7. **Inspection of the Home.** BUYER SHALL BE GIVEN AN OPPORTUNITY TO EXAMINE THE HOME WITH SELLER'S REPRESENTATIVE PRIOR TO CLOSING ON A DATE AND TIME SCHEDULED BY SELLER (A "NEW HOME ORIENTATION," COMMONLY REFERRED TO AS A "WALKTHROUGH"). AT THAT TIME, IF ANY DEFECTIVE OR INCOMPLETE ITEMS ARE NOTED, BUYER SHALL PRESENT TO SELLER AN INSPECTION STATEMENT LISTING SAID ITEMS AND SIGNED BY BUYER. IF ANY ITEMS NOTED ARE ACTUALLY DEFECTIVE IN WORKMANSHIP OR MATERIALS IN SELLER'S OPINION (IN ACCORDANCE WITH CONSTRUCTION STANDARDS PREVALENT FOR A SIMILAR HOME IN THE COUNTY), SELLER WILL BE OBLIGATED TO CORRECT THOSE ITEMS AT SELLER'S COST. A SECOND INSPECTION OF THE HOME WILL BE CONDUCTED PRIOR TO CLOSING AT WHICH TIME BUYER WILL BE GIVEN AN OPPORTUNITY TO EXAMINE THE HOME WITH SELLER'S REPRESENTATIVE TO ACKNOWLEDGE THAT ITEMS LISTED ON THE INSPECTION STATEMENT PREPARED AFTER THE FIRST INSPECTION HAVE BEEN CORRECTED. ANY REMAINING ITEMS THAT SELLER HAS AGREED TO CORRECT WILL BE CORRECTED BY SELLER AT SELLER'S SOLE COST AND EXPENSE PRIOR TO CLOSING (OR AT SELLER'S OPTION WITHIN A REASONABLE TIME AFTER CLOSING), PROVIDED HOWEVER THAT SELLER'S OBLIGATION TO CORRECT WILL NOT BE A GROUND FOR DEFERRING CLOSING, NOR FOR ANY SETOFF, NOR FOR IMPOSING ANY CONDITION ON CLOSING AS LONG AS THE HOME IS HABITABLE. THE ISSUANCE OF A CERTIFICATE OF COMPLETION, OR USE SHALL BE CONCLUSIVE EVIDENCE OF HABITABILITY. NO ESCROW OR HOLDBACK OF CLOSING FUNDS OR ANY CASH TO CLOSE SHALL BE PERMITTED. **EXCEPT FOR WORK THAT CANNOT BE COMPLETED AT THAT TIME OF YEAR.** IF A BUYER FAILS TO TAKE ADVANTAGE OF ANY PRE-CLOSING INSPECTION ON THE TIME AND DATE SCHEDULED BY SELLER, BUYER SHALL BE DEEMED TO HAVE WAIVED THE RIGHT TO INSPECT THE HOME PRIOR TO CLOSING.

8. **No Right to Enter.** Buyer acknowledges that all matters pertaining to the initial construction of the Property will be performed by Seller and Seller's representatives. Buyer acknowledges and agrees that for reasons of safety and to comply with liability and insurance requirements imposed upon Seller, neither Buyer nor any agent of Buyer shall, until after the Closing, be permitted to enter upon the Property without being accompanied by Seller's representative. Any permitted personal inspections shall be made at times designated by Seller, and shall not be allowed under any condition prior to the formal inspection described above and only with Seller's representative. Buyer agrees not to give instructions to, interfere with or interrupt any workmen at the Property. Buyer may not order any work on the Property until after the Closing. Buyer recognizes that Seller is under no obligation to agree to provide options, extras and/or upgrades. Without limiting the applicability of this Section to all obligations, representations and covenants of Buyer hereunder, Buyer specifically acknowledges that any breach by Buyer of the terms and conditions contained within this Section shall be deemed to be a material breach and shall entitle Seller to declare this Agreement to be in default in accordance with the provisions of the Buyer's Default in the Agreement. Seller's failure to promptly take any action with respect to Buyer's breach of the terms and conditions contained herein shall not be deemed a waiver of any of Seller's rights or remedies hereunder. Whenever this Agreement shall require Seller to complete or substantially complete an item of construction, unless provided specifically to the contrary herein, such item shall be deemed complete or substantially complete when so completed, in the sole and unfettered opinion of Seller. Should Seller fail to provide any item of construction required to be provided, Buyer's sole remedy therefore will be to collect an amount from Seller equal to Seller's cost for such item and for Seller's cost of installation of such item had such item been installed at the appropriate time during construction. Without limiting Seller's rights and Buyer's obligations contained within this Section and elsewhere in this Agreement, should any warranted defects in workmanship or materials be discovered before or after the Closing, Buyer agrees that Buyer's sole remedy therefore is for Seller to, at Seller's sole and absolute discretion, either repair or replace the defective item. To the extent permitted by applicable law, Seller disclaims any liability for incidental or consequential damages that may arise from a defective item.

9. **Counterparts.** This Rider B may be executed in counterparts, a complete set of which shall form a single document.

10. **Conflicts.** In the event of any conflict between this Rider B and the Agreement, this Rider B shall control. In all other respects, the Agreement shall remain in full force and effect.

11. **Entire Agreement**. The Agreement, together with this Rider B and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Rider B or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Jonathan WE Douglass
Date: 2/13/12

Buyer - Theresa A Douglass
Date: 2/13/2012

Buyer -
Date:

Buyer -
Date:

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 2/14/12

## FHA/VA ADDENDUM

**THIS FHA/VA ADDENDUM** (this "**Addendum**") s executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the thirteenth day of FEBRUARY , 2012, between Jonathan WE Douglass, Theresa A Douglass ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0043 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **FHA/VA**. BUYER AGREES TO PROCEED WITH THE PURCHASE OF THE HOME AFTER HAVING READ BUYER'S RIGHTS AND PRIVILEGES, AS SET FORTH BELOW:

2.1 FHA Loans.

2.1.1 It is expressly agreed that, notwithstanding any provisions of the Agreement (contract) to the contrary, Buyer (purchaser) shall not incur any penalty by forfeiture of earnest money deposits or otherwise be obligated to complete the purchase of the Home (property described herein) unless Buyer (purchaser) has been given in accordance with the Department of Housing and Urban Development ("**HUD**"), Federal Housing Administration ("**FHA**") or United States Department of Veterans Affairs (the "**VA**") requirements, a written statement by the Federal Housing Commissioner, the VA, or a Direct Endorsement lender setting forth the appraised value of the Home (property) (for mortgage purposes) of not less than $ 179,998.00 (which statement Seller agrees to deliver to Buyer (purchaser) promptly after such Appraised Value Statement is made available to Seller). Buyer (purchaser) shall have the privilege and option of proceeding with the consummation of the Agreement (the contract) without regard to the maximum mortgage the Department of Housing and Urban Development will insure. HUD DOES NOT WARRANT THE VALUE OR THE CONDITION OF THE HOME (PROPERTY). BUYER (PURCHASER) SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE HOME (PROPERTY) ARE ACCEPTABLE.

2.1.2 In the event the value of the Property set forth in the Appraised Value Statement is less than the Total Purchase Price, Buyer shall have the right to exercise the above-mentioned privilege and option to proceed at the Total Purchase Price, which is over and above the FHA Appraised Value Statement, by giving Seller written notice of Buyer's intention to do so in accordance with the Agreement notice requirements. Said notice shall be given within five (5) days of Buyer's receipt of the FHA appraisal by returning to Seller a copy of this Addendum executed by Buyer in the "AGREE TO PROCEED" signature block below. In the event Buyer fails to give proper notice hereunder of Buyer's intention to proceed at the Total Purchase Price, the Agreement shall automatically become null and void and the parties shall promptly execute a written release of Buyer's Deposit, pursuant to which the Deposit shall immediately be returned in full to Buyer.

2.1.3 Buyer agrees to pay a mortgage insurance premium as required by FHA. Buyer has the right to pay the entire premium at the time of Closing or the premium may be added to the loan amount and financed over the term of the loan. If Buyer elects to add the premium to the loan amount, the total loan amount shall consist of the Cash to Close amount specified in the Purchase Price and Payment Addendum, plus the mortgage insurance premium. Pursuant to FHA regulations, Buyer shall pay an annual premium, if required, in addition to the up-front (or financed) premium. Said additional premium shall be paid monthly on a declining balance (excluding the portion of the balance, if any, attributable to the up-front premium).

2.1.4 All parties acknowledge that the processing of a government loan is not subject to specific time limitations. Nevertheless, Buyer agrees to diligently pursue such loan commitment.

2.1.5 Seller and Buyer certify that the terms of the Agreement are true and complete to the best of their respective knowledge and belief. Seller and Buyer further certify that all agreements relating to this real estate transaction have been fully disclosed and are covered in the Agreement, including any addenda attached thereto. Seller and Buyer understand that the failure to provide a complete and accurate copy of the Agreement could jeopardize this transaction. If there are any subsequent changes to the Agreement, the undersigned will submit them promptly to the Lender.

2.1.6 Buyer acknowledges that Buyer has read and completed the attached U.S. Department of Housing and Urban Development form HUD-92564-CN entitled "For Your Protection: Get a Home Inspection".

2.2 VA Loans.

2.2.1 It is expressly agreed that, notwithstanding any provisions of the Agreement to the contrary, Buyer shall not incur any penalty by forfeiture of earnest monies or otherwise be obligated to complete the purchase of the Home if Buyer cannot obtain a loan guaranteed by the VA, including without limitation, if the Total Purchase Price exceeds the reasonable value of the Home established by the VA or a VA lender pursuant to the Lender Appraisal Proceeding Program ("**LAPP**"). Buyer shall, however, have the privilege and option of proceeding with the consummation of the Agreement without regard to the amount of reasonable value established by the VA or a VA lender with LAPP authority. Buyer agrees that should Buyer elect to complete the purchase at an amount in excess of the reasonable value established by the VA or a VA LAPP

lender, Buyer shall pay such excess amount in cash from a source that Buyer agrees to disclose to the lender and the VA, which source Buyer represents and covenants will not be from borrowed funds except as approved by the VA.

2.2.2 To exercise the above-mentioned privilege and option to proceed at the Total Purchase Price, which is over and above the amount of reasonable value established by the VA or a VA LAPP lender, Buyer shall give Seller written notice of Buyer's intention to do so in accordance with the Agreement notice requirements. Said notice shall be given within five (5) days of Buyer's receipt of the amount of reasonable value established by the VA or a VA LAPP lender by returning to Seller a copy of this Addendum executed by Buyer in the "AGREE TO PROCEED" signature block below. In the event Buyer fails to give proper notice hereunder of Buyer's intention to proceed at the Total Purchase Price, the Agreement shall automatically become null and void and the parties shall promptly execute a written release of Buyer's Deposit, pursuant to which the Deposit shall immediately be returned in full to Buyer.

2.2.3 VA DOES NOT WARRANT THE VALUE OR THE CONDITION OF THE HOME (PROPERTY). BUYER (PURCHASER) SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE HOME (PROPERTY) ARE ACCEPTABLE.

2.3 Special Trust Account. If Buyer is financing the purchase of the Home with a VA guaranteed loan, the Deposit received from Buyer prior to Closing shall be placed in a special trust account with Wilmington Savings Fund Society FSB, a Federal Savings Bank ("**Trustee**") in accordance with the provisions of a Lennar Deposits Trust Agreement ("**Trust Agreement**") between Lennar Corporation on behalf of Seller and the Trustee, and as required under 38 U.S.C. §3706 or other applicable law. In the event that the Agreement is cancelled for any reason other than Seller's default and pursuant to the provisions of the Trust Agreement, if Buyer seeks a refund of the Deposit from Seller and Seller refunds the Deposit directly to Buyer, Buyer hereby authorizes the Trustee to reimburse Seller for such refund. In consideration for either Seller's or Trustee's refund of the Deposit to Buyer, Seller and Lennar Corporation shall be unconditionally released from any claim arising out of or related to the Deposit and purchase of the Home and Trustee shall be unconditionally released from any claim arising out of or related to the escrow of the Deposit in connection with the purchase of the Home.

Buyer's Initials JWED TAD

3. **Warranty Program**. If Buyer is financing the purchase of the Home with a FHA financed or VA guaranteed loan, Buyer and Seller expressly agree that, notwithstanding any provisions of the Agreement to the contrary, the only express warranties that Seller is providing Buyer are: (i) the Residential Warranty Company, LLC warranty ("RWC Warranty"), and (ii) the Warranty of Completion of Construction. In addition, any and all manufacturers' warranties on personalty and fixtures will, to the extent allowable, be passed through to Buyer at Closing and all items covered by manufacturers' warranties are expressly not warranted by Seller. The RWC Warranty Booklet and the Warranty of Completion of Construction, incorporated herein by reference, shall be delivered to Buyer at Closing and are available for examination at Seller's offices and will, at Buyer's request, be attached as an exhibit to this Agreement. By initialing below, Buyer acknowledges that Buyer has had the opportunity to receive and review the RWC Warranty and the Warranty of Completion of Construction prior to the execution of this Agreement. Validation of the RWC Warranty by the administrator is not guaranteed, but is conditioned on the satisfactory completion of all required inspections, upon Seller's compliance with all the administrator's enrollment procedures, and upon Seller remaining a member in good standing of the warranty program.

Buyer's Initials JWED TAD

3.1 To the maximum extent lawful, except for: (1) the RWC Warranty, (2) the Warranty of Completion of Construction, and (3) any additional warranties required by applicable law or regulation, to the extent they cannot be disclaimed and to the extent they have not expired by their terms, Seller disclaims any and all implied warranties of merchantability and fitness, fitness for a particular purpose, habitability, intended use, workmanship, or construction respecting the Property, common areas/elements of the Community/Subdivision, if any, and all fixtures or items of personal property sold pursuant to this Agreement, or any other real or personal property whatsoever conveyed in connection with the sale of the Property, or located within the Home whether arising from this Agreement, usage, trade, imposed by statute, course of dealing, case law or otherwise (except where additional warranties are required by applicable law or regulation).

3.2 Some states do not allow limitations on how long an implied warranty lasts, so the above limitation may not apply to Buyer. Seller disclaims any liability for incidental or consequential damages. Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation may not apply to Buyer. The RWC Warranty and the Warranty of Completion of Construction gives Buyer specific legal rights, and Buyer may also have other rights which vary from state to state.

3.3 Seller reserves the right to substitute, and Buyer agrees to accept, a third-party insured warranty from a

4. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

5. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

6. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Jonathan WE Douglass
Date 2/13/12

Buyer - Theresa A Douglass
Date 2/13/2012

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 2/14/12

**AGREE TO PROCEED**

☐ **If this box is checked, Buyer is financing the purchase of the home with an FHA insured loan.** BY THE SIGNATURES BELOW, BUYER ACKNOWLEDGES THAT BUYER IS PURCHASING THE HOME WITH FULL KNOWLEDGE, UNDERSTANDING AND AGREEMENT THAT THE VALUE OF THE PROPERTY SET FORTH IN THE APPRAISED VALUE STATEMENT IS LESS THAN THE TOTAL PURCHASE PRICE. BUYER AGREES TO PROCEED WITH THE CLOSING OF THE PURCHASE OF THE HOME AT THE TOTAL PURCHASE PRICE, AND BUYER FURTHER AGREES TO PAY THE DIFFERENCE AT CLOSING. BUYER HEREBY EXECUTES THIS NOTICE WITHIN FIVE (5) DAYS OF BUYER'S RECEIPT OF THE FHA APPRAISED VALUE STATEMENT.

Buyer - Jonathan WE Douglass
Date _____

Buyer - Theresa A Douglass
Date _____

Buyer -
Date _____

Buyer -
Date _____

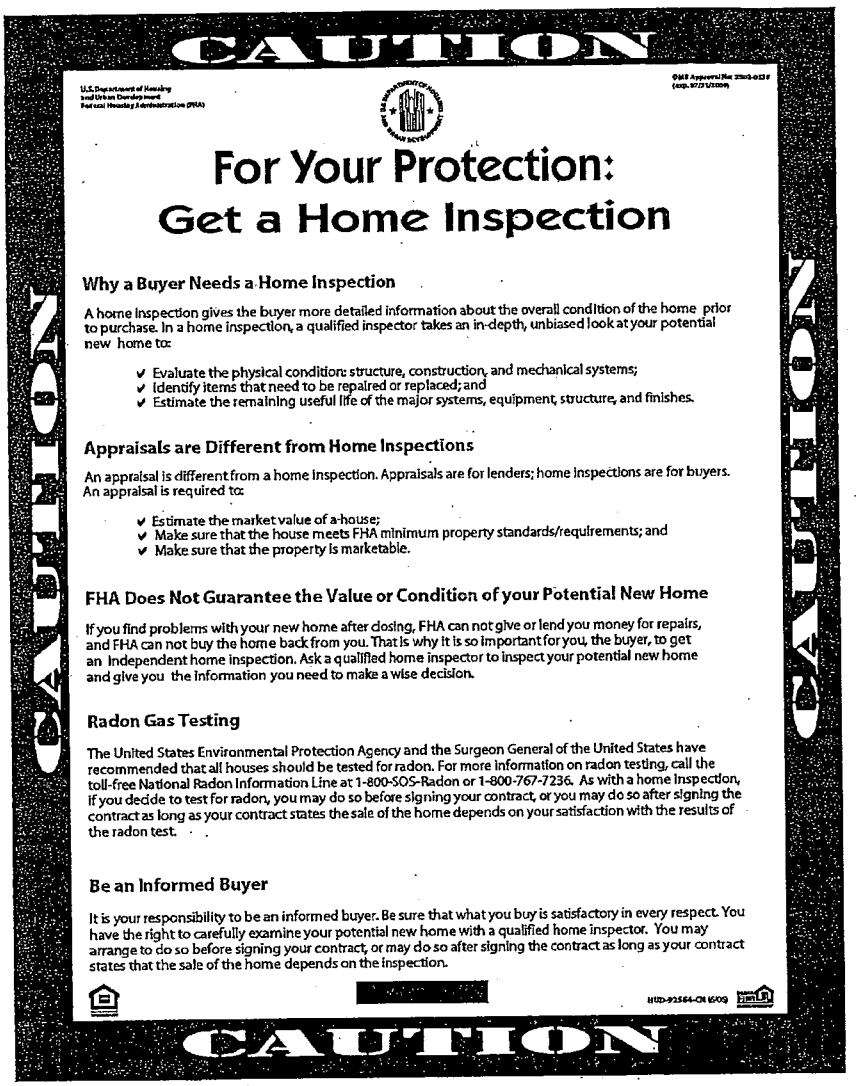
☒ **If this box is checked, Buyer is financing the purchase of the home with an VA guaranteed loan.** BY THE SIGNATURES BELOW, BUYER ACKNOWLEDGES THAT BUYER IS PURCHASING THE HOME WITH FULL KNOWLEDGE, UNDERSTANDING AND AGREEMENT THAT THE VALUE OF THE PROPERTY SET FORTH IN THE AMOUNT OF REASONABLE VALUE ESTABLISHED BY THE VA OR A VA LAPP LENDER IS LESS THAN THE TOTAL PURCHASE PRICE. BUYER AGREES TO PROCEED WITH THE CLOSING OF THE PURCHASE OF THE HOME AT THE TOTAL PURCHASE PRICE, AND BUYER FURTHER AGREES TO PAY THE DIFFERENCE AT CLOSING. BUYER HEREBY EXECUTES THIS NOTICE WITHIN FIVE (5) DAYS OF BUYER'S RECEIPT OF THE AMOUNT OF REASONABLE VALUE ESTABLISHED BY THE VA OR VA LAPP LENDER.

Buyer - Jonathan WE Douglass
Date 2/13/12

TAD
Buyer - Theresa A Douglass
Date 2/13/2012

Buyer -
Date _____

Buyer -
Date _____




**I/we understand the importance of getting an independent home inspection. I/we have considered this before signing a contract with the seller for a home. Furthermore, I/we have carefully read this notice and fully understand that FHA will not perform a home inspection nor guarantee the price or condition of the propert**

☒ **I/We choose to have a home inspection performed.**

☐ **I/We choose not to have a home inspection performed.**

X 2/13/12
Signature & Date

X 2/13/2012
Signature & Date

X
Signature & Date

X
Signature & Date

## Affiliated Business Arrangement Disclosure Statement

**BUYER: Jonathan WE Douglass, Theresa A Douglass**

**PROPERTY: 215 Maywood Drive, Moncks Corner SC 29461**

This is to give you notice that the following companies have business relationships with each other: Universal American Mortgage Company, LLC, Lennar Carolinas, LLC and North American Advantage Insurance Services, LLC, and each of these companies is, directly or indirectly, wholly owned by Lennar Corporation. Because of these relationships, referral of services by the undersigned may provide a financial or other benefit.

Set forth below are the types of settlement services offered by these affiliated companies and the estimated charge or range of charges generally required by these companies for such settlement services. You are NOT required to use any of the companies listed above as a condition for purchase of the subject property.

THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

**Provider and Settlement Services/ Estimated Range of Charges**

**MORTGAGE**

**Universal American Mortgage Company, LLC** arranges and makes mortgage loans and the following are estimated mortgage loan related charges or range of charges **(not all of the charges may apply):**

| Description of Fee | Range of Cost |
|---|---|
| Loan Origination Charges (Block 1 of GFE) | |
| Loan Origination Points | 0% - 1% (of the loan amount) |
| Loan Originator Fees | $575 - $900 |
| Loan Points for Interest Rate Chosen | 0% - 3% (of the loan amount) |
| Appraisal Fee Paid to Appraiser | $450 - $750 |
| Credit Report Fee Paid to Outside Agency | $ 12 - $100 |

The actual fees charged may vary based on the size of your loan, loan program and interest rate you choose. There also will be other third party charges. You will receive a Good Faith Estimate when you apply for your mortgage loan, that will give you an estimate of all anticipated charges.

**TITLE**

Lester & Lester, P.A. and Buist, Byars & Taylor LLC (collectively, Attorney) provides closing services and also arranges for title insurance through numerous underwriters, one of which is North American Title Insurance Company (North American). Attorney is not affiliated with Lennar Corporation. In connection with the purchase of the subject property, we recommend Attorney to handle the closing and the issuance of any title insurance, which (if Attorney is selected by you) may be provided by North American. Because of the business relationship and arrangement described above, the referral to Attorney may provide Lennar Corporation a financial or other benefit. You are not required to use Attorney or North American.

The following are estimated charges or range of charges for the settlement services listed should North American provide the title insurance:

* Owner's Policy:
  $3.00 per $1,000 of purchase price up to $50,000
  $2.50 per $1,000 of purchase price over $50,000 and up to $100,000
  $1.75 per $1,000 of purchase price over $100,000 and up to $500,000
  $1.50 per $1,000 of purchase price over $500,000 and up to $5,000,000
  $1.00 per $1,000 of purchase price over $5,000,000

* Loan Policy:
  $3.00 per $1,000 of loan amount up to $50,000
  $2.50 per $1,000 of loan amount over $50,000 and up to $100,000
  $1.75 per $1,000 of loan amount over $100,000 and up to $500,000
  $1.50 per $1,000 of loan amount over $500,000 and up to $5,000,000
  $1.00 per $1,000 of loan amount over $5,000,000

* Enhanced Owner's or Loan Policies are 20% more

## Affiliated Business Arrangement Disclosure Statement

* Loan Simultaneous Issue: $75 for the amount of insurance not in excess of the Owner's Policy. Any liability amount over the Owner's Policy shall be calculated at the Loan Policy rates shown above.

* Title Policy Endorsement(s):
$50.00 - $100 each for standard endorsements, 10% or 20% of policy premium for extra-risk endorsements

**INSURANCE**

North American Advantage Insurance Services, LLC (NAAIS) is an insurance agent that provides, among other products, homeowner's/hazard and flood insurance. Set forth below is the estimated range of charges by NAAIS for the settlement services listed.

| Settlement Service | Range of Charges - Annual Premium |
|---|---|
| Hazard Insurance | .2% - 2.5% of Home Price |
| Flood Insurace | .1% - .5% of Home Price |

NOTE:
The above is a premium range for hazard and flood insurance. If enhancements to the standard policy such as increased limits, scheduled articles, and/or earthquake coverage are required, the premium may increase. Actual quote and acceptance by NAAIS is subject to NAAIS' application of its underwriting guidelines, including but not limited to verification of your credit score and previous loss history.

Of course, the cost of your insurance may vary due to many factors including, without limitation, the size, location and cost of your home.

**Acknowledgement**

I/we have read this notice and understand that Seller is referring me/us to purchase the above described settlement services and may receive a financial or other benefit as a result of this referral.

2/13/12
Buyer's Signature - Jonathan WE Douglass Date

2/13/12
Buyer's Signature - Theresa A Douglass Date

Buyer's Signature - Date

Buyer's Signature - Date

Lennar Carolinas, LLC
Printed Name of Seller

2-13-2012
Sales Associate's Signature Date
Samuel Broadway

## COOPERATING BROKER AGREEMENT

**THIS COOPERATING BROKER AGREEMENT** (this "**Agreement**") is made and entered into effective as of the thirteenth day of February , 2012, between Century 21 ("**Cooperating Broker**") and Lennar Carolinas, LLC ("**Seller**"), respecting Lot 0043 of Block _____ in The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in that certain Purchase and Sale Agreement, by and between Jonathan WE Douglass, Theresa A Douglass ("**Buyer**") and Seller, dated as of February 13, 2012.

2. **Cooperating Broker**. Notwithstanding anything contained in the Agreement to the contrary, Seller and Cooperating Broker acknowledge that Buyer has dealt with the following brokerage firm in connection with the purchase of the Property ("**Cooperating Broker**"):

Name of Cooperating Broker: Century 21 properties plus

Address: ~~39885 Alta Murrieta Drive~~ 118 W. Richardson Blvd, Summerville

Business Phone: 843-478-5290

Name of Sales Associate of Cooperating Broker: Silvi Parham

Date of Registration: 02/13/2012

+1,5% bonus

Seller agrees to pay Cooperating Broker, at Closing, a commission in the amount of three percent (3%) of the Base Purchase Price plus the Homesite Premium less any builder incentives and/or discounts to the Base Purchase Price, as that amount is determined by the Purchase Price and Payment Addendum (the "**Commission**"), subject however to the terms and conditions set forth below and in the Broker Participation Policy ("**Participation Policy**"). As set forth herein, "incentive" shall mean the total dollar value of all consideration, incentives, discounts, credits, reductions, gifts or other inducements offered or arranged by Seller in connection with Buyer's purchase of the Property, including, without limitation, any: reduction or discount in the Total Purchase Price, Base Purchase Price, or the Homesite Premium; credit for or contribution toward Closing Costs; payment of or contribution toward assessments or capital contributions charged by any homeowner's association or Seller; payment of or contribution toward homeowner's casualty or liability insurance, and/or lease payments; financing incentive such as payment of buy down fees to the Lender; and retail value of any gift to Buyer. No Commission shall be payable by Seller unless Buyer consummates the purchase of the Property in accordance with the terms and conditions of the Purchase and Sale Agreement; accordingly, the Commission shall not be deemed earned unless and until the Closing occurs. Cooperating Broker agrees that it shall look to Buyer for any other commission due to Cooperating Broker that is in excess of the Commission payable by Seller pursuant to this Agreement and for any commission due to any other real estate brokers or salesmen claiming to have represented Buyer in connection with the purchase of the Property. Notwithstanding the foregoing, Seller agrees to pay any and all commissions due to Seller's New Home Consultants working in Seller's sales office.

3. **Sales Associate of Cooperating Broker**. By signing below, sales associate or designated agent of Cooperating Broker ("**Sales Associate**") agrees, on behalf of himself/herself and on behalf of Cooperating Broker, to the terms of this Agreement. Without limiting the foregoing, Sales Associate agrees that Seller's sole responsibility hereunder is to pay the Commission to Cooperating Broker in the manner described above. Any other amounts payable to Sales Associate and/or Cooperating Broker shall be the sole responsibility of Buyer, if provided for in a separate agreement between Cooperating Broker and Buyer. In addition, Sales Associate hereby personally represents and warrants that Sales Associate has full power and authority to execute and deliver this Agreement on behalf of Cooperating Broker and that such execution of this Agreement on behalf of Cooperating Broker has been duly authorized by all necessary and proper corporate action of Cooperating Broker.

4. **Participation Policy**. By signing this Agreement, Sales Associate acknowledges that Sales Associate has read and agrees, on behalf of such Sales Associate and Cooperating Broker, to comply with the terms and conditions in the Participation Policy set forth below. This Agreement shall be null and void if Seller determines, in its absolute discretion, at any time before Closing that Sales Associate and/or Cooperating Broker has/have violated the terms of the Participation Policy. The Participation Policy follows:

4.1 In order for Cooperating Broker to receive a commission in connection with the sale of real property in the Community, Cooperating Broker or Sales Associate must register a prospective buyer (the "**Prospect**") in person at the sales office for the Community (phone registrations will not be accepted). Cooperating Broker or Sales Associate must accompany the Prospect during Prospect's initial visit. If the tracking system used at the sales office for the Community indicates that the Prospect was initially introduced to the Community via the internet, and/or initially registered at the sales office without being accompanied by Cooperating Broker or Sales Associate, neither Cooperating Broker nor Sales Associate

shall be entitled to receive a commission in connection with the sale of real property in the Community to such Prospect. This registration is effective for the period of their realtor buyers contract ("**Registration Period**"). Cooperating Broker may extend the Registration Period as needed.

4.2 Cooperating Broker shall be entitled to receive the Commission, provided that the Prospect (i) is properly registered, (ii) contracts to purchase a home from the on-site sales staff in the Community ("**New Home Consultant**") before the expiration of the Registration Period, and (iii) closes on the transaction pursuant to the Purchase and Sale Agreement for the Property. Notwithstanding the foregoing, in the event two or more brokers claim that they are entitled to a commission from having registered a Prospect, the cooperating broker who is the procuring cause of the sale will be entitled to the commission. This registration, or any extension thereof, does not protect Cooperating Broker or Sales Associate from another broker or sales associate registering the same Prospect in the Community.

4.3 Seller will pay the Commission to Cooperating Broker, provided that the terms and conditions contained herein are satisfied and except as otherwise set forth above relating to later-registering cooperating brokers. In all cases, Sales Associate agrees to look solely to Cooperating Broker for payment of any commission. By way of example, if Sales Associate terminates his/her employment with a registered Cooperating Broker who is entitled to a commission pursuant to this Participation Policy, then Sales Associate shall have no claim against Seller with respect to such commission.

4.4 Cooperating Broker and Sales Associate acknowledge that this Participation Policy, the registration forms, sign-up sheets and other incentives, contracts, or forms given to Prospects or buyers of homes are trade secrets of Seller. Cooperating Broker agrees to indemnify, defend and hold Seller harmless from and against any and all claims, demands, damages, losses, costs and expenses of whatever nature or kind, including reasonable attorneys' fees, paraprofessional fees and costs relating to or arising out of any claim against Seller as a result of conduct or representations made by Cooperating Broker and/or Sales Associate. In the event that Seller must enforce or defend any of the terms and conditions of this Participation Policy, Seller shall be entitled to collect from Cooperating Broker reasonable attorneys' fees, paraprofessional fees and costs.

5. **Cooperating Broker Status, Duties and Prohibitions.** Sales Associate, on behalf of himself/herself and on behalf of Cooperating Broker, hereby represents, warrants and covenants as follows:

_____
Initials

5.1 Cooperating Broker is a licensed real estate broker in the State of South Carolina and is serving as a single agent on behalf of Buyer in the purchase of the Home. Cooperating Broker agrees to provide Seller with a copy of their current and valid broker license within fifteen (15) days of the execution of the Purchase and Sale Agreement by Buyer.

_____
Initials

5.2 Sales Associate is a licensed real estate broker or salesperson in the State of South Carolina and is a designated agent of Cooperating Broker serving as a single agent on behalf of Buyer in the purchase of the Home. Sales Associate agrees to provide Seller with a copy of their current and valid license within fifteen (15) days of the execution of the Purchase and Sale Agreement by Buyer.

SDM

_____
Initials

5.3 Each of Cooperating Broker and Sales Associate shall comply with all requirements of applicable law as an agent on behalf of Buyer in their representation of Buyer in the purchase of the Home and will assist the parties with communication, interposition, advisement, negotiation, contract terms and closing.

_____
Initials

5.4 The Cooperating Broker and/or Sales Associate is/are a licensed real estate broker and/or salesperson in the State of South Carolina, and is serving as a disclosed dual agent for both the Buyer and the Seller. Cooperating Broker and/or Sales Associate hereby agree to provide Seller with a copy of their current and valid license within fifteen (15) days of the execution of the Purchase and Sale Agreement by Buyer. Cooperating Broker and/or Sales Associate agree that they shall not, without express permission, disclose that the Seller will accept a price less than the listing price of that Buyer will pay a price greater than the offered price.

6. **Aknowledgment by Cooperating Broker.** This document supersedes any previous Registration Form filed by the Cooperating Broker or any of its agents or employees with the Seller, its agents or employees. Violation by the Cooperating Broker of any provision of this document will constitute a breach of this document by the Cooperating Broker and will, at the Seller's election, void any obligation of the Seller to pay a commission or fee to the Cooperating Broker and will, at the Seller's election, entitle the Seller to whatever remedies it may have at law or in equity.

SDM

7. **Governing Law**. This Agreement is governed by South Carolina law, without regard to its conflicts of law rules.

8. **Conflicts**. In the event of any conflict between this Cooperating Broker Agreement and the Purchase and Sale Agreement or any other addenda and/or riders, this Disclosure shall control. In all other respects, the Purchase and Sale Agreement shall remain in full force and effect.

9. **Counterparts**. This Agreement may be executed in counterparts, a complete set of which shall form a single document.

10. **Entire Agreement**. This Agreement sets forth the entire agreement between Seller, Cooperating Broker and Sales Associate and shall not be altered, modified or amended unless such amendment is set forth in writing and signed by all parties to this Agreement.

**COOPERATING BROKER:**

Century 21, by
its Sales Associate

By: _____

Print Name: Silvi Parham

Date: 2/13/12

**SALES ASSOCIATE**

_____

Print Name: Samuel Broadway

Date: 2-13-2012

Seller: Lennar Carolinas, LLC

_____

Authorized Agent of Seller: Ann Ivey

Date: 2/14/12

## COOPERATING BROKER ADDENDUM

**THIS COOPERATING BROKER ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the thirteenth day of February , 2012, between Jonathan WE Douglass, Theresa A Douglass (collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0043 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to every other addendum attached to the Agreement, which are hereby incorporated by this reference.

2. **Cooperating Broker**. Notwithstanding anything contained in the Agreement to the contrary, Seller and Buyer acknowledge that Buyer has dealt with the following brokerage firm in connection with the purchase of the Property ("**Cooperating Broker**"):

Name of Cooperating Broker: Century 21 properties plus

Address: ~~39805 Alta Murrieta Drive~~ 118 W. Richardson Ave, Sville 29483

Business Phone: 843-478-5290

Name of Sales Associate of Cooperating Broker: Silvi Parham

Date of Registration: 02/13/2012

+ 1.5%

Seller agrees to pay Cooperating Broker, at Closing, a commission in the amount of three percent (3%) of the Base **Purchase Price plus the Homesite Premium less any builder incentives and/or discounts to the Base Purchase Price**, as that amount is determined by the Purchase Price and Payment Addendum (the "**Commission**"), subject however to the terms and conditions set forth below and in a separate Cooperating Broker Agreement ("**Broker Agreement**").. As set forth herein, "incentive" shall mean the total dollar value of all consideration, incentives, discounts, credits, reductions, gifts or other inducements offered or arranged by Seller in connection with Buyer's purchase of the Property, including, without limitation, any: reduction or discount in the Total Purchase Price, Base Purchase Price, or the Homesite Premium; credit for or contribution toward Closing Costs; payment of or contribution toward assessments or capital contributions charged by any homeowner's association or Seller; payment of or contribution toward homeowner's casualty or liability insurance, and/or lease payments; financing incentive such as payment of buy down fees to the Lender; and retail value of any gift to Buyer.. No Commission shall be payable by Seller unless Buyer consummates the purchase of the Property in accordance with the terms and conditions of the Purchase and Sale Agreement; accordingly, the Commission shall not be deemed earned unless and until the Closing occurs. Buyer agrees that it shall be responsible for any other commission due to Cooperating Broker that is in excess of the Commission payable by Seller pursuant to this Addendum and the Broker Agreement and for any commission due to any other real estate brokers or salesmen claiming to have represented Buyer in connection with the purchase of the Property. Notwithstanding the foregoing, Seller agrees to pay any and all commissions due to Seller's New Home Consultants working in Seller's sales office.

JWED TAD

3. **Governing Law**. This Addendum is governed by the law of the state where the Property is located, without regard to its conflicts of law rules.

4. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

5. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

6. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

7. Survival. All of the terms of this Addendum shall survive Closing and the delivery of the Deed.

Buyer - Jonathan WE Douglass
Date 2/13/12

Buyer - Theresa A Douglass
Date 2/13/2012

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 2/14/12

INSULATION ADDENDUM

THIS INSULATION ADDENDUM (this "Addendum") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") dated as of the twenty-first day of Dec 2012 between _____ (collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 43 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. Insulation. Pursuant to Title 16, Chapter I, Section 460.16 of the Code of Federal Regulations, the insulation that is or will be installed in the Home where conditioned space meets unconditioned space is as follows and will, according to the manufacturer, yield the R-values stated:

| Location | Type | Thickness | R-Value |
|---|---|---|---|
| Exterior Masonry Walls | N/A | N/A | N/A |
| Exterior Stud Wall | Batt | 3 1/2 inches | R-13 |
| Ceilings | Batt | 10 inches | R-30 |
| Roof | Blown | 12 inches | R-30 |
| N/A | N/A | N/A | N/A |

If so indicated above, fiberglass (also known as glass wool) is/will be used for insulation in the Home. The U.S. Department of Health and Human Services ("HHS") has listed fiberglass as a substance "which may reasonably be anticipated to be a carcinogen." This listing identifies substances selected for further study because of their potential carcinogenic risk but is not an assessment by HHS that there is a causal connection between fiberglass and human cancer. The listing does not establish that fiberglass presents a risk to persons in their daily lives.

3. Counterparts. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

4. Conflicts. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

5. Entire Agreement. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and comments relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer -
Date 2/13/12

Buyer -
Date 2/13/2012

Buyer -
Date _____

Buyer -
Date _____

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller: Ann Ivey
Date 2/14/12

Buyer WED Buyer TAD

17257134v2

## INDOOR ENVIRONMENTAL QUALITY DISCLOSURE

**THIS INDOOR ENVIRONMENTAL QUALITY DISCLOSURE** (this "**Disclosure**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the thirteenth day of FEBRUARY , 2012, between Jonathan WE Douglass, Theresa A Douglass (collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0043 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms.** All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Disclosure to the Agreement shall be deemed to include references to this Disclosure and to any other disclosure and/or addenda and riders attached to the Agreement, which are hereby incorporated by this reference:

2. **Indoor Environmental Contaminates.** There are many different types of indoor environmental contaminants, such as pet dander, dust mites and mold. Molds and other potential contaminants have been a part of our environment for millions of years. Contaminants are everywhere, indoors and outdoors. Therefore, everyone is exposed to some contaminants on a daily basis without evident harm. Due to a number of factors, including the fact that sensitivities to various types of molds and other potential contaminants vary from person to person, there are no state or federal standards concerning acceptable levels of exposure to mold. According to the Consumer Product Safety Commission and the American Lung Association, some diseases or illness have been linked with biological pollutants in the indoor environment, including some forms of mold. However, many of these conditions also have causes unrelated to the indoor environment. Therefore, it is unknown how many potential health problems relate exclusively to poor indoor air. Buyer should determine for himself/herself whether Buyer, Buyer's family members or any other individuals who will occupy or use the Home have special needs or increased risk to these conditions. Buyer should carefully monitor the conditions in the Home for mold growth and other contaminants.

When excessive moisture or water accumulates indoors, mold growth can and will occur, particularly if the moisture problem remains unaddressed. There is no practical way to eliminate all molds or mold spores in an indoor environment. The key to controlling indoor mold growth is to control moisture.

There are many ways to help control moisture in and beneath the Home. The U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the American Lung Association and others recommend taking measures such as those listed below to help control moisture in and beneath the Home. The following list is not meant to be all-inclusive.

- o Fix leaking plumbing and any other source of unwanted water immediately.
- o Maintain proper indoor humidity. Equipment that conditions the air, such as air conditioners, humidifiers and ventilation systems must be operated year round.
- o Raise the temperature in areas where moisture condenses on surfaces and open doors between rooms to increase air circulation in the Home, including doors to closets.
- o Have major appliances, such as furnaces, heat pumps, central air conditioners, window air conditioning units, ventilation systems and furnace attached humidifiers inspected, cleaned and serviced regularly by a qualified professional.
- o Clean and dry refrigerator, air conditioner and dehumidifier drip pans and filters regularly and make sure that refrigerator and freezer doors seal properly.
- o Keep water away from the foundation of the Home by maintaining required slopes, drainage and keeping plantings and sprinklers the proper distance from the Home.
- o If there is a sump pump in the Home, inspect it regularly to ensure that it is properly operating.
- o If there is a crawl space or structural sub-floor, inspect the ground beneath the floor on a regular basis to make sure there is no standing or excessive water. If there is standing or excessive water, seek professional assistance to remove the water. If Buyer is interested in finishing the basement, only do so after consulting an expert to determine the suitability of the basement for a finished area.

The following are suggestions that may assist Buyer in preventing and addressing mold growth in the Home.

- o It is important that Buyer responds promptly when Buyer sees signs of moisture or mold.
- o Do not allow moisture to stand or make contact with carpet, furniture and cellulose-based materials, such as wood, drywall or other non-tile, non-plastic or non-metal materials.
- o Dry all water damaged areas and items immediately to prevent mold growth.
- o If mold develops, clean up the mold by washing off hard surfaces with detergent and water and completely dry the surface.
- o Depending upon the nature and extent of the mold infestation, trained professionals may be needed to assist in the remediation effort.
- o Mold that is not properly and adequately removed may reappear.

Proper maintenance and cleaning of the Home is the responsibility of each homeowner and will lessen the potential for water intrusion and help to control indoor environmental contaminants. Further, it is the responsibility of each homeowner to monitor their Home on a continual basis for excessive moisture, water and mold accumulation. If Buyer discovers accumulation of water or moisture in, around or under the Home, Buyer should immediately seek to control the source of the water or moisture. Failing to control the source could result in additional damage and the growth of mold. Plumbing leaks and water penetrations that are covered by the Limited Warranty, if any, during the term of the Limited Warranty must be reported to Seller immediately. If the Limited Warranty has expired or does not cover the specific problem, Buyer should not delay in having professionals address the problem. Seller will not be responsible for, and Buyer agrees to indemnify and hold harmless Indemnified Parties from and against all Claims in connection with, water-related damages, including personal injuries or property damage caused by mold, but only to extent that the damages are caused by (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction. Buyer also agrees to waive all rights of subrogation for damages resulting from water-related damages, mold growth, any personal injuries, or any remediation resulting from (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction.

3. **Counterparts**. This Disclosure may be executed in counterparts, a complete set of which shall form a single Disclosure.

4. **Conflicts**. In the event of any conflict between this Disclosure and the Agreement or any other addenda and/or riders, this Disclosure shall control. In all other respects, the Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Jonathan WE Douglass
Date 2/13/12

Buyer - Theresa A Douglass
Date 2/13/2012

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 2/14/12

## SCHLAGE LINK ADDENDUM

**THIS SCHLAGE LINK ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the Thirteenth day of February , 2012, between Jonathan WE Douglass, Theresa A Douglass ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0043 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Schlage LiNK**. The Property will be equipped with Schlage LiNK which uses Z-Wave® technology in a secure, web-based system that allows remote monitoring and control of Z-Wave® enabled equipment. There is a monthly fee for remote access capabilities and there must be internet access. Schlage LiNK has agreed to provide 12 months of free monitoring commencing at tbd.

3. **Schlage LiNK Performance**. Buyer will receive a warranty from the manufacturer. Seller assumes no liability for either the performance of Schlage LiNK or the performance or availability of remote access.

4. **Manufacturers' Warranty Disclaimer**. SELLER ASSIGNS AND PASSES THROUGH TO BUYER THE MANUFACTURERS' WARRANTIES FOR SCHLAGE LINK AND SELLER MAKES NO WARRANTIES WITH RESPECT THERETO. SELLER DISCLAIMS ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, ON SCHLAGE LINK, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF USE, FITNESS OF USE, WORKMANSHIP OR QUALITY. SELLER SHALL NOT BE LIABLE FOR ANY DAMAGES OR INJURY TO THE SCHLAGE LINK OR FOR ANY DAMAGES OR INJURY CAUSED BY SCHLAGE LINK. SELLER'S DISCLAIMER OF MANUFACTURERS' WARRANTIES DOES NOT LIMIT OR OTHERWISE AFFECT THE WARRANTY OF ANY MANUFACTURER.

5. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

6. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

7. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Jonathan WE Douglass
Date 2/13/12

Buyer - Theresa A Douglass
Date 2/13/2012

Buyer -
Date _____

Buyer -
Date _____

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 2/14/12

**RICEFIELD WAY and THE ABBEY AT SPRING GROVE PLANTATION**
**MASTER DISCLOSURE AND INFORMATION ADDENDUM TO**
**PURCHASE AND SALE AGREEMENT**
**SOUTH CAROLINA**

**THIS MASTER DISCLOSURE AND INFORMATION ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the Thirteenth day of February , 2012, between Jonathan WE Douglass, Theresa A Douglass ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0043 of Building/Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as **Spring Grove Plantation** (the "**Community**").

1. **Defined Terms**. All capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Community**. The Property lies within a neighborhood known as Ricefield Way or The Abbey at Spring Grove Plantation (the "**Neighborhood**"), which lies within a community known as Spring Grove Plantation (the "**Community**"). This Addendum explains certain terms which are applicable to the purchase of Homes within the Community and the Neighborhood. Current plans are for Ben McCormick Homes, Harbor Homes and First Coast Homes to build homes in the Community. Other builders besides Seller may be added or deleted from the list of builders in the future. Seller, and any other builder in the Community, shall have the right, without notice to Buyer, to make changes to, among other things, homesite sizes, number of homes being built, size and style of homes being built, features and materials in homes being built, prices of homes (whether more or less than currently published), price per square foot of homes (whether more or less than currently published), street layout, amenity layout, and usage, location, size and number of trees, bushes and other foliage (current and future), and any other items or uses which are currently planned for the Community or the Neighborhood. Seller makes no representation or warranties that Seller will be the exclusive builder or developer in the Community or the Neighborhood or that the Community or the Neighborhood will be built out exactly as currently planned, and Seller expressly reserves the right to make whatever changes it deems necessary relating to future development or build out of the Community and the Neighborhood. Any current maps or other materials showing any final or projected community development may be modified or updated in the future.

SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES WITH REGARD TO THE DEVELOPMENT OF HOMESITES IN AND AROUND THE COMMUNITY. HOMESITES IN AND AROUND THE COMMUNITY MAY REMAIN UNDEVELOPED AT THE SOLE DISCRETION OF SELLER, OTHER BUILDERS IN THE COMMUNITY, AND/OR THE DEVELOPER OF THE COMMUNITY. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES, STATED, IMPLIED, OR OTHERWISE WITH REGARD TO SELLER BEING THE SOLE OR EXCLUSIVE BUILDER WITHIN THE COMMUNITY. SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES, STATED, IMPLIED, OR OTHERWISE WITH REGARD TO CONTINUING TO BUILD IN THE COMMUNITY THROUGH FINAL BUILD OUT AND/OR BUILDING UPON ANY UNDEVELOPED HOMESITE(S). FURTHERMORE, IT IS UNDERSTOOD THAT NO REPRESENTATIONS, ESTIMATES OR PROJECTIONS HAVE BEEN CONVEYED REGARDING THE FINAL BUILD OUT TIME OF ANY UNDEVELOPED HOMESITE(S) OR THE OVERALL COMPLETION SCHEDULE OF THIS COMMUNITY. BUYER ACKNOWLEDGES THAT SELLER CONSTANTLY EVALUATES THE PRICING, DESIGNS, PRODUCT MIX AND AMENITIES OF ITS COMMUNITIES AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING WHETHER TO CONTINUE TO BUILD HOMES WITHIN THE COMMUNITY AND BUYER IS NOT RELYING UPON ANY OF THE FOREGOING IN DECIDING TO PURCHASE THE PROPERTY.

3. **Governing Documents**. Buyer acknowledges receipt, either in hard-copy or via internet or electronic means, of all documents ("**Governing Documents**") for the Community and the Neighborhood.

3.1 Buyer acknowledges receipt of, and agrees to be bound by the Declaration for Spring Grove Plantation Community (the "**Declaration**"), the Articles of Incorporation, By-Laws and any Rules and Regulations of Spring Grove Plantation Community Service Association, Inc., all as amended and supplemented from time to time (collectively, the "**Community Documents**"). Buyer acknowledges and agrees that title to the Home will be subject to the Community Documents.

3.2 The Property will be subject to certain deed restrictions as reflected in the General Limited Warranty Deed executed by Seller and furnished to Buyer at Closing. The deed restrictions run with the Homesite and require, among other things, that (i) buyer give Seller notice of Seller's defaults or any Claim (as defined therein) after Closing and (ii) Seller have an opportunity to inspect and cure defects in the Home. The deed restrictions further require the arbitration of any Claim against Seller that cannot be resolved.

3.3 Buyer acknowledges the provisions of the Governing Documents are fair and reasonable.

4. **Association Memberships**.

4.1 Upon conveyance and recording of the Deed to the Home, Buyer understands and agrees that Buyer will then become a member of the Spring Grove Plantation Community Service Association, Inc., a South Carolina nonprofit corporation (the "**Association**"). Buyer agrees to accept the liability and obligations of

such memberships. Buyer understands that as a member of the Association, Buyer will be required to pay Assessments (as defined in the Governing Documents) for the maintenance of the Common Areas (as defined in the Governing Documents) and for such other uses and purposes as are provided for in the Governing Documents. Buyer also understands and agrees that a failure to pay Assessments when due could cause the Association to record a lien on the Home and to foreclose such lien. Assessments are subject to additional increases in the manner currently provided for in the Governing Documents. Neither Seller, the Association, nor any other builder can estimate the amount or frequency of any such increase.

4.2 Buyer acknowledges that nominees of Seller, and the developer of the Community and the developer of the Neighborhood may serve as the initial officers and directors of the Association. The officers and directors and the management company, which may be an affiliate of Seller, are authorized by Buyer to act for and on the behalf of the Association. Seller may, but is not required to, advance monies to the Association for operations. In the event such advances are made, they will be considered a loan from Seller, and the Association will be obligated to repay such advances as set forth in the Community Documents.

4.3 Buyer acknowledges that all new construction and modifications of existing construction and exterior improvements within the Community are subject to the prior written approval of the appropriate architectural review, design review or similar committee or authority, which is appointed by the Board of Directors of the Association. Buyer agrees to comply with all rules and regulations of the appropriate authority (or authorities) governing construction of improvements within the Community and the Neighborhood as the same may be amended and exist from time to time. These restrictions are subject to change without notice. Building and use restrictions include, but are not limited to, residential and nonresidential uses, building specifications, accessory structures, nuisance, home occupancy, signage, antennas, animals, driveways, vehicle parking, rubbish, utility and drainage easements, clothes lines, fences, special rights of Seller, the developer of the Community, the developer of the Neighborhood and homebuilder(s), leases and restoration of homesites. Buyer agrees not to commence any construction upon the Homesite until it has obtained all requisite written approvals therefore. Buyer further agrees not to make any modifications of any existing buildings and improvements, including, but not limited to, landscaping and landscape irrigation, without the prior written approvals of the appropriate authority (or authorities) pursuant to any city, county or state regulation and pursuant to recorded covenants, conditions or restrictions governing the land. In addition, every city, county or town has building codes and other ordinances that regulate what is permissible within its jurisdictional limits. Prior to making changes to the Home or Homesite, Buyer should contact the applicable governmental authorities for further information concerning local codes and ordinances. Decks, fences and exterior color are among the more common, although not the only, improvements for which architectural approval is required.

4.4 Approval of any work by the appropriate reviewing authority or authorities shall not constitute an express or implied warranty of representation that any work complies with applicable codes, ordinances or other governmental regulations, or that the work is well designated or will be constructed in a proper manner.

4.5 Failure to submit plans and specifications to the appropriate reviewing authority or authorities for approval is a violation of the provisions of the Declaration and/or applicable deed restrictions, which may result in sanctions and/or the imposition of fines, and the removal, at homeowner expense, any of non-approved improvements or modifications.

5. **Community Charges**. In addition to the Closing Costs set forth in Rider B, Buyer shall pay the following additional Closing Costs respecting the Community:

5.1 Association Assessments. Assessments payable to the Association ("**Association Assessments**"), prorated for the month in which the Closing occurs (based on the then current Assessments at the time of closing). Such Assessments are estimated to be $325.00 per year at this time. Buyer understands that the estimated operating budget for the Association is only an estimate of what it will cost to run the Association. The Association may make changes in the budget at any time to cover increases or decreases in expenses or estimates in the budget. Without limiting the generality of this Section, those changes will not give Buyer any right to cancel the Agreement.

5.2 Association Initial Capital Contribution. Buyer acknowledges that among other Assessments provided for in the Community Documents, the Association has established an initial capital contribution ("**Initial Capital Contribution**"). Buyer acknowledges that upon conveyance of the Property an Initial Capital Contribution in an amount equal to $300.00 (or such amount as determined from time to time) is due. The Initial Capital Contribution may be used for any reason whatsoever including, without limitation, reimbursement for costs in setting up the Association and costs of deficit funding. Buyer acknowledges and agrees that the Initial Capital Contribution is not to be considered as an advance payment of Assessments.

5.3 Resale Capital Contribution. Buyer acknowledges that the Association may establish a Resale Capital Contribution (as defined in the Governing Documents). For more information on the Resale Capital Contribution, please refer to the Governing Documents.

6. **Security**. The Community is not a gated community and the roads in the Community are public.

7. **Building and Use Restrictions**. Every homesite is subject to building and use restrictions as set forth in the Declaration. These restrictions are subject to change without notice. Building and use restrictions may affect,

among other things, residential and nonresidential uses, building specifications, accessory structures, nuisance, home occupancy, signage, antennas, satellite dishes, animals, driveways, vehicle parking, rubbish, utility and drainage easements, clothes lines, fences, special rights of Seller, any developer and homebuilder(s), leases and restoration of homesites. Seller encourages you to carefully review the Declaration and to ensure the long-term quality of life for both you and your neighbors.

8. **Municipal Building Codes And Ordinances.** Every city or town has building codes and other ordinances that regulate what is permissible within its jurisdictional limits. Prior to making changes to your Home or Homesite, you should contact the Building Inspector for Berkeley County at 843.719.4095 for further information concerning local codes and ordinances. Seller is not responsible for notifying Buyer or any other homeowners of the content or restrictions contained in any local codes or ordinances.

9. **Architectural Review.**

9.1 The Declaration currently provides that no improvements shall be commenced upon any homesite, nor shall the exterior color, style and materials of an approved structure on a homesite be altered without the prior written approval of the Architectural Control Committee ("ACC"), as applicable, which is appointed by the Board of Directors of the Association. Improvements constructed by Seller or the developer of the Community, or the Neighborhood, as applicable, are exempt from this requirement. Approval of any work by the ACC shall not constitute an express or implied warranty or representation by the ACC that any work complies with applicable codes, ordinances or other governmental regulations, or that the work is well designed or will be constructed in a proper manner. Decks, fences and exterior color are among the more common, although not the only, improvements for which architectural approval is required. For more information concerning architectural review, please review the Declaration.

9.2 Failure to submit plans and specifications to the ACC for approval is a violation of the Declaration, which may result in sanctions and/or the imposition of fines, and the removal, at homeowner expense, of any non-approved modifications.

10. **Pet Restrictions.** Buyer understands that the only pets allowed in the Neighborhood and the Community are those which are in accordance with the restrictions contained in the Community Documents or any amendments thereto.

11. **Short-Term Rentals.** Buyer acknowledges that homes in the Community may be rented for any length of time, subject to certain restrictions set forth in the Community Documents.

12. **Flood Zone.** Buyer acknowledges that the Property may be in a flood zone. Mortgage lenders will typically require the issuance of flood insurance as a requirement for financing, which insurance must be present at Closing. Seller recommends that each Buyer of a Home protect his/her Home by obtaining proper insurance coverage. It is possible, however, for Buyer to submit documentation to the Federal Emergency Management Agency (FEMA) to have the Home re-classified by FEMA, whereby the mortgage lender may have the option to waive the requirement of flood insurance. Buyer is solely responsible for the submission to FEMA for such re-classification and any and all expenses related to such submission. Further, Buyer acknowledges and understands that the waiver of flood insurance is at the sole discretion of the mortgage lender.

13. **Utilities.**

13.1 Buyer acknowledges that no septic tanks shall be permitted within the Community and the Neighborhood. No wells shall be installed without the express written consent of the ACC and all other applicable government agencies.

13.2 Some homesites contain or are adjacent to drainage and utility structures such as storm water overflow swales, storm water retention and/or detention basins, manholes, fire hydrants, electrical transformers, switch boxes, telephone pedestals and streetlights. None of these items shall be altered, obstructed, buried, modified, restricted or interfered with in any manner whatsoever. Overflow swales are generally utilized for overflow storm water capacity as a result of water drainage. Electrical transformers may only be landscaped to the extent permission is given by the utility provider. In some cases, water may flow from one homesite to another. State law may provide that the owner of the homesite receiving water is required to accept the water flow and may not impede the flow of this water. In addition, the Property will be graded to provide for reasonable drainage away from the Home's foundation. The vast majority of foundation problems are caused by insufficient drainage or lack of watering of soil around the foundation. Buyer should keep Buyer's lawn well watered to maintain consistent moisture content and avoid excess wetness, dryness or cracking of soil. The construction of curbs, decks, retaining walls, pools, spas, patios, landscape edging and similar items can also trap water within the yard area and cause structural damage to the Home's foundation. Seller strongly recommends that Buyer consult with a licensed landscape architect and civil engineer before performing any work or making any changes that may affect the existing drainage pattern.

13.3 Berkeley County provides water to the Community. Because Seller does not control the water supply, Seller cannot guarantee the quality of the water provided to the Community. In addition, this area is periodically subjected to extended periods of drought that may cause depletion of water supplies. Municipalities and other providers of water services (including the Town of Moncks Corner) may enact mandatory or voluntary cut backs or other restrictions in water usage. Seller has no control, influence, responsibility or liability for or over decisions concerning water rationing.

13.4 If Buyer has any questions about utility rates, services, safety, or anything else to do with overhead or underground transmission or utility lines, Buyer should contact the utility companies directly. Because Seller values Buyer's safety and that of Buyer's neighbors, no excavation or trenching should be done without first calling the utility companies for the location of buried utilities. There is currently no charge by the utilities for this service. This is especially important in utility easements where buried utility equipment is probable. Digging without advance notification and approval of the utility companies may be illegal, is dangerous and can result in severe personal injury or death to Buyer and Buyer's neighbors, and can also result in severe property damage to homes, property and utility equipment.

14. Waterbodies. BUYER ACKNOWLEDGES THAT THE WATER LEVELS OF LAKES, PONDS OR OTHER WATERBODIES WITHIN THE COMMUNITY AND/OR THE NEIGHBORHOOD MAY VARY. THERE IS NO GUARANTEE BY SELLER, THE ASSOCIATION THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME; AT TIMES, WATER LEVELS MAY BE NONEXISTENT.

15. Regulatory And Governmental Approvals. The zoning, plans, etc. have been approved by Berkeley County. The development of the project, lot, sidewalks, etc. is subject to approval by Berkeley County. For more information on the approvals required and pending in the Community, Buyer should contact the Berkeley County Planning & Zoning Department at 843.719.4095.

16. Prices/Market Values. Seller, and any other builder in the Community, shall have the unilateral right to establish prices for the homes it builds in the Community. Seller and any other builder in the Community may, at its sole discretion, increase or decrease the price or the price per square foot for any home, homesite or option at any time, or offer incentives for sales of homesites and homes, all without notice to Buyer. Once Buyer has signed the Agreement establishing a price for the Property, the prices for any subsequent changes or upgrades to the Home as requested by Buyer, including but not limited to design, floor plan, options, materials or otherwise, are subject to change by Seller until a written and signed agreement on the price is reached by Seller and Buyer for such change or upgrade. Seller makes no representations or warranties that the price for the Property or options in the Home will be increased or decreased for other buyers of identical or similar homes or options. Seller also makes no representations or warranties that changes or options made by Buyer will or will not increase or decrease the market value of the Property. The Property is being sold for residential purposes and not as an investment.

17. Construction And Sales Activities. BUYER ACKNOWLEDGES THAT SOME AREAS OF THE NEIGHBORHOOD AND THE COMMUNITY MAY BE UNDER CONSTRUCTION AND DEVELOPMENT FOR AN EXTENDED TIME. INCIDENT TO THE DEVELOPMENT PROCESS, THE QUIET ENJOYMENT OF THE NEIGHBORHOOD AND THE COMMUNITY MAY BE UNAVOIDABLY INTERFERED WITH TO SOME EXTENT BY THE CONSTRUCTION OPERATIONS. Construction, development and sales activities in the Community and/or the Neighborhood will likely occur after Buyer has taken occupancy of Buyer's Home. Depending upon Buyer's sensitivities, this may result in some inconvenience to Buyer and Buyer's family and guests due to increased noise, dust, road closures, operation of the model homes and sales offices, and other activities. Construction activities can occur at various hours throughout the day, and sales activities can result in additional traffic and visitors throughout the Community, particularly before the Community is completely built out. Neither Seller nor any other builder that may be active in the Community can guarantee that Buyer will not be affected or impacted as a result of the overall construction and development of the Community. Seller gives no guarantees or assurances on the active time of the Community model homes. Homesites across the street or next to the model homes may remain undeveloped until Seller determines that these homesites are no longer needed for marketing purposes.

18. Views. Future development and construction activities in the Community can and will modify the view from homesites (including but not limited to the Homesite). Trees and other foliage may be added or removed from lots or common areas of the Community. Additional housing and other improvements will be added within the community. Because future development and construction activities in the Community will modify views from homesites, Seller does not warrant or guarantee any existing views will be maintained in the future relative to the Property.

19. Streetlights. Numerous streetlights will be installed within the Community, many of which will be installed after homes have been completed, sold and occupied. Streetlights are sized and placed in accordance with Town ordinances and governmental requirements, and could in some instances generate light in or obstruct views from homes in the Community. Information about streetlight size, light output, design and location of streetlights within the Community can be obtained from the service provider.

20. Trees And Foliage. The Community contains numerous native trees of various sizes and varieties. While Seller has taken great care during the planning and construction of the Community to save trees, future development and construction will require the removal of additional trees, shrubs and other foliage and, therefore, Seller does not guarantee the preservation of any trees, shrubs, ground cover or other foliage in the Community or Buyer's Homesite, and cannot be responsible for short or long-term damages to foliage due to construction or development activities. Seller makes no representation or warranty that trees on the Homesite being purchased or any other homesite or common area in the Community will not be removed. All care and maintenance of foliage on an individual homesite is the responsibility of the homeowner, and Seller does not guarantee or warranty the survival of any foliage. Berkeley County has adopted a Tree Ordinance regulating the removal of any tree over a certain size. Before removing a tree, Buyer should contact Berkeley County to ensure that its regulations are adhered to. The Declaration also contains restrictions regarding the removal of any tree over a certain size. Buyer should contact the Association to ensure that its regulations are adhered to.

21. Facilities And Conditions Affecting Homesites.

21.1 The information set forth in this section contains an overview of facilities and conditions which may affect some or all homesites in the Community (including but not limited to the Homesite). Because Seller does not have control over development outside of the Community, Seller does not warrant or guarantee any future development, usage, or lack of development or usage for properties located outside of the Community, or their possible impact on the residents of the Community. For additional information about offsite features that may affect the purchase of the Property, please contact the local governmental authorities having jurisdiction over the Community.

21.2 Seller advises Buyer that some of the homesites (including but not limited to the Homesite) are or may be adjacent to or near some of the following:

DRAINAGE CHANNEL, AIRPORT, RAILROAD TRACKS, STORM WATER DETENTION FACILITY, COMMUNITY CENTER, ELEVATED WATER STORAGE TOWER, SCHOOL FACILITY, PARK SCHOOL SITE, SPORTS FACILITY OR BALL FIELD, COMMUNITY LAKES, PARK AND/OR RECREATION FACILITY, WATER PLANT/SEWER PLANT, LIFT STATION, CELLULAR PHONE, RADIO, TELEVISION OR OTHER TOWER ANTENNA SITE, HIGH VOLTAGE TRANSMISSION LINES OR PIPELINE EASEMENT.

Buyer acknowledges that such facilities may impact noise, vibration, lighting, traffic and other conditions caused by daily operations of the facility. Drainage channels, lakes and storm water detention facilities will have varying levels of water for varying periods of time depending upon rainfall.

21.3 Approximately 10 miles from the edge of the Community is the Charleston International Airport. Some flights landing at or taking off from the airport currently pass over the Community. Jets, helicopters or other aircraft may be seen or heard overhead from the Homesite or even from within the Home. The Charleston International Airport may, in the future, expand the Airport and its operations.

21.4 As a result of the open spaces and bodies of water in and around the Community, Buyer may periodically find wild animals within the confines of the Community including, but not limited to, skunks, nutria, opossums, deer, raccoons, spiders, snakes, bees, fire ants, and other insects common to the area. Contact with any wild animal can be dangerous. Should Buyer encounter any such animal, Buyer is encouraged to contact Buyer's local animal control office for further instructions.

21.5 Property West of the Community. The property west of the Community is currently comprised of agricultural and wooded land and land occupied by the Charleston Steel & Metal plant, Parker Gas Turbine Fuel Systems, and Mt. Holly Hill Park.

21.6 Property North of the Community. The property north of the Community is currently comprised of undeveloped woodlands and land used for residential purposes.

21.7 Property East of the Community. The property east of the Community is currently comprised of forested wetlands and undeveloped woodlands and land used for residential purposes. The property further east of the Community was occupied by the former Pattillo/Stone Mountain Industrial Park Site.

21.8 Property South of the Community. The property south of the Community is currently comprised of undeveloped woodlands and forested wetlands and land used for residential purposes.

21.9 Future Commercial/Retail Uses. The Community is located adjacent to properties which will be developed with major commercial and retail uses in the future. The development of such uses adjacent to the Community may increase traffic volumes, noise, outdoor lighting, pedestrian activity and other similar impacts resulting from commercial development.

21.10 Development of Adjacent Property. Buyer acknowledges that Seller's current construction plans for the Community where the Home and Homesite are located may change and that no representations or warranties are made concerning the development of the Community, or any property adjacent to, surrounding, or near such Community.

21.11 Public Ballfields. Public ballfields are located within the Community. The ballfields are or will be owned by the Association and the future use of the ballfields is in the discretion of Association.

21.12 Major Public Roads. The Community is located along portions of Old Hwy 52 and Cypress Garden Road. These roads may experience heavy traffic.

22. **Floor and Roof Truss Support.** The Home has been designed and constructed with the intent to support typical loads on the floor and roof trusses. Placing or storing excessive loads such as a waterbed or pool table, may result in the warping or failure of the supporting structural components of the Home.

23. **Real Estate Taxes.** When a new home is built, the full value of the home is typically not reflected in the real estate taxes until the second calendar year after construction has been completed. Seller is not responsible for communicating any information regarding real estate taxes (current or future) and cannot and will not predict what the taxes on the Home may be. Buyer should confirm any information provided concerning appraisals, tax valuation, tax rates or other tax-related questions, with Buyer's personal tax advisor and the local taxing authorities.

24. **Public Financing of Capital Improvements.** Berkeley County may finance certain capital improvements in the Community, may issue bonds in connection with such financing and may create one or more special tax districts

within the Community to provide for repayment of such bonds.

25. **Town and County Taxes, Charges And Fees**. Property within the Community is subject to Berkeley County taxes, utility charges, fees and may become part of a special taxing district. For additional information, contact the Tax Collector's office of Berkeley at 843.719.4030.

26. **Addendum Not A Substitute**. Buyer acknowledges and agrees that this Addendum is not a substitute for reading the entire Governing Documents. For a more detailed explanation of any section contained in this Addendum, refer to the Governing Documents.

27. **Pre-Sale Contingency.** Seller shall have the right to terminate this Agreement and cause Buyer's deposits to be refunded in the event that Seller does not enter into binding contracts to sell at least ten percent (10%) of the homes and homesites in the Community. Seller must, however, notify Buyer of such a termination at any time within one hundred eighty (180) days following the date of the first purchase agreement for the sale of a home in the Community, otherwise Seller will be required to construct the Community and the Home and otherwise proceed to perform its obligations under this Agreement. This shall not delay the effectiveness of this Agreement, which shall be immediate, but rather, shall be deemed a "condition subsequent" to this Agreement. In the event of Seller's termination of this Agreement pursuant to this Section, upon such termination and the return of Buyer's Deposit, Seller and Buyer will be fully relieved and released from all obligations and liabilities under and in connection with this Agreement. Seller agrees to use its good faith efforts to meet the foregoing pre-sale requirement.

28. **Third Party Developer**. Seller is not the developer/declarant of the Community ("**Developer**"). Buyer acknowledges that (i) Seller is neither related to nor a joint venture partner with Developer, (ii) Seller does not control the amenities (existing or planned), landscaping, or other improvements that Developer may provide within the Community in the sole and absolute discretion of Developer, (iii) Seller has neither prepared nor participated in the preparation of the Community budgets or any other financial information with regard to the Community, and (iv) any representations or warranties which relate to amenities or other matters contained within the Community shall not be construed as representations made by Seller nor shall such representations be relied upon by Buyer in Buyer's determination as to whether to purchase the Property located within the Community. Seller has no control or influence related to the construction timing, completion, changes in design, changes in location, or other major decisions, including the decision not to build future amenities. Buyer agrees to look solely to the Developer with respect to any matters regarding the Association, existing Community amenities, any proposed amenities, landscaping or other improvements.

29. **Statements Made By Sales Staff And Brokers**. Seller wants to ensure that Seller and Buyer are in full agreement on all terms and conditions relating to the Agreement. To best ensure that there are no misunderstandings, Buyer should ensure that all terms and conditions (including all statements, representations, or understandings upon which Buyer relies in purchasing the Home) are set forth in writing in the Agreement. **If there are any statements, representations or understandings which are made by a sales staff person or any other representative of Seller which are material to Buyer's decision to purchase, Buyer should insist that any such statement, representation or understanding is put in writing and contained in the Agreement. Seller reserves the right to reject the Agreement notwithstanding the inclusion of any such item in the Agreement.**

30. **Public School Assignment**. Seller does not control and cannot guarantee public school assignments for the Community. Because Seller does not control public school assignments, Seller cannot assure Buyer that public school assignments will not be changed in the future. For more information about public school assignments, Buyer should contact the Berkeley County School Board.

31. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

32. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

33. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

34. **Survival**. All of the terms of this Addendum shall survive Closing and the delivery of the Deed.

Buyer - Jonathan WE Douglass
Date 2/13/12

Buyer - Theresa A Douglass
Date 2/13/2012

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 2/14/12

# EXHIBIT 7

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

Lennar Carolinas, LLC
1941 Savage Road, Ste. 100-C
Charleston, South Carolina 29407
843-388-8989

# PURCHASE AND SALE AGREEMENT

**PURSUANT TO SECTION 15-48-10, SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED, THIS SHALL CONSTITUTE WRITTEN NOTICE THAT THIS AGREEMENT IS SUBJECT TO MANDATORY BINDING ARBITRATION PURSUANT TO SECTION 16 OF THIS AGREEMENT.**

**THIS PURCHASE AND SALE AGREEMENT** (together with the Riders and Addenda attached hereto and incorporated by reference herein, this "**Agreement**") is made and entered into as of the twenty-sixth day of APRIL , 2011 by and between Lennar Carolinas, LLC ("**Seller**"), and Buyer(s) named below ("**Buyer**"):

| BUYER(S): | Check Applicable: |
|---|---|
| 1. Chad R England | Married ☐ Single☐ Male ☒ Female☐ |
| 2. Czara E England | Married ☐ Single☐ Male ☐ Female☒ |
| 3. | Married ☐ Single☐ Male ☐ Female☐ |
| 4. | Married ☐ Single☐ Male ☐ Female☐ |
| No Buyer Changes Will Be Permitted | |

| Buyer Address: 157 S Westwind Drive | | |
|---|---|---|
| City: El Cajon | State / Country: CA | Zip: 92020 |

By providing your telephone and fax numbers and your email address, you hereby consent to receiving telephonic, fax and email communications, including advertisements, made or sent by or on behalf of Seller and/or its affiliates.

| | |
|---|---|
| **Home Telephone:** +1 619 5882249 | **Facsimile Numer:** |
| **Business Telephone:** | **Email Address:** czara.england@gmail.com |
| **Cellular Telephone:** +1 619 9887340 | |

1. **Purchase and Sale.** Buyer agrees to buy and Seller agrees to sell to Buyer (on the terms and conditions set forth below) Model Dorchester constructed or to be constructed on the following described property:
Lot 0040 of Block _____ of Ricefield at Spring Grove Subdivision/Plat, in Berkeley County (the "**County**"), South Carolina

Address: 146 Harvest Moon Road Moncks Corner SC 29461

The residence and improvements (the "**Home**") constructed or to be constructed on the above described property (the "**Homesite**"), and all appurtenances thereto are collectively referred to in this Agreement as the "**Property.**" The Property is located within the community known as Ricefield at Spring Grove (the "**Community**").

2. **Purchase Price and Payments.** The total purchase price ("**Total Purchase Price**") for the Home, exclusive of any Builder's Fee, as applicable, and Closing Costs as described in Rider B and the Purchase Price and Payment Addendum, is $ 203,356 Buyer (and not a third party) has made an earnest money deposit upon the signing of this Agreement (the "**Initial Deposit**") of $ 1,000.00. Buyer shall make further payments to Seller, including but not limited to any "Additional Deposit" or "Advanced Payment" (consisting of non-refundable deposit(s) for options, extras, and upgrades) as set forth in the Purchase Price and Payment Addendum attached hereto and made a part hereof. The term "**Deposit**" shall include the Initial Deposit, Additional Deposit and Advanced Payment.

3. **Legally Binding Agreement.** THIS AGREEMENT IS A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, PLEASE SEEK COMPETENT LEGAL ADVICE. NO WARRANTIES OR REPRESENTATIONS, OTHER THAN THOSE SPECIFIED IN THIS AGREEMENT, ARE EXPRESSED OR IMPLIED. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF SELLER. FOR CORRECT WARRANTIES AND REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THIS AGREEMENT, INCLUDING THE RIDERS AND ADDENDA ATTACHED HERETO, AND THE "**DOCUMENTS**" (AS SUCH TERM IS DEFINED IN RIDER B) PROVIDED TO BUYER, IF ANY.

4. **Financing.**

☐ **NO CONTINGENCY.** If this box is checked, this is a cash transaction and not contingent on financing. Buyer agrees to provide within five (5) calendar days from the Buyer's execution of this Agreement financial statements or other written verification of Buyer's ability to purchase the Property with cash. If Buyer does not (in Seller's sole judgment, based on the documentation provided by Buyer to Seller) have the financial ability to purchase the Property with cash, then Seller may terminate this Agreement by refunding to Buyer any paid Deposit.

☒ **MORTGAGE CONTINGENCY.** If this box is checked, this Agreement is contingent on Buyer obtaining a loan commitment within the Mortgage Contingency Period (as such term is defined in Rider B attached hereto) for a first mortgage loan from Universal American Mortgage Company, LLC (an affiliate of Seller), or another qualified institutional mortgage lender of Buyer's choice ("**Lender**"), with interest, term and service charges at current market rates at time of Closing (as defined below) for a borrower of

Buyer's credit qualifications (the "**Mortgage Contingency**"). Buyer agrees to apply within five (5) calendar days from the execution of this Agreement for a loan at the then prevailing interest rate and terms (the "**Mortgage Contingency Period**"). In the event Buyer chooses to obtain financing through a Lender other than Universal American Mortgage Company, LLC, Buyer agrees to promptly provide Seller, upon Seller's request, with the name, address and phone number of such Lender, the loan officer and the loan processor. Buyer shall furnish promptly and accurately to Lender all information and documents requested by Lender in connection with such application. If Buyer properly makes and pursues the loan application as provided herein but is unable to provide Seller with a copy of a written loan commitment reasonably satisfactory to Seller within the Mortgage Contingency Period, or if Buyer is at any time disapproved for such loan (and Buyer does not cancel or withdraw his/her loan application), then Seller, at its sole discretion, may cancel this Agreement by written notice to Buyer, at Buyer's last known address, in which event Seller shall refund any paid Deposit made by Buyer. If Buyer properly makes and pursues the loan application as provided herein but is unable to obtain mortgage loan financing, despite Buyer's good faith efforts to do so, and Buyer is not otherwise in default under this Agreement, and further provided that Buyer provides Seller with documentation from Lender that the loan has been declined, Buyer may cancel this Agreement by giving written notice to Seller within the Mortgage Contingency Period, in which event Seller shall refund any paid Deposit. If this Agreement provides for a VA guaranteed or FHA-insured loan, Buyer's obligation to complete the purchase contemplated under this Agreement is subject to the VA/FHA Addendum attached hereto and incorporated herein.

The following shall apply only if this Agreement is subject to the Mortgage Contingency, as indicated above:

4.1 Mortgage Loan. Unless Buyer shall have otherwise notified Seller in writing within the Mortgage Contingency Period, Buyer shall be conclusively presumed to have obtained the loan commitment or agreed to purchase the Property without mortgage financing, and the Mortgage Contingency shall be deemed to have been satisfied.

4.2 Application. Buyer understands that any loan application required under this Agreement must be fully completed in order to obtain the mortgage loan, and Buyer will make a good faith attempt to qualify for the mortgage loan. If Buyer has a spouse who does not constitute a Buyer under this Agreement, Buyer agrees to have his/her spouse sign the mortgage documents as required by Lender. BUYER AGREES TO INCUR NO DEBT SUBSEQUENT TO THE DATE HEREOF WHICH MIGHT JEOPARDIZE APPROVAL OF BUYER'S MORTGAGE LOAN. IF THE PROPERTY IS BEING PURCHASED BY A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, BUYER AGREES TO (1) OBTAIN ANY PERSONAL ENDORSEMENTS OR GUARANTEES REQUIRED BY LENDER AND (2) PROVIDE TO LENDER AND/OR THE TITLE INSURER PROMPTLY UPON REQUEST SUCH CERTIFICATES, RESOLUTIONS OR OTHER CORPORATE, PARTNERSHIP OR OTHER ORGANIZATIONAL DOCUMENTS AS MAY BE REQUIRED. Except as provided in this Agreement, Buyer agrees to pay all loan fees and closing costs charged by Lender in connection with the mortgage loan. Buyer will pay any prepaid interest due on the mortgage loan at the time of Closing and any amount Lender may require to be put into escrow toward the payment of property taxes and insurance on the Property. Buyer will also pay any mortgage insurance premiums (prepaid or otherwise), if required by Lender.

4.3 Commitment. Buyer understands that the rate of interest on the mortgage is established by Lender and not by Seller and that any predictions or representations of present or future interest rate that may have been contained in any advertising or promotion by Seller are not binding. If Buyer obtains a written mortgage loan commitment and the mortgage loan commitment is subsequently withdrawn through no fault of Seller including, but not limited to, any condition to such loan commitment not being satisfied for any reason (other than failure of the Property to appraise equal to or greater than the Total Purchase Price), this Agreement shall remain in full force and effect and Buyer shall be conclusively presumed to have agreed to purchase the Property without mortgage financing. If the Lender's appraiser does not appraise the Property for the Total Purchase Price then Seller shall have the option in, Seller's sole discretion, to (i) lower the Total Purchase Price to the appraised value and Buyer shall proceed to Closing, or (ii) terminate this Agreement and return the Deposits to Buyer. If Buyer obtains a loan commitment containing any special condition that is not ordinarily contained in typical loan commitments for the Community, Seller, in Seller's sole discretion, may treat Buyer's loan application as having been denied; whereupon, Seller shall have the rights set forth in this Section 4.

4.4 Sale of Other Residence. Unless the Home Sale Contingency Addendum is executed, Buyer represents and warrants that this Agreement and the mortgage loan referenced herein, are not and will not be subject to or contingent upon Buyer's selling and/or closing on the sale of Buyer's present residence or other property. Failure to close on the purchase of the Property will constitute a default by Buyer and the remedies available to Seller for Buyer's default under this Agreement shall apply.

5. **Funds**. Any funds paid by Buyer under the terms of this Agreement to Seller through a check or cashier's check are accepted by Seller subject to collection. Buyer acknowledges that Seller shall have the right to deposit such check for the Initial Deposit without such action being deemed acceptance of this Agreement. If any such check is not paid by the bank after acceptance of this Agreement, Seller shall have the option to cancel this Agreement and declare Buyer in default. If Buyer provides any check for a Deposit in the form of Canadian currency (a "**C$ check**"), Seller's depository bank will convert such C$ check into a U.S. dollar amount using its currency procedures and exchange rate then in effect two (2) business days following the date of processing (the "**Conversion Date**") and the amount of the Deposit to be applied toward the Total Purchase Price shall be equal to the amount received by Seller from the depository bank on the Conversion Date. Seller reserves the right to charge or pass through any currency conversion-related fees or costs to the Buyer at Closing (as hereafter defined). Notwithstanding the foregoing or anything contained in the Agreement to the contrary, the balance of the Total Purchase Price plus all applicable Closing Costs (the "**Closing Proceeds**") shall be paid to Seller at Closing by wire transfer in immediately available funds or by cashier's check (subject to collection) issued by a bank with a branch in the County where the Property is located. If Buyer delivers all or any portion of the Closing Proceeds in the form of a cashier's check exceeding $100,000.00, then Buyer will not be entitled to possession of the Home until the Closing Proceeds have cleared.

6. **Credit Information Authorization**. Buyer authorizes Lender to whom Buyer has applied or is in the process of applying for a mortgage loan in connection with this transaction to disclose to Seller the information contained in any loan application, verification of deposit, income and employment, and credit reports or credit related documentation on Buyer. Buyer authorizes Seller to order one or more credit reports from a consumer reporting agency to be used in connection with this transaction. The cost of said report(s) is (are) to be paid by Buyer. Buyer authorizes Seller to forward all copies of all or any portion of such report(s) without interpretation to Lender who (at the request of Buyer) will evaluate a potential extension of credit to Buyer in connection with this transaction. Buyer authorizes Lender, and any credit bureau or other person or entity utilized or engaged by Lender, to obtain one or more consumer reports regarding Buyer and to investigate any information, reference, statement, or data, provided to Lender by Buyer or by any other

person or entity, pertaining to Buyer's credit and financial status. Buyer shall indemnify, defend and hold harmless Seller, its officers, directors, shareholders, employees, agents, contractors, subcontractors and suppliers ("Indemnified Parties"), Lender, and any credit bureau or other person or entity utilized or engaged by Lender or Seller, from and against any deficiencies, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, awards, suits, costs or disbursements of any kind or nature whatsoever, including attorneys' fees and expenses ("Claims") arising from an investigation of Buyer's credit and financial status.

7. **Closing**. Without limiting the terms of Section 8, Buyer acknowledges and agrees that Seller has the right in its sole discretion to schedule the date, time and place for the closing of the transaction contemplated by this Agreement ("**Closing**") and Buyer shall close on such Closing Date (the "**Closing Date**"). Buyer will be given notice of the Closing Date, time and place by the "**Closing Date Notice Period**" (as such term is defined in Rider B attached hereto). Seller is authorized to postpone or advance the date of Closing at its discretion. Seller must, however, give Buyer reasonable notice of the new Closing Date. Any notice of Closing may be given verbally, by telephone, telegraph, telex, facsimile, mail, e-mail, or other means of communication at Seller's option. All notices of Closing will be given to Buyer at the address or by use of the telephone number(s) or e-mail address(es) specified on page 1 of this Agreement unless Seller has received written notice from Buyer of any change therein prior to the date notice of Closing is given. Buyer's failure to receive the notice of Closing because Buyer has failed to advise Seller of any changes of address or phone number, or because Buyer has failed to pick up a letter when Buyer has been advised of an attempted delivery or for any other reason, shall not relieve Buyer of Buyer's obligation to close on the scheduled Closing Date, unless Seller otherwise agrees in writing to postpone the Closing Date. To the extent not prohibited by applicable law, if Seller, in its sole discretion, agrees in writing to reschedule the Closing Date at Buyer's request, or because Buyer (if a corporation) has failed to produce all corporate documents requested by Seller, or for any other reason (except for delay required by Seller), then (1) Seller may impose a late charge as liquidated damages for such delay equal to One Hundred Twenty-Five Dollars ($125.00) per day for every day from the original Closing Date through the date that the transaction closes, and (2) Seller may require that prorations be made as of the original Closing Date. Buyer agrees the late charge is appropriate in order to cover Seller's administrative and other expenses resulting from a delay in Closing and that the amount of liquidated damages is fixed and agreed to by the parties as a reasonable estimate of the damages that Seller shall suffer and is not in the nature of a penalty. Seller is not required to agree to reschedule Closing, but Seller may reschedule Closing in Seller's sole discretion.

8. **Completion Date**. It is expressly agreed by Buyer that notwithstanding anything to the contrary specified herein or verbally represented (including but not limited to Seller's sales representative), any scheduled completion date is a good faith estimate, and Seller makes no promises or representations concerning the date of completion. Buyer agrees that Buyer has not relied, and will not rely upon, any estimated completion date for any purpose whatsoever, including, without limitation, relocation of residence, storage of personal property, or lock-in financing, and Buyer agrees that Seller shall not be liable for any additional costs, expenses or damages whatsoever should the Home not be completed by an estimated completion date. Notwithstanding the foregoing, Seller is required to complete and does agree that the construction of the Home shall be completed not later than two (2) years from the date of Buyer's execution of this Agreement. If construction is delayed by any event recognized by the law of the state in which the Home is located as a defense to a contract action for non-performance or a delay in performance, then the date of completion shall be extended by the delay period. It is the express intent of the parties that the parties' rights and obligations under this Agreement be construed in the manner necessary to exempt this Agreement and the sale of the Property from registration under the Interstate Land Sales Full Disclosure Act, and both Buyer and Seller hereby expressly waive any right or provision of this Agreement that would otherwise preclude such exemption.

9. **Casualty Before Closing**. If the Property is damaged by fire, act of terrorism or other casualty before Closing and the cost of restoration does not exceed three percent (3%) of the Total Purchase Price and repairs will not substantially delay Closing, Seller shall repair the damage and Closing shall proceed pursuant to the terms of this Agreement. If the cost of restoration exceeds three percent (3%) of the Total Purchase Price or the repairs would substantially delay Closing, Buyer shall have the option to: (1) terminate this Agreement and receive a refund of the Deposit made by Buyer to Seller, in which event both parties shall be released from all obligations under this Agreement, or (2) have Seller repair the damage as soon as reasonably possible, and Closing shall be extended until such repair or rebuilding is complete.
Notwithstanding the foregoing, if all or a portion of the Property is damaged by fire, act of terrorism or other casualty and (1) the plans, specifications or construction materials for the Property must be materially modified in order to repair or reconstruct the Property, or (2) the repair or reconstruction of the Property substantially in accordance with the plans and specifications is rendered impossible by any cause recognized by the law of the state in which the Property is located as a defense to a contract action for non-performance, then Seller shall have the right to terminate this Agreement and Buyer shall receive a refund of the Deposit made by Buyer to Seller in which event both parties shall be released from all obligations under this Agreement.

10. **Deed**. Seller shall convey title to Buyer at Closing by delivery to Buyer of a General Limited Warranty Deed (the "**Deed**") describing the Property, which Deed shall convey title to Buyer subject to all matters described in this Agreement.

11. **Closing and Title Matters**. Title to the Property to be delivered to Buyer at Closing will be marketable and insurable, subject only to the following matters:

11.1 Title to the Property shall be subject to the following: (1) zoning, building codes, bulkhead laws, ordinances, regulations, rights or interests vested in the United States of America or the state in which the Community is located; (2) real estate taxes and other taxes for the year of conveyance and subsequent years including taxes or assessments of any special taxing or community development district (including assessments relating to capital improvements and bonds); (3) the general printed exceptions contained in an owner's title insurance policy; (4) utility easements, sewer agreements, telephone agreements, cable agreements, telecommunications agreements, monitoring agreements, restrictions and reservations common to any plat affecting title to the Property; (5) matters that would be disclosed by an accurate survey or inspection of the Property; (6) the Documents; (7) any laws and restrictions, covenants, conditions, limitations, reservations, agreements or easements recorded in the public records for the County (for example, use limitations and obligations, easements (right-of-way) and agreements relating to telephone, gas or electric lines, water and sewer lines and drainage, provided they do not prevent use of the Property for single family residential purposes); (8) minor encroachments on easements that do not substantially interfere with an easement holder's interest in the Property; and (9) acts done or suffered by Buyer and any mortgage or deed of trust obtained by Buyer for the purchase of the Property. It is Buyer's responsibility to review and become familiar with each of the foregoing title matters, some of which are covenants running with the land. If any title defects are discovered by Buyer after Closing, Buyer's sole remedy shall be to make a claim to Buyer's title insurer.

11.2 Seller shall convey title to Buyer at Closing by delivery to Buyer of the Deed, which shall convey title to Buyer subject to all matters described in Section 11.1 of this Agreement. Any such matters omitted from the Deed shall nevertheless be deemed to be included in the Deed.

11.3 Seller shall provide an affidavit complying with the Foreign Investment in Real Property Tax Act of 1980, as amended, upon written request of Buyer.

11.4 Seller may not own title to the Property as of the date of this Agreement or at Closing. However, Seller shall obtain title to the Property on or before the Closing Date or effect the necessary transfer of title on or before the date when Seller causes title to be transferred to Buyer.

11.5 If Seller cannot provide marketable and insurable title as described above, such failure shall not be an event of default and Seller will have a reasonable period of time (at least one hundred and twenty (120) days from the date of the scheduled Closing Date) to attempt to correct any defects in title; provided, however, Seller shall not be obligated to incur any expense, nor institute any litigation, to clear title to the Property. If Seller cannot or elects not to correct the title defects, Seller shall so notify Buyer within such period, and Buyer may thereafter elect (by written notice from Buyer to Seller) one of the following two (2) options: (1) to accept title in the condition offered (with defects) and pay the balance of the Total Purchase Price for the Property (without set off or deduction therefor), thereby waiving any claim with respect to such title defects and Buyer will not make any claims against Seller because of the title defects; or (2) to terminate this Agreement and receive a full refund of the Deposit deposited hereunder. If all such amounts are refunded, Buyer agrees to accept it as full payment of Seller's liability hereunder, whereupon this Agreement shall be terminated and Seller shall thereafter be relieved and released of all further liability hereunder. Buyer shall not thereafter have any rights to make any additional claims against Seller. In the event Buyer does not notify Seller in writing within five (5) calendar days from the receipt of Seller's notice (time being strictly of the essence) as to which option Buyer elects, Buyer shall be conclusively presumed to have elected option (1) set forth above in this subsection.

11.6 The acceptance of the Deed by Buyer shall be deemed to be full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to this Agreement, except those which are herein specifically deemed to survive Closing or which may survive by operation of law, if any.

11.7 Title to the Property will be deemed marketable if an owner's policy is issued with standard exceptions.

11.8 All of the terms of this Section 11 shall survive Closing and the delivery of the Deed.

12. Closing Costs. The respective responsibilities of Buyer and Seller for all costs, prorations and fees payable at Closing (the "Closing Costs") are shown in Rider B attached hereto.

13. Site and Substitutions. The materials, equipment and fixtures included in and to be used in constructing the Home will be substantially the same as or similar in quality to those described in the applicable plans and specifications (except as to extras, options and/or upgrades).

13.1 Changes to Plans and Specifications.

13.1.1 Industry Practice. It is widely observed construction industry practice for pre-construction plans and specifications for any home or building to be changed and adjusted from time to time in order to accommodate on-going site conditions and in the field construction factors. These changes and adjustments are essential in order to permit all components of the Home to be integrated into a well-functioning and aesthetically pleasing product in an expeditious manner. Based on the foregoing, Buyer acknowledges that such changes and adjustments may occur and agrees that it is reasonable and to Buyer's benefit to allow Seller the flexibility to make such changes and adjustments to the Home.

13.1.2 Seller's Absolute Right to Make Modifications to Plans and Specifications. Seller has the absolute right to make modifications to the plans and specifications for the Home. Without limiting the generality of the foregoing, Buyer specifically agrees that changes in the dimensions of rooms and patios, entrances and terraces, if applicable, and changes in room size, in the locations of windows, doors, walls, partitions, utility lead-ins and outlets (including, but not limited to, electrical, cable television, and telephone), air-conditioning components, lighting fixtures and electrical panel boxes may be made by Seller in its sole discretion, provided however that changes in the layout and dimensions of the Home shall not substantially affect the value of the Home. Such changes may also include, but are not limited to, changes in the building location, setbacks and facing, the building's external configuration, its structural components, its finishes and the landscaping associated therewith.

13.1.3 Buyer's Acceptance of Actual Floor Plan. Buyer further understands and acknowledges that many of the Homes to be constructed within the Community require floor plans which are opposite (i.e. flipped) mirror images of the model floor plan and Buyer fully understands and accepts the floor plan configuration for the Home and improvements to be constructed within the Home.

13.1.4 No Warranty for Plans and Specifications on File. Buyer further acknowledges and agrees that (1) the plans and specifications of the Home and the Community on file with the applicable governmental authorities may not be identical in detail to Seller's plans and specifications, and (2) because of the day-to-day nature of the changes described in this Section 13, the plans and specifications on file with the applicable governmental authorities may not include some or any of these changes (there being no legal requirement to file all changes with such authorities). As a result of the foregoing, Buyer and Seller both acknowledge and agree that the Home and the Community may not be constructed in accordance with the plans and specifications on file with the applicable governmental authorities. Without limiting the generality of the provisions of Rider B attached hereto, Seller disclaims and Buyer waives any and all express or implied warranties that construction will be accomplished in compliance with such plans and specifications. Seller has not given and Buyer has not relied on or bargained for any such warranties. In furtherance of the foregoing, in the event of any conflict between the actual construction of the Home and/or the

Community, and that which is set forth on the plans and specifications, Buyer agrees that the actual construction shall prevail and to accept the Home and Community as actually constructed (in lieu of what is set forth on the plans and specifications).

13.2 Lot Change. In the event that Seller, in its sole discretion, determines that the Model of the Home selected under this Agreement cannot reasonably be built on the Homesite, then Buyer and Seller hereby agree that they will negotiate in good faith to relocate the Home to another lot in the Community, provided however that there are lots available for sale. If no replacement lot is available, then Buyer may terminate this Agreement and will be entitled to a refund of any paid Deposit.

13.3 Decorative and Landscaping Items.

13.3.1 Buyer understands and agrees that certain of the finishing items, such as tile, marble, carpet, cabinets, stone, brickwork, wood, paint, stain and mica are subject to size and color variations, grain and quality variations, and may vary in accordance with price, availability and changes by manufacturers from those shown in the model, if any, or in illustrations or brochures or those included in the specifications. Furthermore, if circumstances arise that, in Seller's opinion, warrant changes of subcontractors, suppliers, manufacturers, brand names or items, Seller reserves the right to substitute equipment, materials, appliances, etc., which in Seller's opinion are considered to be of quality substantially similar or equal, or of better quality, subject to their availability. Buyer also understands that Seller has the right to substitute or change materials and/or stain colors utilized in wood decor, if any.

13.3.2 Lot grades, lot area, options, facades, shrubs, trees, trim, built-ins, wall treatments, window treatments, furniture, furnishings, fences, decks, locations of walks, driveways and other items in or about a model home area in the subdivision are for display purposes only and are not included in the Total Purchase Price unless otherwise expressly provided herein. Seller has the right to remove any existing trees on the Property or on the surrounding area for any reason. Buyer further understands and agrees that the following items (which may be seen in models or shown in illustrations) will also not be included with the sale of the Home: wall coverings, paint colors, accent light fixtures, wall ornaments, drapes, blinds, bedspreads, furniture, furnishings, wet bars, monitoring systems, certain built-in fixtures, special floor coverings, wood trim, upgraded items and/or any other items of this nature which may be added or deleted from time to time. This list of items (which is not all-inclusive) is provided as an illustration of the type of items built-in or placed upon models or shown in illustrations strictly for purposes of decoration and example only.

13.4 Deed. By acceptance of the Deed, Buyer accepts all variations of the Home.

13.5 Survival. All of the terms of this Section 13 shall survive Closing and the delivery of the Deed.

14. **Buyer's Default.** In the event of Buyer's default and to the extent allowed by law, Seller shall be entitled to keep, as liquidated damages and not as a penalty, Buyer's Deposit not to exceed fifteen percent (15%) of the Total Purchase Price, except that Seller may, in addition, keep, as liquidated damages and not as a penalty, any and all Advanced Payments made by Buyer to Seller for options, extras or upgrades for which Seller has made contractual commitments or incurred liability by placing orders or otherwise. Buyer agrees that actual damages in the event of breach by Buyer would be costly and difficult to calculate, and that such liquidated damages are a fair and reasonable remedy and shall not be considered a penalty. The provisions of this Section shall survive the termination of this Agreement.

15. **Seller's Default.** In the event of Seller's default and to the extent allowed by law, Buyer may recover actual damages but shall not be entitled to special, consequential or punitive damages. Notwithstanding the foregoing, Buyer retains all remedies at law and in equity with respect to Seller's obligation to complete the Home within two (2) years pursuant to Section 8 above. Notwithstanding anything to the contrary in this Agreement, Buyer releases and holds harmless Seller's past and present officers and employees from all claims, liabilities, and causes of action of any nature. Buyer now has or may have arising from any act or omission of Seller's officers or employees related to Lennar's performance of its obligations under this Agreement and Lennar's construction of a Home on the Homesite. The provisions of this Section shall survive the termination of this Agreement.

16. **Mediation / Arbitration of Disputes.**

16.1 The parties to this Agreement specifically agree that this transaction involves interstate commerce and that any Dispute (as hereinafter defined) shall first be submitted to mediation and, if not settled during mediation, shall thereafter be submitted to binding arbitration as provided by the Federal Arbitration Act (9 U.S.C. §§1 et seq.) and not by or in a court of law or equity. "Disputes" (whether contract, warranty, tort, statutory or otherwise), shall include, but are not limited to, any and all controversies, disputes or claims (1) arising under, or related to, this Agreement, the Property, the Community or any dealings between Buyer and Seller; (2) arising by virtue of any representations, promises or warranties alleged to have been made by Seller or Seller's representative; and (3) relating to personal injury or property damage alleged to have been sustained by Buyer, Buyer's children or other occupants of the Property, or in the Community. Buyer has executed this Agreement on behalf of his or her children and other occupants of the Property with the intent that all such parties be bound hereby. Any Dispute shall be submitted for binding arbitration within a reasonable time after such Dispute has arisen. Nothing herein shall extend the time period by which a claim or cause of action may be asserted under the applicable statute of limitations or statute of repose, and in no event shall the Dispute be submitted for arbitration after the date when institution of a legal or equitable proceeding based on the underlying claims in such Dispute would be barred by the applicable statute of limitations or statute of repose.

16.2 Any and all mediations commenced by any of the parties to this Agreement shall be filed with and administered by the American Arbitration Association or any successor thereto ("AAA") in accordance with the AAA's Home Construction Mediation Procedures in effect on the date of the request. If there are no Home Construction Mediation Procedures currently in effect, then the AAA's Construction Industry Mediation Rules in effect on the date of such request shall be utilized. Any party who will be relying upon an expert report or repair estimate at the mediation shall provide the mediator and the other parties with a copy of the reports. If one or more issues directly or indirectly relate to alleged deficiencies in design, materials or construction, all parties and their experts shall be allowed to inspect, document (by photograph, videotape or otherwise) and test the alleged deficiencies prior to mediation. Unless mutually waived in writing by the parties, submission to mediation is a condition precedent to either party taking further action with regard to any matter covered hereunder.

16.3 If the Dispute is not fully resolved by mediation, the Dispute shall be submitted to binding arbitration and administered by the AAA in accordance with the AAA's Home Construction Arbitration Rules in effect on the date of the request. If there are no Home Construction Arbitration Rules currently in effect, then the AAA's Construction Industry Arbitration Rules in effect on the date of such request shall be utilized. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Dispute. If the claimed amount exceeds $250,000.00 or includes a demand for punitive damages, the Dispute shall be heard and determined by three arbitrators; however, if mutually agreed to by the parties, then the Dispute shall be heard and determined by one arbitrator. Arbitrators shall have expertise in the area(s) of Dispute, which may include legal expertise if legal issues are involved. All decisions respecting the arbitrability of any Dispute shall be decided by the arbitrator(s). At the request of any party, the award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

16.4 The waiver or invalidity of any portion of this Section shall not affect the validity or enforceability of the remaining portions of this Section. Buyer and Seller further agree (1) that any Dispute involving Seller's affiliates, directors, officers, employees and agents shall also be subject to mediation and arbitration as set forth herein, and shall not be pursued in a court of law or equity; (2) that Seller may, at its sole election, include Seller's contractors, subcontractors and suppliers, as well as any warranty company and insurer as parties in the mediation and arbitration; and (3) that the mediation and arbitration will be limited to the parties specified herein.

16.5 To the fullest extent permitted by applicable law, Buyer and Seller agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any other arbitration, judicial, or similar proceeding shall be given preclusive or collateral estoppel effect in any arbitration hereunder unless there is mutuality of parties. In addition, Buyer and Seller further agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any arbitration hereunder shall be given preclusive or collateral estoppel effect in any other arbitration, judicial, or similar proceeding unless there is mutuality of parties.

16.6 Unless otherwise recoverable by law or statute, each party shall bear its own costs and expenses, including attorneys' fees and paraprofessional fees, for any mediation and arbitration. Notwithstanding the foregoing, if a party unsuccessfully contests the validity or scope of arbitration in a court of law or equity, the noncontesting party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in defending such contest, including such fees and costs associated with any appellate proceedings. In addition, if a party fails to abide by the terms of a mediation settlement or arbitration award, the other party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in enforcing such settlement or award.

16.7 Buyer may obtain additional information concerning the rules of the AAA by visiting its website at www.adr.org or by writing the AAA at 335 Madison Avenue, New York, New York 10017.

16.8 Seller supports the principles set forth in the Consumer Due Process Protocol developed by the National Consumer Dispute Advisory Committee and agrees to the following:

16.8.1 Notwithstanding the requirements of arbitration stated in Section 16.3 of this Agreement, Buyer shall have the option, after pursuing mediation as provided herein, to seek relief in a small claims court for disputes or claims within the scope of the court's jurisdiction in lieu of proceeding to arbitration. This option does not apply to any appeal from a decision by a small claims court.

16.8.2 Seller agrees to pay for one (1) day of mediation (mediator fees plus any administrative fees relating to the mediation). Any mediator and associated administrative fees incurred thereafter shall be shared equally by the parties.

16.8.3 The fees for any claim pursued via arbitration in an amount of $10,000.00 or less shall be apportioned as provided in the Home Construction Arbitration Rules of the AAA or other applicable rules.

16.9 Notwithstanding the foregoing, if either Seller or Buyer seeks injunctive relief, and not monetary damages, from a court because irreparable damage or harm would otherwise be suffered by either party before mediation or arbitration could be conducted, such actions shall not be interpreted to indicate that either party has waived the right to mediate or arbitrate. The right to mediate and arbitrate should also not be considered waived by the filing of a counterclaim by either party once a claim for injunctive relief had been filed with a court.

16.10 Buyer and Seller specifically agree that notwithstanding anything to the contrary, the rights and obligations set forth in this Section 16 shall survive (1) Closing and the delivery of the Deed; (2) the termination of this Agreement by either party; or (3) the default of this Agreement by either party.

17. **Other Dispute Resolutions.** Notwithstanding the parties' obligation to submit any Dispute to mediation and arbitration, in the event that a particular dispute is not subject to the mediation or the arbitration provisions of Section 16, then the parties agree to the following provisions: **BUYER ACKNOWLEDGES THAT JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS AGREEMENT ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. BUYER AND SELLER AGREE THAT ANY DISPUTE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY. BUYER AND SELLER HEREBY WAIVE THEIR RESPECTIVE RIGHT TO A JURY TRIAL. SELLER HEREBY SUGGESTS THAT BUYER CONTACT AN ATTORNEY OF BUYER'S CHOICE IF BUYER DOES NOT UNDERSTAND THE LEGAL CONSEQUENCES OF EXECUTING THIS AGREEMENT.** All of the terms of this Section 17 shall survive Closing and the delivery of the Deed.

18. **Selling Agent, Cooperating Broker, and Seller's New Home Consultant.** Unless a Purchase Price and Payment Addendum indicating otherwise is attached hereto, Buyer represents to Seller that Buyer has not consulted, dealt or negotiated with a real estate broker, salesperson or agent other than Seller's sales personnel located at Seller's sales office. Buyer agrees that Seller is not responsible for the payment of a commission to a real estate broker, salesperson or agent other than Seller's sales personnel. Buyer

shall indemnify, defend and hold harmless Indemnified Parties from and against any and all Claims resulting from or arising out of any representation or breach of a representation or warranty set forth in this Section. In addition, Buyer acknowledges and understands that Seller's New Home Consultant ("NHC") and Internet New Home Consultant ("INHC") are agents of Seller, are acting solely for the Seller's interests, and are not acting in any representative capacity for Buyer. Buyer should not disclose any information to Seller's NHC and/or INHC that Buyer considers to be confidential or otherwise does not want disclosed to Seller.

**Buyer's Initials** CRE CEE

19. **Construction Activities.** ALL OWNERS, OCCUPANTS AND USERS OF THE COMMUNITY ARE HEREBY PLACED ON NOTICE THAT (1) SELLER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES, AND/OR (2) ANY OTHER PARTIES, WILL BE, FROM TIME TO TIME, CONDUCTING BLASTING, EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO THE COMMUNITY. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF THE COMMUNITY, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (1) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (2) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO THE AREA OF THE COMMUNITY WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (3) TO THE EXTENT PERMITTED OR NOT PROHIBITED UNDER APPLICABLE LAW, SELLER AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT RESULTING DIRECTLY FROM SELLER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, (4) ANY PURCHASE OR USE OF ANY PORTION OF THE COMMUNITY HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING AND (5) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO SELL, CONVEY, AND/OR ALLOW THE USE OF THE PROPERTY.

20. **Dangerous Condition; Construction Work.**

20.1 Buyer understands and agrees that the Property is a construction site and that the Property and the improvements, equipment and supplies thereon constitute a danger to those who may enter on the Property. Buyer shall not enter onto the Property prior to Closing unless authorized and accompanied by Seller's representative. Any unauthorized, unaccompanied entry by Buyer shall constitute a breach of this Agreement by Buyer, at Seller's election. Moreover, any entry by Buyer onto the Property prior to Closing shall be done at Buyer's own risk and in compliance with all federal, state and local safety laws and regulations. To the extent permitted or not prohibited by applicable law, Buyer waives, releases and shall indemnify, defend and hold harmless Indemnified Parties from and against any Claims made by Buyer, Buyer's family members or guests, as a direct or indirect result of any such unauthorized, unaccompanied entry onto the Property.

20.2 Buyer agrees that supervision and direction of the working forces, including, without limitation, all contractors and subcontractors, is to be done exclusively by Seller, and Buyer agrees not to issue any instructions to the working forces or otherwise hinder construction or installation of improvements on the Property. Buyer shall not do or have any work done on the Property, nor may Buyer store any possessions thereon, prior to Closing and transfer of title to the Property to Buyer.

20.3 Buyer agrees that any and all controversies, disputes and claims arising under this Section shall be resolved through binding arbitration in accordance with the terms of this Agreement.

20.4 All of the terms of this Section 20 shall survive Closing and the delivery of the Deed.

21. **OFAC.** Executive Order 13224 requires all United States entities and persons to block assets and not transact business with entities, countries and persons (specifically designated nationals) set forth by the Office of Foreign Asset Control ("**OFAC**"). This requirement applies to all homebuilding entities in The Lennar Family of Builders (including but not limited to Seller), Universal American Mortgage Company, LLC and all of its affiliates, and North American Title Company and all of its affiliates (collectively, the "**Lennar Affiliates**"). Accordingly, each of Seller and the Lennar Affiliates will check current OFAC lists and other publications in connection with each potential transaction, loan, or home sale. In order to check the OFAC list, Buyer must provide to Seller a Government-issued identification card (this might include a driver's license, birth certificate, passport or resident alien card). To the extent Buyer (or any single person or entity constituting a part of Buyer) matches a name or entity on any such OFAC list or publication, the transactions with Buyer contemplated under or in connection with this Agreement will be immediately suspended, and Buyer shall be reported as instructed by the OFAC.

22. **Agreement not to be Recorded.** Buyer covenants that Buyer shall not record this Agreement (or any memorandum thereof) in the Public Records of the County. Buyer agrees, if Buyer records this Agreement, to pay all of Seller's attorneys' fees, paraprofessional fees and expenses incurred in removing the cloud on title caused by such recordation. Seller's rights under this Section shall be in addition to Seller's remedies for Buyer's default provided elsewhere in this Agreement.

23. **Transfer, Assignment and Persons Bound.** Buyer agrees that Buyer will not, and does not have the right to, assign, sell or transfer Buyer's interest in this Agreement (whether voluntarily or by operation of law or otherwise) without Seller's prior written consent. If Buyer is a corporation, other business entity, trustee or nominee, a transfer of any material equity or beneficial or principal interest shall constitute an assignment of this Agreement. If Buyer attempts to assign this Agreement in violation of this Section, Seller can declare Buyer in default and Seller shall be entitled to all remedies available under this Agreement. Buyer agrees that Seller may withhold its consent with or without any reason or condition in any manner it chooses (if it gives it at all) and may charge Buyer a reasonable amount to cover administrative costs incurred in considering whether or not to grant consent. If Buyer dies or in any way loses legal control of his/her affairs, this Agreement will bind his/her heirs and legal representatives. If Buyer has received Seller's permission to assign or transfer this Agreement, then Buyer's approved assignees shall be bound by the terms of this Agreement. If more than one person signs this Agreement as Buyer, each such person shall be jointly and severally liable for full performance of all of Buyer's duties and obligations hereunder.

24. TIME OF THE ESSENCE. BUYER ACKNOWLEDGES THAT TIME IS OF THE ESSENCE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED UNDER THIS AGREEMENT.

25. Interpretation and Computation of Time. The use of the masculine gender in this Agreement shall be deemed to refer to the feminine or neuter gender, and the singular shall include the plural, and vice versa, whenever the context so requires. This Agreement reflects the negotiated agreement of the parties. Each party acknowledges that they have been afforded the opportunity to seek competent legal counsel, and each have made an informed choice as to whether or not to be represented by legal counsel. Accordingly, this Agreement shall be construed as if both parties jointly prepared it, and no presumption against one party or the other shall govern the interpretation or construction of any of the provisions of this Agreement. Any reference in this Agreement to the time periods of less than five (5) days shall, in the computation thereof, exclude Saturdays, Sundays and legal holidays. Any reference in this Agreement to time periods of five (5) days or more shall, in computation thereof, include Saturdays, Sundays and legal holidays. If the last day of any such period is a Saturday, Sunday or legal holiday, the period shall be extended to 5:00 p.m. on the next full business day. The section headings in this Agreement are for convenience only and shall not affect the meaning, interpretation or scope of the provisions which follow them.

26. Notice. Except as provided in the Closing Section of this Agreement with respect to notices of the scheduled Closing Date, any notice required or permitted to be given in connection with this Agreement shall be in writing and sent by United States certified mail with return receipt requested, professional overnight courier or electronic transmission (with confirmation and copy by (1) certified mail, if Buyer's address is within the United States or (2) overnight professional courier, if to a Buyer whose address is outside of the United States) to Buyer or Seller at the addresses on Page 1 of this Agreement (unless Seller has received written notice from Buyer of any change therein prior to the date such notice is given), and additionally to Seller by hand delivery at Seller's sales office. All notices shall only be effective upon receipt or refusal to accept receipt (by failure to accept delivery or otherwise).

27. Waiver. Seller's waiver of any of its rights or remedies shall not operate to waive any other of Seller's rights or remedies or to prevent Seller from enforcing the waived right or remedy in another instance.

28. Incorporation and Severability. The explanations and disclaimers set forth in the Documents are incorporated into this Agreement. In the event that any clause or provision of this Agreement shall be void or unenforceable, such clause or provision shall be deemed deleted so that the balance of this Agreement is enforceable.

29. Governing Law. Any disputes that develop under this Agreement or questions regarding the interpretation of this Agreement will be settled according to the law of the state where the Property is located to the extent federal law is not applicable.

30. Entire Agreement. BUYER CERTIFIES THAT BUYER HAS READ EVERY PROVISION OF THIS AGREEMENT, WHICH INCLUDES EACH RIDER AND ADDENDUM ATTACHED HERETO AND THAT THIS AGREEMENT, TOGETHER WITH EACH SUCH RIDER AND ADDENDUM, CONSTITUTES THE ENTIRE AGREEMENT BETWEEN BUYER AND SELLER. PRIOR AGREEMENTS, REPRESENTATIONS, UNDERSTANDINGS, AND ORAL STATEMENTS NOT REFLECTED IN THIS AGREEMENT HAVE NO EFFECT AND ARE NOT BINDING ON SELLER. BUYER ACKNOWLEDGES THAT BUYER HAS NOT RELIED ON ANY REPRESENTATIONS, NEWSPAPERS, RADIO OR TELEVISION ADVERTISEMENTS, WARRANTIES, STATEMENTS, OR ESTIMATES OF ANY NATURE WHATSOEVER, WHETHER WRITTEN OR ORAL, MADE BY SELLER, SALES PERSONS, AGENTS, OFFICERS, EMPLOYEES, CO-OPERATING BROKERS (IF ANY) OR OTHERWISE EXCEPT AS HEREIN SPECIFICALLY REPRESENTED. BUYER HAS BASED HIS/HER/THEIR DECISION TO PURCHASE THE PROPERTY ON PERSONAL INVESTIGATION, OBSERVATION AND THE DOCUMENTS.

31. Modification. This Agreement is the entire agreement for the sale and purchase of the Property and once it is signed by both Buyer and a Division Agent or Officer of Seller, it can only be amended by a written agreement signed by both Buyer and Seller.

32. Additional Changes. Notwithstanding Section 32 of this Agreement, Buyer agrees that it may be necessary (at any time and from time to time) after Buyer executes this Agreement for Seller, and/or the developer or declarant under the Documents, to change the terms and provisions of this Agreement and/or the Documents to comply with and conform to the rules and regulations (as same may exist and as same may be promulgated from time to time) of any governmental agency, subdivision or authority or court of competent jurisdiction and Buyer consents to all such changes. Notwithstanding Section 32 of this Agreement, Seller, and/or the developer or declarant under the Documents, shall have the right to amend all Documents for development or other purposes, and Buyer consents to all such amendments.

33. Inducement. Buyer acknowledges that the sole inducement to close on the purchase of the Property is the Property itself and not (1) the common facilities comprising part of the Community, if any, or (2) any expectation that the Property will increase in value.

34. Reservation of Easement. For the purpose of completing the construction and servicing of the Property and Community, Seller hereby reserves an easement of ingress and egress for itself and its successors and assigns, and each of their respective agents, employees, materialmen and subcontractors, over, under and upon the Property for a period of one (1) year after Closing. Seller shall provide reasonable notice to Buyer before exercising easement rights granted herein. All of the terms of this Section 35 shall survive Closing and the delivery of the Deed.

[THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK]

35. **Riders and Addenda.** This Agreement consists of nine (9) pages and the following Riders and Addenda, which are attached hereto and by this reference made a part of this Agreement:

Check all that apply:

- [x] Rider B
- [x] Rider A
- [x] Affiliated Business Arrangements Disclosure Statement
- [x] Master Disclosure and Information Addendum
- [ ] Cooperating Broker Agreement
- [x] Election Form Addendum
- [x] FHA/VA Addendum
- [ ]
- [ ] Home Sale Contingency Addendum
- [x] Purchase Price and Payment Addendum
- [x] Cooperating Broker Addendum
- [ ] Anti-Speculation Addendum
- [x] Indoor Environmental Quality Disclosure Addendum
- [x] Insulation Addendum
- [ ]
- [ ]

36. **Survival.**

36.1 Buyer and Seller agree that it is their express intent that the Sections and documents listed below, together with any other terms in this Agreement that expressly so state, as well as any terms that may survive by operation of law, notwithstanding if the Section, document or term has a survival provision thereto, shall not be merged into the Deed and that these Sections and documents shall survive Closing and the delivery of the Deed: Section 11, Closing and Title Matters; Section 13, Site and Substitutions; Section 16, Mediation / Arbitration of Disputes; Section 17, Other Dispute Resolutions; Section 18, Selling Agent and Cooperating Broker; Section 19, Construction Activities; Section 20, Dangerous Conditions; Construction Work; Section 35, Reservation of Easement; Section 5 of Rider B, Warranties; Section 2 of the Indoor Environmental Quality Disclosure; Cooperating Broker Addendum, in its entirety; and, Master Disclosure and Information Addendum to Purchase and Sale Agreement, in its entirety.

36.2 Buyer and Seller agree that it is their express intent that the Sections and documents listed below, together with any other terms in this Agreement that expressly so state, as well as any terms that may survive by operation of law, notwithstanding if the Section, document or term has a survival provision thereto, shall survive termination of this Agreement: Section 14, Buyer's Default; Section 15, Seller's Default; Section 16, Mediation / Arbitration of Disputes, Section 17, Other Dispute Resolutions; Section 23, Transfer, Assignment and Persons Bound; and Section 6 of Rider B, Documents.

37. **Offer to Purchase/Effective Date.** This Agreement, when executed by Buyer and delivered to Seller, together with the Initial Deposit specified hereunder, shall constitute an offer by Buyer to purchase the Property in accordance with the terms and conditions provided herein, and shall not be binding upon Seller until such time as a Division Agent or Officer of Seller has executed this Agreement. The date of such acceptance is the "**Effective Date**" of this Agreement. In the event Buyer's offer is not accepted by Seller, all paid Deposits made by Buyer to Seller to date shall be returned to Buyer, and Buyer's offer shall be deemed withdrawn.

38. **Counterparts and Signatures.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument. Signatures may be given via electronic transmission and shall be deemed given as of the date and time of the transmission of this Agreement to the other party.

**THE INITIAL DEPOSIT HAS BEEN RECEIVED BY SELLER SUBJECT TO CLEARANCE.**

SELLER: Lennar Carolinas, LLC

New Home Consultant - Ab Sanchez
Date: 4-26-11

**THIS AGREEMENT IS NOT BINDING ON SELLER UNTIL ACCEPTED BELOW BY AN AUTHORIZED AGENT OF SELLER.**

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date: 5/12/11

**Buyer - Chad R England**
**Date:** 4/26/11

**Buyer - Czara E England**
**Date:** 4-26-11

**Buyer -**
**Date:**

**Buyer -**
**Date:**

## ELECTION FORM ADDENDUM

**THIS ELECTION FORM ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the Twenty-Sixth day of April , 2011, between Chad R England, Czara E England(collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0040 of Building/Block _____ of Ricefield at Spring Grove Subdivision/Plat in the community known as Ricefield at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to every other addendum attached to the Agreement, which are hereby incorporated by this reference.

2. **Affiliated Business**. Seller has given Buyer notice in the Affiliated Business Arrangement Disclosure Statement that Seller has business relationships with Universal American Mortgage Company, LLC ("**UAMC**") and North American Title Company, and its affiliate, North American Title Insurance Corporation (collectively, "**North American**"). Buyer is hereby informed that Buyer is not obligated to use an affiliated business of Seller as a condition to the sale of the Home.

3. **Deposits**. Seller's standard practice within the Community is to require the following earnest money deposits:

3.1 Minimum of $1,000 for owner-occupants on homes priced up to $165,000.

3.2 Minimum of $2,000 for owner-occupants on homes priced above $165,000.

3.3 Minimum of $5,000 for non owner-occupants.

3.4 Buyer represents, covenants and warrants to Seller that Buyer is purchasing the Home (check one):

☒ as an owner-occupant.

☐ not as an owner-occupant.

☐ as a cash buyer.

Buyer: CRE CEE

3.5 In the event of Buyer's default and to the extent allowed by law, Seller shall be entitled to keep, as liquidated damages and not as a penalty, Buyer's Deposit. Buyer agrees that actual damages in the event of breach by Buyer would be costly and difficult to calculate, and that such liquidated damages are a fair and reasonable remedy and shall not be considered a penalty.

4. **Mortgage Loan and Title Insurance**.

4.1 Buyer agrees to pay all loan and closing costs in connection with this transaction.

4.2 By checking one of the boxes below and initialing below the selected text, Buyer hereby selects the lender and/or title insurance company that Buyer will use in connection with the purchase of the Home.

4.2.1 ☒ Buyer elects to use UAMC (or such other lender named on the Approved Lender Addendum).

Buyer's Initials: CRE CEE

4.2.2 ☐ Buyer intends to purchase the Home without financing.

Buyer's Initials: _____ _____

4.2.2 ☐ Buyer elects to use a lender other than UAMC (or such other lender named on the Approved Lender Addendum) as its Lender.

Buyer's Initials: _____ _____

4.3 Seller will pay up to $ 5,000.00 toward Buyer's Closing Costs.

4.4 Seller will not accept a Purchase Agreement, without a pre-approval Letter (not a pre-qualification letter), for the loan amount from a lender. Buyer must provide written loan approval within 30 days from approval of the Agreement.

5. **Closing Attorney**.

5.1 By checking the box below and initialing below the selected text, Buyer hereby selects the closing attorney that Buyer will use in connection with the purchase of the Home.

5.1.1 ☒ Buyer elects to use Seller's closing attorney, Richard E. Leister (Myrtle Beach), or Buist, Byars & Taylor (Charleston).

Buyer's Initials: CRE CEE

Buyer is hereby notified and acknowledges that Buyer is not required to use Seller's closing attorney as a condition to purchasing the Home. There are other closing attorneys available who can represent Buyer in this transaction. If Buyer desires to engage an attorney to represent

Buyer, then Buyer may do so at Buyer's sole expense and will not receive the incentives set forth below. If Buyer elects to use Seller's closing attorney, Seller's closing attorney will represent Seller and Buyer in this transaction, and Seller's closing attorney cannot offer substantive legal advice to either party in connection with the sale and purchase of the Home. BUYER HAS CERTAIN RIGHTS IN CONNECTION WITH THIS TRANSACTION, AND SELLER ENCOURAGES BUYER TO CONSULT WITH ITS OWN ATTORNEY ABOUT SUCH RIGHTS, INCLUDING BUYER'S USE OF SELLER'S CLOSING ATTORNEY TO PURCHASE THE HOME. Seller's closing attorney may make additional disclosures with respect to his or her joint representation of Seller and Buyer. Seller's closing attorney may also elect not to represent Buyer in this transaction, in which case Buyer will need to hire an attorney to represent Buyer.

Buyer's Initials: _____ _____

5.1.2 ☐ Buyer elects to use an attorney other than Seller's closing attorney.

Buyer's Initials: _____ _____

6. **Governing Law**. This Agreement is governed by the law of the state where the Property is located, without regard to its conflicts of law rules.

7. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

8. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

9. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Chad R England
Date 4/26/11

Buyer - Czara E England
Date 4-26-11

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 4/26/11

**RIDER A**
**(SOUTH CAROLINA)**

**THIS RIDER A (SOUTH CAROLINA)** (this "**Rider A**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the twenty-sixth day of APRIL , 2011, between Chad R England, Czara E England ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0040 of Block _____ of Ricefield at Spring Grove Subdivision/Plat in the community known as Ricefield at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Rider A to the Agreement shall be deemed to include references to this Rider A and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Deposit**. All payments made by Buyer to Seller with respect to the Total Purchase Price (including but not limited to the Deposit and the Advanced Payments) shall be paid to Seller for such purposes as Seller shall determine, and Seller shall not be required to maintain the payments in an escrow or trust account. Buyer shall have no right to interest upon the payments. If and to the extent such payments are deposited in any interest bearing account, then any interest on such payments shall inure to the benefit of Seller. At the time of Closing, the amount of the payments shall be credited to Buyer against the Total Purchase Price.

**Buyer's Initials** CRE CEE

3. **Return of Deposit**. In the event this Agreement is cancelled for any reason other than Seller's default, the Buyer shall be required to execute and return a release form provided by the Seller prior to return of the Deposit in accordance with this Agreement, as set forth herein.

4. **Real Estate Tax Disclosure**. When a new home is built, the assessed value of the home is calculated as of January 1st. Therefore, if the Home has a certificate of occupancy issued as of January 1st of the calendar year, Buyer will be assessed based on the value of the completed construction for that tax year. Seller is not responsible for communicating any information regarding real estate taxes (current or future) and cannot and will not predict what the taxes on the Home may be. Buyer should confirm any information provided concerning appraisals, tax valuation, tax rates or other tax-related questions, with Buyer's personal tax advisor and the local taxing authorities.

5. **Radon Gas and Environmental Pollutants**. The United States Environmental Protection Agency and various state agencies have detected elevated levels of naturally occurring radon gas in some residential structures. These agencies have expressed concern that prolonged exposure to high levels of radon gas may result in adverse effects on human health. The Seller is not having any testing done on the Property, or in the Home, with respect to radon gas or environmental pollutants. The Buyer acknowledges that Seller has made no representations or warranties, express or implied, concerning the presence or absence of radon gas or environmental pollutants in the Home or on the Property, and the Buyer acknowledges that the Seller is not qualified to analyze or evaluate these very complex issues with respect to the Home or Property. The Buyer releases the Seller from any and all liability and claims with respect to radon gas and environmental pollutants.

6. **FORM I-295**. At Closing, Seller shall provide Buyer with an affidavit on Form I-295 (Seller's Affidavit - Nonresident Seller Withholding), complying with Section 12-8-580, South Carolina Code of Laws 1976, as amended.

7. **Counterparts**. This Rider A may be executed in counterparts, a complete set of which shall form a single document.

8. **Conflicts**. In the event of any conflict between this Rider A and the Agreement, this Rider A shall control. In all other respects, the Agreement shall remain in full force and effect.

9. **Entire Agreement**. The Agreement, together with this Rider A and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Rider A or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Chad R England
Date: 4/26/11

Buyer - Czara E England
Date: 4-26-11

Buyer -
Date:

Buyer -
Date:

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 5/12/11

**RIDER B**
**Coastal Carolina Division**

THIS RIDER B (Coastal Carolina) (this "Rider B") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") entered into as of the twenty-sixth day of APRIL , 2011, between Chad R England, Czara E England ("Buyer") and Seller, as defined in the Agreement, respecting Lot 0040 of Block _____ of Ricefield at Spring Grove Subdivision/Plat in the community known as Ricefield at Spring Grove (the "Community").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Rider B to the Agreement shall be deemed to include references to this Rider B and to any other rider and addenda attached to the Agreement, which are hereby incorporated by this reference. In addition to those terms, the following terms shall have the meanings set forth below:

"Closing Date Notice Period" shall mean at least seven (7) days prior to the Closing Date.

"Mortgage Contingency Period" shall mean five (5) days if this Agreement is contingent on Buyer obtaining financing as indicated in the Purchase and Sale Agreement.

2. Additional Mortgage Contingency. Unless Buyer shall have notified Seller otherwise writing within the Mortgage Contingency Period, Buyer shall be conclusively presumed to have obtained the loan commitment or agreed to purchase the Property without mortgage financing. If Buyer does timely notify Seller within the Mortgage Contingency Period that he/she failed to obtain a loan commitment, Seller may require Buyer to immediately reapply for a mortgage loan with another lending institution designated by Seller. If Buyer then fails to obtain a loan commitment within seven (7) days from Seller's notice to reapply, either Buyer or Seller shall have the right to terminate this Agreement whereupon the Deposit shall be returned to Buyer, and thereupon the parties hereto shall be released from all liability hereunder without any further acts by either party

3. Closing Costs. BUYER UNDERSTANDS AND AGREES THAT IN ADDITION TO THE TOTAL CASH TO CLOSE (WHICH AMOUNT IS SPECIFIED IN SECTION 2 OF THE AGREEMENT AND THE PURCHASE PRICE AND PAYMENT ADDENDUM), BUYER SHALL PAY CERTAIN OTHER FEES AND CLOSING COSTS, IF ANY, AT CLOSING (LISTED BELOW). IN CONNECTION THEREWITH, WITHOUT LIMITATION, THE ITEMS LISTED BELOW WILL COLLECTIVELY BE REFERRED TO AS "CLOSING COSTS." NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN THE CASE OF AN FHA/VA OR FANNIE MAE LOAN, BUYER SHALL NOT PAY FOR ANY COSTS PROHIBITED BY HUD (FHA), VA OR FANNIE MAE REGULATIONS. ALL REFERENCES TO "PRO RATA SHARES" WILL BE DEEMED A TIME PRO RATION, BASED ON THE CLOSING DATE, WITH BUYER PAYING AMOUNTS ACCRUED ON AND AFTER THE CLOSING DATE. The Closing Costs include, without limitation:

3.1 The premium for a policy of mortgagee's title insurance and the cost to record the Deed. If the settlement charges that VA does not allow Buyer to pay exceed the amount of settlement charges, if any, to be paid by Seller, Seller at its sole discretion may terminate the Agreement and refund Buyer's earnest money. If the settlement charges that FHA does not allow Buyer to pay exceed the amount of settlement charges, if any, to be paid by Seller, Buyer may either pay the additional settlement charges at Closing or the additional settlement charges shall be added to the principal on Buyer's loan, regardless of whether or not the interest rate on Buyer's loan will increase as result of the addition of the settlement charges to the principal.

3.2 Customary closing costs of a Buyer of a single family residence, including but not limited to items such as loan fees, loan closing costs and all other related sums, attorneys' fees, escrows for taxes and insurance, recording fees, documentary stamp taxes on the note, intangible taxes, credit reports and PMI insurance, if applicable, charged by the Lender or otherwise customary for a Buyer at Closing.

3.3 Title search updates, title examination fees, delivery charges, and any other Closing expenses of Buyer.

3.4 All additional costs respecting the Property imposed by any governmental authority.

3.5 The cost of any obligations Buyer incurs not provided for in this Agreement.

3.6 The cost of a survey of the Property.

3.7 Certified governmental liens (liens which can be paid pursuant to written notice), if any, shall be assumed and paid by Seller, pending governmental improvement liens shall be paid and assumed by Buyer.

3.8 A pro rata share of County interim service fees, if any.

3.9 A pro rata share of waste fees.

3.10 A pro rata share of utility deposits and capacity fees (water and/or sewer) for the Property prepaid by Seller.

3.11 Any other expenses of an owner of the Property provided for or referenced in the Documents.

3.12 Amounts reflected in the Master Disclosure and Information Addendum to the Purchase and Sale Agreement, if any, attached hereto and incorporated herein.

3.13 Current expenses of the Property (for example: taxes, special assessments and current monthly assessments to one or more homeowner's associations) will be adjusted between Seller and Buyer as of the Closing Date. Buyer shall reimburse Seller for any prepaid expenses of the Property and capital contributions made to one or more homeowners' associations, paid by Seller in advance and/or for the month in which the Closing Date occurs.

3.14 If real estate taxes for the year in which the Closing Date occurs are assessed in the aggregate on the real estate comprising the portion of the Community (including the Property) rather than on a homesite-by-homesite basis, Seller will pay such taxes in full when due, but Buyer will reimburse Seller at the Closing for Buyer's pro rata share of such taxes from the Closing Date (if such taxes are then known) or the Property's allocable share (so prorated) of Seller's estimate of those taxes (if such taxes are not then known), subject to readjustment at either the request of Seller or Buyer within six (6) months from when the actual tax bill is known. If taxes for the year in which the Closing Date occurs are assessed on a homesite-by-homesite basis but such taxes are not due on the Closing Date, Buyer will be responsible for paying such tax bill in full when due but Seller will reimburse Buyer at the Closing for Seller's pro rata share of such taxes (if the taxes are then known) or Seller's estimate of those taxes (if such taxes are not then known) through the Closing Date, subject to readjustment at either the request of Seller or Buyer within six (6) months from when the actual bill is known. If the Closing takes place after Seller has paid the taxes for the year in which the Closing Date occurs, Buyer will reimburse Seller at Closing for Buyer's pro rata share of those taxes from and after the Closing Date.

3.15 The cost of any modifications or changes which are incurred by Seller as a result of changes in building codes, governmental rules, regulations or requirements, or the enforcement of any of the same, after the Effective Date of this Agreement, shall be paid by Buyer at the time of Closing.

4. **Additional Financing and Closing Costs Disclosures**.

4.1 Although Seller may make available to Buyer the name of one or more lenders or information about one or more available financing alternatives, Buyer agrees that the choice of a lender and loan is Buyer's sole decision, and Seller has not made any promises or representations concerning the likelihood of Buyer obtaining the loan, the terms and conditions of such loan or the interest rate or fees associated with such loan

4.2 4.2 BUYER IS HEREBY ADVISED BY SELLER THAT INTEREST RATES, LOANS FEES, AND OTHER LOAN CONDITIONS ARE NOT GUARANTEED, FIXED OR ESTABLISHED (AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO SUCH ITEMS) AND ARE SUBJECT TO CHANGE BY ANY LENDER. SUBJECT TO SECTION 8 OF THE AGREEMENT, SELLER DOES NOT WARRANT OR GUARANTEE THAT COMPLETION OF THE IMPROVEMENTS OR LOAN FUNDING CAN BE ACHIEVED WITHIN LOAN LOCK PERIODS, IF ANY, REGARDLESS OF WHETHER SUCH LOCKS ARE PAID FOR BY SELLER OR BUYER. IF BUYER LOCKS IN AN INTEREST RATE AND POINTS FOR LOAN FUNDING PRIOR TO CLOSING, BUYER AGREES TO PAY THE DIFFERENCE BETWEEN THE LOCK-IN RATE AND THE MARKET INTEREST RATE AT CLOSING IF THE LOCK-IN RATE EXPIRES PRIOR TO CLOSING.

4.3 Responsibility for obtaining the loan and for satisfying all conditions made by the Lender with regard to the loan shall rest solely with the Buyer.

5. **Warranties**. Buyer understands and agrees that Seller is making only those express limited warranties set forth in the homeowner's warranty (the "**Limited Warranty**"). The Limited Warranty, incorporated herein, shall be delivered to Buyer at Closing and a copy of which is attached hereto **OR** a copy of which is available for examination at Seller's office and will, at Buyer's request, be attached as an exhibit to this Agreement. THE EXPRESS LIMITED WARRANTY AND REMEDIES PROVIDED BY SELLER CONSTITUTE THE EXCLUSIVE WARRANTY AND REMEDIES TO BE MADE AVAILABLE BY SELLER AND, EXCEPT WHERE ADDITIONAL WARRANTIES ARE REQUIRED BY APPLICABLE LAW OR REGULATION, ARE IN PLACE OF ALL OTHER GUARANTIES OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF WORKMANSHIP, MERCHANTABILITY, HABITABILITY, SUITABILITY AND FITNESS, WHICH ARE HEREBY EXPRESSLY DISCLAIMED BY SELLER AND WAIVED BY BUYER. TO THE EXTENT OF ANY CONFLICT BETWEEN ANY PROVISION OF THIS AGREEMENT RELATED TO WARRANTIES AND THE LIMITED WARRANTY, THE PROVISIONS OF THE LIMITED WARRANTY SHALL CONTROL. All of the terms of this Section 6 shall survive Closing and the delivery of the Deed. BUYER AND SELLER ACKNOWLEDGE THAT THEY HAVE EXPRESSLY NEGOTIATED AND BARGAINED FOR THE WAIVER OF THE IMPLIED WARRANTY OF HABITABILITY, AND BUYER ACKNOWLEDGES THE SUFFICIENCY AND RECEIPT OF VALUABLE CONSIDERATION FOR SUCH WAIVER IN THE AMOUNT OF $0, WHICH AMOUNT SHALL BE CREDITED TOWARD THE PURCHASE PRICE AT CLOSING. THE CONSIDERATION AGREED UPON ABOVE HAS BEEN SPECIFICALLY NEGOTIATED BETWEEN BUYER AND SELLER.

Buyer CLE Buyer CEE

6. **Documents**. Buyer acknowledges receipt of the Document Book for the Community containing many important documents regarding the Community, including but not limited to some of the documents of record affecting the Property and the Community (collectively, the "**Documents**"). The Document Book is hereby incorporated into this Agreement by this reference. The Document Book may be amended as deemed necessary by Seller in its sole and absolute discretion. Buyer agrees to take title to the Property subject to the Documents, to abide

by and be bound by all of the terms and conditions of the Documents, and any amendments thereto. The Master Disclosure and Information Addendum to Purchase and Sale Agreement attached hereto sets forth additional information respecting lien rights and homeowners association's restrictions affecting the Property. Buyer understands and agrees this Section shall survive the termination of this Agreement.

7. **Inspection of the Home**. BUYER SHALL BE GIVEN AN OPPORTUNITY TO EXAMINE THE HOME WITH SELLER'S REPRESENTATIVE PRIOR TO CLOSING ON A DATE AND TIME SCHEDULED BY SELLER (A "NEW HOME ORIENTATION," COMMONLY REFERRED TO AS A "WALKTHROUGH"). AT THAT TIME, IF ANY DEFECTIVE OR INCOMPLETE ITEMS ARE NOTED, BUYER SHALL PRESENT TO SELLER AN INSPECTION STATEMENT LISTING SAID ITEMS AND SIGNED BY BUYER. IF ANY ITEMS NOTED ARE ACTUALLY DEFECTIVE IN WORKMANSHIP OR MATERIALS IN SELLER'S OPINION (IN ACCORDANCE WITH CONSTRUCTION STANDARDS PREVALENT FOR A SIMILAR HOME IN THE COUNTY), SELLER WILL BE OBLIGATED TO CORRECT THOSE ITEMS AT SELLER'S COST. A SECOND INSPECTION OF THE HOME WILL BE CONDUCTED PRIOR TO CLOSING AT WHICH TIME BUYER WILL BE GIVEN AN OPPORTUNITY TO EXAMINE THE HOME WITH SELLER'S REPRESENTATIVE TO ACKNOWLEDGE THAT ITEMS LISTED ON THE INSPECTION STATEMENT PREPARED AFTER THE FIRST INSPECTION HAVE BEEN CORRECTED. ANY REMAINING ITEMS THAT SELLER HAS AGREED TO CORRECT WILL BE CORRECTED BY SELLER AT SELLER'S SOLE COST AND EXPENSE PRIOR TO CLOSING (OR AT SELLER'S OPTION WITHIN A REASONABLE TIME AFTER CLOSING), PROVIDED HOWEVER THAT SELLER'S OBLIGATION TO CORRECT WILL NOT BE A GROUND FOR DEFERRING CLOSING, NOR FOR ANY SETOFF, NOR FOR IMPOSING ANY CONDITION ON CLOSING AS LONG AS THE HOME IS HABITABLE. THE ISSUANCE OF A CERTIFICATE OF COMPLETION, OR USE SHALL BE CONCLUSIVE EVIDENCE OF HABITABILITY. NO ESCROW OR HOLDBACK OF CLOSING FUNDS OR ANY CASH TO CLOSE SHALL BE PERMITTED. **EXCEPT FOR WORK THAT CANNOT BE COMPLETED AT THAT TIME OF YEAR**. IF A BUYER FAILS TO TAKE ADVANTAGE OF ANY PRE-CLOSING INSPECTION ON THE TIME AND DATE SCHEDULED BY SELLER, BUYER SHALL BE DEEMED TO HAVE WAIVED THE RIGHT TO INSPECT THE HOME PRIOR TO CLOSING.

8. **No Right to Enter**. Buyer acknowledges that all matters pertaining to the initial construction of the Property will be performed by Seller and Seller's representatives. Buyer acknowledges and agrees that for reasons of safety and to comply with liability and insurance requirements imposed upon Seller, neither Buyer nor any agent of Buyer shall, until after the Closing, be permitted to enter upon the Property without being accompanied by Seller's representative. Any permitted personal inspections shall be made at times designated by Seller, and shall not be allowed under any condition prior to the formal inspection described above and only with Seller's representative. Buyer agrees not to give instructions to, interfere with or interrupt any workmen at the Property. Buyer may not order any work on the Property until after the Closing. Buyer recognizes that Seller is under no obligation to agree to provide options, extras and/or upgrades. Without limiting the applicability of this Section to all obligations, representations and covenants of Buyer hereunder, Buyer specifically acknowledges that any breach by Buyer of the terms and conditions contained within this Section shall be deemed to be a material breach and shall entitle Seller to declare this Agreement to be in default in accordance with the provisions of the Buyer's Default in the Agreement. Seller's failure to promptly take any action with respect to Buyer's breach of the terms and conditions contained herein shall not be deemed a waiver of any of Seller's rights or remedies hereunder. Whenever this Agreement shall require Seller to complete or substantially complete an item of construction, unless provided specifically to the contrary herein, such item shall be deemed complete or substantially complete when so completed, in the sole and unfettered opinion of Seller. Should Seller fail to provide any item of construction required to be provided, Buyer's sole remedy therefore will be to collect an amount from Seller equal to Seller's cost for such item and for Seller's cost of installation of such item had such item been installed at the appropriate time during construction. Without limiting Seller's rights and Buyer's obligations contained within this Section and elsewhere in this Agreement, should any warranted defects in workmanship or materials be discovered before or after the Closing, Buyer agrees that Buyer's sole remedy therefore is for Seller to, at Seller's sole and absolute discretion, either repair or replace the defective item. To the extent permitted by applicable law, Seller disclaims any liability for incidental or consequential damages that may arise from a defective item.

9. **Counterparts**. This Rider B may be executed in counterparts, a complete set of which shall form a single document.

10. **Conflicts**. In the event of any conflict between this Rider B and the Agreement, this Rider B shall control. In all other respects, the Agreement shall remain in full force and effect.

11. **Entire Agreement**. The Agreement, together with this Rider B and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Rider B or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Chad E England
Date: 4/26/11

Buyer - Czara E England
Date: 4/26-11

Buyer -
Date:

Buyer -
Date:

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 5/12/11

## FHA/VA ADDENDUM

**THIS FHA/VA ADDENDUM** (this "**Addendum**") s executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the twenty-sixth day of APRIL , 2011, between Chad R England, Czara E England ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0040 of Block _____, of Ricefield at Spring Grove Subdivision/Plat in the community known as Ricefield at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. FHA/VA. BUYER AGREES TO PROCEED WITH THE PURCHASE OF THE HOME AFTER HAVING READ BUYER'S RIGHTS AND PRIVILEGES, AS SET FORTH BELOW:

2.1 FHA Loans.

2.1.1 It is expressly agreed that, notwithstanding any provisions of the Agreement (contract) to the contrary, Buyer (purchaser) shall not incur any penalty by forfeiture of earnest money deposits or otherwise be obligated to complete the purchase of the Home (property described herein) unless Buyer (purchaser) has been given in accordance with the Department of Housing and Urban Development ("**HUD**"), Federal Housing Administration ("**FHA**") or United States Department of Veterans Affairs (the "**VA**") requirements, a written statement by the Federal Housing Commissioner, the VA, or a Direct Endorsement lender setting forth the appraised value of the Home (property) (for mortgage purposes) of not less than $ 219,990.00 (which statement Seller agrees to deliver to Buyer (purchaser) promptly after such Appraised Value Statement is made available to Seller). Buyer (purchaser) shall have the privilege and option of proceeding with the consummation of the Agreement (the contract) without regard to the maximum mortgage the Department of Housing and Urban Development will insure. HUD DOES NOT WARRANT THE VALUE OR THE CONDITION OF THE HOME (PROPERTY). BUYER (PURCHASER) SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE HOME (PROPERTY) ARE ACCEPTABLE.

2.1.2 In the event the value of the Property set forth in the Appraised Value Statement is less than the Total Purchase Price, Buyer shall have the right to exercise the above-mentioned privilege and option to proceed at the Total Purchase Price, which is over and above the FHA Appraised Value Statement, by giving Seller written notice of Buyer's intention to do so in accordance with the Agreement notice requirements. Said notice shall be given within five (5) days of Buyer's receipt of the FHA appraisal by returning to Seller a copy of this Addendum executed by Buyer in the "AGREE TO PROCEED" signature block below. In the event Buyer fails to give proper notice hereunder of Buyer's intention to proceed at the Total Purchase Price, the Agreement shall automatically become null and void and the parties shall promptly execute a written release of Buyer's Deposit, pursuant to which the Deposit shall immediately be returned in full to Buyer.

2.1.3 Buyer agrees to pay a mortgage insurance premium as required by FHA. Buyer has the right to pay the entire premium at the time of Closing or the premium may be added to the loan amount and financed over the term of the loan. If Buyer elects to add the premium to the loan amount, the total loan amount shall consist of the Cash to Close amount specified in the Purchase Price and Payment Addendum, plus the mortgage insurance premium. Pursuant to FHA regulations, Buyer shall pay an annual premium, if required, in addition to the up-front (or financed) premium. Said additional premium shall be paid monthly on a declining balance (excluding the portion of the balance, if any, attributable to the up-front premium).

2.1.4 All parties acknowledge that the processing of a government loan is not subject to specific time limitations. Nevertheless, Buyer agrees to diligently pursue such loan commitment.

2.1.5 Seller and Buyer certify that the terms of the Agreement are true and complete to the best of their respective knowledge and belief. Seller and Buyer further certify that all agreements relating to this real estate transaction have been fully disclosed and are covered in the Agreement, including any addenda attached thereto. Seller and Buyer understand that the failure to provide a complete and accurate copy of the Agreement could jeopardize this transaction. If there are any subsequent changes to the Agreement, the undersigned will submit them promptly to the Lender.

2.1.6 Buyer acknowledges that Buyer has read and completed the attached U.S. Department of Housing and Urban Development form HUD-92564-CN entitled "For Your Protection: Get a Home Inspection".

2.2 VA Loans.

2.2.1 It is expressly agreed that, notwithstanding any provisions of the Agreement to the contrary, Buyer shall not incur any penalty by forfeiture of earnest monies or otherwise be obligated to complete the purchase of the Home if Buyer cannot obtain a loan guaranteed by the VA, including without limitation, if the Total Purchase Price exceeds the reasonable value of the Home established by the VA or a VA lender pursuant to the Lender Appraisal Proceeding Program ("**LAPP**"). Buyer shall, however, have the privilege and option of proceeding with the consummation of the Agreement without regard to the amount of reasonable value established by the VA or a VA lender with LAPP authority. Buyer agrees that should Buyer elect to complete the purchase at an amount in excess of the reasonable value established by the VA or a VA LAPP

lender, Buyer shall pay such excess amount in cash from a source that Buyer agrees to disclose to the lender and the VA, which source Buyer represents and covenants will not be from borrowed funds except as approved by the VA.

2.2.2 To exercise the above-mentioned privilege and option to proceed at the Total Purchase Price, which is over and above the amount of reasonable value established by the VA or a VA LAPP lender, Buyer shall give Seller written notice of Buyer's intention to do so in accordance with the Agreement notice requirements. Said notice shall be given within **five (5)** days of Buyer's receipt of the amount of reasonable value established by the VA or a VA LAPP lender by returning to Seller a copy of this Addendum executed by Buyer in the "AGREE TO PROCEED" signature block below. In the event Buyer fails to give proper notice hereunder of Buyer's intention to proceed at the Total Purchase Price, the Agreement shall automatically become null and void and the parties shall promptly execute a written release of Buyer's Deposit, pursuant to which the Deposit shall immediately be returned in full to Buyer.

2.2.3 VA DOES NOT WARRANT THE VALUE OR THE CONDITION OF THE HOME (PROPERTY). BUYER (PURCHASER) SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE HOME (PROPERTY) ARE ACCEPTABLE.

2.3 Special Trust Account. If Buyer is financing the purchase of the Home with a VA guaranteed loan, the Deposit received from Buyer prior to Closing shall be placed in a special trust account with SunTrust Bank ("**Escrow Agent**") in accordance with the provisions of an Amended and Restated VA Escrow Agreement ("**VA Escrow Agreement**") between Lennar Corporation on behalf of Seller and the Escrow Agent, and as required under 38 U.S.C. §3706 or other applicable law. In the event that the Agreement is cancelled for any reason other than Seller's default and pursuant to the provisions of the VA Escrow Agreement, if Buyer seeks a refund of the Deposit from Seller and Seller refunds the Deposit directly to Buyer, Buyer hereby authorizes the Escrow Agent to reimburse Seller for such refund. In consideration for either Seller's or Escrow Agent's refund of the Deposit to Buyer, Seller and Lennar Corporation shall be unconditionally released from any claim arising out of or related to the Deposit and purchase of the Home and Escrow Agent shall be unconditionally released from any claim arising out of or related to the escrow of the Deposit in connection with the purchase of the Home.

Buyer's Initials_____ _____

3. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

4. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Chad R England
Date 4/26/11

Buyer - Czara E England
Date 4-26-11

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 5/2/11

**AGREE TO PROCEED**

☒ **If this box is checked, Buyer is financing the purchase of the home with an FHA insured loan.** BY THE SIGNATURES BELOW, BUYER ACKNOWLEDGES THAT BUYER IS PURCHASING THE HOME WITH FULL KNOWLEDGE, UNDERSTANDING AND AGREEMENT THAT THE VALUE OF THE PROPERTY SET FORTH IN THE APPRAISED VALUE STATEMENT IS LESS THAN THE TOTAL PURCHASE PRICE. BUYER AGREES TO PROCEED WITH THE CLOSING OF THE PURCHASE OF THE HOME AT THE TOTAL PURCHASE PRICE, AND BUYER FURTHER AGREES TO PAY THE DIFFERENCE AT CLOSING. BUYER HEREBY EXECUTES THIS NOTICE WITHIN FIVE (5) DAYS OF BUYER'S RECEIPT OF THE FHA APPRAISED VALUE STATEMENT.

Buyer - Chad R England
Date 4/26/11

Buyer - Czara E England
Date 4-26-11

Buyer -
Date

Buyer -
Date

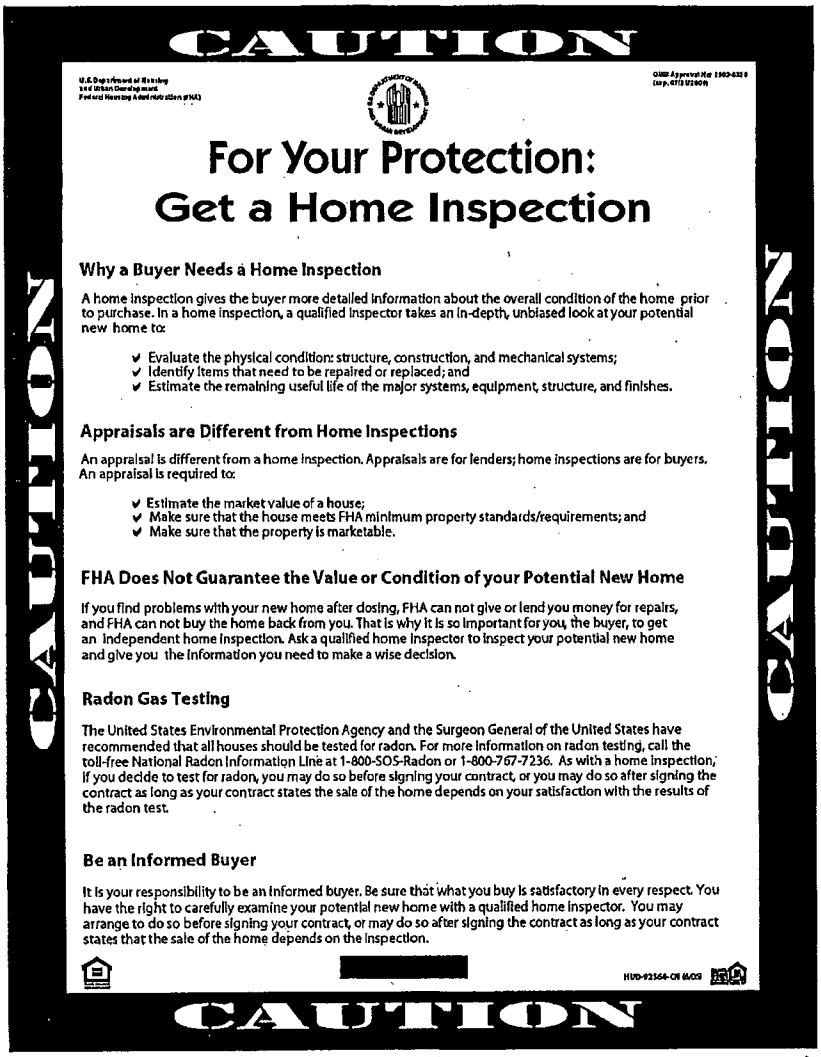
☐ **If this box is checked, Buyer is financing the purchase of the home with an VA guaranteed loan.** BY THE SIGNATURES BELOW, BUYER ACKNOWLEDGES THAT BUYER IS PURCHASING THE HOME WITH FULL KNOWLEDGE, UNDERSTANDING AND AGREEMENT THAT THE VALUE OF THE PROPERTY SET FORTH IN THE AMOUNT OF REASONABLE VALUE ESTABLISHED BY THE VA OR A VA LAPP LENDER IS LESS THAN THE TOTAL PURCHASE PRICE. BUYER AGREES TO PROCEED WITH THE CLOSING OF THE PURCHASE OF THE HOME AT THE TOTAL PURCHASE PRICE, AND BUYER FURTHER AGREES TO PAY THE DIFFERENCE AT CLOSING. BUYER HEREBY EXECUTES THIS NOTICE WITHIN FIVE (5) DAYS OF BUYER'S RECEIPT OF THE AMOUNT OF REASONABLE VALUE ESTABLISHED BY THE VA OR VA LAPP LENDER.

Buyer - Chad R England
Date

Buyer - Czara E England
Date

Buyer -
Date

Buyer -
Date



CAUTION

U.S. Department of Housing and Urban Development
Federal Housing Administration (FHA)

OMB Approval No. 2502-0538
(exp. 07/31/2009)

# For Your Protection: Get a Home Inspection

## Why a Buyer Needs a Home Inspection

A home inspection gives the buyer more detailed information about the overall condition of the home prior to purchase. In a home inspection, a qualified inspector takes an in-depth, unbiased look at your potential new home to:

- ✔ Evaluate the physical condition: structure, construction, and mechanical systems;
- ✔ Identify items that need to be repaired or replaced; and
- ✔ Estimate the remaining useful life of the major systems, equipment, structure, and finishes.

## Appraisals are Different from Home Inspections

An appraisal is different from a home inspection. Appraisals are for lenders; home inspections are for buyers. An appraisal is required to:

- ✔ Estimate the market value of a house;
- ✔ Make sure that the house meets FHA minimum property standards/requirements; and
- ✔ Make sure that the property is marketable.

## FHA Does Not Guarantee the Value or Condition of your Potential New Home

If you find problems with your new home after closing, FHA can not give or lend you money for repairs, and FHA can not buy the home back from you. That is why it is so important for you, the buyer, to get an independent home inspection. Ask a qualified home inspector to inspect your potential new home and give you the information you need to make a wise decision.

## Radon Gas Testing

The United States Environmental Protection Agency and the Surgeon General of the United States have recommended that all houses should be tested for radon. For more information on radon testing, call the toll-free National Radon Information Line at 1-800-SOS-Radon or 1-800-767-7236. As with a home inspection, if you decide to test for radon, you may do so before signing your contract, or you may do so after signing the contract as long as your contract states the sale of the home depends on your satisfaction with the results of the radon test.

## Be an Informed Buyer

It is your responsibility to be an informed buyer. Be sure that what you buy is satisfactory in every respect. You have the right to carefully examine your potential new home with a qualified home inspector. You may arrange to do so before signing your contract, or may do so after signing the contract as long as your contract states that the sale of the home depends on the inspection.

[redacted]

HUD-92564-CN (6/03)

CAUTION

CAUTION

CAUTION

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**I/we understand the importance of getting an independent home inspection. I/we have considered this before signing a contract with the seller for a home. Furthermore, I/we have carefully read this notice and fully understand that FHA will not perform a home inspection nor guarantee the price or condition of the propert**

☒ **I/We choose to have a home inspection performed.**

☐ **I/We choose not to have a home inspection performed.**

---

x [signature] 4-26-11 x

Signature & Date Signature & Date

x Laura E. England 4-26-11 x

Signature & Date Signature & Date

## Affiliated Business Arrangement Disclosure Statement

**BUYER: Chad R England, Czara E England**

**PROPERTY: 146 Harvest Moon Road, Moncks Corner SC 29461**

This is to give you notice that the following companies have business relationships with each other: Universal American Mortgage Company, LLC and Lennar Carolinas, LLC and each of these companies is, directly or indirectly, wholly owned by Lennar Corporation. Because of these relationships, referral of services by the undersigned may provide a financial or other benefit.

Set forth below are the types of settlement services offered by these affiliated companies and the estimated charge or range of charges generally required by these companies for such settlement services. You are NOT required to use any of the companies listed above as a condition for purchase of the subject property.

THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

**Provider and Settlement Services/ Estimated Range of Charges**

**MORTGAGE**

**Universal American Mortgage Company, LLC** arranges and makes mortgage loans and the following are estimated mortgage loan related charges or range of charges **(not all of the charges may apply)**:

| Description of Fee | Range of Cost |
|---|---|
| Loan Origination Points | 0% - 1% (of the loan amount) |
| Loan Points for Interest Rate Chosen | 0% - 3% (of the loan amount) |
| Loan Origination Charge | $575 - $900 |
| Appraisal Fee Paid to Appraiser | $350 - $500 |
| Credit Report Fee Paid to Outside Agency | $ 12 - $100 |

The actual fees charged may vary based on the size of your loan, loan program and interest rate you choose. There also will be other third party charges. You will receive a Good Faith Estimate when you apply for your mortgage loan, that will give you an estimate of all anticipated charges.

**TITLE**

Lester & Lester, P.A. and Buist, Byars & Taylor LLC (collectively, Attorney) provides closing services and also arranges for title insurance through numerous underwriters, one of which is North American Title Insurance Company (North American). Attorney is not affiliated with Lennar Corporation. In connection with the purchase of the subject property, we recommend Attorney to handle the closing and the issuance of any title insurance, which (if Attorney is selected by you) may be provided by North American. Because of the business relationship and arrangement described above, the referral to Attorney may provide Lennar Corporation a financial or other benefit. You are not required to use Attorney or North American.

The following are estimated charges or range of charges for the settlement services listed should North American provide the title insurance:

* Owner's Policy:
  $3.00 per $1,000 of purchase price up to $50,000
  $2.50 per $1,000 of purchase price over $50,000 and up to $100,000
  $1.75 per $1,000 of purchase price over $100,000 and up to $500,000
  $1.50 per $1,000 of purchase price over $500,000 and up to $5,000,000
  $1.00 per $1,000 of purchase price over $5,000,000

* Loan Policy:
  $3.00 per $1,000 of loan amount up to $50,000
  $2.50 per $1,000 of loan amount over $50,000 and up to $100,000
  $1.75 per $1,000 of loan amount over $100,000 and up to $500,000
  $1.50 per $1,000 of loan amount over $500,000 and up to $5,000,000
  $1.00 per $1,000 of loan amount over $5,000,000

* Enhanced Owner's or Loan Policies are 20% more

* Title Policy Endorsement(s):
  $50.00 - $100 each for standard endorsements, 10% or 20% of policy premium for extra-risk endorsements

## Affiliated Business Arrangement Disclosure Statement

**Acknowledgement**

I/we have read this notice and understand that Seller is referring me/us to purchase the above described settlement services and may receive a financial or other benefit as a result of this referral.

Buyer's Signature 4-26-11
Date

Sara E. England
Buyer's Signature
Date 4-26-11

Buyer's Signature
Date

Buyer's Signature
Date

Lennar Carolinas, LLC
Printed Name of Seller

Sales Associate's Signature
Date

## INSULATION ADDENDUM

**THIS INSULATION ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the twenty-sixth day of APRIL , 2011, between Chad R England, Czara E England (collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0040 of Block _____, of Ricefield at Spring Grove Subdivision/Plat in the community known as Ricefield at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Insulation**. Pursuant to Title 16, Chapter I, Section 460.16 of the Code of Federal Regulations, the insulation that is or will be installed in the Home where conditioned space meets unconditioned space is as follows and will, according to the manufacturer, yield the R-values stated:

| Location | Type | Thickness | R-Value |
|---|---|---|---|
| Exterior Masonry Walls | N/A | N/A | N/A |
| Exterior Stud Wall | Batt | 3 1/2 inches | R-13 |
| Ceilings | Batt | 10 inches | R-30 |
| Roof | Blown | 12 inches | R-30 |
| N/A | N/A | N/A | N/A |

If so indicated above, fiberglass (also known as glass wool) is/will be used for insulation in the Home. The U.S. Department of Health and Human Services ("HHS") has listed fiberglass as a substance "which may reasonably be anticipated to be a carcinogen." This listing identifies substances selected for further study because of their potential carcinogenic risk but is not an assessment by HHS that there is a causal connection between fiberglass and human cancer. The listing does not establish that fiberglass presents a risk to persons in their daily lives.

3. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

4. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Chad R England
Date 4/26/11

Buyer - Czara E England
Date 4-26-11

Buyer -
Date _____

Buyer -
Date _____

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 5/12/11

## INDOOR ENVIRONMENTAL QUALITY DISCLOSURE

**THIS INDOOR ENVIRONMENTAL QUALITY DISCLOSURE** (this "**Disclosure**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the twenty-sixth day of APRIL , 2011, between Chad R England, Czara E England (collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0040 of Block _____, of Ricefield at Spring Grove Subdivision/Plat in the community known as Ricefield at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Disclosure to the Agreement shall be deemed to include references to this Disclosure and to any other disclosure and/or addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Indoor Environmental Contaminates**. There are many different types of indoor environmental contaminants, such as pet dander, dust mites and mold. Molds and other potential contaminants have been a part of our environment for millions of years. Contaminants are everywhere, indoors and outdoors. Therefore, everyone is exposed to some contaminants on a daily basis without evident harm. Due to a number of factors, including the fact that sensitivities to various types of molds and other potential contaminants vary from person to person, there are no state or federal standards concerning acceptable levels of exposure to mold. According to the Consumer Product Safety Commission and the American Lung Association, some diseases or illness have been linked with biological pollutants in the indoor environment, including some forms of mold. However, many of these conditions also have causes unrelated to the indoor environment. Therefore, it is unknown how many potential health problems relate exclusively to poor indoor air. Buyer should determine for himself/herself whether Buyer, Buyer's family members or any other individuals who will occupy or use the Home have special needs or increased risk to these conditions. Buyer should carefully monitor the conditions in the Home for mold growth and other contaminants.

When excessive moisture or water accumulates indoors, mold growth can and will occur, particularly if the moisture problem remains unaddressed. There is no practical way to eliminate all molds or mold spores in an indoor environment. The key to controlling indoor mold growth is to control moisture.

There are many ways to help control moisture in and beneath the Home. The U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the American Lung Association and others recommend taking measures such as those listed below to help control moisture in and beneath the Home. The following list is not meant to be all-inclusive.

- o Fix leaking plumbing and any other source of unwanted water immediately.
- o Maintain proper indoor humidity. Equipment that conditions the air, such as air conditioners, humidifiers and ventilation systems must be operated year round.
- o Raise the temperature in areas where moisture condenses on surfaces and open doors between rooms to increase air circulation in the Home, including doors to closets.
- o Have major appliances, such as furnaces, heat pumps, central air conditioners, window air conditioning units, ventilation systems and furnace attached humidifiers inspected, cleaned and serviced regularly by a qualified professional.
- o Clean and dry refrigerator, air conditioner and dehumidifier drip pans and filters regularly and make sure that refrigerator and freezer doors seal properly.
- o Keep water away from the foundation of the Home by maintaining required slopes, drainage and keeping plantings and sprinklers the proper distance from the Home.
- o If there is a sump pump in the Home, inspect it regularly to ensure that it is properly operating.
- o If there is a crawl space or structural sub-floor, inspect the ground beneath the floor on a regular basis to make sure there is no standing or excessive water. If there is standing or excessive water, seek professional assistance to remove the water. If Buyer is interested in finishing the basement, only do so after consulting an expert to determine the suitability of the basement for a finished area.

The following are suggestions that may assist Buyer in preventing and addressing mold growth in the Home.

- o It is important that Buyer responds promptly when Buyer sees signs of moisture or mold.
- o Do not allow moisture to stand or make contact with carpet, furniture and cellulose-based materials, such as wood, drywall or other non-tile, non-plastic or non-metal materials.
- o Dry all water damaged areas and items immediately to prevent mold growth.
- o If mold develops, clean up the mold by washing off hard surfaces with detergent and water and completely dry the surface.
- o Depending upon the nature and extent of the mold infestation, trained professionals may be needed to assist in the remediation effort.
- o Mold that is not properly and adequately removed may reappear.

Proper maintenance and cleaning of the Home is the responsibility of each homeowner and will lessen the potential for water intrusion and help to control indoor environmental contaminants. Further, it is the responsibility of each homeowner to monitor their Home on a continual basis for excessive moisture, water and mold accumulation. If Buyer discovers accumulation of water or moisture in, around or under the Home, Buyer should immediately seek to control the source of the water or moisture. Failing to control the source could result in additional damage and the growth of mold. Plumbing leaks and water penetrations that are covered by the Limited Warranty, if any, during the term of the Limited Warranty must be reported to Seller immediately. If the Limited Warranty has expired or does not cover the specific problem, Buyer should not delay in having professionals address the problem. Seller will not be responsible for, and Buyer agrees to indemnify and hold harmless Indemnified Parties from and against all Claims in connection with, water-related damages, including personal injuries or property damage caused by mold, but only to extent that the damages are caused by (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction. Buyer also agrees to waive all rights of subrogation for damages resulting from water-related damages, mold growth, any personal injuries, or any remediation resulting from (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction.

3. **Counterparts**. This Disclosure may be executed in counterparts, a complete set of which shall form a single Disclosure.

4. **Conflicts**. In the event of any conflict between this Disclosure and the Agreement or any other addenda and/or riders, this Disclosure shall control. In all other respects, the Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Chad R England
Date 4/26/11

Buyer - Czara E England
Date 4-26-11

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 5/12/11

**RICEFIELD WAY and THE ABBEY AT SPRING GROVE PLANTATION**
**MASTER DISCLOSURE AND INFORMATION ADDENDUM TO**
**PURCHASE AND SALE AGREEMENT**
**SOUTH CAROLINA**

**THIS MASTER DISCLOSURE AND INFORMATION ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the Twenty-Sixth day of April , 2011, between Chad R England, Czara E England ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0040 of Building/Block _____, of Ricefield at Spring Grove Subdivision/Plat in the community known as **Spring Grove Plantation** (the "**Community**").

1. **Defined Terms**. All capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Community**. The Property lies within a neighborhood known as Ricefield Way or The Abbey at Spring Grove Plantation (the "**Neighborhood**"), which lies within a community known as Spring Grove Plantation (the "**Community**"). This Addendum explains certain terms which are applicable to the purchase of Homes within the Community and the Neighborhood. Current plans are for Ben McCormick Homes, Harbor Homes and First Coast Homes to build homes in the Community. Other builders besides Seller may be added or deleted from the list of builders in the future. Seller, and any other builder in the Community, shall have the right, without notice to Buyer, to make changes to, among other things, homesite sizes, number of homes being built, size and style of homes being built, features and materials in homes being built, prices of homes (whether more or less than currently published), price per square foot of homes (whether more or less than currently published), street layout, amenity layout, and usage, location, size and number of trees, bushes and other foliage (current and future), and any other items or uses which are currently planned for the Community or the Neighborhood. Seller makes no representation or warranties that Seller will be the exclusive builder or developer in the Community or the Neighborhood or that the Community or the Neighborhood will be built out exactly as currently planned, and Seller expressly reserves the right to make whatever changes it deems necessary relating to future development or build out of the Community and the Neighborhood. Any current maps or other materials showing any final or projected community development may be modified or updated in the future.

SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES WITH REGARD TO THE DEVELOPMENT OF HOMESITES IN AND AROUND THE COMMUNITY. HOMESITES IN AND AROUND THE COMMUNITY MAY REMAIN UNDEVELOPED AT THE SOLE DISCRETION OF SELLER, OTHER BUILDERS IN THE COMMUNITY, AND/OR THE DEVELOPER OF THE COMMUNITY. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES, STATED, IMPLIED, OR OTHERWISE WITH REGARD TO SELLER BEING THE SOLE OR EXCLUSIVE BUILDER WITHIN THE COMMUNITY. SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES, STATED, IMPLIED, OR OTHERWISE WITH REGARD TO CONTINUING TO BUILD IN THE COMMUNITY THROUGH FINAL BUILD OUT AND/OR BUILDING UPON ANY UNDEVELOPED HOMESITE(S). FURTHERMORE, IT IS UNDERSTOOD THAT NO REPRESENTATIONS, ESTIMATES OR PROJECTIONS HAVE BEEN CONVEYED REGARDING THE FINAL BUILD OUT TIME OF ANY UNDEVELOPED HOMESITE(S) OR THE OVERALL COMPLETION SCHEDULE OF THIS COMMUNITY. BUYER ACKNOWLEDGES THAT SELLER CONSTANTLY EVALUATES THE PRICING, DESIGNS, PRODUCT MIX AND AMENITIES OF ITS COMMUNITIES AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING WHETHER TO CONTINUE TO BUILD HOMES WITHIN THE COMMUNITY AND BUYER IS NOT RELYING UPON ANY OF THE FOREGOING IN DECIDING TO PURCHASE THE PROPERTY.

3. **Governing Documents**. Buyer acknowledges receipt, either in hard-copy or via internet or electronic means, of all documents ("**Governing Documents**") for the Community and the Neighborhood.

3.1 Buyer acknowledges receipt of, and agrees to be bound by the Declaration for Spring Grove Plantation Community (the "**Declaration**"), the Articles of Incorporation, By-Laws and any Rules and Regulations of Spring Grove Plantation Community Service Association, Inc., all as amended and supplemented from time to time (collectively, the "**Community Documents**"). Buyer acknowledges and agrees that title to the Home will be subject to the Community Documents.

3.2 The Property will be subject to certain deed restrictions as reflected in the General Limited Warranty Deed executed by Seller and furnished to Buyer at Closing. The deed restrictions run with the Homesite and require, among other things, that (i) buyer give Seller notice of Seller's defaults or any Claim (as defined therein) after Closing and (ii) Seller have an opportunity to inspect and cure defects in the Home. The deed restrictions further require the arbitration of any Claim against Seller that cannot be resolved.

3.3 Buyer acknowledges the provisions of the Governing Documents are fair and reasonable.

4. **Association Memberships**.

4.1 Upon conveyance and recording of the Deed to the Home, Buyer understands and agrees that Buyer will then become a member of the Spring Grove Plantation Community Service Association, Inc., a South Carolina nonprofit corporation (the "**Association**"). Buyer agrees to accept the liability and obligations of

such memberships. Buyer understands that as a member of the Association, Buyer will be required to pay Assessments (as defined in the Governing Documents) for the maintenance of the Common Areas (as defined in the Governing Documents) and for such other uses and purposes as are provided for in the Governing Documents. Buyer also understands and agrees that a failure to pay Assessments when due could cause the Association to record a lien on the Home and to foreclose such lien. Assessments are subject to additional increases in the manner currently provided for in the Governing Documents. Neither Seller, the Association, nor any other builder can estimate the amount or frequency of any such increase.

4.2 Buyer acknowledges that nominees of Seller, and the developer of the Community and the developer of the Neighborhood may serve as the initial officers and directors of the Association. The officers and directors and the management company, which may be an affiliate of Seller, are authorized by Buyer to act for and on the behalf of the Association. Seller may, but is not required to, advance monies to the Association for operations. In the event such advances are made, they will be considered a loan from Seller, and the Association will be obligated to repay such advances as set forth in the Community Documents.

4.3 Buyer acknowledges that all new construction and modifications of existing construction and exterior improvements within the Community are subject to the prior written approval of the appropriate architectural review, design review or similar committee or authority, which is appointed by the Board of Directors of the Association. Buyer agrees to comply with all rules and regulations of the appropriate authority (or authorities) governing construction of improvements within the Community and the Neighborhood as the same may be amended and exist from time to time. These restrictions are subject to change without notice. Building and use restrictions include, but are not limited to, residential and nonresidential uses, building specifications, accessory structures, nuisance, home occupancy, signage, antennas, animals, driveways, vehicle parking, rubbish, utility and drainage easements, clothes lines, fences, special rights of Seller, the developer of the Community, the developer of the Neighborhood and homebuilder(s), leases and restoration of homesites. Buyer agrees not to commence any construction upon the Homesite until it has obtained all requisite written approvals therefore. Buyer further agrees not to make any modifications of any existing buildings and improvements, including, but not limited to, landscaping and landscape irrigation, without the prior written approvals of the appropriate authority (or authorities) pursuant to any city, county or state regulation and pursuant to recorded covenants, conditions or restrictions governing the land. In addition, every city, county or town has building codes and other ordinances that regulate what is permissible within its jurisdictional limits. Prior to making changes to the Home or Homesite, Buyer should contact the applicable governmental authorities for further information concerning local codes and ordinances. Decks, fences and exterior color are among the more common, although not the only, improvements for which architectural approval is required.

4.4 Approval of any work by the appropriate reviewing authority or authorities shall not constitute an express or implied warranty of representation that any work complies with applicable codes, ordinances or other governmental regulations, or that the work is well designated or will be constructed in a proper manner.

4.5 Failure to submit plans and specifications to the appropriate reviewing authority or authorities for approval is a violation of the provisions of the Declaration and/or applicable deed restrictions, which may result in sanctions and/or the imposition of fines, and the removal, at homeowner expense, any of non-approved improvements or modifications.

5. **Community Charges**. In addition to the Closing Costs set forth in Rider B, Buyer shall pay the following additional Closing Costs respecting the Community:

5.1 Association Assessments. Assessments payable to the Association ("**Association Assessments**"), prorated for the month in which the Closing occurs (based on the then current Assessments at the time of closing). Such Assessments are estimated to be $300.00 per year at this time. Buyer understands that the estimated operating budget for the Association is only an estimate of what it will cost to run the Association. The Association may make changes in the budget at any time to cover increases or decreases in expenses or estimates in the budget. Without limiting the generality of this Section, those changes will not give Buyer any right to cancel the Agreement.

5.2 Association Initial Capital Contribution. Buyer acknowledges that among other Assessments provided for in the Community Documents, the Association has established an initial capital contribution ("**Initial Capital Contribution**"). Buyer acknowledges that upon conveyance of the Property an Initial Capital Contribution in an amount equal to $300.00 (or such amount as determined from time to time) is due. The Initial Capital Contribution may be used for any reason whatsoever including, without limitation, reimbursement for costs in setting up the Association and costs of deficit funding. Buyer acknowledges and agrees that the Initial Capital Contribution is not to be considered as an advance payment of Assessments.

5.3 Resale Capital Contribution. Buyer acknowledges that the Association may establish a Resale Capital Contribution (as defined in the Governing Documents). For more information on the Resale Capital Contribution, please refer to the Governing Documents.

6. **Security**. The Community is not a gated community and the roads in the Community are public.

7. **Building and Use Restrictions**. Every homesite is subject to building and use restrictions as set forth in the Declaration. These restrictions are subject to change without notice. Building and use restrictions may affect,

among other things, residential and nonresidential uses, building specifications, accessory structures, nuisance, home occupancy, signage, antennas, satellite dishes, animals, driveways, vehicle parking, rubbish, utility and drainage easements, clothes lines, fences, special rights of Seller, any developer and homebuilder(s), leases and restoration of homesites. Seller encourages you to carefully review the Declaration and to ensure the long-term quality of life for both you and your neighbors.

8. **Municipal Building Codes And Ordinances**. Every city or town has building codes and other ordinances that regulate what is permissible within its jurisdictional limits. Prior to making changes to your Home or Homesite, you should contact the Building Inspector for Berkeley County at 843.719.4095 for further information concerning local codes and ordinances. Seller is not responsible for notifying Buyer or any other homeowners of the content or restrictions contained in any local codes or ordinances.

9. **Architectural Review**.

9.1 The Declaration currently provides that no improvements shall be commenced upon any homesite, nor shall the exterior color, style and materials of an approved structure on a homesite be altered without the prior written approval of the Architectural Control Committee ("**ACC**"), as applicable, which is appointed by the Board of Directors of the Association. Improvements constructed by Seller or the developer of the Community, or the Neighborhood, as applicable, are exempt from this requirement. Approval of any work by the ACC shall not constitute an express or implied warranty or representation by the ACC that any work complies with applicable codes, ordinances or other governmental regulations, or that the work is well designed or will be constructed in a proper manner. Decks, fences and exterior color are among the more common, although not the only, improvements for which architectural approval is required. For more information concerning architectural review, please review the Declaration.

9.2 Failure to submit plans and specifications to the ACC for approval is a violation of the Declaration, which may result in sanctions and/or the imposition of fines, and the removal, at homeowner expense, of any non-approved modifications.

10. **Pet Restrictions**. Buyer understands that the only pets allowed in the Neighborhood and the Community are those which are in accordance with the restrictions contained in the Community Documents or any amendments thereto.

11. **Short-Term Rentals.** Buyer acknowledges that homes in the Community may be rented for any length of time, subject to certain restrictions set forth in the Community Documents.

12. **Flood Zone**. Buyer acknowledges that the Property may be in a flood zone. Mortgage lenders will typically require the issuance of flood insurance as a requirement for financing, which insurance must be present at Closing. Seller recommends that each Buyer of a Home protect his/her Home by obtaining proper insurance coverage. It is possible, however, for Buyer to submit documentation to the Federal Emergency Management Agency (FEMA) to have the Home re-classified by FEMA, whereby the mortgage lender may have the option to waive the requirement of flood insurance. Buyer is solely responsible for the submission to FEMA for such re-classification and any and all expenses related to such submission. Further, Buyer acknowledges and understands that the waiver of flood insurance is at the sole discretion of the mortgage lender.

13. **Utilities**.

13.1 Buyer acknowledges that no septic tanks shall be permitted within the Community and the Neighborhood. No wells shall be installed without the express written consent of the ACC and all other applicable government agencies.

13.2 Some homesites contain or are adjacent to drainage and utility structures such as storm water overflow swales, storm water retention and/or detention basins, manholes, fire hydrants, electrical transformers, switch boxes, telephone pedestals and streetlights. None of these items shall be altered, obstructed, buried, modified, restricted or interfered with in any manner whatsoever. Overflow swales are generally utilized for overflow storm water capacity as a result of water drainage. Electrical transformers may only be landscaped to the extent permission is given by the utility provider. In some cases, water may flow from one homesite to another. State law may provide that the owner of the homesite receiving water is required to accept the water flow and may not impede the flow of this water. In addition, the Property will be graded to provide for reasonable drainage away from the Home's foundation. The vast majority of foundation problems are caused by insufficient drainage or lack of watering of soil around the foundation. Buyer should keep Buyer's lawn well watered to maintain consistent moisture content and avoid excess wetness, dryness or cracking of soil. The construction of curbs, decks, retaining walls, pools, spas, patios, landscape edging and similar items can also trap water within the yard area and cause structural damage to the Home's foundation. Seller strongly recommends that Buyer consult with a licensed landscape architect and civil engineer before performing any work or making any changes that may affect the existing drainage pattern.

13.3 Berkeley County provides water to the Community. Because Seller does not control the water supply, Seller cannot guarantee the quality of the water provided to the Community. In addition, this area is periodically subjected to extended periods of drought that may cause depletion of water supplies. Municipalities and other providers of water services (including the Town of Moncks Corner) may enact mandatory or voluntary cut backs or other restrictions in water usage. Seller has no control, influence, responsibility or liability for or over decisions concerning water rationing.

13.4 If Buyer has any questions about utility rates, services, safety, or anything else to do with overhead or underground transmission or utility lines, Buyer should contact the utility companies directly. Because Seller values Buyer's safety and that of Buyer's neighbors, no excavation or trenching should be done without first calling the utility companies for the location of buried utilities. There is currently no charge by the utilities for this service. This is especially important in utility easements where buried utility equipment is probable. Digging without advance notification and approval of the utility companies may be illegal, is dangerous and can result in severe personal injury or death to Buyer and Buyer's neighbors, and can also result in severe property damage to homes, property and utility equipment.

14. Waterbodies. BUYER ACKNOWLEDGES THAT THE WATER LEVELS OF LAKES, PONDS OR OTHER WATERBODIES WITHIN THE COMMUNITY AND/OR THE NEIGHBORHOOD MAY VARY. THERE IS NO GUARANTEE BY SELLER, THE ASSOCIATION THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME; AT TIMES, WATER LEVELS MAY BE NONEXISTENT.

15. Regulatory And Governmental Approvals. The zoning, plans, etc. have been approved by Berkeley County. The development of the project, lot, sidewalks, etc. is subject to approval by Berkeley County. For more information on the approvals required and pending in the Community, Buyer should contact the Berkeley County Planning & Zoning Department at 843.719.4095.

16. Prices/Market Values. Seller, and any other builder in the Community, shall have the unilateral right to establish prices for the homes it builds in the Community. Seller and any other builder in the Community may, at its sole discretion, increase or decrease the price or the price per square foot for any home, homesite or option at any time, or offer incentives for sales of homesites and homes, all without notice to Buyer. Once Buyer has signed the Agreement establishing a price for the Property, the prices for any subsequent changes or upgrades to the Home as requested by Buyer, including but not limited to design, floor plan, options, materials or otherwise, are subject to change by Seller until a written and signed agreement on the price is reached by Seller and Buyer for such change or upgrade. Seller makes no representations or warranties that the price for the Property or options in the Home will be increased or decreased for other buyers of identical or similar homes or options. Seller also makes no representations or warranties that changes or options made by Buyer will or will not increase or decrease the market value of the Property. The Property is being sold for residential purposes and not as an investment.

17. Construction And Sales Activities. BUYER ACKNOWLEDGES THAT SOME AREAS OF THE NEIGHBORHOOD AND THE COMMUNITY MAY BE UNDER CONSTRUCTION AND DEVELOPMENT FOR AN EXTENDED TIME. INCIDENT TO THE DEVELOPMENT PROCESS, THE QUIET ENJOYMENT OF THE NEIGHBORHOOD AND THE COMMUNITY MAY BE UNAVOIDABLY INTERFERED WITH TO SOME EXTENT BY THE CONSTRUCTION OPERATIONS. Construction, development and sales activities in the Community and/or the Neighborhood will likely occur after Buyer has taken occupancy of Buyer's Home. Depending upon Buyer's sensitivities, this may result in some inconvenience to Buyer and Buyer's family and guests due to increased noise, dust, road closures, operation of the model homes and sales offices, and other activities. Construction activities can occur at various hours throughout the day, and sales activities can result in additional traffic and visitors throughout the Community, particularly before the Community is completely built out. Neither Seller nor any other builder that may be active in the Community can guarantee that Buyer will not be affected or impacted as a result of the overall construction and development of the Community. Seller gives no guarantees or assurances on the active time of the Community model homes. Homesites across the street or next to the model homes may remain undeveloped until Seller determines that these homesites are no longer needed for marketing purposes.

18. Views. Future development and construction activities in the Community can and will modify the view from homesites (including but not limited to the Homesite). Trees and other foliage may be added or removed from lots or common areas of the Community. Additional housing and other improvements will be added within the community. Because future development and construction activities in the Community will modify views from homesites, Seller does not warrant or guarantee any existing views will be maintained in the future relative to the Property.

19. Streetlights. Numerous streetlights will be installed within the Community, many of which will be installed after homes have been completed, sold and occupied. Streetlights are sized and placed in accordance with Town ordinances and governmental requirements, and could in some instances generate light in or obstruct views from homes in the Community. Information about streetlight size, light output, design and location of streetlights within the Community can be obtained from the service provider.

20. Trees And Foliage. The Community contains numerous native trees of various sizes and varieties. While Seller has taken great care during the planning and construction of the Community to save trees, future development and construction will require the removal of additional trees, shrubs and other foliage and, therefore, Seller does not guarantee the preservation of any trees, shrubs, ground cover or other foliage in the Community or Buyer's Homesite, and cannot be responsible for short or long-term damages to foliage due to construction or development activities. Seller makes no representation or warranty that trees on the Homesite being purchased or any other homesite or common area in the Community will not be removed. All care and maintenance of foliage on an individual homesite is the responsibility of the homeowner, and Seller does not guarantee or warranty the survival of any foliage. Berkeley County has adopted a Tree Ordinance regulating the removal of any tree over a certain size. Before removing a tree, Buyer should contact Berkeley County to ensure that its regulations are adhered to. The Declaration also contains restrictions regarding the removal of any tree over a certain size. Buyer should contact the Association to ensure that its regulations are adhered to.

21. Facilities And Conditions Affecting Homesites.

21.1 The information set forth in this section contains an overview of facilities and conditions which may affect some or all homesites in the Community (including but not limited to the Homesite). Because Seller does not have control over development outside of the Community, Seller does not warrant or guarantee any future development, usage, or lack of development or usage for properties located outside of the Community, or their possible impact on the residents of the Community. For additional information about offsite features that may affect the purchase of the Property, please contact the local governmental authorities having jurisdiction over the Community.

21.2 Seller advises Buyer that some of the homesites (including but not limited to the Homesite) are or may be adjacent to or near some of the following:

DRAINAGE CHANNEL, AIRPORT, RAILROAD TRACKS, STORM WATER DETENTION FACILITY, COMMUNITY CENTER, ELEVATED WATER STORAGE TOWER, SCHOOL FACILITY, PARK SCHOOL SITE, SPORTS FACILITY OR BALL FIELD, COMMUNITY LAKES, PARK AND/OR RECREATION FACILITY, WATER PLANT/SEWER PLANT, LIFT STATION, CELLULAR PHONE, RADIO, TELEVISION OR OTHER TOWER ANTENNA SITE, HIGH VOLTAGE TRANSMISSION LINES OR PIPELINE EASEMENT.

Buyer acknowledges that such facilities may impact noise, vibration, lighting, traffic and other conditions caused by daily operations of the facility. Drainage channels, lakes and storm water detention facilities will have varying levels of water for varying periods of time depending upon rainfall.

21.3 Approximately 10 miles from the edge of the Community is the Charleston International Airport. Some flights landing at or taking off from the airport currently pass over the Community. Jets, helicopters or other aircraft may be seen or heard overhead from the Homesite or even from within the Home. The Charleston International Airport may, in the future, expand the Airport and its operations.

21.4 As a result of the open spaces and bodies of water in and around the Community, Buyer may periodically find wild animals within the confines of the Community including, but not limited to, skunks, nutria, opossums, deer, raccoons, spiders, snakes, bees, fire ants, and other insects common to the area. Contact with any wild animal can be dangerous. Should Buyer encounter any such animal, Buyer is encouraged to contact Buyer's local animal control office for further instructions.

21.5 Property West of the Community. The property west of the Community is currently comprised of agricultural and wooded land and land occupied by the Charleston Steel & Metal plant, Parker Gas Turbine Fuel Systems, and Mt. Holly Hill Park.

21.6 Property North of the Community. The property north of the Community is currently comprised of undeveloped woodlands and land used for residential purposes.

21.7 Property East of the Community. The property east of the Community is currently comprised of forested wetlands and undeveloped woodlands and land used for residential purposes. The property further east of the Community was occupied by the former Pattillo/Stone Mountain Industrial Park Site.

21.8 Property South of the Community. The property south of the Community is currently comprised of undeveloped woodlands and forested wetlands and land used for residential purposes.

21.9 Future Commercial/Retail Uses. The Community is located adjacent to properties which will be developed with major commercial and retail uses in the future. The development of such uses adjacent to the Community may increase traffic volumes, noise, outdoor lighting, pedestrian activity and other similar impacts resulting from commercial development.

21.10 Development of Adjacent Property. Buyer acknowledges that Seller's current construction plans for the Community where the Home and Homesite are located may change and that no representations or warranties are made concerning the development of the Community, or any property adjacent to, surrounding, or near such Community.

21.11 Public Ballfields. Public ballfields are located within the Community. The ballfields are or will be owned by the Association and the future use of the ballfields is in the discretion of Association.

21.12 Major Public Roads. The Community is located along portions of Old Hwy 52 and Cypress Garden Road. These roads may experience heavy traffic.

22. **Real Estate Taxes**. When a new home is built, the full value of the home is typically not reflected in the real estate taxes until the second calendar year after construction has been completed. Seller is not responsible for communicating any information regarding real estate taxes (current or future) and cannot and will not predict what the taxes on the Home may be. Buyer should confirm any information provided concerning appraisals, tax valuation, tax rates or other tax-related questions, with Buyer's personal tax advisor and the local taxing authorities.

23. **Public Financing of Capital Improvements**. Berkeley County may finance certain capital improvements in the Community, may issue bonds in connection with such financing and may create one or more special tax districts within the Community to provide for repayment of such bonds.

24. **Town and County Taxes, Charges And Fees**. Property within the Community is subject to Berkeley County taxes, utility charges, fees and may become part of a special taxing district. For additional information, contact the

Tax Collector's office of Berkeley at 843.719.4030.

25. **Addendum Not A Substitute**. Buyer acknowledges and agrees that this Addendum is not a substitute for reading the entire Governing Documents. For a more detailed explanation of any section contained in this Addendum, refer to the Governing Documents.

26. **Pre-Sale Contingency.** Seller shall have the right to terminate this Agreement and cause Buyer's deposits to be refunded in the event that Seller does not enter into binding contracts to sell at least ten percent (10%) of the homes and homesites in the Community. Seller must, however, notify Buyer of such a termination at any time within one hundred eighty (180) days following the date of the first purchase agreement for the sale of a home in the Community, otherwise Seller will be required to construct the Community and the Home and otherwise proceed to perform its obligations under this Agreement. This shall not delay the effectiveness of this Agreement, which shall be immediate, but rather, shall be deemed a "condition subsequent" to this Agreement. In the event of Seller's termination of this Agreement pursuant to this Section, upon such termination and the return of Buyer's Deposit, Seller and Buyer will be fully relieved and released from all obligations and liabilities under and in connection with this Agreement. Seller agrees to use its good faith efforts to meet the foregoing pre-sale requirement.

27. **Third Party Developer**. Seller is not the developer/declarant of the Community ("**Developer**"). Buyer acknowledges that (i) Seller is neither related to nor a joint venture partner with Developer, (ii) Seller does not control the amenities (existing or planned), landscaping, or other improvements that Developer may provide within the Community in the sole and absolute discretion of Developer, (iii) Seller has neither prepared nor participated in the preparation of the Community budgets or any other financial information with regard to the Community, and (iv) any representations or warranties which relate to amenities or other matters contained within the Community shall not be construed as representations made by Seller nor shall such representations be relied upon by Buyer in Buyer's determination as to whether to purchase the Property located within the Community. Seller has no control or influence related to the construction timing, completion, changes in design, changes in location, or other major decisions, including the decision not to build future amenities. Buyer agrees to look solely to the Developer with respect to any matters regarding the Association, existing Community amenities, any proposed amenities, landscaping or other improvements.

28. **Statements Made By Sales Staff And Brokers**. Seller wants to ensure that Seller and Buyer are in full agreement on all terms and conditions relating to the Agreement. To best ensure that there are no misunderstandings, Buyer should ensure that all terms and conditions (including all statements, representations, or understandings upon which Buyer relies in purchasing the Home) are set forth in writing in the Agreement. **If there are any statements, representations or understandings which are made by a sales staff person or any other representative of Seller which are material to Buyer's decision to purchase, Buyer should insist that any such statement, representation or understanding is put in writing and contained in the Agreement. Seller reserves the right to reject the Agreement notwithstanding the inclusion of any such item in the Agreement.**

29. **Public School Assignment**. Seller does not control and cannot guarantee public school assignments for the Community. Because Seller does not control public school assignments, Seller cannot assure Buyer that public school assignments will not be changed in the future. For more information about public school assignments, Buyer should contact the Berkeley County School Board.

30. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

31. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

32. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

33. **Survival**. All of the terms of this Addendum shall survive Closing and the delivery of the Deed.

Buyer - Chad R England
Date 4/26/11

Buyer - Czara E England
Date 4-26-11

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 4/27/11

**PURCHASE PRICE AND PAYMENT ADDENDUM**
Lennar Carolinas, LLC

Buyer Name: Chad R England, Czara E England
Date of Agreement: 04/26/2011
Community: Ricefield at Spring Grove Lot/Block: 0040 /
Address: 146 Harvest Moon Road Moncks Corner SC 29461
Plan/Elevation: Dorchester / C Garage Orientation: Left [X] Right [ ]
Phase/Section: 10 Job #: 18868600040
Started (Y?N): Y Stage: 05
Estimated Start Date: 03/14/2011 Estimated Closing Date: 06/20/2011
Agreement Type: [X] Standard [ ] Home to Sell [ ] Miscellaneous contingencies [ ] Owns current residence
Select One: [X] New Agreement [ ] Transfer [ ] Revised Agreement -- Revision #:

**BUYER INFORMATION**

Buyer(s): Chad R England, Czara E England
Buyer Existing Address: 157 S Westwind Drive El Cajon CA 92020
Home Phone: +1 619 5882249 Office Phone: +1 619-277-7340
Fax: Other Phone: +1 619 9887340
Email: czara.england@gmail.com
Employer: Years/Months: /

Co-Buyer: Czara E England
Home Phone: +1 619 5882249 Office Phone:
Fax: Other Phone:
Email: Cengland09@yahoo.com
Employer: Years/Months: /

**PURCHASE PRICE AND PAYMENTS**

**PURCHASE PRICE:**

Total Purchase Price:
Base Purchase Price: $ 209,990
Add Homesite Premium: $ 2,000.00
Add Options, Upgrades and Extras per attached Options, Upgrades, and Extras/Change Order Summary $ .00
Less Discretion: 211,990 - 7,500 = 204,490 x 3% = 6,134 = $ (6134) & (2,500)
Total Due: $ 203,356
Less Assistance toward closing cost. : $ ( 5,000.00 )

**PAYMENTS:**

**Initial Deposit** Check# $ 1,000

**Additional Deposit**
DUE ____ Received ____ Check# ____ $ .00
DUE ____ Received ____ Check# ____ $ .00

**Advanced Deposit**
DUE ____ Received ____ Check# ____ $ .00
DUE ____ Received ____ Check# ____ $ .00

**Amount to be financed or paid by (i) wire transfer of immedately available funds or (ii) cashier's check (subject to collection) at closing (approximate)**
(Total Purchase Price less Total Payments and exclude FHA, MIP, VA, funding fee, PMI, closing costs, pre-paids, homeowner insurance, prorated expenses and HOA fees.) $ 197,356

Initial CRE Buyer Initial CEE Buyer

**Total Payments**..... $ _____ .00

Comments:

**WARRANTY INFORMATION**

LEN 100 5/1/07
*Or other comparable warranty

**FINANCING AND BROKER INFORMATION**

Select One: ☐ Cash ☐ Conventional ☒ FHA ☐ VA

Lender: UAMC Phone #: 843-852-0656

Broker Participation? ☐ Yes ☒ No

Agent/Company: /

Street Address:

City, State Zip:

Phone:

Broker Tax ID#: Broker Commission:

**Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Purchase and Sale Agreement between Buyer and Seller dated as of the twenty-sixth day of April , 2011 (the "Agreement"), and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

**Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

**Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

**Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Chad R England
Date 4-26-11

Buyer - Czara E England
Date 4-26-11

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller: Ann Ivey
Date 5/12/11

## HOME SALE CONTINGENCY ADDENDUM

**THIS HOME SALE CONTINGENCY ADDENDUM** (this "Addendum") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") dated as of the Twenty-Sixth day of April , 2011, between Chad R England, Czara E England(collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0040 of Block _____ of Ricefield at Spring Grove Subdivision/Plat in the community known as Ricefield at Spring Grove (the "Community").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to every other addendum attached to the Agreement, which are hereby incorporated by this reference.

2. Buyer's Home. Buyer presently is the owner of the residence located at the following address: 157 S Westwind Drive, El Cajon, CA 92020 ("Buyer's Home"). Buyer agrees that from and after this date Buyer shall actively seek to sell Buyer's Home.

3. Agreement Contingent. Seller agrees that Buyer's obligations under the Agreement shall be contingent upon the sale of Buyer's Home as hereinafter provided. Buyer shall list Buyer's Home for sale with a local real estate broker using the Multiple Listing Service (MLS) system at a price not to exceed its fair market value or appraised value within ten (10) days of Seller's acceptance of the Agreement, and shall use diligent good faith efforts to sell Buyer's Home. Buyer shall provide Seller with a copy of the listing agreement within such ten (10) day period. In the event that Buyer does not enter into a written and binding purchase and sale agreement (together with all amendments thereto, "Buyer's Contract") selling Buyer's Home within (24) days from the date of the Agreement, then Seller shall have the right to terminate the Agreement by written notice to Buyer and return any paid Deposit to Buyer less administrative expenses of $ [illegible] .00. If Buyer does enter into a Buyer's Contract, but if Buyer's Contract does not close within sixty (60) days from the date of the Agreement, then Seller may terminate the Agreement and return any paid Deposit to Buyer less administrative expenses of $ [illegible] .00. Seller reserves the right, in Seller's sole and absolute discretion, to extend the time periods set forth herein.

4. No Obligation To Construct. Buyer understands that Seller is under no obligation to begin construction of the Home until (i) Buyer's Home is sold, closing has taken place and documentation satisfactory to Seller as to the sale is received by Seller, or (ii) Buyer agrees to purchase the Home without any contingency for sale of Buyer's Home. All time periods within the Agreement, other than those set forth in this Addendum, shall not begin to run until Buyer has delivered Buyer's Contract to Seller. Notwithstanding the foregoing, Seller, in Seller's sole discretion, may begin construction of the Home at any time even if this contingency still exists.

5. Seller's Additional Right To Terminate. As the Agreement is subject to this Addendum, Buyer hereby agrees and acknowledges that Seller may accept another purchase and sale agreement respecting the Home from and after the date hereof and prior to Buyer's sale of Buyer's Home and/or closing of Buyer's Contract. In the event Seller desires to sell the Home to another party, Seller agrees to provide Buyer with written notice of Seller's receipt of such third party purchase and sale agreement. Within twenty-four (24) hours from the delivery by Seller to Buyer of such written notice, either (i) Buyer must agree in writing to purchase the Home without any contingency for the sale of Buyer's Home and provide evidence satisfactory to Seller, in its sole and absolute discretion, that Buyer is financially able to close the Agreement without the sale of Buyer's Home, or (ii) Seller shall have the right, in its sole and absolute discretion, to terminate the Agreement and return any paid Deposit to Buyer less administrative expenses of $ [illegible] .00. If Buyer does not provide written notice to Seller within such twenty-four (24) hour period that Buyer will purchase the Home without any contingency, then Buyer shall be deemed to have requested that the Agreement be terminated and that Buyer's Deposit be returned. Upon termination of the Agreement pursuant to this Addendum, and without further notice to Buyer, the Agreement shall be null and void, all parties shall be released therefrom, and all monies tendered thereunder by Buyer as Deposit shall be returned forthwith to Buyer less $ .00 to cover administrative expenses.

6. Counterparts. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

7. Conflicts. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

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8. Entire Agreement. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Chad R England
Date 5-10-11

Buyer - Czara E England
Date 5-10-11

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent for Seller: Ann Ivey
Date 5/12/11

By signing below, Buyer waives the Home Sale Contingency in this Addendum and agrees to proceed with the other terms and conditions of the Agreement.

HOME SALE CONTINGENCY WAIVED:

Buyer - Chad R England
Date

Buyer - Czara E England
Date

Buyer -
Date

Buyer -
Date

# EXHIBIT 8

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

Lennar Carolinas, LLC
1941 Savage Road, Ste. 100-C
Charleston, South Carolina 29407
843-388-8989

# PURCHASE AND SALE AGREEMENT

**PURSUANT TO SECTION 15-48-10, SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED, THIS SHALL CONSTITUTE WRITTEN NOTICE THAT THIS AGREEMENT IS SUBJECT TO MANDATORY BINDING ARBITRATION PURSUANT TO SECTION 16 OF THIS AGREEMENT.**

**THIS PURCHASE AND SALE AGREEMENT** (together with the Riders and Addenda attached hereto and incorporated by reference herein, this "**Agreement**") is made and entered into as of the twenty-fifth day of SEPTEMBER, 2011 by and between Lennar Carolinas, LLC ("**Seller**"), and Buyer(s) named below ("**Buyer**"):

| BUYER(S): | Check Applicable: |
|---|---|
| 1. Danny Morrow<br>2. ~~Ellen Morrow~~<br>3.<br>4.<br>No Buyer Changes Will Be Permitted | Married ☒ Single ☒ Male ☒ Female ☐<br>Married ☐ Single ☐ Male ☐ Female ☒<br>Married ☐ Single ☐ Male ☐ Female ☐<br>Married ☐ Single ☐ Male ☐ Female ☐ |

| Buyer Address: 173 Fox Chase Dr. | | |
|---|---|---|
| City: Goose Creek | State / Country: SC | Zip: 29445 |

By providing your telephone and fax numbers and your email address, you hereby consent to receiving telephonic, fax and email communications, including advertisements, made or sent by or on behalf of Seller and/or its affiliates.

| | |
|---|---|
| **Home Telephone:** | **Facsimile Numer:** |
| **Business Telephone:** | **Email Address:** djmorrow@gmail.com |
| **Cellular Telephone:** +1 843 3773108 | |

1. **Purchase and Sale.** Buyer agrees to buy and Seller agrees to sell to Buyer (on the terms and conditions set forth below) Model Cypress constructed or to be constructed on the following described property:
Lot 0005 of Block _____ of The Abbey at Spring Grove Subdivision/Plat, in Berkeley County (the "**County**"), South Carolina

Address: 210 Maywood Drive Moncks Corner SC 29461

The residence and improvements (the "**Home**") constructed or to be constructed on the above described property (the "**Homesite**"), and all appurtenances thereto are collectively referred to in this Agreement as the "**Property.**" The Property is located within the community known as The Abbey at Spring Grove (the "**Community**").

2. **Purchase Price and Payments.** The total purchase price ("**Total Purchase Price**") for the Home, exclusive of any Builder's Fee, as applicable, and Closing Costs as described in Rider B and the Purchase Price and Payment Addendum, is $ 175,072.00. Buyer (and not a third party) has made an earnest money deposit upon the signing of this Agreement (the "**Initial Deposit**") of $ .00. Buyer shall make further payments to Seller, including but not limited to any "Additional Deposit" or "Advanced Payment" (consisting of non-refundable deposit(s) for options, extras, and upgrades) as set forth in the Purchase Price and Payment Addendum attached hereto and made a part hereof. The term "**Deposit**" shall include the Initial Deposit, Additional Deposit and Advanced Payment.

3. **Legally Binding Agreement.** THIS AGREEMENT IS A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, PLEASE SEEK COMPETENT LEGAL ADVICE. NO WARRANTIES OR REPRESENTATIONS, OTHER THAN THOSE SPECIFIED IN THIS AGREEMENT, ARE EXPRESSED OR IMPLIED. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF SELLER. FOR CORRECT WARRANTIES AND REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THIS AGREEMENT, INCLUDING THE RIDERS AND ADDENDA ATTACHED HERETO, AND THE "**DOCUMENTS**" (AS SUCH TERM IS DEFINED IN RIDER B) PROVIDED TO BUYER, IF ANY.

4. **Financing.**

☐ **NO CONTINGENCY.** If this box is checked, this is a cash transaction and not contingent on financing. Buyer agrees to provide within five (5) calendar days from the Buyer's execution of this Agreement financial statements or other written verification of Buyer's ability to purchase the Property with cash. If Buyer does not (in Seller's sole judgment, based on the documentation provided by Buyer to Seller) have the financial ability to purchase the Property with cash, then Seller may terminate this Agreement by refunding to Buyer any paid Deposit.

☒ **MORTGAGE CONTINGENCY.** If this box is checked, this Agreement is contingent on Buyer obtaining a loan commitment within the Mortgage Contingency Period (as such term is defined in Rider B attached hereto) for a first mortgage loan from Universal American Mortgage Company, LLC (an affiliate of Seller), or another qualified institutional mortgage lender of Buyer's choice ("**Lender**"), with interest, term and service charges at current market rates at time of Closing (as defined below) for a borrower of

Buyer's credit qualifications (the "**Mortgage Contingency**"). Buyer agrees to apply within five (5) calendar days from the execution of this Agreement for a loan at the then prevailing interest rate and terms (the "**Mortgage Contingency Period**"). In the event Buyer chooses to obtain financing through a Lender other than Universal American Mortgage Company, LLC, Buyer agrees to promptly provide Seller, upon Seller's request, with the name, address and phone number of such Lender, the loan officer and the loan processor. Buyer shall furnish promptly and accurately to Lender all information and documents requested by Lender in connection with such application. If Buyer properly makes and pursues the loan application as provided herein but is unable to provide Seller with a copy of a written loan commitment reasonably satisfactory to Seller within the Mortgage Contingency Period, or if Buyer is at any time disapproved for such loan (and Buyer does not cancel or withdraw his/her loan application), then Seller, at its sole discretion, may cancel this Agreement by written notice to Buyer, at Buyer's last known address, in which event Seller shall refund any paid Deposit made by Buyer. If Buyer properly makes and pursues the loan application as provided herein but is unable to obtain mortgage loan financing, despite Buyer's good faith efforts to do so, and Buyer is not otherwise in default under this Agreement, and further provided that Buyer provides Seller with documentation from Lender that the loan has been declined, Buyer may cancel this Agreement by giving written notice to Seller within the Mortgage Contingency Period, in which event Seller shall refund any paid Deposit. If this Agreement provides for a VA guaranteed or FHA-insured loan, Buyer's obligation to complete the purchase contemplated under this Agreement is subject to the VA/FHA Addendum attached hereto and incorporated herein.

The following shall apply only if this Agreement is subject to the Mortgage Contingency, as indicated above:

4.1 Mortgage Loan. Unless Buyer shall have otherwise notified Seller in writing within the Mortgage Contingency Period, Buyer shall be conclusively presumed to have obtained the loan commitment or agreed to purchase the Property without mortgage financing, and the Mortgage Contingency shall be deemed to have been satisfied.

4.2 Application. Buyer understands that any loan application required under this Agreement must be fully completed in order to obtain the mortgage loan, and Buyer will make a good faith attempt to qualify for the mortgage loan. If Buyer has a spouse who does not constitute a Buyer under this Agreement, Buyer agrees to have his/her spouse sign the mortgage documents as required by Lender. BUYER AGREES TO INCUR NO DEBT SUBSEQUENT TO THE DATE HEREOF WHICH MIGHT JEOPARDIZE APPROVAL OF BUYER'S MORTGAGE LOAN. IF THE PROPERTY IS BEING PURCHASED BY A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, BUYER AGREES TO (1) OBTAIN ANY PERSONAL ENDORSEMENTS OR GUARANTEES REQUIRED BY LENDER AND (2) PROVIDE TO LENDER AND/OR THE TITLE INSURER PROMPTLY UPON REQUEST SUCH CERTIFICATES, RESOLUTIONS OR OTHER CORPORATE, PARTNERSHIP OR OTHER ORGANIZATIONAL DOCUMENTS AS MAY BE REQUIRED. Except as provided in this Agreement, Buyer agrees to pay all loan fees and closing costs charged by Lender in connection with the mortgage loan. Buyer will pay any prepaid interest due on the mortgage loan at the time of Closing and any amount Lender may require to be put into escrow toward the payment of property taxes and insurance on the Property. Buyer will also pay any mortgage insurance premiums (prepaid or otherwise), if required by Lender.

4.3 Commitment. Buyer understands that the rate of interest on the mortgage is established by Lender and not by Seller and that any predictions or representations of present or future interest rate that may have been contained in any advertising or promotion by Seller are not binding. If Buyer obtains a written mortgage loan commitment and the mortgage loan commitment is subsequently withdrawn through no fault of Seller including, but not limited to, any condition to such loan commitment not being satisfied for any reason (other than failure of the Property to appraise equal to or greater than the Total Purchase Price), this Agreement shall remain in full force and effect and Buyer shall be conclusively presumed to have agreed to purchase the Property without mortgage financing. If the Lender's appraiser does not appraise the Property for the Total Purchase Price then Seller shall have the option in, Seller's sole discretion, to (i) lower the Total Purchase Price to the appraised value and Buyer shall proceed to Closing, or (ii) terminate this Agreement and return the Deposits to Buyer. If Buyer obtains a loan commitment containing any special condition that is not ordinarily contained in typical loan commitments for the Community, Seller, in Seller's sole discretion, may treat Buyer's loan application as having been denied; whereupon, Seller shall have the rights set forth in this Section 4.

4.4 Sale of Other Residence. Unless the Home Sale Contingency Addendum is executed, Buyer represents and warrants that this Agreement and the mortgage loan referenced herein, are not and will not be subject to or contingent upon Buyer's selling and/or closing on the sale of Buyer's present residence or other property. Failure to close on the purchase of the Property will constitute a default by Buyer and the remedies available to Seller for Buyer's default under this Agreement shall apply.

5. **Funds**. Any funds paid by Buyer under the terms of this Agreement to Seller through a check or cashier's check are accepted by Seller subject to collection. Buyer acknowledges that Seller shall have the right to deposit such check for the Initial Deposit without such action being deemed acceptance of this Agreement. If any such check is not paid by the bank after acceptance of this Agreement, Seller shall have the option to cancel this Agreement and declare Buyer in default. If Buyer provides any check for a Deposit in the form of Canadian currency (a "**C$ check**"), Seller's depository bank will convert such C$ check into a U.S. dollar amount using its currency procedures and exchange rate then in effect two (2) business days following the date of processing (the "**Conversion Date**") and the amount of the Deposit to be applied toward the Total Purchase Price shall be equal to the amount received by Seller from the depository bank on the Conversion Date. Seller reserves the right to charge or pass through any currency conversion-related fees or costs to the Buyer at Closing (as hereafter defined). Notwithstanding the foregoing or anything contained in the Agreement to the contrary, the balance of the Total Purchase Price plus all applicable Closing Costs (the "**Closing Proceeds**") shall be paid to Seller at Closing by wire transfer in immediately available funds or by cashier's check (subject to collection) issued by a bank with a branch in the County where the Property is located. If Buyer delivers all or any portion of the Closing Proceeds in the form of a cashier's check exceeding $25,000.00, then Buyer will not be entitled to possession of the Home until the Closing Proceeds have cleared.

6. **Credit Information Authorization**. Buyer authorizes Lender to whom Buyer has applied or is in the process of applying for a mortgage loan in connection with this transaction to disclose to Seller the information contained in any loan application, verification of deposit, income and employment, and credit reports or credit related documentation on Buyer. Buyer authorizes Seller to order one or more credit reports from a consumer reporting agency to be used in connection with this transaction. The cost of said report(s) is (are) to be paid by Buyer. Buyer authorizes Seller to forward all copies of all or any portion of such report(s) without interpretation to Lender who (at the request of Buyer) will evaluate a potential extension of credit to Buyer in connection with this transaction. Buyer authorizes Lender, and any credit bureau or other person or entity utilized or engaged by Lender, to obtain one or more consumer reports regarding Buyer and to investigate any information, reference, statement, or data, provided to Lender by Buyer or by any other

person or entity, pertaining to Buyer's credit and financial status. Buyer shall indemnify, defend and hold harmless Seller, its officers, directors, shareholders, employees, agents, contractors, subcontractors and suppliers ("Indemnified Parties"), Lender, and any credit bureau or other person or entity utilized or engaged by Lender or Seller, from and against any deficiencies, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, awards, suits, costs or disbursements of any kind or nature whatsoever, including attorneys' fees and expenses ("Claims") arising from an investigation of Buyer's credit and financial status.

7. **Closing**. Without limiting the terms of Section 8, Buyer acknowledges and agrees that Seller has the right in its sole discretion to schedule the date, time and place for the closing of the transaction contemplated by this Agreement ("**Closing**") and Buyer shall close on such Closing Date (the "**Closing Date**"). Buyer will be given notice of the Closing Date, time and place by the "**Closing Date Notice Period**" (as such term is defined in Rider B attached hereto). Seller is authorized to postpone or advance the date of Closing at its discretion. Seller must, however, give Buyer reasonable notice of the new Closing Date. Any notice of Closing may be given verbally, by telephone, telegraph, telex, facsimile, mail, e-mail, or other means of communication at Seller's option. All notices of Closing will be given to Buyer at the address or by use of the telephone number(s) or e-mail address(es) specified on page 1 of this Agreement unless Seller has received written notice from Buyer of any change therein prior to the date notice of Closing is given. Buyer's failure to receive the notice of Closing because Buyer has failed to advise Seller of any changes of address or phone number, or because Buyer has failed to pick up a letter when Buyer has been advised of an attempted delivery or for any other reason, shall not relieve Buyer of Buyer's obligation to close on the scheduled Closing Date, unless Seller otherwise agrees in writing to postpone the Closing Date. To the extent not prohibited by applicable law, if Seller, in its sole discretion, agrees in writing to reschedule the Closing Date at Buyer's request, or because Buyer (if a corporation) has failed to produce all corporate documents requested by Seller, or for any other reason (except for delay required by Seller), then (1) Seller may impose a late charge as liquidated damages for such delay equal to One Hundred Twenty-Five Dollars ($125.00) per day for every day from the original Closing Date through the date that the transaction closes, and (2) Seller may require that prorations be made as of the original Closing Date. Buyer agrees the late charge is appropriate in order to cover Seller's administrative and other expenses resulting from a delay in Closing and that the amount of liquidated damages is fixed and agreed to by the parties as a reasonable estimate of the damages that Seller shall suffer and is not in the nature of a penalty. Seller is not required to agree to reschedule Closing, but Seller may reschedule Closing in Seller's sole discretion.

8. **Completion Date**. It is expressly agreed by Buyer that notwithstanding anything to the contrary specified herein or verbally represented (including but not limited to Seller's sales representative), any scheduled completion date is a good faith estimate, and Seller makes no promises or representations concerning the date of completion. Buyer agrees that Buyer has not relied, and will not rely upon, any estimated completion date for any purpose whatsoever, including, without limitation, relocation of residence, storage of personal property, or lock-in financing, and Buyer agrees that Seller shall not be liable for any additional costs, expenses or damages whatsoever should the Home not be completed by an estimated completion date. Notwithstanding the foregoing, Seller is required to complete and does agree that the construction of the Home shall be completed not later than two (2) years from the date of Buyer's execution of this Agreement. If construction is delayed by any event recognized by the law of the state in which the Home is located as a defense to a contract action for non-performance or a delay in performance, then the date of completion shall be extended by the delay period. It is the express intent of the parties that the parties' rights and obligations under this Agreement be construed in the manner necessary to exempt this Agreement and the sale of the Property from registration under the Interstate Land Sales Full Disclosure Act, and both Buyer and Seller hereby expressly waive any right or provision of this Agreement that would otherwise preclude such exemption.

9. **Casualty Before Closing**. If the Property is damaged by fire, act of terrorism or other casualty before Closing and the cost of restoration does not exceed three percent (3%) of the Total Purchase Price and repairs will not substantially delay Closing, Seller shall repair the damage and Closing shall proceed pursuant to the terms of this Agreement. If the cost of restoration exceeds three percent (3%) of the Total Purchase Price or the repairs would substantially delay Closing, Buyer shall have the option to: (1) terminate this Agreement and receive a refund of the Deposit made by Buyer to Seller, in which event both parties shall be released from all obligations under this Agreement, or (2) have Seller repair the damage as soon as reasonably possible, and Closing shall be extended until such repair or rebuilding is complete.
Notwithstanding the foregoing, if all or a portion of the Property is damaged by fire, act of terrorism or other casualty and (1) the plans, specifications or construction materials for the Property must be materially modified in order to repair or reconstruct the Property, or (2) the repair or reconstruction of the Property substantially in accordance with the plans and specifications is rendered impossible by any cause recognized by the law of the state in which the Property is located as a defense to a contract action for non-performance, then Seller shall have the right to terminate this Agreement and Buyer shall receive a refund of the Deposit made by Buyer to Seller in which event both parties shall be released from all obligations under this Agreement.

10. **Deed**. Seller shall convey title to Buyer at Closing by delivery to Buyer of a General Limited Warranty Deed (the "**Deed**") describing the Property, which Deed shall convey title to Buyer subject to all matters described in this Agreement.

11. **Closing and Title Matters**. Title to the Property to be delivered to Buyer at Closing will be marketable and insurable, subject only to the following matters:

11.1 Title to the Property shall be subject to the following: (1) zoning, building codes, bulkhead laws, ordinances, regulations, rights or interests vested in the United States of America or the state in which the Community is located; (2) real estate taxes and other taxes for the year of conveyance and subsequent years including taxes or assessments of any special taxing or community development district (including assessments relating to capital improvements and bonds); (3) the general printed exceptions contained in an owner's title insurance policy; (4) utility easements, sewer agreements, telephone agreements, cable agreements, telecommunications agreements, monitoring agreements, restrictions and reservations common to any plat affecting title to the Property; (5) matters that would be disclosed by an accurate survey or inspection of the Property; (6) the Documents; (7) any laws and restrictions, covenants, conditions, limitations, reservations, agreements or easements recorded in the public records for the County (for example, use limitations and obligations, easements (right-of-way) and agreements relating to telephone, gas or electric lines, water and sewer lines and drainage, provided they do not prevent use of the Property for single family residential purposes); (8) minor encroachments on easements that do not substantially interfere with an easement holder's interest in the Property; and (9) acts done or suffered by Buyer and any mortgage or deed of trust obtained by Buyer for the purchase of the Property. It is Buyer's responsibility to review and become familiar with each of the foregoing title matters, some of which are covenants running with the land. If any title defects are discovered by Buyer after Closing, Buyer's sole remedy shall be to make a claim to Buyer's title insurer.

11.2 Seller shall convey title to Buyer at Closing by delivery to Buyer of the Deed, which shall convey title to Buyer subject to all matters described in Section 11.1 of this Agreement. Any such matters omitted from the Deed shall nevertheless be deemed to be included in the Deed.

11.3 Seller shall provide an affidavit complying with the Foreign Investment in Real Property Tax Act of 1980, as amended, upon written request of Buyer.

11.4 Seller may not own title to the Property as of the date of this Agreement or at Closing. However, Seller shall obtain title to the Property on or before the Closing Date or effect the necessary transfer of title on or before the date when Seller causes title to be transferred to Buyer.

11.5 If Seller cannot provide marketable and insurable title as described above, such failure shall not be an event of default and Seller will have a reasonable period of time (at least one hundred and twenty (120) days from the date of the scheduled Closing Date) to attempt to correct any defects in title; provided, however, Seller shall not be obligated to incur any expense, nor institute any litigation, to clear title to the Property. If Seller cannot or elects not to correct the title defects, Seller shall so notify Buyer within such period, and Buyer may thereafter elect (by written notice from Buyer to Seller) one of the following two (2) options: (1) to accept title in the condition offered (with defects) and pay the balance of the Total Purchase Price for the Property (without set off or deduction therefor), thereby waiving any claim with respect to such title defects and Buyer will not make any claims against Seller because of the title defects; or (2) to terminate this Agreement and receive a full refund of the Deposit deposited hereunder. If all such amounts are refunded, Buyer agrees to accept it as full payment of Seller's liability hereunder, whereupon this Agreement shall be terminated and Seller shall thereafter be relieved and released of all further liability hereunder. Buyer shall not thereafter have any rights to make any additional claims against Seller. In the event Buyer does not notify Seller in writing within five (5) calendar days from the receipt of Seller's notice (time being strictly of the essence) as to which option Buyer elects, Buyer shall be conclusively presumed to have elected option (1) set forth above in this subsection.

11.6 The acceptance of the Deed by Buyer shall be deemed to be full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to this Agreement, except those which are herein specifically deemed to survive Closing or which may survive by operation of law, if any.

11.7 Title to the Property will be deemed marketable if an owner's policy is issued with standard exceptions.

11.8 All of the terms of this Section 11 shall survive Closing and the delivery of the Deed.

12. **Closing Costs**. The respective responsibilities of Buyer and Seller for all costs, prorations and fees payable at Closing (the "**Closing Costs**") are shown in Rider B attached hereto.

13. **Site and Substitutions**. The materials, equipment and fixtures included in and to be used in constructing the Home will be substantially the same as or similar in quality to those described in the applicable plans and specifications (except as to extras, options and/or upgrades).

13.1 Changes to Plans and Specifications.

13.1.1 Industry Practice. It is widely observed construction industry practice for pre-construction plans and specifications for any home or building to be changed and adjusted from time to time in order to accommodate on-going site conditions and in the field construction factors. These changes and adjustments are essential in order to permit all components of the Home to be integrated into a well-functioning and aesthetically pleasing product in an expeditious manner. Based on the foregoing, Buyer acknowledges that such changes and adjustments may occur and agrees that it is reasonable and to Buyer's benefit to allow Seller the flexibility to make such changes and adjustments to the Home.

13.1.2 Seller's Absolute Right to Make Modifications to Plans and Specifications. Seller has the absolute right to make modifications to the plans and specifications for the Home. Without limiting the generality of the foregoing, Buyer specifically agrees that changes in the dimensions of rooms and patios, entrances and terraces, if applicable, and changes in room size, in the locations of windows, doors, walls, partitions, utility lead-ins and outlets (including, but not limited to, electrical, cable television, and telephone), air-conditioning components, lighting fixtures and electrical panel boxes may be made by Seller in its sole discretion, provided however that changes in the layout and dimensions of the Home shall not substantially affect the value of the Home. Such changes may also include, but are not limited to, changes in the building location, setbacks and facing, the building's external configuration, its structural components, its finishes and the landscaping associated therewith.

13.1.3 Buyer's Acceptance of Actual Floor Plan. Buyer further understands and acknowledges that many of the Homes to be constructed within the Community require floor plans which are opposite (i.e. flipped) mirror images of the model floor plan and Buyer fully understands and accepts the floor plan configuration for the Home and improvements to be constructed within the Home.

13.1.4 No Warranty for Plans and Specifications on File. Buyer further acknowledges and agrees that (1) the plans and specifications of the Home and the Community on file with the applicable governmental authorities may not be identical in detail to Seller's plans and specifications, and (2) because of the day-to-day nature of the changes described in this Section 13, the plans and specifications on file with the applicable governmental authorities may not include some or any of these changes (there being no legal requirement to file all changes with such authorities). As a result of the foregoing, Buyer and Seller both acknowledge and agree that the Home and the Community may not be constructed in accordance with the plans and specifications on file with the applicable governmental authorities. Without limiting the generality of the provisions of Rider B attached hereto, Seller disclaims and Buyer waives any and all express or implied warranties that construction will be accomplished in compliance with such plans and specifications. Seller has not given and Buyer has not relied on or bargained for any such warranties. In furtherance of the foregoing, in the event of any conflict between the actual construction of the Home and/or the

Community, and that which is set forth on the plans and specifications, Buyer agrees that the actual construction shall prevail and to accept the Home and Community as actually constructed (in lieu of what is set forth on the plans and specifications).

13.2 Lot Change. In the event that Seller, in its sole discretion, determines that the Model of the Home selected under this Agreement cannot reasonably be built on the Homesite, then Buyer and Seller hereby agree that they will negotiate in good faith to relocate the Home to another lot in the Community, provided however that there are lots available for sale. If no replacement lot is available, then Buyer may terminate this Agreement and will be entitled to a refund of any paid Deposit.

13.3 Decorative and Landscaping Items.

13.3.1 Buyer understands and agrees that certain of the finishing items, such as tile, marble, carpet, cabinets, stone, brickwork, wood, paint, stain and mica are subject to size and color variations, grain and quality variations, and may vary in accordance with price, availability and changes by manufacturers from those shown in the model, if any, or in illustrations or brochures or those included in the specifications. Furthermore, if circumstances arise that, in Seller's opinion, warrant changes of subcontractors, suppliers, manufacturers, brand names or items, Seller reserves the right to substitute equipment, materials, appliances, etc., which in Seller's opinion are considered to be of quality substantially similar or equal, or of better quality, subject to their availability. Buyer also understands that Seller has the right to substitute or change materials and/or stain colors utilized in wood decor, if any.

13.3.2 Lot grades, lot area, options, facades, shrubs, trees, trim, built-ins, wall treatments, window treatments, furniture, furnishings, fences, decks, locations of walks, driveways and other items in or about a model home area in the subdivision are for display purposes only and are not included in the Total Purchase Price unless otherwise expressly provided herein. Seller has the right to remove any existing trees on the Property or on the surrounding area for any reason. Buyer further understands and agrees that the following items (which may be seen in models or shown in illustrations) will also not be included with the sale of the Home: wall coverings, paint colors, accent light fixtures, wall ornaments, drapes, blinds, bedspreads, furniture, furnishings, wet bars, monitoring systems, certain built-in fixtures, special floor coverings, wood trim, upgraded items and/or any other items of this nature which may be added or deleted from time to time. This list of items (which is not all-inclusive) is provided as an illustration of the type of items built-in or placed upon models or shown in illustrations strictly for purposes of decoration and example only.

13.4 Deed. By acceptance of the Deed, Buyer accepts all variations of the Home.

13.5 Survival. All of the terms of this Section 13 shall survive Closing and the delivery of the Deed.

14. **Buyer's Default.** In the event of Buyer's default and to the extent allowed by law, Seller shall be entitled to keep, as liquidated damages and not as a penalty, Buyer's Deposit not to exceed fifteen percent (15%) of the Total Purchase Price, except that Seller may, in addition, keep, as liquidated damages and not as a penalty, any and all Advanced Payments made by Buyer to Seller for options, extras or upgrades for which Seller has made contractual commitments or incurred liability by placing orders or otherwise. Buyer agrees that actual damages in the event of breach by Buyer would be costly and difficult to calculate, and that such liquidated damages are a fair and reasonable remedy and shall not be considered a penalty. The provisions of this Section shall survive the termination of this Agreement.

15. **Seller's Default.** In the event of Seller's default and to the extent allowed by law, Buyer may recover actual damages but shall not be entitled to special, consequential or punitive damages. Notwithstanding the foregoing, Buyer retains all remedies at law and in equity with respect to Seller's obligation to complete the Home within two (2) years pursuant to Section 8 above. The provisions of this Section shall survive the termination of this Agreement.

16. **Mediation / Arbitration of Disputes.**

16.1 The parties to this Agreement specifically agree that this transaction involves interstate commerce and that any Dispute (as hereinafter defined) shall first be submitted to mediation and, if not settled during mediation, shall thereafter be submitted to binding arbitration as provided by the Federal Arbitration Act (9 U.S.C. §§1 et seq.) and not by or in a court of law or equity. "Disputes" (whether contract, warranty, tort, statutory or otherwise), shall include, but are not limited to, any and all controversies, disputes or claims (1) arising under, or related to, this Agreement, the Property, the Community or any dealings between Buyer and Seller; (2) arising by virtue of any representations, promises or warranties alleged to have been made by Seller or Seller's representative; and (3) relating to personal injury or property damage alleged to have been sustained by Buyer, Buyer's children or other occupants of the Property, or in the Community. Buyer has executed this Agreement on behalf of his or her children and other occupants of the Property with the intent that all such parties be bound hereby. Any Dispute shall be submitted for binding arbitration within a reasonable time after such Dispute has arisen. Nothing herein shall extend the time period by which a claim or cause of action may be asserted under the applicable statute of limitations or statute of repose, and in no event shall the Dispute be submitted for arbitration after the date when institution of a legal or equitable proceeding based on the underlying claims in such Dispute would be barred by the applicable statute of limitations or statute of repose.

16.2 Any and all mediations commenced by any of the parties to this Agreement shall be filed with and administered by the American Arbitration Association or any successor thereto ("AAA") in accordance with the AAA's Home Construction Mediation Procedures in effect on the date of the request. If there are no Home Construction Mediation Procedures currently in effect, then the AAA's Construction Industry Mediation Rules in effect on the date of such request shall be utilized. Any party who will be relying upon an expert report or repair estimate at the mediation shall provide the mediator and the other parties with a copy of the reports. If one or more issues directly or indirectly relate to alleged deficiencies in design, materials or construction, all parties and their experts shall be allowed to inspect, document (by photograph, videotape or otherwise) and test the alleged deficiencies prior to mediation. Unless mutually waived in writing by the parties, submission to mediation is a condition precedent to either party taking further action with regard to any matter covered hereunder.

16.3 If the Dispute is not fully resolved by mediation, the Dispute shall be submitted to binding arbitration and administered by the AAA in accordance with the AAA's Home Construction Arbitration Rules in effect on the date of the request. If there

are no Home Construction Arbitration Rules currently in effect, then the AAA's Construction Industry Arbitration Rules in effect on the date of such request shall be utilized. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Dispute. If the claimed amount exceeds $250,000.00 or includes a demand for punitive damages, the Dispute shall be heard and determined by three arbitrators; however, if mutually agreed to by the parties, then the Dispute shall be heard and determined by one arbitrator. Arbitrators shall have expertise in the area(s) of Dispute, which may include legal expertise if legal issues are involved. All decisions respecting the arbitrability of any Dispute shall be decided by the arbitrator(s). At the request of any party, the award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

16.4 The waiver or invalidity of any portion of this Section shall not affect the validity or enforceability of the remaining portions of this Section. Buyer and Seller further agree (1) that any Dispute involving Seller's affiliates, directors, officers, employees and agents shall also be subject to mediation and arbitration as set forth herein, and shall not be pursued in a court of law or equity; (2) that Seller may, at its sole election, include Seller's contractors, subcontractors and suppliers, as well as any warranty company and insurer as parties in the mediation and arbitration; and (3) that the mediation and arbitration will be limited to the parties specified herein.

16.5 To the fullest extent permitted by applicable law, Buyer and Seller agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any other arbitration, judicial, or similar proceeding shall be given preclusive or collateral estoppel effect in any arbitration hereunder unless there is mutuality of parties. In addition, Buyer and Seller further agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any arbitration hereunder shall be given preclusive or collateral estoppel effect in any other arbitration, judicial, or similar proceeding unless there is mutuality of parties.

16.6 Unless otherwise recoverable by law or statute, each party shall bear its own costs and expenses, including attorneys' fees and paraprofessional fees, for any mediation and arbitration. Notwithstanding the foregoing, if a party unsuccessfully contests the validity or scope of arbitration in a court of law or equity, the noncontesting party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in defending such contest, including such fees and costs associated with any appellate proceedings. In addition, if a party fails to abide by the terms of a mediation settlement or arbitration award, the other party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in enforcing such settlement or award.

16.7 Buyer may obtain additional information concerning the rules of the AAA by visiting its website at www.adr.org or by writing the AAA at 335 Madison Avenue, New York, New York 10017.

16.8 Seller supports the principles set forth in the Consumer Due Process Protocol developed by the National Consumer Dispute Advisory Committee and agrees to the following:

16.8.1 Notwithstanding the requirements of arbitration stated in Section 16.3 of this Agreement, Buyer shall have the option, after pursuing mediation as provided herein, to seek relief in a small claims court for disputes or claims within the scope of the court's jurisdiction in lieu of proceeding to arbitration. This option does not apply to any appeal from a decision by a small claims court.

16.8.2 Seller agrees to pay for one (1) day of mediation (mediator fees plus any administrative fees relating to the mediation). Any mediator and associated administrative fees incurred thereafter shall be shared equally by the parties.

16.8.3 The fees for any claim pursued via arbitration in an amount of $10,000.00 or less shall be apportioned as provided in the Home Construction Arbitration Rules of the AAA or other applicable rules.

16.9 Notwithstanding the foregoing, if either Seller or Buyer seeks injunctive relief, and not monetary damages, from a court because irreparable damage or harm would otherwise be suffered by either party before mediation or arbitration could be conducted, such actions shall not be interpreted to indicate that either party has waived the right to mediate or arbitrate. The right to mediate and arbitrate should also not be considered waived by the filing of a counterclaim by either party once a claim for injunctive relief had been filed with a court.

16.10 Buyer and Seller specifically agree that notwithstanding anything to the contrary, the rights and obligations set forth in this Section 16 shall survive (1) Closing and the delivery of the Deed; (2) the termination of this Agreement by either party; or (3) the default of this Agreement by either party.

17. **Other Dispute Resolutions**. Notwithstanding the parties' obligation to submit any Dispute to mediation and arbitration, in the event that a particular dispute is not subject to the mediation or the arbitration provisions of Section 16, then the parties agree to the following provisions: **BUYER ACKNOWLEDGES THAT JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS AGREEMENT ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. BUYER AND SELLER AGREE THAT ANY DISPUTE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY. BUYER AND SELLER HEREBY WAIVE THEIR RESPECTIVE RIGHT TO A JURY TRIAL. SELLER HEREBY SUGGESTS THAT BUYER CONTACT AN ATTORNEY OF BUYER'S CHOICE IF BUYER DOES NOT UNDERSTAND THE LEGAL CONSEQUENCES OF EXECUTING THIS AGREEMENT.** All of the terms of this Section 17 shall survive Closing and the delivery of the Deed.

18. **Selling Agent, Cooperating Broker, and Seller's New Home Consultant**. Unless a Purchase Price and Payment Addendum indicating otherwise is attached hereto, Buyer represents to Seller that Buyer has not consulted, dealt or negotiated with a real estate broker, salesperson or agent other than Seller's sales personnel located at Seller's sales office. Buyer agrees that Seller is not responsible for the payment of a commission to a real estate broker, salesperson or agent other than Seller's sales personnel. Buyer shall indemnify, defend and hold harmless Indemnified Parties from and against any and all Claims resulting from or arising out of any representation or breach of a representation or warranty set forth in this Section. In addition, Buyer acknowledges and

understands that Seller's New Home Consultant ("NHC") and Internet New Home Consultant ("INHC") are agents of Seller, are acting solely for the Seller's interests, and are not acting in any representative capacity for Buyer. Buyer should not disclose any information to Seller's NHC and/or INHC that Buyer considers to be confidential or otherwise does not want disclosed to Seller.

Buyer's Initials _____ _____

19. **Construction Activities**. ALL OWNERS, OCCUPANTS AND USERS OF THE COMMUNITY ARE HEREBY PLACED ON NOTICE THAT (1) SELLER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES, AND/OR (2) ANY OTHER PARTIES, WILL BE, FROM TIME TO TIME, CONDUCTING BLASTING, EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO THE COMMUNITY. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF THE COMMUNITY, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (1) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (2) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO THE AREA OF THE COMMUNITY WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (3) TO THE EXTENT PERMITTED OR NOT PROHIBITED UNDER APPLICABLE LAW, SELLER AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT RESULTING DIRECTLY FROM SELLER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, (4) ANY PURCHASE OR USE OF ANY PORTION OF THE COMMUNITY HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING AND (5) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO SELL, CONVEY, AND/OR ALLOW THE USE OF THE PROPERTY.

20. **Dangerous Condition; Construction Work.**

20.1 Buyer understands and agrees that the Property is a construction site and that the Property and the improvements, equipment and supplies thereon constitute a danger to those who may enter on the Property. Buyer shall not enter onto the Property prior to Closing unless authorized and accompanied by Seller's representative. Any unauthorized, unaccompanied entry by Buyer shall constitute a breach of this Agreement by Buyer, at Seller's election. Moreover, any entry by Buyer onto the Property prior to Closing shall be done at Buyer's own risk and in compliance with all federal, state and local safety laws and regulations. To the extent permitted or not prohibited by applicable law, Buyer waives, releases and shall indemnify, defend and hold harmless Indemnified Parties from and against any Claims made by Buyer, Buyer's family members or guests, as a direct or indirect result of any such unauthorized, unaccompanied entry onto the Property.

20.2 Buyer agrees that supervision and direction of the working forces, including, without limitation, all contractors and subcontractors, is to be done exclusively by Seller, and Buyer agrees not to issue any instructions to the working forces or otherwise hinder construction or installation of improvements on the Property. Buyer shall not do or have any work done on the Property, nor may Buyer store any possessions thereon, prior to Closing and transfer of title to the Property to Buyer.

20.3 Buyer agrees that any and all controversies, disputes and claims arising under this Section shall be resolved through binding arbitration in accordance with the terms of this Agreement.

20.4 All of the terms of this Section 20 shall survive Closing and the delivery of the Deed.

21. **OFAC**. Executive Order 13224 requires all United States entities and persons to block assets and not transact business with entities, countries and persons (specifically designated nationals) set forth by the Office of Foreign Asset Control ("OFAC"). This requirement applies to all homebuilding entities in The Lennar Family of Builders (including but not limited to Seller), Universal American Mortgage Company, LLC and all of its affiliates, and North American Title Company and all of its affiliates (collectively, the "Lennar Affiliates"). Accordingly, each of Seller and the Lennar Affiliates will check current OFAC lists and other publications in connection with each potential transaction, loan, or home sale. In order to check the OFAC list, Buyer must provide to Seller a Government-issued identification card (this might include a driver's license, birth certificate, passport or resident alien card). To the extent Buyer (or any single person or entity constituting a part of Buyer) matches a name or entity on any such OFAC list or publication, the transactions with Buyer contemplated under or in connection with this Agreement will be immediately suspended, and Buyer shall be reported as instructed by the OFAC.

22. **Agreement not to be Recorded**. Buyer covenants that Buyer shall not record this Agreement (or any memorandum thereof) in the Public Records of the County. Buyer agrees, if Buyer records this Agreement, to pay all of Seller's attorneys' fees, paraprofessional fees and expenses incurred in removing the cloud on title caused by such recordation. Seller's rights under this Section shall be in addition to Seller's remedies for Buyer's default provided elsewhere in this Agreement.

23. **Transfer, Assignment and Persons Bound**. Buyer agrees that Buyer will not, and does not have the right to, assign, sell or transfer Buyer's interest in this Agreement (whether voluntarily or by operation of law or otherwise) without Seller's prior written consent. If Buyer is a corporation, other business entity, trustee or nominee, a transfer of any material equity or beneficial or principal interest shall constitute an assignment of this Agreement. If Buyer attempts to assign this Agreement in violation of this Section, Seller can declare Buyer in default and Seller shall be entitled to all remedies available under this Agreement. Buyer agrees that Seller may withhold its consent with or without any reason or condition in any manner it chooses (if it gives it at all) and may charge Buyer a reasonable amount to cover administrative costs incurred in considering whether or not to grant consent. If Buyer dies or in any way loses legal control of his/her affairs, this Agreement will bind his/her heirs and legal representatives. If Buyer has received Seller's permission to assign or transfer this Agreement, then Buyer's approved assignees shall be bound by the terms of this Agreement. If more than one person signs this Agreement as Buyer, each such person shall be jointly and severally liable for full performance of all of Buyer's duties and obligations hereunder.

24. TIME OF THE ESSENCE. BUYER ACKNOWLEDGES THAT TIME IS OF THE ESSENCE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED UNDER THIS AGREEMENT.

25. **Interpretation and Computation of Time**. The use of the masculine gender in this Agreement shall be deemed to refer to the feminine or neuter gender, and the singular shall include the plural, and vice versa, whenever the context so requires. This Agreement reflects the negotiated agreement of the parties. Each party acknowledges that they have been afforded the opportunity to seek competent legal counsel, and each have made an informed choice as to whether or not to be represented by legal counsel. Accordingly, this Agreement shall be construed as if both parties jointly prepared it, and no presumption against one party or the other shall govern the interpretation or construction of any of the provisions of this Agreement. Any reference in this Agreement to the time periods of less than five (5) days shall, in the computation thereof, exclude Saturdays, Sundays and legal holidays. Any reference in this Agreement to time periods of five (5) days or more shall, in computation thereof, include Saturdays, Sundays and legal holidays. If the last day of any such period is a Saturday, Sunday or legal holiday, the period shall be extended to 5:00 p.m. on the next full business day. The section headings in this Agreement are for convenience only and shall not affect the meaning, interpretation or scope of the provisions which follow them.

26. **Notice**. Except as provided in the Closing Section of this Agreement with respect to notices of the scheduled Closing Date, any notice required or permitted to be given in connection with this Agreement shall be in writing and sent by United States certified mail with return receipt requested, professional overnight courier or electronic transmission (with confirmation and copy by (1) certified mail, if Buyer's address is within the United States or (2) overnight professional courier, if to a Buyer whose address is outside of the United States) to Buyer or Seller at the addresses on Page 1 of this Agreement (unless Seller has received written notice from Buyer of any change therein prior to the date such notice is given), and additionally to Seller by hand delivery at Seller's sales office. All notices shall only be effective upon receipt or refusal to accept receipt (by failure to accept delivery or otherwise).

27. **Waiver**. Seller's waiver of any of its rights or remedies shall not operate to waive any other of Seller's rights or remedies or to prevent Seller from enforcing the waived right or remedy in another instance.

28. **Incorporation and Severability**. The explanations and disclaimers set forth in the Documents are incorporated into this Agreement. In the event that any clause or provision of this Agreement shall be void or unenforceable, such clause or provision shall be deemed deleted so that the balance of this Agreement is enforceable.

29. **Governing Law**. Any disputes that develop under this Agreement or questions regarding the interpretation of this Agreement will be settled according to the law of the state where the Property is located to the extent federal law is not applicable.

30. Entire Agreement. BUYER CERTIFIES THAT BUYER HAS READ EVERY PROVISION OF THIS AGREEMENT, WHICH INCLUDES EACH RIDER AND ADDENDUM ATTACHED HERETO AND THAT THIS AGREEMENT, TOGETHER WITH EACH SUCH RIDER AND ADDENDUM, CONSTITUTES THE ENTIRE AGREEMENT BETWEEN BUYER AND SELLER. PRIOR AGREEMENTS, REPRESENTATIONS, UNDERSTANDINGS, AND ORAL STATEMENTS NOT REFLECTED IN THIS AGREEMENT HAVE NO EFFECT AND ARE NOT BINDING ON SELLER. BUYER ACKNOWLEDGES THAT BUYER HAS NOT RELIED ON ANY REPRESENTATIONS, NEWSPAPERS, RADIO OR TELEVISION ADVERTISEMENTS, WARRANTIES, STATEMENTS, OR ESTIMATES OF ANY NATURE WHATSOEVER, WHETHER WRITTEN OR ORAL, MADE BY SELLER, SALES PERSONS, AGENTS, OFFICERS, EMPLOYEES, CO-OPERATING BROKERS (IF ANY) OR OTHERWISE EXCEPT AS HEREIN SPECIFICALLY REPRESENTED. BUYER HAS BASED HIS/HER/THEIR DECISION TO PURCHASE THE PROPERTY ON PERSONAL INVESTIGATION, OBSERVATION AND THE DOCUMENTS.

31. **Modification**. This Agreement is the entire agreement for the sale and purchase of the Property and once it is signed by both Buyer and a Division Agent or Officer of Seller, it can only be amended by a written agreement signed by both Buyer and Seller.

32. **Additional Changes**. Notwithstanding Section 32 of this Agreement, Buyer agrees that it may be necessary (at any time and from time to time) after Buyer executes this Agreement for Seller, and/or the developer or declarant under the Documents, to change the terms and provisions of this Agreement and/or the Documents to comply with and conform to the rules and regulations (as same may exist and as same may be promulgated from time to time) of any governmental agency, subdivision or authority or court of competent jurisdiction and Buyer consents to all such changes. Notwithstanding Section 32 of this Agreement, Seller, and/or the developer or declarant under the Documents, shall have the right to amend all Documents for development or other purposes, and Buyer consents to all such amendments.

33. **Inducement**. Buyer acknowledges that the sole inducement to close on the purchase of the Property is the Property itself and not (1) the common facilities comprising part of the Community, if any, or (2) any expectation that the Property will increase in value.

34. **Reservation of Easement**. For the purpose of completing the construction and servicing of the Property and Community, Seller hereby reserves an easement of ingress and egress for itself and its successors and assigns, and each of their respective agents, employees, materialmen and subcontractors, over, under and upon the Property for a period of one (1) year after Closing. Seller shall provide reasonable notice to Buyer before exercising easement rights granted herein. All of the terms of this Section 35 shall survive Closing and the delivery of the Deed.

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35. **Riders and Addenda**. This Agreement consists of nine (9) pages and the following Riders and Addenda, which are attached hereto and by this reference made a part of this Agreement:

Check all that apply:

- [x] Rider B
- [x] Rider A
- [x] Affiliated Business Arrangements Disclosure Statement
- [x] Master Disclosure and Information Addendum
- [x] Cooperating Broker Agreement
- [x] Election Form Addendum
- [x] FHA/VA Addendum
- [ ]
- [ ] Home Sale Contingency Addendum
- [x] Purchase Price and Payment Addendum
- [x] Cooperating Broker Addendum
- [x] Indoor Environmental Quality Disclosure Addendum
- [x] Insulation Addendum
- [ ]
- [ ]

36. **Survival**.

36.1 Buyer and Seller agree that it is their express intent that the Sections and documents listed below, together with any other terms in this Agreement that expressly so state, as well as any terms that may survive by operation of law, notwithstanding if the Section, document or term has a survival provision thereto, shall not be merged into the Deed and that these Sections and documents shall survive Closing and the delivery of the Deed: Section 11, Closing and Title Matters; Section 13, Site and Substitutions; Section 16, Mediation / Arbitration of Disputes; Section 17, Other Dispute Resolutions; Section 18, Selling Agent and Cooperating Broker; Section 19, Construction Activities; Section 20, Dangerous Conditions; Construction Work; Section 35, Reservation of Easement; Section 5 of Rider B, Warranties; Section 2 of the Indoor Environmental Quality Disclosure; Cooperating Broker Addendum, in its entirety; and, Master Disclosure and Information Addendum to Purchase and Sale Agreement, in its entirety.

36.2 Buyer and Seller agree that it is their express intent that the Sections and documents listed below, together with any other terms in this Agreement that expressly so state, as well as any terms that may survive by operation of law, notwithstanding if the Section, document or term has a survival provision thereto, shall survive termination of this Agreement: Section 14, Buyer's Default; Section 15, Seller's Default; Section 16, Mediation / Arbitration of Disputes, Section 17, Other Dispute Resolutions; Section 23, Transfer, Assignment and Persons Bound; and Section 6 of Rider B, Documents.

37. **Offer to Purchase/Effective Date**. This Agreement, when executed by Buyer and delivered to Seller, together with the Initial Deposit specified hereunder, shall constitute an offer by Buyer to purchase the Property in accordance with the terms and conditions provided herein, and shall not be binding upon Seller until such time as a Division Agent or Officer of Seller has executed this Agreement. The date of such acceptance is the "**Effective Date**" of this Agreement. In the event Buyer's offer is not accepted by Seller, all paid Deposits made by Buyer to Seller to date shall be returned to Buyer, and Buyer's offer shall be deemed withdrawn.

38. **Counterparts and Signatures**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument. Signatures may be given via electronic transmission and shall be deemed given as of the date and time of the transmission of this Agreement to the other party.

**THE INITIAL DEPOSIT HAS BEEN RECEIVED BY SELLER SUBJECT TO CLEARANCE.**

SELLER: Lennar Carolinas, LLC

New Home Consultant - Samuel Broadway
Date: 9/26/11

**THIS AGREEMENT IS NOT BINDING ON SELLER UNTIL ACCEPTED BELOW BY AN AUTHORIZED AGENT OF SELLER.**

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date: 9/26/11

**Buyer - Danny Morrow**
**Date:** 9/25/11

**Buyer - ~~Ellen Morrow~~**
**Date:**

**Buyer -**
**Date:**

**Buyer -**
**Date:**

## ELECTION FORM ADDENDUM

**THIS ELECTION FORM ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the Twenty-Fifth day of September, 2011, between Danny Morrow, ~~Ellen Morrow~~ (collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0005 of Building/Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to every other addendum attached to the Agreement, which are hereby incorporated by this reference.

2. **Affiliated Business**. Seller has given Buyer notice in the Affiliated Business Arrangement Disclosure Statement that Seller has business relationships with Universal American Mortgage Company, LLC ("**UAMC**") and North American Title Company, and its affiliate, North American Title Insurance Corporation (collectively, "**North American**"). Buyer is hereby informed that Buyer is not obligated to use an affiliated business of Seller as a condition to the sale of the Home.

3. **Deposits**. Seller's standard practice within the Community is to require the following earnest money deposits:

3.1 Minimum of $1,000 for owner-occupants on homes priced up to $165,000.

3.2 Minimum of ~~$2,000~~ $5000.00 for owner-occupants on homes priced above $165,000.

3.3 Minimum of $5,000 for non owner-occupants.

3.4 Buyer represents, covenants and warrants to Seller that Buyer is purchasing the Home (check one):

☒ as an owner-occupant.

☐ not as an owner-occupant.

☐ as a cash buyer.

Buyer: _____ _____

3.5 In the event of Buyer's default and to the extent allowed by law, Seller shall be entitled to keep, as liquidated damages and not as a penalty, Buyer's Deposit. Buyer agrees that actual damages in the event of breach by Buyer would be costly and difficult to calculate, and that such liquidated damages are a fair and reasonable remedy and shall not be considered a penalty.

4. **Mortgage Loan and Title Insurance**.

4.1 Buyer agrees to pay all loan and closing costs in connection with this transaction.

4.2 By checking one of the boxes below and initialing below the selected text, Buyer hereby selects the lender and/or title insurance company that Buyer will use in connection with the purchase of the Home.

4.2.1 ☒ Buyer elects to use UAMC (or such other lender named on the Approved Lender Addendum).

Buyer's Initials: _____ _____

4.2.2 ☐ Buyer intends to purchase the Home without financing.

Buyer's Initials: _____ _____

4.2.2 ☐ Buyer elects to use a lender other than UAMC (or such other lender named on the Approved Lender Addendum) as its Lender.

Buyer's Initials: _____ _____

4.3 Seller will pay up to $ 5,500.00 toward Buyer's Closing Costs.

4.4 Seller will not accept a Purchase Agreement, without a pre-approval Letter (not a pre-qualification letter), for the loan amount from a lender. Buyer must provide written loan approval within 30 days from approval of the Agreement.

5. **Closing Attorney**.

5.1 By checking the box below and initialing below the selected text, Buyer hereby selects the closing attorney that Buyer will use in connection with the purchase of the Home.

5.1.1 ☒ Buyer elects to use Seller's closing attorney, Richard E. Leister (Myrtle Beach), or Buist, Byars & Taylor (Charleston).

Buyer's Initials: _____ _____

Buyer is hereby notified and acknowledges that Buyer is not required to use Seller's closing attorney as a condition to purchasing the Home. There are other closing attorneys available who can represent Buyer in this transaction. If Buyer desires to engage an attorney to represent

Buyer, then Buyer may do so at Buyer's sole expense and will not receive the incentives set forth below. If Buyer elects to use Seller's closing attorney, Seller's closing attorney will represent Seller and Buyer in this transaction, and Seller's closing attorney cannot offer substantive legal advice to either party in connection with the sale and purchase of the Home. BUYER HAS CERTAIN RIGHTS IN CONNECTION WITH THIS TRANSACTION, AND SELLER ENCOURAGES BUYER TO CONSULT WITH ITS OWN ATTORNEY ABOUT SUCH RIGHTS, INCLUDING BUYER'S USE OF SELLER'S CLOSING ATTORNEY TO PURCHASE THE HOME. Seller's closing attorney may make additional disclosures with respect to his or her joint representation of Seller and Buyer. Seller's closing attorney may also elect not to represent Buyer in this transaction, in which case Buyer will need to hire an attorney to represent Buyer.

Buyer's Initials: DJM _____

5.1.2 ☐ Buyer elects to use an attorney other than Seller's closing attorney.

Buyer's Initials: _____ _____

6. **Governing Law**. This Agreement is governed by the law of the state where the Property is located, without regard to its conflicts of law rules.

7. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

8. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

9. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Danny Morrow
Date 9/25/11

Buyer - ~~Ellen Morrow~~ DJM
Date _____

Buyer -
Date _____

Buyer -
Date _____

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 9/26/11

## SALES INCENTIVE ADDENDUM

THIS SALES INCENTIVE ADDENDUM (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the twenty-fifth day of SEPTEMBER, 2011, between Danny ~~Morrow, Ellen~~ Morrow(collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0005 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Sales Incentives**. Seller has agreed to offer certain specified sales promotions, or other discounting of the Property as follows:

> At Closing Seller will contribute ($800.00) towards the purchase price of options, upgrades and/or extras.

(each, an "**Incentive**"). The Incentive shall be applied to costs in an order determined by Seller in its sole discretion.

3. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

4. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Danny Morrow
Date 9/25/11

Buyer - ~~Ellen Morrow~~
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 9/26/11

**RIDER A**
**(SOUTH CAROLINA)**

**THIS RIDER A (SOUTH CAROLINA)** (this "**Rider A**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the twenty-fifth day of SEPTEMBER, 2011, between Danny Morrow, ~~Ellen Morrow~~ ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0005 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Rider A to the Agreement shall be deemed to include references to this Rider A and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Deposit**. All payments made by Buyer to Seller with respect to the Total Purchase Price (including but not limited to the Deposit and the Advanced Payments) shall be paid to Seller for such purposes as Seller shall determine, and Seller shall not be required to maintain the payments in an escrow or trust account. Buyer shall have no right to interest upon the payments. If and to the extent such payments are deposited in any interest bearing account, then any interest on such payments shall inure to the benefit of Seller. At the time of Closing, the amount of the payments shall be credited to Buyer against the Total Purchase Price.

Buyer's Initials DJM _____

3. **Return of Deposit**. In the event this Agreement is cancelled for any reason other than Seller's default, the Buyer shall be required to execute and return a release form provided by the Seller prior to return of the Deposit in accordance with this Agreement, as set forth herein.

4. **Real Estate Tax Disclosure**. When a new home is built, the assessed value of the home is calculated as of January 1st. Therefore, if the Home has a certificate of occupancy issued as of January 1st of the calendar year, Buyer will be assessed based on the value of the completed construction for that tax year. Seller is not responsible for communicating any information regarding real estate taxes (current or future) and cannot and will not predict what the taxes on the Home may be. Buyer should confirm any information provided concerning appraisals, tax valuation, tax rates or other tax-related questions, with Buyer's personal tax advisor and the local taxing authorities.

5. **Radon Gas and Environmental Pollutants**. The United States Environmental Protection Agency and various state agencies have detected elevated levels of naturally occurring radon gas in some residential structures. These agencies have expressed concern that prolonged exposure to high levels of radon gas may result in adverse effects on human health. The Seller is not having any testing done on the Property, or in the Home, with respect to radon gas or environmental pollutants. The Buyer acknowledges that Seller has made no representations or warranties, express or implied, concerning the presence or absence of radon gas or environmental pollutants in the Home or on the Property, and the Buyer acknowledges that the Seller is not qualified to analyze or evaluate these very complex issues with respect to the Home or Property. The Buyer releases the Seller from any and all liability and claims with respect to radon gas and environmental pollutants.

6. **FORM I-295**. At Closing, Seller shall provide Buyer with an affidavit on Form I-295 (Seller's Affidavit - Nonresident Seller Withholding), complying with Section 12-8-580, South Carolina Code of Laws 1976, as amended.

7. **Counterparts**. This Rider A may be executed in counterparts, a complete set of which shall form a single document.

8. **Conflicts**. In the event of any conflict between this Rider A and the Agreement, this Rider A shall control. In all other respects, the Agreement shall remain in full force and effect.

9. **Entire Agreement**. The Agreement, together with this Rider A and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Rider A or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Danny Morrow
Date: 9/25/11

Buyer - ~~Ellen Morrow~~
Date:

Buyer -
Date:

Buyer -
Date:

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date

**RIDER B**
**Coastal Carolina Division**

**THIS RIDER B (Coastal Carolina)** (this "**Rider B**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the twenty-fifth day of SEPTEMBER, 2011, between Danny Morrow, ~~Ellen Morrow~~ ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0005 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms.** All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Rider B to the Agreement shall be deemed to include references to this Rider B and to any other rider and addenda attached to the Agreement, which are hereby incorporated by this reference. In addition to those terms, the following terms shall have the meanings set forth below:

"**Closing Date Notice Period**" shall mean at least seven (7) days prior to the Closing Date.

"**Mortgage Contingency Period**" shall mean five (5) days if this Agreement is contingent on Buyer obtaining financing as indicated in the Purchase and Sale Agreement.

2. **Additional Mortgage Contingency.** Unless Buyer shall have notified Seller otherwise writing within the Mortgage Contingency Period, Buyer shall be conclusively presumed to have obtained the loan commitment or agreed to purchase the Property without mortgage financing. If Buyer does timely notify Seller within the Mortgage Contingency Period that he/she failed to obtain a loan commitment, Seller may require Buyer to immediately reapply for a mortgage loan with another lending institution designated by Seller. If Buyer then fails to obtain a loan commitment within seven (7) days from Seller's notice to reapply, either Buyer or Seller shall have the right to terminate this Agreement whereupon the Deposit shall be returned to Buyer, and thereupon the parties hereto shall be released from all liability hereunder without any further acts by either party

3. **Closing Costs.** BUYER UNDERSTANDS AND AGREES THAT IN ADDITION TO THE TOTAL CASH TO CLOSE (WHICH AMOUNT IS SPECIFIED IN SECTION 2 OF THE AGREEMENT AND THE PURCHASE PRICE AND PAYMENT ADDENDUM), BUYER SHALL PAY CERTAIN OTHER FEES AND CLOSING COSTS, IF ANY, AT CLOSING (LISTED BELOW). IN CONNECTION THEREWITH, WITHOUT LIMITATION, THE ITEMS LISTED BELOW WILL COLLECTIVELY BE REFERRED TO AS "**CLOSING COSTS**." NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN THE CASE OF AN FHA/VA OR FANNIE MAE LOAN, BUYER SHALL NOT PAY FOR ANY COSTS PROHIBITED BY HUD (FHA), VA OR FANNIE MAE REGULATIONS. ALL REFERENCES TO "PRO RATA SHARES" WILL BE DEEMED A TIME PRO RATION, BASED ON THE CLOSING DATE, WITH BUYER PAYING AMOUNTS ACCRUED ON AND AFTER THE CLOSING DATE. The Closing Costs include, without limitation:

3.1 The premium for a policy of mortgagee's title insurance and the cost to record the Deed. If the settlement charges that VA does not allow Buyer to pay exceed the amount of settlement charges, if any, to be paid by Seller, Seller at its sole discretion may terminate the Agreement and refund Buyer's earnest money. If the settlement charges that FHA does not allow Buyer to pay exceed the amount of settlement charges, if any, to be paid by Seller, Buyer may either pay the additional settlement charges at Closing or the additional settlement charges shall be added to the principal on Buyer's loan, regardless of whether or not the interest rate on Buyer's loan will increase as result of the addition of the settlement charges to the principal.

3.2 Customary closing costs of a Buyer of a single family residence, including but not limited to items such as loan fees, loan closing costs and all other related sums, attorneys' fees, escrows for taxes and insurance, recording fees, documentary stamp taxes on the note, intangible taxes, credit reports and PMI insurance, if applicable, charged by the Lender or otherwise customary for a Buyer at Closing.

3.3 Title search updates, title examination fees, delivery charges, and any other Closing expenses of Buyer.

3.4 All additional costs respecting the Property imposed by any governmental authority.

3.5 The cost of any obligations Buyer incurs not provided for in this Agreement.

3.6 The cost of a survey of the Property.

3.7 Certified governmental liens (liens which can be paid pursuant to written notice), if any, shall be assumed and paid by Seller, pending governmental improvement liens shall be paid and assumed by Buyer.

3.8 A pro rata share of County interim service fees, if any.

3.9 A pro rata share of waste fees.

3.10 A pro rata share of utility deposits and capacity fees (water and/or sewer) for the Property prepaid by Seller.

3.11 Any other expenses of an owner of the Property provided for or referenced in the Documents.

3.12 Amounts reflected in the Master Disclosure and Information Addendum to the Purchase and Sale Agreement, if any, attached hereto and incorporated herein.

3.13 Current expenses of the Property (for example: taxes, special assessments and current monthly assessments to one or more homeowner's associations) will be adjusted between Seller and Buyer as of the Closing Date. Buyer shall reimburse Seller for any prepaid expenses of the Property and capital contributions made to one or more homeowners' associations, paid by Seller in advance and/or for the month in which the Closing Date occurs.

3.14 If real estate taxes for the year in which the Closing Date occurs are assessed in the aggregate on the real estate comprising the portion of the Community (including the Property) rather than on a homesite-by-homesite basis, Seller will pay such taxes in full when due, but Buyer will reimburse Seller at the Closing for Buyer's pro rata share of such taxes from the Closing Date (if such taxes are then known) or the Property's allocable share (so prorated) of Seller's estimate of those taxes (if such taxes are not then known), subject to readjustment at either the request of Seller or Buyer within six (6) months from when the actual tax bill is known. If taxes for the year in which the Closing Date occurs are assessed on a homesite-by-homesite basis but such taxes are not due on the Closing Date, Buyer will be responsible for paying such tax bill in full when due but Seller will reimburse Buyer at the Closing for Seller's pro rata share of such taxes (if the taxes are then known) or Seller's estimate of those taxes (if such taxes are not then known) through the Closing Date, subject to readjustment at either the request of Seller or Buyer within six (6) months from when the actual bill is known. If the Closing takes place after Seller has paid the taxes for the year in which the Closing Date occurs, Buyer will reimburse Seller at Closing for Buyer's pro rata share of those taxes from and after the Closing Date.

3.15 The cost of any modifications or changes which are incurred by Seller as a result of changes in building codes, governmental rules, regulations or requirements, or the enforcement of any of the same, after the Effective Date of this Agreement, shall be paid by Buyer at the time of Closing.

4. **Additional Financing and Closing Costs Disclosures.**

4.1 Although Seller may make available to Buyer the name of one or more lenders or information about one or more available financing alternatives, Buyer agrees that the choice of a lender and loan is Buyer's sole decision, and Seller has not made any promises or representations concerning the likelihood of Buyer obtaining the loan, the terms and conditions of such loan or the interest rate or fees associated with such loan.

4.2 4.2 BUYER IS HEREBY ADVISED BY SELLER THAT INTEREST RATES, LOANS FEES, AND OTHER LOAN CONDITIONS ARE NOT GUARANTEED, FIXED OR ESTABLISHED (AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO SUCH ITEMS) AND ARE SUBJECT TO CHANGE BY ANY LENDER. SUBJECT TO SECTION 8 OF THE AGREEMENT, SELLER DOES NOT WARRANT OR GUARANTEE THAT COMPLETION OF THE IMPROVEMENTS OR LOAN FUNDING CAN BE ACHIEVED WITHIN LOAN LOCK PERIODS, IF ANY, REGARDLESS OF WHETHER SUCH LOCKS ARE PAID FOR BY SELLER OR BUYER. IF BUYER LOCKS IN AN INTEREST RATE AND POINTS FOR LOAN FUNDING PRIOR TO CLOSING, BUYER AGREES TO PAY THE DIFFERENCE BETWEEN THE LOCK-IN RATE AND THE MARKET INTEREST RATE AT CLOSING IF THE LOCK-IN RATE EXPIRES PRIOR TO CLOSING.

4.3 Responsibility for obtaining the loan and for satisfying all conditions made by the Lender with regard to the loan shall rest solely with the Buyer.

5. **Warranties.** Buyer understands and agrees that Seller is making only those express limited warranties set forth in the homeowner's warranty (the "**Limited Warranty**"). The Limited Warranty, incorporated herein, shall be delivered to Buyer at Closing and a copy of which is attached hereto **OR** a copy of which is available for examination at Seller's office and will, at Buyer's request, be attached as an exhibit to this Agreement. THE EXPRESS LIMITED WARRANTY AND REMEDIES PROVIDED BY SELLER CONSTITUTE THE EXCLUSIVE WARRANTY AND REMEDIES TO BE MADE AVAILABLE BY SELLER AND, EXCEPT WHERE ADDITIONAL WARRANTIES ARE REQUIRED BY APPLICABLE LAW OR REGULATION, ARE IN PLACE OF ALL OTHER GUARANTIES OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF WORKMANSHIP, MERCHANTABILITY, HABITABILITY, SUITABILITY AND FITNESS, WHICH ARE HEREBY EXPRESSLY DISCLAIMED BY SELLER AND WAIVED BY BUYER. TO THE EXTENT OF ANY CONFLICT BETWEEN ANY PROVISION OF THIS AGREEMENT RELATED TO WARRANTIES AND THE LIMITED WARRANTY, THE PROVISIONS OF THE LIMITED WARRANTY SHALL CONTROL. All of the terms of this Section 6 shall survive Closing and the delivery of the Deed. BUYER AND SELLER ACKNOWLEDGE THAT THEY HAVE EXPRESSLY NEGOTIATED AND BARGAINED FOR THE WAIVER OF THE IMPLIED WARRANTY OF HABITABILITY, AND BUYER ACKNOWLEDGES THE SUFFICIENCY AND RECEIPT OF VALUABLE CONSIDERATION FOR SUCH WAIVER IN THE AMOUNT OF $0, WHICH AMOUNT SHALL BE CREDITED TOWARD THE PURCHASE PRICE AT CLOSING. THE CONSIDERATION AGREED UPON ABOVE HAS BEEN SPECIFICALLY NEGOTIATED BETWEEN BUYER AND SELLER.

Buyer _____ Buyer _____

6. **Documents.** Buyer acknowledges receipt of the Document Book for the Community containing many important documents regarding the Community, including but not limited to some of the documents of record affecting the Property and the Community (collectively, the "**Documents**"). The Document Book is hereby incorporated into this Agreement by this reference. The Document Book may be amended as deemed necessary by Seller in its sole and absolute discretion. Buyer agrees to take title to the Property subject to the Documents, to abide

by and be bound by all of the terms and conditions of the Documents, and any amendments thereto. The Master Disclosure and Information Addendum to Purchase and Sale Agreement attached hereto sets forth additional information respecting lien rights and homeowners association's restrictions affecting the Property. Buyer understands and agrees this Section shall survive the termination of this Agreement.

7. Inspection of the Home. BUYER SHALL BE GIVEN AN OPPORTUNITY TO EXAMINE THE HOME WITH SELLER'S REPRESENTATIVE PRIOR TO CLOSING ON A DATE AND TIME SCHEDULED BY SELLER (A "NEW HOME ORIENTATION," COMMONLY REFERRED TO AS A "WALKTHROUGH"). AT THAT TIME, IF ANY DEFECTIVE OR INCOMPLETE ITEMS ARE NOTED, BUYER SHALL PRESENT TO SELLER AN INSPECTION STATEMENT LISTING SAID ITEMS AND SIGNED BY BUYER. IF ANY ITEMS NOTED ARE ACTUALLY DEFECTIVE IN WORKMANSHIP OR MATERIALS IN SELLER'S OPINION (IN ACCORDANCE WITH CONSTRUCTION STANDARDS PREVALENT FOR A SIMILAR HOME IN THE COUNTY), SELLER WILL BE OBLIGATED TO CORRECT THOSE ITEMS AT SELLER'S COST. A SECOND INSPECTION OF THE HOME WILL BE CONDUCTED PRIOR TO CLOSING AT WHICH TIME BUYER WILL BE GIVEN AN OPPORTUNITY TO EXAMINE THE HOME WITH SELLER'S REPRESENTATIVE TO ACKNOWLEDGE THAT ITEMS LISTED ON THE INSPECTION STATEMENT PREPARED AFTER THE FIRST INSPECTION HAVE BEEN CORRECTED. ANY REMAINING ITEMS THAT SELLER HAS AGREED TO CORRECT WILL BE CORRECTED BY SELLER AT SELLER'S SOLE COST AND EXPENSE PRIOR TO CLOSING (OR AT SELLER'S OPTION WITHIN A REASONABLE TIME AFTER CLOSING), PROVIDED HOWEVER THAT SELLER'S OBLIGATION TO CORRECT WILL NOT BE A GROUND FOR DEFERRING CLOSING, NOR FOR ANY SETOFF, NOR FOR IMPOSING ANY CONDITION ON CLOSING AS LONG AS THE HOME IS HABITABLE. THE ISSUANCE OF A CERTIFICATE OF COMPLETION, OR USE SHALL BE CONCLUSIVE EVIDENCE OF HABITABILITY. NO ESCROW OR HOLDBACK OF CLOSING FUNDS OR ANY CASH TO CLOSE SHALL BE PERMITTED. **EXCEPT FOR WORK THAT CANNOT BE COMPLETED AT THAT TIME OF YEAR**. IF A BUYER FAILS TO TAKE ADVANTAGE OF ANY PRE-CLOSING INSPECTION ON THE TIME AND DATE SCHEDULED BY SELLER, BUYER SHALL BE DEEMED TO HAVE WAIVED THE RIGHT TO INSPECT THE HOME PRIOR TO CLOSING.

8. No Right to Enter. Buyer acknowledges that all matters pertaining to the initial construction of the Property will be performed by Seller and Seller's representatives. Buyer acknowledges and agrees that for reasons of safety and to comply with liability and insurance requirements imposed upon Seller, neither Buyer nor any agent of Buyer shall, until after the Closing, be permitted to enter upon the Property without being accompanied by Seller's representative. Any permitted personal inspections shall be made at times designated by Seller, and shall not be allowed under any condition prior to the formal inspection described above and only with Seller's representative. Buyer agrees not to give instructions to, interfere with or interrupt any workmen at the Property. Buyer may not order any work on the Property until after the Closing. Buyer recognizes that Seller is under no obligation to agree to provide options, extras and/or upgrades. Without limiting the applicability of this Section to all obligations, representations and covenants of Buyer hereunder, Buyer specifically acknowledges that any breach by Buyer of the terms and conditions contained within this Section shall be deemed to be a material breach and shall entitle Seller to declare this Agreement to be in default in accordance with the provisions of the Buyer's Default in the Agreement. Seller's failure to promptly take any action with respect to Buyer's breach of the terms and conditions contained herein shall not be deemed a waiver of any of Seller's rights or remedies hereunder. Whenever this Agreement shall require Seller to complete or substantially complete an item of construction, unless provided specifically to the contrary herein, such item shall be deemed complete or substantially complete when so completed, in the sole and unfettered opinion of Seller. Should Seller fail to provide any item of construction required to be provided, Buyer's sole remedy therefore will be to collect an amount from Seller equal to Seller's cost for such item and for Seller's cost of installation of such item had such item been installed at the appropriate time during construction. Without limiting Seller's rights and Buyer's obligations contained within this Section and elsewhere in this Agreement, should any warranted defects in workmanship or materials be discovered before or after the Closing, Buyer agrees that Buyer's sole remedy therefore is for Seller to, at Seller's sole and absolute discretion, either repair or replace the defective item. To the extent permitted by applicable law, Seller disclaims any liability for incidental or consequential damages that may arise from a defective item.

9. Counterparts. This Rider B may be executed in counterparts, a complete set of which shall form a single document.

10. Conflicts. In the event of any conflict between this Rider B and the Agreement, this Rider B shall control. In all other respects, the Agreement shall remain in full force and effect.

11. **Entire Agreement**. The Agreement, together with this Rider B and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Rider B or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Danny Morrow
Date: 9/25/11

Buyer - ~~Ellen Morrow~~
Date:

Buyer -
Date:

Buyer -
Date:

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 9/26/11

## Affiliated Business Arrangement Disclosure Statement

**BUYER: Danny Morrow, ~~Ellen Morrow~~**

**PROPERTY: 210 Maywood Drive, Moncks Corner SC 29461**

This is to give you notice that the following companies have business relationships with each other: Universal American Mortgage Company, LLC, Lennar Carolinas, LLC and North American Advantage Insurance Services, LLC, and each of these companies is, directly or indirectly, wholly owned by Lennar Corporation. Because of these relationships, referral of services by the undersigned may provide a financial or other benefit.

Set forth below are the types of settlement services offered by these affiliated companies and the estimated charge or range of charges generally required by these companies for such settlement services. You are NOT required to use any of the companies listed above as a condition for purchase of the subject property.

THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

**Provider and Settlement Services/ Estimated Range of Charges**

**MORTGAGE**

**Universal American Mortgage Company, LLC** arranges and makes mortgage loans and the following are estimated mortgage loan related charges or range of charges **(not all of the charges may apply):**

| Description of Fee | Range of Cost |
|---|---|
| Loan Origination Points | 0% - 1% (of the loan amount) |
| Loan Points for Interest Rate Chosen | 0% - 3% (of the loan amount) |
| Loan Origination Charge | $575 - $900 |
| Appraisal Fee Paid to Appraiser | $350 - $500 |
| Credit Report Fee Paid to Outside Agency | $ 12 - $100 |

The actual fees charged may vary based on the size of your loan, loan program and interest rate you choose. There also will be other third party charges. You will receive a Good Faith Estimate when you apply for your mortgage loan, that will give you an estimate of all anticipated charges.

**TITLE**

Lester & Lester, P.A. and Buist, Byars & Taylor LLC (collectively, Attorney) provides closing services and also arranges for title insurance through numerous underwriters, one of which is North American Title Insurance Company (North American). Attorney is not affiliated with Lennar Corporation. In connection with the purchase of the subject property, we recommend Attorney to handle the closing and the issuance of any title insurance, which (if Attorney is selected by you) may be provided by North American. Because of the business relationship and arrangement described above, the referral to Attorney may provide Lennar Corporation a financial or other benefit. You are not required to use Attorney or North American.

The following are estimated charges or range of charges for the settlement services listed should North American provide the title insurance:

* Owner's Policy:
  $3.00 per $1,000 of purchase price up to $50,000
  $2.50 per $1,000 of purchase price over $50,000 and up to $100,000
  $1.75 per $1,000 of purchase price over $100,000 and up to $500,000
  $1.50 per $1,000 of purchase price over $500,000 and up to $5,000,000
  $1.00 per $1,000 of purchase price over $5,000,000

* Loan Policy:
  $3.00 per $1,000 of loan amount up to $50,000
  $2.50 per $1,000 of loan amount over $50,000 and up to $100,000
  $1.75 per $1,000 of loan amount over $100,000 and up to $500,000
  $1.50 per $1,000 of loan amount over $500,000 and up to $5,000,000
  $1.00 per $1,000 of loan amount over $5,000,000

* Enhanced Owner's or Loan Policies are 20% more

* Title Policy Endorsement(s):
  $50.00 - $100 each for standard endorsements, 10% or 20% of policy premium for extra-risk endorsements

## Affiliated Business Arrangement Disclosure Statement

### INSURANCE

North American Advantage Insurance Services, LLC (NAAIS) is an insurance agent that provides, among other products, homeowner's/hazard and flood insurance. Set forth below is the estimated range of charges by NAAIS for the settlement services listed.

| Settlement Service | Range of Charges - Annual Premium |
|---|---|
| Hazard Insurance | .2% - 2.5% of Home Price |
| Flood Insurace | .1% - .5% of Home Price |

NOTE:
The above is a premium range for hazard and flood insurance. If enhancements to the standard policy such as increased limits, scheduled articles, and/or earthquake coverage are required, the premium may increase. Actual quote and acceptance by NAAIS is subject to NAAIS' application of its underwriting guidelines, including but not limited to verification of your credit score and previous loss history.

Of course, the cost of your insurance may vary due to many factors including, without limitation, the size, location and cost of your home.

**Acknowledgement**

I/we have read this notice and understand that Seller is referring me/us to purchase the above described settlement services and may receive a financial or other benefit as a result of this referral.

Buyer's Signature
Date 9/25/11

Buyer's Signature
Date

Buyer's Signature
Date

Buyer's Signature
Date

Lennar Carolinas, LLC
Printed Name of Seller

Sales Associate's Signature
Date

## INSULATION ADDENDUM

**THIS INSULATION ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the twenty-fifth day of SEPTEMBER, 2011, between Danny Morrow, Ellen Morrow (collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0005 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Insulation**. Pursuant to Title 16, Chapter I, Section 460.16 of the Code of Federal Regulations, the insulation that is or will be installed in the Home where conditioned space meets unconditioned space is as follows and will, according to the manufacturer, yield the R-values stated:

| Location | Type | Thickness | R-Value |
|---|---|---|---|
| Exterior Masonry Walls | N/A | N/A | N/A |
| Exterior Stud Wall | Batt | 3 1/2 inches | R-13 |
| Ceilings | Batt | 10 inches | R-30 |
| Roof | Blown | 12 inches | R-30 |
| N/A | N/A | N/A | N/A |

If so indicated above, fiberglass (also known as glass wool) is/will be used for insulation in the Home. The U.S. Department of Health and Human Services ("HHS") has listed fiberglass as a substance "which may reasonably be anticipated to be a carcinogen." This listing identifies substances selected for further study because of their potential carcinogenic risk but is not an assessment by HHS that there is a causal connection between fiberglass and human cancer. The listing does not establish that fiberglass presents a risk to persons in their daily lives.

3. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

4. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Danny Morrow
Date 9/25/11

Buyer - ~~Ellen Morrow~~
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 9/26/11

## INDOOR ENVIRONMENTAL QUALITY DISCLOSURE

**THIS INDOOR ENVIRONMENTAL QUALITY DISCLOSURE** (this "Disclosure") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") dated as of the twenty-fifth day of SEPTEMBER, 2011, between Danny Morrow, ~~Ellen Morrow~~ (collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0005 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Disclosure to the Agreement shall be deemed to include references to this Disclosure and to any other disclosure and/or addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Indoor Environmental Contaminates**. There are many different types of indoor environmental contaminants, such as pet dander, dust mites and mold. Molds and other potential contaminants have been a part of our environment for millions of years. Contaminants are everywhere, indoors and outdoors. Therefore, everyone is exposed to some contaminants on a daily basis without evident harm. Due to a number of factors, including the fact that sensitivities to various types of molds and other potential contaminants vary from person to person, there are no state or federal standards concerning acceptable levels of exposure to mold. According to the Consumer Product Safety Commission and the American Lung Association, some diseases or illness have been linked with biological pollutants in the indoor environment, including some forms of mold. However, many of these conditions also have causes unrelated to the indoor environment. Therefore, it is unknown how many potential health problems relate exclusively to poor indoor air. Buyer should determine for himself/herself whether Buyer, Buyer's family members or any other individuals who will occupy or use the Home have special needs or increased risk to these conditions. Buyer should carefully monitor the conditions in the Home for mold growth and other contaminants.

When excessive moisture or water accumulates indoors, mold growth can and will occur, particularly if the moisture problem remains unaddressed. There is no practical way to eliminate all molds or mold spores in an indoor environment. The key to controlling indoor mold growth is to control moisture.

There are many ways to help control moisture in and beneath the Home. The U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the American Lung Association and others recommend taking measures such as those listed below to help control moisture in and beneath the Home. The following list is not meant to be all-inclusive.

- o Fix leaking plumbing and any other source of unwanted water immediately.
- o Maintain proper indoor humidity. Equipment that conditions the air, such as air conditioners, humidifiers and ventilation systems must be operated year round.
- o Raise the temperature in areas where moisture condenses on surfaces and open doors between rooms to increase air circulation in the Home, including doors to closets.
- o Have major appliances, such as furnaces, heat pumps, central air conditioners, window air conditioning units, ventilation systems and furnace attached humidifiers inspected, cleaned and serviced regularly by a qualified professional.
- o Clean and dry refrigerator, air conditioner and dehumidifier drip pans and filters regularly and make sure that refrigerator and freezer doors seal properly.
- o Keep water away from the foundation of the Home by maintaining required slopes, drainage and keeping plantings and sprinklers the proper distance from the Home.
- o If there is a sump pump in the Home, inspect it regularly to ensure that it is properly operating.
- o If there is a crawl space or structural sub-floor, inspect the ground beneath the floor on a regular basis to make sure there is no standing or excessive water. If there is standing or excessive water, seek professional assistance to remove the water. If Buyer is interested in finishing the basement, only do so after consulting an expert to determine the suitability of the basement for a finished area.

The following are suggestions that may assist Buyer in preventing and addressing mold growth in the Home.

- o It is important that Buyer responds promptly when Buyer sees signs of moisture or mold.
- o Do not allow moisture to stand or make contact with carpet, furniture and cellulose-based materials, such as wood, drywall or other non-tile, non-plastic or non-metal materials.
- o Dry all water damaged areas and items immediately to prevent mold growth.
- o If mold develops, clean up the mold by washing off hard surfaces with detergent and water and completely dry the surface.
- o Depending upon the nature and extent of the mold infestation, trained professionals may be needed to assist in the remediation effort.
- o Mold that is not properly and adequately removed may reappear.

Proper maintenance and cleaning of the Home is the responsibility of each homeowner and will lessen the potential for water intrusion and help to control indoor environmental contaminants. Further, it is the responsibility of each homeowner to monitor their Home on a continual basis for excessive moisture, water and mold accumulation. If Buyer discovers accumulation of water or moisture in, around or under the Home, Buyer should immediately seek to control the source of the water or moisture. Failing to control the source could result in additional damage and the growth of mold. Plumbing leaks and water penetrations that are covered by the Limited Warranty, if any, during the term of the Limited Warranty must be reported to Seller immediately. If the Limited Warranty has expired or does not cover the specific problem, Buyer should not delay in having professionals address the problem. Seller will not be responsible for, and Buyer agrees to indemnify and hold harmless Indemnified Parties from and against all Claims in connection with, water-related damages, including personal injuries or property damage caused by mold, but only to extent that the damages are caused by (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction. Buyer also agrees to waive all rights of subrogation for damages resulting from water-related damages, mold growth, any personal injuries, or any remediation resulting from (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction.

3. **Counterparts**. This Disclosure may be executed in counterparts, a complete set of which shall form a single Disclosure.

4. **Conflicts**. In the event of any conflict between this Disclosure and the Agreement or any other addenda and/or riders, this Disclosure shall control. In all other respects, the Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Danny Morrow
Date 9/25/11

Buyer - Ellen Morrow
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 9/26/11

**FHA/VA ADDENDUM**

**THIS FHA/VA ADDENDUM** (this "**Addendum**") s executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the twenty-fifth day of SEPTEMBER, 2011, between Danny Morrow, ~~Ehcu Morrow~~ ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0005 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. FHA/VA. BUYER AGREES TO PROCEED WITH THE PURCHASE OF THE HOME AFTER HAVING READ BUYER'S RIGHTS AND PRIVILEGES, AS SET FORTH BELOW:

2.1 FHA Loans.

2.1.1 It is expressly agreed that, notwithstanding any provisions of the Agreement (contract) to the contrary, Buyer (purchaser) shall not incur any penalty by forfeiture of earnest money deposits or otherwise be obligated to complete the purchase of the Home (property described herein) unless Buyer (purchaser) has been given in accordance with the Department of Housing and Urban Development ("**HUD**"), Federal Housing Administration ("**FHA**") or United States Department of Veterans Affairs (the "**VA**") requirements, a written statement by the Federal Housing Commissioner, the VA, or a Direct Endorsement lender setting forth the appraised value of the Home (property) (for mortgage purposes) of not less than $ 175,072.00 (which statement Seller agrees to deliver to Buyer (purchaser) promptly after such Appraised Value Statement is made available to Seller). Buyer (purchaser) shall have the privilege and option of proceeding with the consummation of the Agreement (the contract) without regard to the maximum mortgage the Department of Housing and Urban Development will insure. HUD DOES NOT WARRANT THE VALUE OR THE CONDITION OF THE HOME (PROPERTY). BUYER (PURCHASER) SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE HOME (PROPERTY) ARE ACCEPTABLE.

2.1.2 In the event the value of the Property set forth in the Appraised Value Statement is less than the Total Purchase Price, Buyer shall have the right to exercise the above-mentioned privilege and option to proceed at the Total Purchase Price, which is over and above the FHA Appraised Value Statement, by giving Seller written notice of Buyer's intention to do so in accordance with the Agreement notice requirements. Said notice shall be given within five (5) days of Buyer's receipt of the FHA appraisal by returning to Seller a copy of this Addendum executed by Buyer in the "AGREE TO PROCEED" signature block below. In the event Buyer fails to give proper notice hereunder of Buyer's intention to proceed at the Total Purchase Price, the Agreement shall automatically become null and void and the parties shall promptly execute a written release of Buyer's Deposit, pursuant to which the Deposit shall immediately be returned in full to Buyer.

2.1.3 Buyer agrees to pay a mortgage insurance premium as required by FHA. Buyer has the right to pay the entire premium at the time of Closing or the premium may be added to the loan amount and financed over the term of the loan. If Buyer elects to add the premium to the loan amount, the total loan amount shall consist of the Cash to Close amount specified in the Purchase Price and Payment Addendum, plus the mortgage insurance premium. Pursuant to FHA regulations, Buyer shall pay an annual premium, if required, in addition to the up-front (or financed) premium. Said additional premium shall be paid monthly on a declining balance (excluding the portion of the balance, if any, attributable to the up-front premium).

2.1.4 All parties acknowledge that the processing of a government loan is not subject to specific time limitations. Nevertheless, Buyer agrees to diligently pursue such loan commitment.

2.1.5 Seller and Buyer certify that the terms of the Agreement are true and complete to the best of their respective knowledge and belief. Seller and Buyer further certify that all agreements relating to this real estate transaction have been fully disclosed and are covered in the Agreement, including any addenda attached thereto. Seller and Buyer understand that the failure to provide a complete and accurate copy of the Agreement could jeopardize this transaction. If there are any subsequent changes to the Agreement, the undersigned will submit them promptly to the Lender.

2.1.6 Buyer acknowledges that Buyer has read and completed the attached U.S. Department of Housing and Urban Development form HUD-92564-CN entitled "For Your Protection: Get a Home Inspection".

2.2 VA Loans.

2.2.1 It is expressly agreed that, notwithstanding any provisions of the Agreement to the contrary, Buyer shall not incur any penalty by forfeiture of earnest monies or otherwise be obligated to complete the purchase of the Home if Buyer cannot obtain a loan guaranteed by the VA, including without limitation, if the Total Purchase Price exceeds the reasonable value of the Home established by the VA or a VA lender pursuant to the Lender Appraisal Proceeding Program ("**LAPP**"). Buyer shall, however, have the privilege and option of proceeding with the consummation of the Agreement without regard to the amount of reasonable value established by the VA or a VA lender with LAPP authority. Buyer agrees that should Buyer elect to complete the purchase at an amount in excess of the reasonable value established by the VA or a VA LAPP

lender, Buyer shall pay such excess amount in cash from a source that Buyer agrees to disclose to the lender and the VA, which source Buyer represents and covenants will not be from borrowed funds except as approved by the VA.

2.2.2 To exercise the above-mentioned privilege and option to proceed at the Total Purchase Price, which is over and above the amount of reasonable value established by the VA or a VA LAPP lender, Buyer shall give Seller written notice of Buyer's intention to do so in accordance with the Agreement notice requirements. Said notice shall be given within five (5) days of Buyer's receipt of the amount of reasonable value established by the VA or a VA LAPP lender by returning to Seller a copy of this Addendum executed by Buyer in the "AGREE TO PROCEED" signature block below. In the event Buyer fails to give proper notice hereunder of Buyer's intention to proceed at the Total Purchase Price, the Agreement shall automatically become null and void and the parties shall promptly execute a written release of Buyer's Deposit, pursuant to which the Deposit shall immediately be returned in full to Buyer.

2.2.3 VA DOES NOT WARRANT THE VALUE OR THE CONDITION OF THE HOME (PROPERTY). BUYER (PURCHASER) SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE HOME (PROPERTY) ARE ACCEPTABLE.

2.3 Special Trust Account. If Buyer is financing the purchase of the Home with a VA guaranteed loan, the Deposit received from Buyer prior to Closing shall be placed in a special trust account with SunTrust Bank ("**Escrow Agent**") in accordance with the provisions of an Amended and Restated VA Escrow Agreement ("**VA Escrow Agreement**") between Lennar Corporation on behalf of Seller and the Escrow Agent, and as required under 38 U.S.C. §3706 or other applicable law. In the event that the Agreement is cancelled for any reason other than Seller's default and pursuant to the provisions of the VA Escrow Agreement, if Buyer seeks a refund of the Deposit from Seller and Seller refunds the Deposit directly to Buyer, Buyer hereby authorizes the Escrow Agent to reimburse Seller for such refund. In consideration for either Seller's or Escrow Agent's refund of the Deposit to Buyer, Seller and Lennar Corporation shall be unconditionally released from any claim arising out of or related to the Deposit and purchase of the Home and Escrow Agent shall be unconditionally released from any claim arising out of or related to the escrow of the Deposit in connection with the purchase of the Home.

Buyer's Initials_____ _____

3. **Counterparts.** This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

4. **Conflicts.** In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

5. **Entire Agreement.** The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Danny Morrow
Date 9/25/11

Buyer - ~~Ellen Morrow~~
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 9/26/11

## AGREE TO PROCEED

☒ **If this box is checked, Buyer is financing the purchase of the home with an FHA insured loan.** BY THE SIGNATURES BELOW, BUYER ACKNOWLEDGES THAT BUYER IS PURCHASING THE HOME WITH FULL KNOWLEDGE, UNDERSTANDING AND AGREEMENT THAT THE VALUE OF THE PROPERTY SET FORTH IN THE APPRAISED VALUE STATEMENT IS LESS THAN THE TOTAL PURCHASE PRICE. BUYER AGREES TO PROCEED WITH THE CLOSING OF THE PURCHASE OF THE HOME AT THE TOTAL PURCHASE PRICE, AND BUYER FURTHER AGREES TO PAY THE DIFFERENCE AT CLOSING. BUYER HEREBY EXECUTES THIS NOTICE WITHIN FIVE (5) DAYS OF BUYER'S RECEIPT OF THE FHA APPRAISED VALUE STATEMENT.

Buyer - Danny Morrow
Date 9/25/11

Buyer - ~~Ellen~~ Morrow
Date

Buyer -
Date

Buyer -
Date

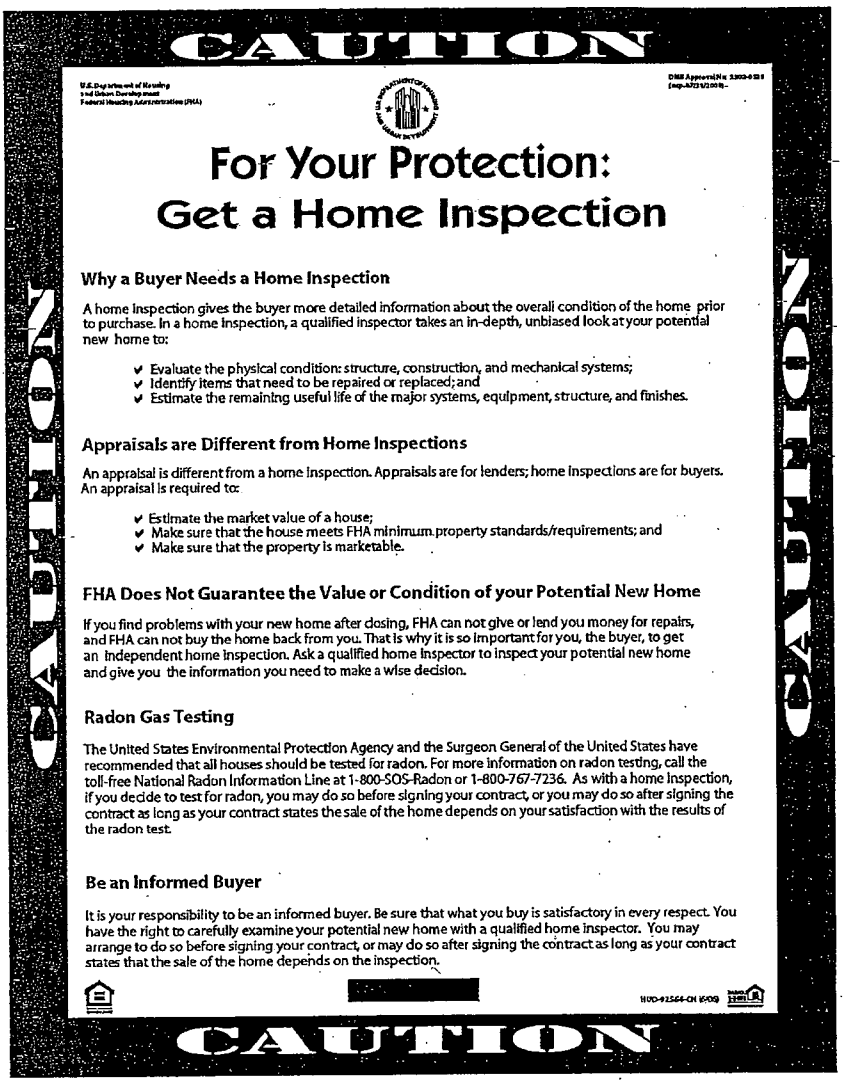
☐ **If this box is checked, Buyer is financing the purchase of the home with an VA guaranteed loan.** BY THE SIGNATURES BELOW, BUYER ACKNOWLEDGES THAT BUYER IS PURCHASING THE HOME WITH FULL KNOWLEDGE, UNDERSTANDING AND AGREEMENT THAT THE VALUE OF THE PROPERTY SET FORTH IN THE AMOUNT OF REASONABLE VALUE ESTABLISHED BY THE VA OR A VA LAPP LENDER IS LESS THAN THE TOTAL PURCHASE PRICE. BUYER AGREES TO PROCEED WITH THE CLOSING OF THE PURCHASE OF THE HOME AT THE TOTAL PURCHASE PRICE, AND BUYER FURTHER AGREES TO PAY THE DIFFERENCE AT CLOSING. BUYER HEREBY EXECUTES THIS NOTICE WITHIN FIVE (5) DAYS OF BUYER'S RECEIPT OF THE AMOUNT OF REASONABLE VALUE ESTABLISHED BY THE VA OR VA LAPP LENDER.

Buyer - Danny Morrow
Date 9/25/11

Buyer - ~~Ellen~~ Morrow
Date

Buyer -
Date

Buyer -
Date




**I/we understand the importance of getting an independent home inspection. I/we have considered this before signing a contract with the seller for a home. Furthermore, I/we have carefully read this notice and fully understand that FHA will not perform a home inspection nor guarantee the price or condition of the propert**

☐ **I/We choose to have a home inspection performed.**

☑ **I/We choose not to have a home inspection performed.**

| | |
|---|---|
| X 9/25/11 | X |
| Signature & Date | Signature & Date |
| X | X |
| Signature & Date | Signature & Date |

## COOPERATING BROKER AGREEMENT

**THIS COOPERATING BROKER AGREEMENT** (this "**Agreement**") is made and entered into effective as of the twenty-fifth day of September, 2011, between c Caroline One-Crowfield (GC) ("**Cooperating Broker**") and Lennar Carolinas, LLC ("**Seller**"), respecting Lot 0005 of Block _____ in The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in that certain Purchase and Sale Agreement, by and between Danny Morrow, ~~Ellen Morrow~~ ("**Buyer**") and Seller, dated as of September 25, 2011.

2. **Cooperating Broker**. Notwithstanding anything contained in the Agreement to the contrary, Seller and Cooperating Broker acknowledge that Buyer has dealt with the following brokerage firm in connection with the purchase of the Property ("**Cooperating Broker**"):

Name of Cooperating Broker: c Caroline One-Crowfield (GC)

Address: 567 Crowfield Blvd

Business Phone: +1 843 7977799

Name of Sales Associate of Cooperating Broker: Nora Tanner

Date of Registration: 09/23/2011

Seller agrees to pay Cooperating Broker, at Closing, a commission in the amount of three percent ~~(3%)~~ 4% of the **Base Purchase Price plus the Homesite Premium less any builder incentives and/or discounts to the Base Purchase Price**, as that amount is determined by the Purchase Price and Payment Addendum (the "**Commission**"), subject however to the terms and conditions set forth below and in the Broker Participation Policy ("**Participation Policy**"). As set forth herein, "incentive" shall mean the total dollar value of all consideration, incentives, discounts, credits, reductions, gifts or other inducements offered or arranged by Seller in connection with Buyer's purchase of the Property, including, without limitation, any: reduction or discount in the Total Purchase Price, Base Purchase Price, or the Homesite Premium; credit for or contribution toward Closing Costs; payment of or contribution toward assessments or capital contributions charged by any homeowner's association or Seller; payment of or contribution toward homeowner's casualty or liability insurance, and/or lease payments; financing incentive such as payment of buy down fees to the Lender; and retail value of any gift to Buyer. No Commission shall be payable by Seller unless Buyer consummates the purchase of the Property in accordance with the terms and conditions of the Purchase and Sale Agreement; accordingly, the Commission shall not be deemed earned unless and until the Closing occurs. Cooperating Broker agrees that it shall look to Buyer for any other commission due to Cooperating Broker that is in excess of the Commission payable by Seller pursuant to this Agreement and for any commission due to any other real estate brokers or salesmen claiming to have represented Buyer in connection with the purchase of the Property. Notwithstanding the foregoing, Seller agrees to pay any and all commissions due to Seller's New Home Consultants working in Seller's sales office.

Plus $500 Gift Card, if close in October.

3. **Sales Associate of Cooperating Broker**. By signing below, sales associate or designated agent of Cooperating Broker ("**Sales Associate**") agrees, on behalf of himself/herself and on behalf of Cooperating Broker, to the terms of this Agreement. Without limiting the foregoing, Sales Associate agrees that Seller's sole responsibility hereunder is to pay the Commission to Cooperating Broker in the manner described above. Any other amounts payable to Sales Associate and/or Cooperating Broker shall be the sole responsibility of Buyer, if provided for in a separate agreement between Cooperating Broker and Buyer. In addition, Sales Associate hereby personally represents and warrants that Sales Associate has full power and authority to execute and deliver this Agreement on behalf of Cooperating Broker and that such execution of this Agreement on behalf of Cooperating Broker has been duly authorized by all necessary and proper corporate action of Cooperating Broker.

4. **Participation Policy**. By signing this Agreement, Sales Associate acknowledges that Sales Associate has read and agrees, on behalf of such Sales Associate and Cooperating Broker, to comply with the terms and conditions in the Participation Policy set forth below. This Agreement shall be null and void if Seller determines, in its absolute discretion, at any time before Closing that Sales Associate and/or Cooperating Broker has/have violated the terms of the Participation Policy. The Participation Policy follows:

4.1 In order for Cooperating Broker to receive a commission in connection with the sale of real property in the Community, Cooperating Broker or Sales Associate must register a prospective buyer (the "**Prospect**") in person at the sales office for the Community (phone registrations will not be accepted). Cooperating Broker or Sales Associate must accompany the Prospect during Prospect's initial visit. If the tracking system used at the sales office for the Community indicates that the Prospect was initially introduced to the Community via the internet, and/or initially registered at the sales office without being accompanied by Cooperating Broker or Sales Associate, neither Cooperating Broker nor Sales Associate

shall be entitled to receive a commission in connection with the sale of real property in the Community to such Prospect. This registration is effective for the period of their realtor buyers contract ("**Registration Period**"). Cooperating Broker may extend the Registration Period as needed.

4.2 Cooperating Broker shall be entitled to receive the Commission, provided that the Prospect (i) is properly registered, (ii) contracts to purchase a home from the on-site sales staff in the Community ("**New Home Consultant**") before the expiration of the Registration Period, and (iii) closes on the transaction pursuant to the Purchase and Sale Agreement for the Property. Notwithstanding the foregoing, in the event two or more brokers claim that they are entitled to a commission from having registered a Prospect, the cooperating broker who is the procuring cause of the sale will be entitled to the commission. This registration, or any extension thereof, does not protect Cooperating Broker or Sales Associate from another broker or sales associate registering the same Prospect in the Community.

4.3 Seller will pay the Commission to Cooperating Broker, provided that the terms and conditions contained herein are satisfied and except–as otherwise set forth above relating to later-registering cooperating brokers. In all cases, Sales Associate agrees to look solely to Cooperating Broker for payment of any commission. By way of example, if Sales Associate terminates his/her employment with a registered Cooperating Broker who is entitled to a commission pursuant to this Participation Policy, then Sales Associate shall have no claim against Seller with respect to such commission.

4.4 Cooperating Broker and Sales Associate acknowledge that this Participation Policy, the registration forms, sign-up sheets and other incentives, contracts, or forms given to Prospects or buyers of homes are trade secrets of Seller. Cooperating Broker agrees to indemnify, defend and hold Seller harmless from and against any and all claims, demands, damages, losses, costs and expenses of whatever nature or kind, including reasonable attorneys' fees, paraprofessional fees and costs relating to or arising out of any claim against Seller as a result of conduct or representations made by Cooperating Broker and/or Sales Associate. In the event that Seller must enforce or defend any of the terms and conditions of this Participation Policy, Seller shall be entitled to collect from Cooperating Broker reasonable attorneys' fees, paraprofessional fees and costs.

5. **Cooperating Broker Status, Duties and Prohibitions.** Sales Associate, on behalf of himself/herself and on behalf of Cooperating Broker, hereby represents, warrants and covenants as follows:

Inititals

5.1 Cooperating Broker is a licensed real estate broker in the State of South Carolina and is serving as a single agent on behalf of Buyer in the purchase of the Home. Cooperating Broker agrees to provide Seller with a copy of their current and valid broker license within fifteen (15) days of the execution of the Purchase and Sale Agreement by Buyer.

Inititals

5.2 Sales Associate is a licensed real estate broker or salesperson in the State of South Carolina and is a designated agent of Cooperating Broker serving as a single agent on behalf of Buyer in the purchase of the Home. Sales Associate agrees to provide Seller with a copy of their current and valid license within fifteen (15) days of the execution of the Purchase and Sale Agreement by Buyer.

Inititals

5.3 Each of Cooperating Broker and Sales Associate shall comply with all requirements of applicable law as an agent on behalf of Buyer in their representation of Buyer in the purchase of the Home and will assist the parties with communication, interposition, advisement, negotiation, contract terms and closing.

Inititals

5.4 The Cooperating Broker and/or Sales Associate is/are a licensed real estate broker and/or salesperson in the State of South Carolina, and is serving as a disclosed dual agent for both the Buyer and the Seller. Cooperating Broker and/or Sales Associate hereby agree to provide Seller with a copy of their current and valid license within fifteen (15) days of the execution of the Purchase and Sale Agreement by Buyer. Cooperating Broker and/or Sales Associate agree that they shall not, without express permission, disclose that the Seller will accept a price less than the listing price of that Buyer will pay a price greater than the offered price.

6. **Aknowledgment by Cooperating Broker**. This document supersedes any previous Registration Form filed by the Cooperating Broker or any of its agents or employees with the Seller, its agents or employees. Violation by the Cooperating Broker of any provision of this document will constitute a breach of this document by the Cooperating Broker and will, at the Seller's election, void any obligation of the Seller to pay a commission or fee to the Cooperating Broker and will, at the Seller's election, entitle the Seller to whatever remedies it may have at law or in equity.

7. **Governing Law**. This Agreement is governed by South Carolina law, without regard to its conflicts of law rules.

8. **Conflicts**. In the event of any conflict between this Cooperating Broker Agreement and the Purchase and Sale Agreement or any other addenda and/or riders, this Disclosure shall control. In all other respects, the Purchase and Sale Agreement shall remain in full force and effect.

9. **Counterparts**. This Agreement may be executed in counterparts, a complete set of which shall form a single document.

10. **Entire Agreement**. This Agreement sets forth the entire agreement between Seller, Cooperating Broker and Sales Associate and shall not be altered, modified or amended unless such amendment is set forth in writing and signed by all parties to this Agreement.

**COOPERATING BROKER:**

c Caroline One-Crowfield (GC), by
its Sales Associate

By: _____

Print Name: Nora Tanner

Date: 9/25/11

**SALES ASSOCIATE**

_____

Print Name: Samuel Broadway
Date: 9-25-2011

Seller: Lennar Carolinas, LLC

_____

Authorized Agent of Seller: Ann Ivey
Date: 9/26/11

## COOPERATING BROKER ADDENDUM

**THIS COOPERATING BROKER ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the twenty-fifth day of September, 2011, between Danny Morrow, ~~Ellen Morrow~~ (collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0005 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to every other addendum attached to the Agreement, which are hereby incorporated by this reference.

2. **Cooperating Broker**. Notwithstanding anything contained in the Agreement to the contrary, Seller and Buyer acknowledge that Buyer has dealt with the following brokerage firm in connection with the purchase of the Property ("**Cooperating Broker**"):

Name of Cooperating Broker: c Caroline One-Crowfield (GC)

Address: 567 Crowfield Blvd

Business Phone: +1 843 7977799

Name of Sales Associate of Cooperating Broker: Nora Tanner

Date of Registration: 09/23/2011

4.5 WB

Seller agrees to pay Cooperating Broker, at Closing, a commission in the amount of three percent ~~(3%)~~ of the **Base Purchase Price plus the Homesite Premium less any builder incentives and/or discounts to the Base Purchase Price**, as that amount is determined by the Purchase Price and Payment Addendum (the "**Commission**"), subject however to the terms and conditions set forth below and in a separate Cooperating Broker Agreement ("**Broker Agreement**").. As set forth herein, "incentive" shall mean the total dollar value of all consideration, incentives, discounts, credits, reductions, gifts or other inducements offered or arranged by Seller in connection with Buyer's purchase of the Property, including, without limitation, any: reduction or discount in the Total Purchase Price, Base Purchase Price, or the Homesite Premium; credit for or contribution toward Closing Costs; payment of or contribution toward assessments or capital contributions charged by any homeowner's association or Seller; payment of or contribution toward homeowner's casualty or liability insurance, and/or lease payments; financing incentive such as payment of buy down fees to the Lender; and retail value of any gift to Buyer. No Commission shall be payable by Seller unless Buyer consummates the purchase of the Property in accordance with the terms and conditions of the Purchase and Sale Agreement; accordingly, the Commission shall not be deemed earned unless and until the Closing occurs. Buyer agrees that it shall be responsible for any other commission due to Cooperating Broker that is in excess of the Commission payable by Seller pursuant to this Addendum and the Broker Agreement and for any commission due to any other real estate brokers or salesmen claiming to have represented Buyer in connection with the purchase of the Property. Notwithstanding the foregoing, Seller agrees to pay any and all commissions due to Seller's New Home Consultants working in Seller's sales office.

plus $500 gift card if closes in October.

3. **Governing Law**. This Addendum is governed by the law of the state where the Property is located, without regard to its conflicts of law rules.

4. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

5. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

6. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

7. Survival. All of the terms of this Addendum shall survive Closing and the delivery of the Deed.

Buyer - Danny Morrow
Date 9/25/11

Buyer - Ellen Morrow DJM
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent for Seller - Ann Ivey
Date 9/26/11

**RICEFIELD WAY and THE ABBEY AT SPRING GROVE PLANTATION**
**MASTER DISCLOSURE AND INFORMATION ADDENDUM TO**
**PURCHASE AND SALE AGREEMENT**
**SOUTH CAROLINA**

**THIS MASTER DISCLOSURE AND INFORMATION ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the Twenty-Fifth day of September, 2011, between Danny Morrow, ~~Ellen Morrow~~ ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0005 of Building/Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as **Spring Grove Plantation** (the "**Community**").

1. **Defined Terms.** All capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Community.** The Property lies within a neighborhood known as Ricefield Way or The Abbey at Spring Grove Plantation (the "**Neighborhood**"), which lies within a community known as Spring Grove Plantation (the "**Community**"). This Addendum explains certain terms which are applicable to the purchase of Homes within the Community and the Neighborhood. Current plans are for Ben McCormick Homes, Harbor Homes and First Coast Homes to build homes in the Community. Other builders besides Seller may be added or deleted from the list of builders in the future. Seller, and any other builder in the Community, shall have the right, without notice to Buyer, to make changes to, among other things, homesite sizes, number of homes being built, size and style of homes being built, features and materials in homes being built, prices of homes (whether more or less than currently published), price per square foot of homes (whether more or less than currently published), street layout, amenity layout, and usage, location, size and number of trees, bushes and other foliage (current and future), and any other items or uses which are currently planned for the Community or the Neighborhood. Seller makes no representation or warranties that Seller will be the exclusive builder or developer in the Community or the Neighborhood or that the Community or the Neighborhood will be built out exactly as currently planned, and Seller expressly reserves the right to make whatever changes it deems necessary relating to future development or build out of the Community and the Neighborhood. Any current maps or other materials showing any final or projected community development may be modified or updated in the future.

SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES WITH REGARD TO THE DEVELOPMENT OF HOMESITES IN AND AROUND THE COMMUNITY. HOMESITES IN AND AROUND THE COMMUNITY MAY REMAIN UNDEVELOPED AT THE SOLE DISCRETION OF SELLER, OTHER BUILDERS IN THE COMMUNITY, AND/OR THE DEVELOPER OF THE COMMUNITY. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES, STATED, IMPLIED, OR OTHERWISE WITH REGARD TO SELLER BEING THE SOLE OR EXCLUSIVE BUILDER WITHIN THE COMMUNITY. SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES, STATED, IMPLIED, OR OTHERWISE WITH REGARD TO CONTINUING TO BUILD IN THE COMMUNITY THROUGH FINAL BUILD OUT AND/OR BUILDING UPON ANY UNDEVELOPED HOMESITE(S). FURTHERMORE, IT IS UNDERSTOOD THAT NO REPRESENTATIONS, ESTIMATES OR PROJECTIONS HAVE BEEN CONVEYED REGARDING THE FINAL BUILD OUT TIME OF ANY UNDEVELOPED HOMESITE(S) OR THE OVERALL COMPLETION SCHEDULE OF THIS COMMUNITY. BUYER ACKNOWLEDGES THAT SELLER CONSTANTLY EVALUATES THE PRICING, DESIGNS, PRODUCT MIX AND AMENITIES OF ITS COMMUNITIES AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING WHETHER TO CONTINUE TO BUILD HOMES WITHIN THE COMMUNITY AND BUYER IS NOT RELYING UPON ANY OF THE FOREGOING IN DECIDING TO PURCHASE THE PROPERTY.

3. **Governing Documents.** Buyer acknowledges receipt, either in hard-copy or via internet or electronic means, of all documents ("**Governing Documents**") for the Community and the Neighborhood.

3.1 Buyer acknowledges receipt of, and agrees to be bound by the Declaration for Spring Grove Plantation Community (the "**Declaration**"), the Articles of Incorporation, By-Laws and any Rules and Regulations of Spring Grove Plantation Community Service Association, Inc., all as amended and supplemented from time to time (collectively, the "**Community Documents**"). Buyer acknowledges and agrees that title to the Home will be subject to the Community Documents.

3.2 The Property will be subject to certain deed restrictions as reflected in the General Limited Warranty Deed executed by Seller and furnished to Buyer at Closing. The deed restrictions run with the Homesite and require, among other things, that (i) buyer give Seller notice of Seller's defaults or any Claim (as defined therein) after Closing and (ii) Seller have an opportunity to inspect and cure defects in the Home. The deed restrictions further require the arbitration of any Claim against Seller that cannot be resolved.

3.3 Buyer acknowledges the provisions of the Governing Documents are fair and reasonable.

4. **Association Memberships.**

4.1 Upon conveyance and recording of the Deed to the Home, Buyer understands and agrees that Buyer will then become a member of the Spring Grove Plantation Community Service Association, Inc., a South Carolina nonprofit corporation (the "**Association**"). Buyer agrees to accept the liability and obligations of

such memberships. Buyer understands that as a member of the Association, Buyer will be required to pay Assessments (as defined in the Governing Documents) for the maintenance of the Common Areas (as defined in the Governing Documents) and for such other uses and purposes as are provided for in the Governing Documents. Buyer also understands and agrees that a failure to pay Assessments when due could cause the Association to record a lien on the Home and to foreclose such lien. Assessments are subject to additional increases in the manner currently provided for in the Governing Documents. Neither Seller, the Association, nor any other builder can estimate the amount or frequency of any such increase.

4.2 Buyer acknowledges that nominees of Seller, and the developer of the Community and the developer of the Neighborhood may serve as the initial officers and directors of the Association. The officers and directors and the management company, which may be an affiliate of Seller, are authorized by Buyer to act for and on the behalf of the Association. Seller may, but is not required to, advance monies to the Association for operations. In the event such advances are made, they will be considered a loan from Seller, and the Association will be obligated to repay such advances as set forth in the Community Documents.

4.3 Buyer acknowledges that all new construction and modifications of existing construction and exterior improvements within the Community are subject to the prior written approval of the appropriate architectural review, design review or similar committee or authority, which is appointed by the Board of Directors of the Association. Buyer agrees to comply with all rules and regulations of the appropriate authority (or authorities) governing construction of improvements within the Community and the Neighborhood as the same may be amended and exist from time to time. These restrictions are subject to change without notice. Building and use restrictions include, but are not limited to, residential and nonresidential uses, building specifications, accessory structures, nuisance, home occupancy, signage, antennas, animals, driveways, vehicle parking, rubbish, utility and drainage easements, clothes lines, fences, special rights of Seller, the developer of the Community, the developer of the Neighborhood and homebuilder(s), leases and restoration of homesites. Buyer agrees not to commence any construction upon the Homesite until it has obtained all requisite written approvals therefore. Buyer further agrees not to make any modifications of any existing buildings and improvements, including, but not limited to, landscaping and landscape irrigation, without the prior written approvals of the appropriate authority (or authorities) pursuant to any city, county or state regulation and pursuant to recorded covenants, conditions or restrictions governing the land. In addition, every city, county or town has building codes and other ordinances that regulate what is permissible within its jurisdictional limits. Prior to making changes to the Home or Homesite, Buyer should contact the applicable governmental authorities for further information concerning local codes and ordinances. Decks, fences and exterior color are among the more common, although not the only, improvements for which architectural approval is required.

4.4 Approval of any work by the appropriate reviewing authority or authorities shall not constitute an express or implied warranty of representation that any work complies with applicable codes, ordinances or other governmental regulations, or that the work is well designated or will be constructed in a proper manner.

4.5 Failure to submit plans and specifications to the appropriate reviewing authority or authorities for approval is a violation of the provisions of the Declaration and/or applicable deed restrictions, which may result in sanctions and/or the imposition of fines, and the removal, at homeowner expense, any of non-approved improvements or modifications.

5. **Community Charges**. In addition to the Closing Costs set forth in Rider B, Buyer shall pay the following additional Closing Costs respecting the Community:

5.1 Association Assessments. Assessments payable to the Association ("**Association Assessments**"), prorated for the month in which the Closing occurs (based on the then current Assessments at the time of closing). Such Assessments are estimated to be $300.00 per year at this time. Buyer understands that the estimated operating budget for the Association is only an estimate of what it will cost to run the Association. The Association may make changes in the budget at any time to cover increases or decreases in expenses or estimates in the budget. Without limiting the generality of this Section, those changes will not give Buyer any right to cancel the Agreement.

5.2 Association Initial Capital Contribution. Buyer acknowledges that among other Assessments provided for in the Community Documents, the Association has established an initial capital contribution ("**Initial Capital Contribution**"). Buyer acknowledges that upon conveyance of the Property an Initial Capital Contribution in an amount equal to $300.00 (or such amount as determined from time to time) is due. The Initial Capital Contribution may be used for any reason whatsoever including, without limitation, reimbursement for costs in setting up the Association and costs of deficit funding. Buyer acknowledges and agrees that the Initial Capital Contribution is not to be considered as an advance payment of Assessments.

5.3 Resale Capital Contribution. Buyer acknowledges that the Association may establish a Resale Capital Contribution (as defined in the Governing Documents). For more information on the Resale Capital Contribution, please refer to the Governing Documents.

6. **Security**. The Community is not a gated community and the roads in the Community are public.

7. **Building and Use Restrictions**. Every homesite is subject to building and use restrictions as set forth in the Declaration. These restrictions are subject to change without notice. Building and use restrictions may affect,

among other things, residential and nonresidential uses, building specifications, accessory structures, nuisance, home occupancy, signage, antennas, satellite dishes, animals, driveways, vehicle parking, rubbish, utility and drainage easements, clothes lines, fences, special rights of Seller, any developer and homebuilder(s), leases and restoration of homesites. Seller encourages you to carefully review the Declaration and to ensure the long-term quality of life for both you and your neighbors.

8. **Municipal Building Codes And Ordinances.** Every city or town has building codes and other ordinances that regulate what is permissible within its jurisdictional limits. Prior to making changes to your Home or Homesite, you should contact the Building Inspector for Berkeley County at 843.719.4095 for further information concerning local codes and ordinances. Seller is not responsible for notifying Buyer or any other homeowners of the content or restrictions contained in any local codes or ordinances.

9. **Architectural Review.**

9.1 The Declaration currently provides that no improvements shall be commenced upon any homesite, nor shall the exterior color, style and materials of an approved structure on a homesite be altered without the prior written approval of the Architectural Control Committee ("ACC"), as applicable, which is appointed by the Board of Directors of the Association. Improvements constructed by Seller or the developer of the Community, or the Neighborhood, as applicable, are exempt from this requirement. Approval of any work by the ACC shall not constitute an express or implied warranty or representation by the ACC that any work complies with applicable codes, ordinances or other governmental regulations, or that the work is well designed or will be constructed in a proper manner. Decks, fences and exterior color are among the more common, although not the only, improvements for which architectural approval is required. For more information concerning architectural review, please review the Declaration.

9.2 Failure to submit plans and specifications to the ACC for approval is a violation of the Declaration, which may result in sanctions and/or the imposition of fines, and the removal, at homeowner expense, of any non-approved modifications.

10. **Pet Restrictions.** Buyer understands that the only pets allowed in the Neighborhood and the Community are those which are in accordance with the restrictions contained in the Community Documents or any amendments thereto.

11. **Short-Term Rentals.** Buyer acknowledges that homes in the Community may be rented for any length of time, subject to certain restrictions set forth in the Community Documents.

12. **Flood Zone.** Buyer acknowledges that the Property may be in a flood zone. Mortgage lenders will typically require the issuance of flood insurance as a requirement for financing, which insurance must be present at Closing. Seller recommends that each Buyer of a Home protect his/her Home by obtaining proper insurance coverage. It is possible, however, for Buyer to submit documentation to the Federal Emergency Management Agency (FEMA) to have the Home re-classified by FEMA, whereby the mortgage lender may have the option to waive the requirement of flood insurance. Buyer is solely responsible for the submission to FEMA for such re-classification and any and all expenses related to such submission. Further, Buyer acknowledges and understands that the waiver of flood insurance is at the sole discretion of the mortgage lender.

13. **Utilities.**

13.1 Buyer acknowledges that no septic tanks shall be permitted within the Community and the Neighborhood. No wells shall be installed without the express written consent of the ACC and all other applicable government agencies.

13.2 Some homesites contain or are adjacent to drainage and utility structures such as storm water overflow swales, storm water retention and/or detention basins, manholes, fire hydrants, electrical transformers, switch boxes, telephone pedestals and streetlights. None of these items shall be altered, obstructed, buried, modified, restricted or interfered with in any manner whatsoever. Overflow swales are generally utilized for overflow storm water capacity as a result of water drainage. Electrical transformers may only be landscaped to the extent permission is given by the utility provider. In some cases, water may flow from one homesite to another. State law may provide that the owner of the homesite receiving water is required to accept the water flow and may not impede the flow of this water. In addition, the Property will be graded to provide for reasonable drainage away from the Home's foundation. The vast majority of foundation problems are caused by insufficient drainage or lack of watering of soil around the foundation. Buyer should keep Buyer's lawn well watered to maintain consistent moisture content and avoid excess wetness, dryness or cracking of soil. The construction of curbs, decks, retaining walls, pools, spas, patios, landscape edging and similar items can also trap water within the yard area and cause structural damage to the Home's foundation. Seller strongly recommends that Buyer consult with a licensed landscape architect and civil engineer before performing any work or making any changes that may affect the existing drainage pattern.

13.3 Berkeley County provides water to the Community. Because Seller does not control the water supply, Seller cannot guarantee the quality of the water provided to the Community. In addition, this area is periodically subjected to extended periods of drought that may cause depletion of water supplies. Municipalities and other providers of water services (including the Town of Moncks Corner) may enact mandatory or voluntary cut backs or other restrictions in water usage. Seller has no control, influence, responsibility or liability for or over decisions concerning water rationing.

13.4 If Buyer has any questions about utility rates, services, safety, or anything else to do with overhead or underground transmission or utility lines, Buyer should contact the utility companies directly. Because Seller values Buyer's safety and that of Buyer's neighbors, no excavation or trenching should be done without first calling the utility companies for the location of buried utilities. There is currently no charge by the utilities for this service. This is especially important in utility easements where buried utility equipment is probable. Digging without advance notification and approval of the utility companies may be illegal, is dangerous and can result in severe personal injury or death to Buyer and Buyer's neighbors, and can also result in severe property damage to homes, property and utility equipment.

14. Waterbodies. BUYER ACKNOWLEDGES THAT THE WATER LEVELS OF LAKES, PONDS OR OTHER WATERBODIES WITHIN THE COMMUNITY AND/OR THE NEIGHBORHOOD MAY VARY. THERE IS NO GUARANTEE BY SELLER, THE ASSOCIATION THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME; AT TIMES, WATER LEVELS MAY BE NONEXISTENT.

15. Regulatory And Governmental Approvals. The zoning, plans, etc. have been approved by Berkeley County. The development of the project, lot, sidewalks, etc. is subject to approval by Berkeley County. For more information on the approvals required and pending in the Community, Buyer should contact the Berkeley County Planning & Zoning Department at 843.719.4095.

16. Prices/Market Values. Seller, and any other builder in the Community, shall have the unilateral right to establish prices for the homes it builds in the Community. Seller and any other builder in the Community may, at its sole discretion, increase or decrease the price or the price per square foot for any home, homesite or option at any time, or offer incentives for sales of homesites and homes, all without notice to Buyer. Once Buyer has signed the Agreement establishing a price for the Property, the prices for any subsequent changes or upgrades to the Home as requested by Buyer, including but not limited to design, floor plan, options, materials or otherwise, are subject to change by Seller until a written and signed agreement on the price is reached by Seller and Buyer for such change or upgrade. Seller makes no representations or warranties that the price for the Property or options in the Home will be increased or decreased for other buyers of identical or similar homes or options. Seller also makes no representations or warranties that changes or options made by Buyer will or will not increase or decrease the market value of the Property. The Property is being sold for residential purposes and not as an investment.

17. Construction And Sales Activities. BUYER ACKNOWLEDGES THAT SOME AREAS OF THE NEIGHBORHOOD AND THE COMMUNITY MAY BE UNDER CONSTRUCTION AND DEVELOPMENT FOR AN EXTENDED TIME. INCIDENT TO THE DEVELOPMENT PROCESS, THE QUIET ENJOYMENT OF THE NEIGHBORHOOD AND THE COMMUNITY MAY BE UNAVOIDABLY INTERFERED WITH TO SOME EXTENT BY THE CONSTRUCTION OPERATIONS. Construction, development and sales activities in the Community and/or the Neighborhood will likely occur after Buyer has taken occupancy of Buyer's Home. Depending upon Buyer's sensitivities, this may result in some inconvenience to Buyer and Buyer's family and guests due to increased noise, dust, road closures, operation of the model homes and sales offices, and other activities. Construction activities can occur at various hours throughout the day, and sales activities can result in additional traffic and visitors throughout the Community, particularly before the Community is completely built out. Neither Seller nor any other builder that may be active in the Community can guarantee that Buyer will not be affected or impacted as a result of the overall construction and development of the Community. Seller gives no guarantees or assurances on the active time of the Community model homes. Homesites across the street or next to the model homes may remain undeveloped until Seller determines that these homesites are no longer needed for marketing purposes.

18. Views. Future development and construction activities in the Community can and will modify the view from homesites (including but not limited to the Homesite). Trees and other foliage may be added or removed from lots or common areas of the Community. Additional housing and other improvements will be added within the community. Because future development and construction activities in the Community will modify views from homesites, Seller does not warrant or guarantee any existing views will be maintained in the future relative to the Property.

19. Streetlights. Numerous streetlights will be installed within the Community, many of which will be installed after homes have been completed, sold and occupied. Streetlights are sized and placed in accordance with Town ordinances and governmental requirements, and could in some instances generate light in or obstruct views from homes in the Community. Information about streetlight size, light output, design and location of streetlights within the Community can be obtained from the service provider.

20. Trees And Foliage. The Community contains numerous native trees of various sizes and varieties. While Seller has taken great care during the planning and construction of the Community to save trees, future development and construction will require the removal of additional trees, shrubs and other foliage and, therefore, Seller does not guarantee the preservation of any trees, shrubs, ground cover or other foliage in the Community or Buyer's Homesite, and cannot be responsible for short or long-term damages to foliage due to construction or development activities. Seller makes no representation or warranty that trees on the Homesite being purchased or any other homesite or common area in the Community will not be removed. All care and maintenance of foliage on an individual homesite is the responsibility of the homeowner, and Seller does not guarantee or warranty the survival of any foliage. Berkeley County has adopted a Tree Ordinance regulating the removal of any tree over a certain size. Before removing a tree, Buyer should contact Berkeley County to ensure that its regulations are adhered to. The Declaration also contains restrictions regarding the removal of any tree over a certain size. Buyer should contact the Association to ensure that its regulations are adhered to.

21. Facilities And Conditions Affecting Homesites.

21.1 The information set forth in this section contains an overview of facilities and conditions which may affect some or all homesites in the Community (including but not limited to the Homesite). Because Seller does not have control over development outside of the Community, Seller does not warrant or guarantee any future development, usage, or lack of development or usage for properties located outside of the Community, or their possible impact on the residents of the Community. For additional information about offsite features that may affect the purchase of the Property, please contact the local governmental authorities having jurisdiction over the Community.

21.2 Seller advises Buyer that some of the homesites (including but not limited to the Homesite) are or may be adjacent to or near some of the following:

DRAINAGE CHANNEL, AIRPORT, RAILROAD TRACKS, STORM WATER DETENTION FACILITY, COMMUNITY CENTER, ELEVATED WATER STORAGE TOWER, SCHOOL FACILITY, PARK SCHOOL SITE, SPORTS FACILITY OR BALL FIELD, COMMUNITY LAKES, PARK AND/OR RECREATION FACILITY, WATER PLANT/SEWER PLANT, LIFT STATION, CELLULAR PHONE, RADIO, TELEVISION OR OTHER TOWER ANTENNA SITE, HIGH VOLTAGE TRANSMISSION LINES OR PIPELINE EASEMENT.

Buyer acknowledges that such facilities may impact noise, vibration, lighting, traffic and other conditions caused by daily operations of the facility. Drainage channels, lakes and storm water detention facilities will have varying levels of water for varying periods of time depending upon rainfall.

21.3 Approximately 10 miles from the edge of the Community is the Charleston International Airport. Some flights landing at or taking off from the airport currently pass over the Community. Jets, helicopters or other aircraft may be seen or heard overhead from the Homesite or even from within the Home. The Charleston International Airport may, in the future, expand the Airport and its operations.

21.4 As a result of the open spaces and bodies of water in and around the Community, Buyer may periodically find wild animals within the confines of the Community including, but not limited to, skunks, nutria, opossums, deer, raccoons, spiders, snakes, bees, fire ants, and other insects common to the area. Contact with any wild animal can be dangerous. Should Buyer encounter any such animal, Buyer is encouraged to contact Buyer's local animal control office for further instructions.

21.5 Property West of the Community. The property west of the Community is currently comprised of agricultural and wooded land and land occupied by the Charleston Steel & Metal plant, Parker Gas Turbine Fuel Systems, and Mt. Holly Hill Park.

21.6 Property North of the Community. The property north of the Community is currently comprised of undeveloped woodlands and land used for residential purposes.

21.7 Property East of the Community. The property east of the Community is currently comprised of forested wetlands and undeveloped woodlands and land used for residential purposes. The property further east of the Community was occupied by the former Pattillo/Stone Mountain Industrial Park Site.

21.8 Property South of the Community. The property south of the Community is currently comprised of undeveloped woodlands and forested wetlands and land used for residential purposes.

21.9 Future Commercial/Retail Uses. The Community is located adjacent to properties which will be developed with major commercial and retail uses in the future. The development of such uses adjacent to the Community may increase traffic volumes, noise, outdoor lighting, pedestrian activity and other similar impacts resulting from commercial development.

21.10 Development of Adjacent Property. Buyer acknowledges that Seller's current construction plans for the Community where the Home and Homesite are located may change and that no representations or warranties are made concerning the development of the Community, or any property adjacent to, surrounding, or near such Community.

21.11 Public Ballfields. Public ballfields are located within the Community. The ballfields are or will be owned by the Association and the future use of the ballfields is in the discretion of Association.

21.12 Major Public Roads. The Community is located along portions of Old Hwy 52 and Cypress Garden Road. These roads may experience heavy traffic.

22. **Floor and Roof Truss Support**. The Home has been designed and constructed with the intent to support typical loads on the floor and roof trusses. Placing or storing excessive loads such as a waterbed or pool table, may result in the warping or failure of the supporting structural components of the Home.

23. **Real Estate Taxes**. When a new home is built, the full value of the home is typically not reflected in the real estate taxes until the second calendar year after construction has been completed. Seller is not responsible for communicating any information regarding real estate taxes (current or future) and cannot and will not predict what the taxes on the Home may be. Buyer should confirm any information provided concerning appraisals, tax valuation, tax rates or other tax-related questions, with Buyer's personal tax advisor and the local taxing authorities.

24. **Public Financing of Capital Improvements**. Berkeley County may finance certain capital improvements in the Community, may issue bonds in connection with such financing and may create one or more special tax districts

within the Community to provide for repayment of such bonds.

25. **Town and County Taxes, Charges And Fees**. Property within the Community is subject to Berkeley County taxes, utility charges, fees and may become part of a special taxing district. For additional information, contact the Tax Collector's office of Berkeley at 843.719.4030.

26. **Addendum Not A Substitute.** Buyer acknowledges and agrees that this Addendum is not a substitute for reading the entire Governing Documents. For a more detailed explanation of any section contained in this Addendum, refer to the Governing Documents.

27. **Pre-Sale Contingency.** Seller shall have the right to terminate this Agreement and cause Buyer's deposits to be refunded in the event that Seller does not enter into binding contracts to sell at least ten percent (10%) of the homes and homesites in the Community. Seller must, however, notify Buyer of such a termination at any time within one hundred eighty (180) days following the date of the first purchase agreement for the sale of a home in the Community, otherwise Seller will be required to construct the Community and the Home and otherwise proceed to perform its obligations under this Agreement. This shall not delay the effectiveness of this Agreement, which shall be immediate, but rather, shall be deemed a "condition subsequent" to this Agreement. In the event of Seller's termination of this Agreement pursuant to this Section, upon such termination and the return of Buyer's Deposit, Seller and Buyer will be fully relieved and released from all obligations and liabilities under and in connection with this Agreement. Seller agrees to use its good faith efforts to meet the foregoing pre-sale requirement.

28. **Third Party Developer**. Seller is not the developer/declarant of the Community ("**Developer**"). Buyer acknowledges that (i) Seller is neither related to nor a joint venture partner with Developer, (ii) Seller does not control the amenities (existing or planned), landscaping, or other improvements that Developer may provide within the Community in the sole and absolute discretion of Developer, (iii) Seller has neither prepared nor participated in the preparation of the Community budgets or any other financial information with regard to the Community, and (iv) any representations or warranties which relate to amenities or other matters contained within the Community shall not be construed as representations made by Seller nor shall such representations be relied upon by Buyer in Buyer's determination as to whether to purchase the Property located within the Community. Seller has no control or influence related to the construction timing, completion, changes in design, changes in location, or other major decisions, including the decision not to build future amenities. Buyer agrees to look solely to the Developer with respect to any matters regarding the Association, existing Community amenities, any proposed amenities, landscaping or other improvements.

29. **Statements Made By Sales Staff And Brokers**. Seller wants to ensure that Seller and Buyer are in full agreement on all terms and conditions relating to the Agreement. To best ensure that there are no misunderstandings, Buyer should ensure that all terms and conditions (including all statements, representations, or understandings upon which Buyer relies in purchasing the Home) are set forth in writing in the Agreement. **If there are any statements, representations or understandings which are made by a sales staff person or any other representative of Seller which are material to Buyer's decision to purchase, Buyer should insist that any such statement, representation or understanding is put in writing and contained in the Agreement. Seller reserves the right to reject the Agreement notwithstanding the inclusion of any such item in the Agreement.**

30. **Public School Assignment**. Seller does not control and cannot guarantee public school assignments for the Community. Because Seller does not control public school assignments, Seller cannot assure Buyer that public school assignments will not be changed in the future. For more information about public school assignments, Buyer should contact the Berkeley County School Board.

31. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

32. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

33. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

34. **Survival**. All of the terms of this Addendum shall survive Closing and the delivery of the Deed.

Buyer - Danny Morrow
Date 9/25/11

Buyer - ~~Ellen Morrow~~
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 9/26/11

# EXHIBIT 9

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

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Lennar Carolinas, LLC
1941 Savage Road, Ste. 100-C
Charleston, South Carolina 29407
843-388-8989

# PURCHASE AND SALE AGREEMENT

**PURSUANT TO SECTION 15-48-10, SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED, THIS SHALL CONSTITUTE WRITTEN NOTICE THAT THIS AGREEMENT IS SUBJECT TO MANDATORY BINDING ARBITRATION PURSUANT TO SECTION 16 OF THIS AGREEMENT.**

**THIS PURCHASE AND SALE AGREEMENT** (together with the Riders and Addenda attached hereto and incorporated by reference herein, this "**Agreement**") is made and entered into as of the eighth day of MAY ., 2013 by and between Lennar Carolinas, LLC ("**Seller**"), and Buyer(s) named below ("**Buyer**"):

| BUYER(S): | Check Applicable: |
|---|---|
| 1. Anthony Logan Ray | Married ☐ Single☐ Male ☐ Female☐ |
| 2. | Married ☐ Single☐ Male ☐ Female☐ |
| 3. | Married ☐ Single☐ Male ☐ Female☐ |
| 4. | Married ☐ Single☐ Male ☐ Female☐ |
| No Buyer Changes Will Be Permitted | |

| Buyer Address: 107 Loch Circle | | |
|---|---|---|
| City: Hampton | State / Country: VA | Zip: 23669 |

By providing your telephone and fax numbers and your email address, you hereby consent to receiving telephonic, fax and email communications, including advertisements, made or sent by or on behalf of Seller and/or its affiliates.

| | |
|---|---|
| **Home Telephone:** | **Facsimile Numer:** |
| **Business Telephone:** | **Email Address:** ray9271@yahoo.com |
| **Cellular Telephone:** +1 760 2978100 | |

1. **Purchase and Sale**. Buyer agrees to buy and Seller agrees to sell to Buyer (on the terms and conditions set forth below) Model LINDEN constructed or to be constructed on the following described property:
Lot 0036 of Block _____ of The Abbey at Spring Grove Subdivision/Plat, in Berkeley County (the "**County**"), South Carolina

Address: 233 Maywood Drive Moncks Corner SC 29461

The residence and improvements (the "**Home**") constructed or to be constructed on the above described property (the "**Homesite**"), and all appurtenances thereto are collectively referred to in this Agreement as the "**Property.**" The Property is located within the community known as The Abbey at Spring Grove (the "**Community**").

2. **Purchase Price and Payments**. The total purchase price ("**Total Purchase Price**") for the Home, exclusive of any Builder's Fee, as applicable, and Closing Costs as described in Rider B and the Purchase Price and Payment Addendum, is $ 186,990.00. Buyer (and not a third party) has made an earnest money deposit upon the signing of this Agreement (the "**Initial Deposit**") of $ 1,000.00. Buyer shall make further payments to Seller, including but not limited to any "Additional Deposit" or "Advanced Payment" (consisting of non-refundable deposit(s) for options, extras, and upgrades) as set forth in the Purchase Price and Payment Addendum attached hereto and made a part hereof. The term "**Deposit**" shall include the Initial Deposit, Additional Deposit and Advanced Payment.

3. **Legally Binding Agreement**. THIS AGREEMENT IS A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, PLEASE SEEK COMPETENT LEGAL ADVICE. NO WARRANTIES OR REPRESENTATIONS, OTHER THAN THOSE SPECIFIED IN THIS AGREEMENT, ARE EXPRESSED OR IMPLIED. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF SELLER. FOR CORRECT WARRANTIES AND REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THIS AGREEMENT, INCLUDING THE RIDERS AND ADDENDA ATTACHED HERETO, AND THE "**DOCUMENTS**" (AS SUCH TERM IS DEFINED IN RIDER B) PROVIDED TO BUYER, IF ANY.

4. **Financing**.

☐ **NO CONTINGENCY**. If this box is checked, this is a cash transaction and not contingent on financing. Buyer agrees to provide within five (5) calendar days from the Buyer's execution of this Agreement financial statements or other written verification of Buyer's ability to purchase the Property with cash. If Buyer does not (in Seller's sole judgment, based on the documentation provided by Buyer to Seller) have the financial ability to purchase the Property with cash, then Seller may terminate this Agreement by refunding to Buyer any paid Deposit.

☐ **MORTGAGE CONTINGENCY**. If this box is checked, this Agreement is contingent on Buyer obtaining a loan commitment within the Mortgage Contingency Period (as such term is defined in Rider B attached hereto) for a first mortgage loan from Universal

American Mortgage Company, LLC (an affiliate of Seller), or another qualified institutional mortgage lender of Buyer's choice ("Lender"), with interest, term and service charges at current market rates at time of Closing (as defined below) for a borrower of Buyer's credit qualifications (the "Mortgage Contingency"). Buyer agrees to apply within five (5) calendar days from the execution of this Agreement for a loan at the then prevailing interest rate and terms (the "Mortgage Contingency Period"). In the event Buyer chooses to obtain financing through a Lender other than Universal American Mortgage Company, LLC, Buyer agrees to promptly provide Seller, upon Seller's request, with the name, address and phone number of such Lender, the loan officer and the loan processor. Buyer shall furnish promptly and accurately to Lender all information and documents requested by Lender in connection with such application. If Buyer properly makes and pursues the loan application as provided herein but is unable to provide Seller with a copy of a written loan commitment reasonably satisfactory to Seller within the Mortgage Contingency Period, or if Buyer is at any time disapproved for such loan (and Buyer does not cancel or withdraw his/her loan application), then Seller, at its sole discretion, may cancel this Agreement by written notice to Buyer, at Buyer's last known address, in which event Seller shall refund any paid Deposit made by Buyer. If Buyer properly makes and pursues the loan application as provided herein but is unable to obtain mortgage loan financing, despite Buyer's good faith efforts to do so, and Buyer is not otherwise in default under this Agreement, and further provided that Buyer provides Seller with documentation from Lender that the loan has been declined, Buyer may cancel this Agreement by giving written notice to Seller within the Mortgage Contingency Period, in which event Seller shall refund any paid Deposit. If this Agreement provides for a VA guaranteed or FHA-insured loan, Buyer's obligation to complete the purchase contemplated under this Agreement is subject to the VA/FHA Addendum attached hereto and incorporated herein.

The following shall apply only if this Agreement is subject to the Mortgage Contingency, as indicated above:

4.1 Mortgage Loan. Unless Buyer shall have otherwise notified Seller in writing within the Mortgage Contingency Period, Buyer shall be conclusively presumed to have obtained the loan commitment or agreed to purchase the Property without mortgage financing, and the Mortgage Contingency shall be deemed to have been satisfied.

4.2 Application. Buyer understands that any loan application required under this Agreement must be fully completed in order to obtain the mortgage loan, and Buyer will make a good faith attempt to qualify for the mortgage loan. If Buyer has a spouse who does not constitute a Buyer under this Agreement, Buyer agrees to have his/her spouse sign the mortgage documents as required by Lender. BUYER AGREES TO INCUR NO DEBT SUBSEQUENT TO THE DATE HEREOF WHICH MIGHT JEOPARDIZE APPROVAL OF BUYER'S MORTGAGE LOAN. IF THE PROPERTY IS BEING PURCHASED BY A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, BUYER AGREES TO (1) OBTAIN ANY PERSONAL ENDORSEMENTS OR GUARANTEES REQUIRED BY LENDER AND (2) PROVIDE TO LENDER AND/OR THE TITLE INSURER PROMPTLY UPON REQUEST SUCH CERTIFICATES, RESOLUTIONS OR OTHER CORPORATE, PARTNERSHIP OR OTHER ORGANIZATIONAL DOCUMENTS AS MAY BE REQUIRED. Except as provided in this Agreement, Buyer agrees to pay all loan fees and closing costs charged by Lender in connection with the mortgage loan. Buyer will pay any prepaid interest due on the mortgage loan at the time of Closing and any amount Lender may require to be put into escrow toward the payment of property taxes and insurance on the Property. Buyer will also pay any mortgage insurance premiums (prepaid or otherwise), if required by Lender.

4.3 Commitment. Buyer understands that the rate of interest on the mortgage is established by Lender and not by Seller and that any predictions or representations of present or future interest rate that may have been contained in any advertising or promotion by Seller are not binding. If Buyer obtains a written mortgage loan commitment and the mortgage loan commitment is subsequently withdrawn through no fault of Seller including, but not limited to, any condition to such loan commitment not being satisfied for any reason (other than failure of the Property to appraise equal to or greater than the Total Purchase Price), this Agreement shall remain in full force and effect and Buyer shall be conclusively presumed to have agreed to purchase the Property without mortgage financing. If the Lender's appraiser does not appraise the Property for the Total Purchase Price then Seller shall have the option in, Seller's sole discretion, to (i) lower the Total Purchase Price to the appraised value and Buyer shall proceed to Closing, or (ii) terminate this Agreement and return the Deposits to Buyer. If Buyer obtains a loan commitment containing any special condition that is not ordinarily contained in typical loan commitments for the Community, Seller, in Seller's sole discretion, may treat Buyer's loan application as having been denied; whereupon, Seller shall have the rights set forth in this Section 4.

4.4 Sale of Other Residence. Unless the Home Sale Contingency Addendum is executed, Buyer represents and warrants that this Agreement and the mortgage loan referenced herein, are not and will not be subject to or contingent upon Buyer's selling and/or closing on the sale of Buyer's present residence or other property. Failure to close on the purchase of the Property will constitute a default by Buyer and the remedies available to Seller for Buyer's default under this Agreement shall apply.

5. **Funds**. Any funds paid by Buyer under the terms of this Agreement to Seller through a check or cashier's check are accepted by Seller subject to collection. Buyer acknowledges that Seller shall have the right to deposit such check for the Initial Deposit without such action being deemed acceptance of this Agreement. If any such check is not paid by the bank after acceptance of this Agreement, Seller shall have the option to cancel this Agreement and declare Buyer in default. If Buyer provides any check for a Deposit in the form of Canadian currency (a "C$ check"), Seller's depository bank will convert such C$ check into a U.S. dollar amount using its currency procedures and exchange rate then in effect two (2) business days following the date of processing (the "Conversion Date") and the amount of the Deposit to be applied toward the Total Purchase Price shall be equal to the amount received by Seller from the depository bank on the Conversion Date. Seller reserves the right to charge or pass through any currency conversion-related fees or costs to the Buyer at Closing (as hereafter defined). Notwithstanding the foregoing or anything contained in the Agreement to the contrary, the balance of the Total Purchase Price plus all applicable Closing Costs (the "Closing Proceeds") shall be paid to Seller at Closing by wire transfer in immediately available funds or by cashier's check (subject to collection) issued by a bank with a branch in the County where the Property is located. If Buyer delivers all or any portion of the Closing Proceeds in the form of a cashier's check exceeding $25,000.00, then Buyer will not be entitled to possession of the Home until the Closing Proceeds have cleared.

6. **Credit Information Authorization**. Buyer authorizes Lender to whom Buyer has applied or is in the process of applying for a mortgage loan in connection with this transaction to disclose to Seller the information contained in any loan application, verification of deposit, income and employment, and credit reports or credit related documentation on Buyer. Buyer authorizes Seller to order one or more credit reports from a consumer reporting agency to be used in connection with this transaction. The cost of said report(s) is

(are) to be paid by Buyer. Buyer authorizes Seller to forward all copies of all or any portion of such report(s) without interpretation to Lender who (at the request of Buyer) will evaluate a potential extension of credit to Buyer in connection with this transaction. Buyer authorizes Lender, and any credit bureau or other person or entity utilized or engaged by Lender, to obtain one or more consumer reports regarding Buyer and to investigate any information, reference, statement, or data, provided to Lender by Buyer or by any other person or entity, pertaining to Buyer's credit and financial status. Buyer shall indemnify, defend and hold harmless Seller, its officers, directors, shareholders, employees, agents, contractors, subcontractors and suppliers ("Indemnified Parties"), Lender, and any credit bureau or other person or entity utilized or engaged by Lender or Seller, from and against any deficiencies, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, awards, suits, costs or disbursements of any kind or nature whatsoever, including attorneys' fees and expenses ("Claims") arising from an investigation of Buyer's credit and financial status.

7. **Closing**. Without limiting the terms of Section 8, Buyer acknowledges and agrees that Seller has the right in its sole discretion to schedule the date, time and place for the closing of the transaction contemplated by this Agreement ("**Closing**") and Buyer shall close on such Closing Date (the "**Closing Date**"). Buyer will be given notice of the Closing Date, time and place by the "**Closing Date Notice Period**" (as such term is defined in Rider B attached hereto). Seller is authorized to postpone or advance the date of Closing at its discretion. Seller must, however, give Buyer reasonable notice of the new Closing Date. Any notice of Closing may be given verbally, by telephone, telegraph, telex, facsimile, mail, e-mail, or other means of communication at Seller's option. All notices of Closing will be given to Buyer at the address or by use of the telephone number(s) or e-mail address(es) specified on page 1 of this Agreement unless Seller has received written notice from Buyer of any change therein prior to the date notice of Closing is given. Buyer's failure to receive the notice of Closing because Buyer has failed to advise Seller of any changes of address or phone number, or because Buyer has failed to pick up a letter when Buyer has been advised of an attempted delivery or for any other reason, shall not relieve Buyer of Buyer's obligation to close on the scheduled Closing Date, unless Seller otherwise agrees in writing to postpone the Closing Date. To the extent not prohibited by applicable law, if Seller, in its sole discretion, agrees in writing to reschedule the Closing Date at Buyer's request, or because Buyer (if a corporation) has failed to produce all corporate documents requested by Seller, or for any other reason (except for delay required by Seller), then (1) Seller may impose a late charge as liquidated damages for such delay equal to One Hundred Twenty-Five Dollars ($125.00) per day for every day from the original Closing Date through the date that the transaction closes, and (2) Seller may require that prorations be made as of the original Closing Date. Buyer agrees the late charge is appropriate in order to cover Seller's administrative and other expenses resulting from a delay in Closing and that the amount of liquidated damages is fixed and agreed to by the parties as a reasonable estimate of the damages that Seller shall suffer and is not in the nature of a penalty. Seller is not required to agree to reschedule Closing, but Seller may reschedule Closing in Seller's sole discretion.

8. **Completion Date**. It is expressly agreed by Buyer that notwithstanding anything to the contrary specified herein or verbally represented (including but not limited to Seller's sales representative), any scheduled completion date is a good faith estimate, and Seller makes no promises or representations concerning the date of completion. Buyer agrees that Buyer has not relied, and will not rely upon, any estimated completion date for any purpose whatsoever, including, without limitation, relocation of residence, storage of personal property, or lock-in financing, and Buyer agrees that Seller shall not be liable for any additional costs, expenses or damages whatsoever should the Home not be completed by an estimated completion date. Notwithstanding the foregoing, Seller is required to complete and does agree that the construction of the Home shall be completed not later than two (2) years from the date of Buyer's execution of this Agreement. If construction is delayed by any event recognized by the law of the state in which the Home is located as a defense to a contract action for non-performance or a delay in performance, then the date of completion shall be extended by the delay period. It is the express intent of the parties that the parties' rights and obligations under this Agreement be construed in the manner necessary to exempt this Agreement and the sale of the Property from registration under the Interstate Land Sales Full Disclosure Act, and both Buyer and Seller hereby expressly waive any right or provision of this Agreement that would otherwise preclude such exemption.

9. **Casualty Before Closing**. If the Property is damaged by fire, act of terrorism or other casualty before Closing and the cost of restoration does not exceed three percent (3%) of the Total Purchase Price and repairs will not substantially delay Closing, Seller shall repair the damage and Closing shall proceed pursuant to the terms of this Agreement. If the cost of restoration exceeds three percent (3%) of the Total Purchase Price or the repairs would substantially delay Closing, Buyer shall have the option to: (1) terminate this Agreement and receive a refund of the Deposit made by Buyer to Seller, in which event both parties shall be released from all obligations under this Agreement, or (2) have Seller repair the damage as soon as reasonably possible, and Closing shall be extended until such repair or rebuilding is complete.
Notwithstanding the foregoing, if all or a portion of the Property is damaged by fire, act of terrorism or other casualty and (1) the plans, specifications or construction materials for the Property must be materially modified in order to repair or reconstruct the Property, or (2) the repair or reconstruction of the Property substantially in accordance with the plans and specifications is rendered impossible by any cause recognized by the law of the state in which the Property is located as a defense to a contract action for non-performance, then Seller shall have the right to terminate this Agreement and Buyer shall receive a refund of the Deposit made by Buyer to Seller in which event both parties shall be released from all obligations under this Agreement.

10. **Deed**. Seller shall convey title to Buyer at Closing by delivery to Buyer of a General Limited Warranty Deed (the "**Deed**") describing the Property, which Deed shall convey title to Buyer subject to all matters described in this Agreement.

11. **Closing and Title Matters**. Title to the Property to be delivered to Buyer at Closing will be marketable and insurable, subject only to the following matters:

11.1 Title to the Property shall be subject to the following: (1) zoning, building codes, bulkhead laws, ordinances, regulations, rights or interests vested in the United States of America or the state in which the Community is located; (2) real estate taxes and other taxes for the year of conveyance and subsequent years including taxes or assessments of any special taxing or community development district (including assessments relating to capital improvements and bonds); (3) the general printed exceptions contained in an owner's title insurance policy; (4) utility easements, sewer agreements, telephone agreements, cable agreements, telecommunications agreements, monitoring agreements, restrictions and reservations common to any plat affecting title to the Property; (5) matters that would be disclosed by an accurate survey or inspection of the Property; (6) the Documents; (7) any laws and restrictions, covenants, conditions, limitations, reservations, agreements or easements recorded in the public records for the County (for example, use limitations and obligations, easements (right-of-way) and agreements relating to telephone, gas or electric lines, water and sewer lines and drainage, provided they do not prevent use of the Property for single family residential purposes); (8) minor encroachments on easements that do not

substantially interfere with an easement holder's interest in the Property; and (9) acts done or suffered by Buyer and any mortgage or deed of trust obtained by Buyer for the purchase of the Property. It is Buyer's responsibility to review and become familiar with each of the foregoing title matters, some of which are covenants running with the land. If any title defects are discovered by Buyer after Closing, Buyer's sole remedy shall be to make a claim to Buyer's title insurer.

11.2 Seller shall convey title to Buyer at Closing by delivery to Buyer of the Deed, which shall convey title to Buyer subject to all matters described in Section 11.1 of this Agreement. Any such matters omitted from the Deed shall nevertheless be deemed to be included in the Deed.

11.3 Seller shall provide an affidavit complying with the Foreign Investment in Real Property Tax Act of 1980, as amended, upon written request of Buyer.

11.4 Seller may not own title to the Property as of the date of this Agreement or at Closing. However, Seller shall obtain title to the Property on or before the Closing Date or effect the necessary transfer of title on or before the date when Seller causes title to be transferred to Buyer.

11.5 If Seller cannot provide marketable and insurable title as described above, such failure shall not be an event of default and Seller will have a reasonable period of time (at least one hundred and twenty (120) days from the date of the scheduled Closing Date) to attempt to correct any defects in title; provided, however, Seller shall not be obligated to incur any expense, nor institute any litigation, to clear title to the Property. If Seller cannot or elects not to correct the title defects, Seller shall so notify Buyer within such period, and Buyer may thereafter elect (by written notice from Buyer to Seller) one of the following two (2) options: (1) to accept title in the condition offered (with defects) and pay the balance of the Total Purchase Price for the Property (without set off or deduction therefor), thereby waiving any claim with respect to such title defects and Buyer will not make any claims against Seller because of the title defects; or (2) to terminate this Agreement and receive a full refund of the Deposit deposited hereunder. If all such amounts are refunded, Buyer agrees to accept it as full payment of Seller's liability hereunder, whereupon this Agreement shall be terminated and Seller shall thereafter be relieved and released of all further liability hereunder. Buyer shall not thereafter have any rights to make any additional claims against Seller. In the event Buyer does not notify Seller in writing within five (5) calendar days from the receipt of Seller's notice (time being strictly of the essence) as to which option Buyer elects, Buyer shall be conclusively presumed to have elected option (1) set forth above in this subsection.

11.6 The acceptance of the Deed by Buyer shall be deemed to be full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to this Agreement, except those which are herein specifically deemed to survive Closing or which may survive by operation of law, if any.

11.7 Title to the Property will be deemed marketable if an owner's policy is issued with standard exceptions.

11.8 All of the terms of this Section 11 shall survive Closing and the delivery of the Deed.

12. **Closing Costs**. The respective responsibilities of Buyer and Seller for all costs, prorations and fees payable at Closing (the "**Closing Costs**") are shown in Rider B attached hereto.

13. **Site and Substitutions**. The materials, equipment and fixtures included in and to be used in constructing the Home will be substantially the same as or similar in quality to those described in the applicable plans and specifications (except as to extras, options and/or upgrades).

13.1 Changes to Plans and Specifications.

13.1.1 Industry Practice. It is widely observed construction industry practice for pre-construction plans and specifications for any home or building to be changed and adjusted from time to time in order to accommodate on-going site conditions and in the field construction factors. These changes and adjustments are essential in order to permit all components of the Home to be integrated into a well-functioning and aesthetically pleasing product in an expeditious manner. Based on the foregoing, Buyer acknowledges that such changes and adjustments may occur and agrees that it is reasonable and to Buyer's benefit to allow Seller the flexibility to make such changes and adjustments to the Home.

13.1.2 Seller's Absolute Right to Make Modifications to Plans and Specifications. Seller has the absolute right to make modifications to the plans and specifications for the Home. Without limiting the generality of the foregoing, Buyer specifically agrees that changes in the dimensions of rooms and patios, entrances and terraces, if applicable, and changes in room size, in the locations of windows, doors, walls, partitions, utility lead-ins and outlets (including, but not limited to, electrical, cable television, and telephone), air-conditioning components, lighting fixtures and electrical panel boxes may be made by Seller in its sole discretion, provided however that changes in the layout and dimensions of the Home shall not substantially affect the value of the Home. Such changes may also include, but are not limited to, changes in the building location, setbacks and facing, the building's external configuration, its structural components, its finishes and the landscaping associated therewith.

13.1.3 Buyer's Acceptance of Actual Floor Plan. Buyer further understands and acknowledges that many of the Homes to be constructed within the Community require floor plans which are opposite (i.e. flipped) mirror images of the model floor plan and Buyer fully understands and accepts the floor plan configuration for the Home and improvements to be constructed within the Home.

13.1.4 No Warranty for Plans and Specifications on File. Buyer further acknowledges and agrees that (1) the plans and specifications of the Home and the Community on file with the applicable governmental authorities may not be identical in detail to Seller's plans and specifications, and (2) because of the day-to-day nature of the changes described in this Section 13, the plans and specifications on file with the applicable governmental authorities may not include some or any of these changes (there being no legal requirement to file all changes with such authorities). As a result of the foregoing, Buyer and Seller both acknowledge and agree that the Home and the Community may

not be constructed in accordance with the plans and specifications on file with the applicable governmental authorities. Without limiting the generality of the provisions of Rider B attached hereto, Seller disclaims and Buyer waives any and all express or implied warranties that construction will be accomplished in compliance with such plans and specifications. Seller has not given and Buyer has not relied on or bargained for any such warranties. In furtherance of the foregoing, in the event of any conflict between the actual construction of the Home and/or the Community, and that which is set forth on the plans and specifications, Buyer agrees that the actual construction shall prevail and to accept the Home and Community as actually constructed (in lieu of what is set forth on the plans and specifications).

13.2 Lot Change. In the event that Seller, in its sole discretion, determines that the Model of the Home selected under this Agreement cannot reasonably be built on the Homesite, then Buyer and Seller hereby agree that they will negotiate in good faith to relocate the Home to another lot in the Community, provided however that there are lots available for sale. If no replacement lot is available, then Buyer may terminate this Agreement and will be entitled to a refund of any paid Deposit.

13.3 Decorative and Landscaping Items.

13.3.1 Buyer understands and agrees that certain of the finishing items, such as tile, marble, carpet, cabinets, stone, brickwork, wood, paint, stain and mica are subject to size and color variations, grain and quality variations, and may vary in accordance with price, availability and changes by manufacturers from those shown in the model, if any, or in illustrations or brochures or those included in the specifications. Furthermore, if circumstances arise that, in Seller's opinion, warrant changes of subcontractors, suppliers, manufacturers, brand names or items, Seller reserves the right to substitute equipment, materials, appliances, etc., which in Seller's opinion are considered to be of quality substantially similar or equal, or of better quality, subject to their availability. Buyer also understands that Seller has the right to substitute or change materials and/or stain colors utilized in wood decor, if any.

13.3.2 Lot grades, lot area, options, facades, shrubs, trees, trim, built-ins, wall treatments, window treatments, furniture, furnishings, fences, decks, locations of walks, driveways and other items in or about a model home area in the subdivision are for display purposes only and are not included in the Total Purchase Price unless otherwise expressly provided herein. Seller has the right to remove any existing trees on the Property or on the surrounding area for any reason. Buyer further understands and agrees that the following items (which may be seen in models or shown in illustrations) will also not be included with the sale of the Home: wall coverings, paint colors, accent light fixtures, wall ornaments, drapes, blinds, bedspreads, furniture, furnishings, wet bars, monitoring systems, certain built-in fixtures, special floor coverings, wood trim, upgraded items and/or any other items of this nature which may be added or deleted from time to time. This list of items (which is not all-inclusive) is provided as an illustration of the type of items built-in or placed upon models or shown in illustrations strictly for purposes of decoration and example only.

13.4 Deed. By acceptance of the Deed, Buyer accepts all variations of the Home.

13.5 Survival. All of the terms of this Section 13 shall survive Closing and the delivery of the Deed.

14. **Buyer's Default.** In the event of Buyer's default and to the extent allowed by law, Seller shall be entitled to keep, as liquidated damages and not as a penalty, Buyer's Deposit not to exceed fifteen percent (15%) of the Total Purchase Price, except that Seller may, in addition, keep, as liquidated damages and not as a penalty, any and all Advanced Payments made by Buyer to Seller for options, extras or upgrades for which Seller has made contractual commitments or incurred liability by placing orders or otherwise. Buyer agrees that actual damages in the event of breach by Buyer would be costly and difficult to calculate, and that such liquidated damages are a fair and reasonable remedy and shall not be considered a penalty. The provisions of this Section shall survive the termination of this Agreement.

15. **Seller's Default.** In the event of Seller's default and to the extent allowed by law, Buyer may recover actual damages but shall not be entitled to special, consequential or punitive damages. Notwithstanding the foregoing, Buyer retains all remedies at law and in equity with respect to Seller's obligation to complete the Home within two (2) years pursuant to Section 8 above. Notwithstanding anything to the contrary in this Agreement, Buyer releases and holds harmless Seller's past and present officers and employees from all claims, liabilities, and causes of action of any nature. Buyer now has or may have arising from any act or omission of Seller's officers or employees related to Lennar's performance of its obligations under this Agreement and Lennar's construction of a Home on the Homesite. The provisions of this Section shall survive the termination of this Agreement.

16. **Mediation / Arbitration of Disputes.**

16.1 The parties to this Agreement specifically agree that this transaction involves interstate commerce and that any Dispute (as hereinafter defined) shall first be submitted to mediation and, if not settled during mediation, shall thereafter be submitted to binding arbitration as provided by the Federal Arbitration Act (9 U.S.C. §§1 et seq.) and not by or in a court of law or equity. "Disputes" (whether contract, warranty, tort, statutory or otherwise), shall include, but are not limited to, any and all controversies, disputes or claims (1) arising under, or related to, this Agreement, the Property, the Community or any dealings between Buyer and Seller; (2) arising by virtue of any representations, promises or warranties alleged to have been made by Seller or Seller's representative; and (3) relating to personal injury or property damage alleged to have been sustained by Buyer, Buyer's children or other occupants of the Property, or in the Community. Buyer has executed this Agreement on behalf of his or her children and other occupants of the Property with the intent that all such parties be bound hereby. Any Dispute shall be submitted for binding arbitration within a reasonable time after such Dispute has arisen. Nothing herein shall extend the time period by which a claim or cause of action may be asserted under the applicable statute of limitations or statute of repose, and in no event shall the Dispute be submitted for arbitration after the date when institution of a legal or equitable proceeding based on the underlying claims in such Dispute would be barred by the applicable statute of limitations or statute of repose.

16.2 Any and all mediations commenced by any of the parties to this Agreement shall be filed with and administered by the

American Arbitration Association or any successor thereto ("AAA") in accordance with the AAA's Home Construction Mediation Procedures in effect on the date of the request. If there are no Home Construction Mediation Procedures currently in effect, then the AAA's Construction Industry Mediation Rules in effect on the date of such request shall be utilized. Any party who will be relying upon an expert report or repair estimate at the mediation shall provide the mediator and the other parties with a copy of the reports. If one or more issues directly or indirectly relate to alleged deficiencies in design, materials or construction, all parties and their experts shall be allowed to inspect, document (by photograph, videotape or otherwise) and test the alleged deficiencies prior to mediation. Unless mutually waived in writing by the parties, submission to mediation is a condition precedent to either party taking further action with regard to any matter covered hereunder.

16.3 If the Dispute is not fully resolved by mediation, the Dispute shall be submitted to binding arbitration and administered by the AAA in accordance with the AAA's Home Construction Arbitration Rules in effect on the date of the request. If there are no Home Construction Arbitration Rules currently in effect, then the AAA's Construction Industry Arbitration Rules in effect on the date of such request shall be utilized. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Dispute. If the claimed amount exceeds $250,000.00 or includes a demand for punitive damages, the Dispute shall be heard and determined by three arbitrators; however, if mutually agreed to by the parties, then the Dispute shall be heard and determined by one arbitrator. Arbitrators shall have expertise in the area(s) of Dispute, which may include legal expertise if legal issues are involved. All decisions respecting the arbitrability of any Dispute shall be decided by the arbitrator(s). At the request of any party, the award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

16.4 The waiver or invalidity of any portion of this Section shall not affect the validity or enforceability of the remaining portions of this Section. Buyer and Seller further agree (1) that any Dispute involving Seller's affiliates, directors, officers, employees and agents shall also be subject to mediation and arbitration as set forth herein, and shall not be pursued in a court of law or equity; (2) that Seller may, at its sole election, include Seller's contractors, subcontractors and suppliers, as well as any warranty company and insurer as parties in the mediation and arbitration; and (3) that the mediation and arbitration will be limited to the parties specified herein.

16.5 To the fullest extent permitted by applicable law, Buyer and Seller agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any other arbitration, judicial, or similar proceeding shall be given preclusive or collateral estoppel effect in any arbitration hereunder unless there is mutuality of parties. In addition, Buyer and Seller further agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any arbitration hereunder shall be given preclusive or collateral estoppel effect in any other arbitration, judicial, or similar proceeding unless there is mutuality of parties.

16.6 Unless otherwise recoverable by law or statute, each party shall bear its own costs and expenses, including attorneys' fees and paraprofessional fees, for any mediation and arbitration. Notwithstanding the foregoing, if a party unsuccessfully contests the validity or scope of arbitration in a court of law or equity, the noncontesting party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in defending such contest, including such fees and costs associated with any appellate proceedings. In addition, if a party fails to abide by the terms of a mediation settlement or arbitration award, the other party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in enforcing such settlement or award.

16.7 Buyer may obtain additional information concerning the rules of the AAA by visiting its website at www.adr.org or by writing the AAA at 335 Madison Avenue, New York, New York 10017.

16.8 Seller supports the principles set forth in the Consumer Due Process Protocol developed by the National Consumer Dispute Advisory Committee and agrees to the following:

16.8.1 Notwithstanding the requirements of arbitration stated in Section 16.3 of this Agreement, Buyer shall have the option, after pursuing mediation as provided herein, to seek relief in a small claims court for disputes or claims within the scope of the court's jurisdiction in lieu of proceeding to arbitration. This option does not apply to any appeal from a decision by a small claims court.

16.8.2 Seller agrees to pay for one (1) day of mediation (mediator fees plus any administrative fees relating to the mediation). Any mediator and associated administrative fees incurred thereafter shall be shared equally by the parties.

16.8.3 The fees for any claim pursued via arbitration in an amount of $10,000.00 or less shall be apportioned as provided in the Home Construction Arbitration Rules of the AAA or other applicable rules.

16.9 Notwithstanding the foregoing, if either Seller or Buyer seeks injunctive relief, and not monetary damages, from a court because irreparable damage or harm would otherwise be suffered by either party before mediation or arbitration could be conducted, such actions shall not be interpreted to indicate that either party has waived the right to mediate or arbitrate. The right to mediate and arbitrate should also not be considered waived by the filing of a counterclaim by either party once a claim for injunctive relief had been filed with a court.

16.10 Buyer and Seller specifically agree that notwithstanding anything to the contrary, the rights and obligations set forth in this Section 16 shall survive (1) Closing and the delivery of the Deed; (2) the termination of this Agreement by either party; or (3) the default of this Agreement by either party.

17. Other Dispute Resolutions. Notwithstanding the parties' obligation to submit any Dispute to mediation and arbitration, in the event that a particular dispute is not subject to the mediation or the arbitration provisions of Section 16, then the parties agree to the following provisions: **BUYER ACKNOWLEDGES THAT JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS AGREEMENT ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. BUYER AND**

**SELLER AGREE THAT ANY DISPUTE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY. BUYER AND SELLER HEREBY WAIVE THEIR RESPECTIVE RIGHT TO A JURY TRIAL. SELLER HEREBY SUGGESTS THAT BUYER CONTACT AN ATTORNEY OF BUYER'S CHOICE IF BUYER DOES NOT UNDERSTAND THE LEGAL CONSEQUENCES OF EXECUTING THIS AGREEMENT.** All of the terms of this Section 17 shall survive Closing and the delivery of the Deed.

18. **Selling Agent, Cooperating Broker, and Seller's New Home Consultant.** Unless a Purchase Price and Payment Addendum indicating otherwise is attached hereto, Buyer represents to Seller that Buyer has not consulted, dealt or negotiated with a real estate broker, salesperson or agent other than Seller's sales personnel located at Seller's sales office. Buyer agrees that Seller is not responsible for the payment of a commission to a real estate broker, salesperson or agent other than Seller's sales personnel. Buyer shall indemnify, defend and hold harmless Indemnified Parties from and against any and all Claims resulting from or arising out of any representation or breach of a representation or warranty set forth in this Section. In addition, Buyer acknowledges and understands that Seller's New Home Consultant ("NHC") and Internet New Home Consultant ("INHC") are agents of Seller, are acting solely for the Seller's interests, and are not acting in any representative capacity for Buyer. Buyer should not disclose any information to Seller's NHC and/or INHC that Buyer considers to be confidential or otherwise does not want disclosed to Seller.

Buyer's Initials ALP _____ _____

19. **Construction Activities.** ALL OWNERS, OCCUPANTS AND USERS OF THE COMMUNITY ARE HEREBY PLACED ON NOTICE THAT (1) SELLER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES, AND/OR (2) ANY OTHER PARTIES, WILL BE, FROM TIME TO TIME, CONDUCTING BLASTING, EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO THE COMMUNITY. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF THE COMMUNITY, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (1) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (2) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO THE AREA OF THE COMMUNITY WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (3) TO THE EXTENT PERMITTED OR NOT PROHIBITED UNDER APPLICABLE LAW, SELLER AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT RESULTING DIRECTLY FROM SELLER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, (4) ANY PURCHASE OR USE OF ANY PORTION OF THE COMMUNITY HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING AND (5) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO SELL, CONVEY, AND/OR ALLOW THE USE OF THE PROPERTY.

20. **Dangerous Condition; Construction Work.**

20.1 Buyer understands and agrees that the Property is a construction site and that the Property and the improvements, equipment and supplies thereon constitute a danger to those who may enter on the Property. Buyer shall not enter onto the Property prior to Closing unless authorized and accompanied by Seller's representative. Any unauthorized, unaccompanied entry by Buyer shall constitute a breach of this Agreement by Buyer, at Seller's election. Moreover, any entry by Buyer onto the Property prior to Closing shall be done at Buyer's own risk and in compliance with all federal, state and local safety laws and regulations. To the extent permitted or not prohibited by applicable law, Buyer waives, releases and shall indemnify, defend and hold harmless Indemnified Parties from and against any Claims made by Buyer, Buyer's family members or guests, as a direct or indirect result of any such unauthorized, unaccompanied entry onto the Property.

20.2 Buyer agrees that supervision and direction of the working forces, including, without limitation, all contractors and subcontractors, is to be done exclusively by Seller, and Buyer agrees not to issue any instructions to the working forces or otherwise hinder construction or installation of improvements on the Property. Buyer shall not do or have any work done on the Property, nor may Buyer store any possessions thereon, prior to Closing and transfer of title to the Property to Buyer.

20.3 Buyer agrees that any and all controversies, disputes and claims arising under this Section shall be resolved through binding arbitration in accordance with the terms of this Agreement.

20.4 All of the terms of this Section 20 shall survive Closing and the delivery of the Deed.

21. **OFAC.** Executive Order 13224 requires all United States entities and persons to block assets and not transact business with entities, countries and persons (specifically designated nationals) set forth by the Office of Foreign Asset Control ("OFAC"). This requirement applies to all homebuilding entities in The Lennar Family of Builders (including but not limited to Seller), Universal American Mortgage Company, LLC and all of its affiliates, and North American Title Company and all of its affiliates (collectively, the "Lennar Affiliates"). Accordingly, each of Seller and the Lennar Affiliates will check current OFAC lists and other publications in connection with each potential transaction, loan, or home sale. In order to check the OFAC list, Buyer must provide to Seller a Government-issued identification card (this might include a driver's license, birth certificate, passport or resident alien card). To the extent Buyer (or any single person or entity constituting a part of Buyer) matches a name or entity on any such OFAC list or publication, the transactions with Buyer contemplated under or in connection with this Agreement will be immediately suspended, and Buyer shall be reported as instructed by the OFAC.

22. **Agreement not to be Recorded.** Buyer covenants that Buyer shall not record this Agreement (or any memorandum thereof) in the Public Records of the County. Buyer agrees, if Buyer records this Agreement, to pay all of Seller's attorneys' fees, paraprofessional fees and expenses incurred in removing the cloud on title caused by such recordation. Seller's rights under this

Section shall be in addition to Seller's remedies for Buyer's default provided elsewhere in this Agreement.

23. **Transfer, Assignment and Persons Bound**. Buyer agrees that Buyer will not, and does not have the right to, assign, sell or transfer Buyer's interest in this Agreement (whether voluntarily or by operation of law or otherwise) without Seller's prior written consent. If Buyer is a corporation, other business entity, trustee or nominee, a transfer of any material equity or beneficial or principal interest shall constitute an assignment of this Agreement. If Buyer attempts to assign this Agreement in violation of this Section, Seller can declare Buyer in default and Seller shall be entitled to all remedies available under this Agreement. Buyer agrees that Seller may withhold its consent with or without any reason or condition in any manner it chooses (if it gives it at all) and may charge Buyer a reasonable amount to cover administrative costs incurred in considering whether or not to grant consent. If Buyer dies or in any way loses legal control of his/her affairs, this Agreement will bind his/her heirs and legal representatives. If Buyer has received Seller's permission to assign or transfer this Agreement, then Buyer's approved assignees shall be bound by the terms of this Agreement. If more than one person signs this Agreement as Buyer, each such person shall be jointly and severally liable for full performance of all of Buyer's duties and obligations hereunder.

24. **TIME OF THE ESSENCE**. BUYER ACKNOWLEDGES THAT TIME IS OF THE ESSENCE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED UNDER THIS AGREEMENT.

25. **Interpretation and Computation of Time**. The use of the masculine gender in this Agreement shall be deemed to refer to the feminine or neuter gender, and the singular shall include the plural, and vice-versa, whenever the context so requires. This Agreement reflects the negotiated agreement of the parties. Each party acknowledges that they have been afforded the opportunity to seek competent legal counsel, and each have made an informed choice as to whether or not to be represented by legal counsel. Accordingly, this Agreement shall be construed as if both parties jointly prepared it, and no presumption against one party or the other shall govern the interpretation or construction of any of the provisions of this Agreement. Any reference in this Agreement to the time periods of less than five (5) days shall, in the computation thereof, exclude Saturdays, Sundays and legal holidays. Any reference in this Agreement to time periods of five (5) days or more shall, in computation thereof, include Saturdays, Sundays and legal holidays. If the last day of any such period is a Saturday, Sunday or legal holiday, the period shall be extended to 5:00 p.m. on the next full business day. The section headings in this Agreement are for convenience only and shall not affect the meaning, interpretation or scope of the provisions which follow them.

26. **Notice**. Except as provided in the Closing Section of this Agreement with respect to notices of the scheduled Closing Date, any notice required or permitted to be given in connection with this Agreement shall be in writing and sent by United States certified mail with return receipt requested, professional overnight courier or electronic transmission (with confirmation and copy by (1) certified mail, if Buyer's address is within the United States or (2) overnight professional courier, if to a Buyer whose address is outside of the United States) to Buyer or Seller at the addresses on Page 1 of this Agreement (unless Seller has received written notice from Buyer of any change therein prior to the date such notice is given), and additionally to Seller by hand delivery at Seller's sales office. All notices shall only be effective upon receipt or refusal to accept receipt (by failure to accept delivery or otherwise).

27. **Waiver**. Seller's waiver of any of its rights or remedies shall not operate to waive any other of Seller's rights or remedies or to prevent Seller from enforcing the waived right or remedy in another instance.

28. **Incorporation and Severability**. The explanations and disclaimers set forth in the Documents are incorporated into this Agreement. In the event that any clause or provision of this Agreement shall be void or unenforceable, such clause or provision shall be deemed deleted so that the balance of this Agreement is enforceable.

29. **Governing Law**. Any disputes that develop under this Agreement or questions regarding the interpretation of this Agreement will be settled according to the law of the state where the Property is located to the extent federal law is not applicable.

30. **Entire Agreement**. BUYER CERTIFIES THAT BUYER HAS READ EVERY PROVISION OF THIS AGREEMENT, WHICH INCLUDES EACH RIDER AND ADDENDUM ATTACHED HERETO AND THAT THIS AGREEMENT, TOGETHER WITH EACH SUCH RIDER AND ADDENDUM, CONSTITUTES THE ENTIRE AGREEMENT BETWEEN BUYER AND SELLER. PRIOR AGREEMENTS, REPRESENTATIONS, UNDERSTANDINGS, AND ORAL STATEMENTS NOT REFLECTED IN THIS AGREEMENT HAVE NO EFFECT AND ARE NOT BINDING ON SELLER. BUYER ACKNOWLEDGES THAT BUYER HAS NOT RELIED ON ANY REPRESENTATIONS, NEWSPAPERS, RADIO OR TELEVISION ADVERTISEMENTS, WARRANTIES, STATEMENTS, OR ESTIMATES OF ANY NATURE WHATSOEVER, WHETHER WRITTEN OR ORAL, MADE BY SELLER, SALES PERSONS, AGENTS, OFFICERS, EMPLOYEES, CO-OPERATING BROKERS (IF ANY) OR OTHERWISE EXCEPT AS HEREIN SPECIFICALLY REPRESENTED. BUYER HAS BASED HIS/HER/THEIR DECISION TO PURCHASE THE PROPERTY ON PERSONAL INVESTIGATION, OBSERVATION AND THE DOCUMENTS.

31. **Modification**. This Agreement is the entire agreement for the sale and purchase of the Property and once it is signed by both Buyer and a Division Agent or Officer of Seller, it can only be amended by a written agreement signed by both Buyer and Seller.

32. **Additional Changes**. Notwithstanding Section 32 of this Agreement, Buyer agrees that it may be necessary (at any time and from time to time) after Buyer executes this Agreement for Seller, and/or the developer or declarant under the Documents, to change the terms and provisions of this Agreement and/or the Documents to comply with and conform to the rules and regulations (as same may exist and as same may be promulgated from time to time) of any governmental agency, subdivision or authority or court of competent jurisdiction and Buyer consents to all such changes. Notwithstanding Section 32 of this Agreement, Seller, and/or the developer or declarant under the Documents, shall have the right to amend all Documents for development or other purposes, and Buyer consents to all such amendments.

33. **Inducement**. Buyer acknowledges that the sole inducement to close on the purchase of the Property is the Property itself and not (1) the common facilities comprising part of the Community, if any, or (2) any expectation that the Property will increase in value.

34. **Reservation of Easement**. For the purpose of completing the construction and servicing of the Property and Community, Seller hereby reserves an easement of ingress and egress for itself and its successors and assigns, and each of their respective agents, employees, materialmen and subcontractors, over, under and upon the Property for a period of one (1) year after Closing. Seller shall

provide reasonable notice to Buyer before exercising easement rights granted herein. All of the terms of this Section 35 shall survive Closing and the delivery of the Deed.

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35. **Riders and Addenda**. This Agreement consists of nine (9) pages and the following Riders and Addenda, which are attached hereto and by this reference made a part of this Agreement:

Check all that apply:

| | |
|---|---|
| ☒ Rider B | ☐ Home Sale Contingency Addendum |
| ☒ Rider A | ☒ Purchase Price and Payment Addendum |
| ☒ Affiliated Business Arrangements Disclosure Statement | ☒ Cooperating Broker Addendum |
| ☒ Master Disclosure and Information Addendum | ☒ Indoor Environmental Quality Disclosure Addendum |
| ☒ Cooperating Broker Agreement | ☒ Insulation Addendum |
| ☒ Election Form Addendum | ☐ |
| ☒ FHA/VA Addendum | ☐ |
| ☐ | |

36. **Survival**.

36.1 Buyer and Seller agree that it is their express intent that the Sections and documents listed below, together with any other terms in this Agreement that expressly so state, as well as any terms that may survive by operation of law, notwithstanding if the Section, document or term has a survival provision thereto, shall not be merged into the Deed and that these Sections and documents shall survive Closing and the delivery of the Deed: Section 11, Closing and Title Matters; Section 13, Site and Substitutions; Section 16, Mediation / Arbitration of Disputes; Section 17, Other Dispute Resolutions; Section 18, Selling Agent and Cooperating Broker; Section 19, Construction Activities; Section 20, Dangerous Conditions; Construction Work; Section 35, Reservation of Easement; Section 5 of Rider B, Warranties; Section 2 of the Indoor Environmental Quality Disclosure; Cooperating Broker Addendum, in its entirety; and, Master Disclosure and Information Addendum to Purchase and Sale Agreement, in its entirety.

36.2 Buyer and Seller agree that it is their express intent that the Sections and documents listed below, together with any other terms in this Agreement that expressly so state, as well as any terms that may survive by operation of law, notwithstanding if the Section, document or term has a survival provision thereto, shall survive termination of this Agreement: Section 14, Buyer's Default; Section 15, Seller's Default; Section 16, Mediation / Arbitration of Disputes, Section 17, Other Dispute Resolutions; Section 23, Transfer, Assignment and Persons Bound; and Section 6 of Rider B, Documents.

37. **Offer to Purchase/Effective Date**. This Agreement, when executed by Buyer and delivered to Seller, together with the Initial Deposit specified hereunder, shall constitute an offer by Buyer to purchase the Property in accordance with the terms and conditions provided herein, and shall not be binding upon Seller until such time as a Division Agent or Officer of Seller has executed this Agreement. The date of such acceptance is the "**Effective Date**" of this Agreement. In the event Buyer's offer is not accepted by Seller, all paid Deposits made by Buyer to Seller to date shall be returned to Buyer, and Buyer's offer shall be deemed withdrawn.

38. Counterparts and Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument. Signatures may be given via electronic transmission and shall be deemed given as of the date and time of the transmission of this Agreement to the other party.

**THE INITIAL DEPOSIT HAS BEEN RECEIVED BY SELLER SUBJECT TO CLEARANCE.**

SELLER: Lennar Carolinas, LLC

DocuSigned by:
Randy Floyd
33007DD2432C41E...
New Home Consultant - Randy Floyd
Date: 5/8/2013

**THIS AGREEMENT IS NOT BINDING ON SELLER UNTIL ACCEPTED BELOW BY AN AUTHORIZED AGENT OF SELLER.**

SELLER: Lennar Carolinas, LLC

DocuSigned by:
Jennifer Petras
B85C4A49D9874C1...
Authorized Agent of Seller - Jennifer Petras
Date 5/10/2013

DocuSigned by:
Anthony Logan Ray
A67ABE268C694E5...
Buyer - Anthony Logan Ray
Date 5/8/2013

Buyer -
Date

Buyer -
Date

Buyer -
Date

# RIDER A
## (SOUTH CAROLINA)

THIS RIDER A (SOUTH CAROLINA) (this "Rider A") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") entered into as of the eighth day of MAY , 2013, between Anthony Logan Ray ("Buyer") and Seller, as defined in the Agreement, respecting Lot 0036 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Rider A to the Agreement shall be deemed to include references to this Rider A and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Deposit**. The Deposit received from Buyer shall be placed in a special escrow account maintained by Seller for earnest money deposits in South Carolina. Buyer shall have no right to interest upon the payments. If and to the extent such payments are deposited in any interest bearing account, then any interest on such payments shall inure to the benefit of Seller. At the time of Closing, the amount of the payments shall be credited to Buyer against the Total Purchase Price.

Buyer's Initials ALR _____ _____

3. **Return of Deposit**. In the event this Agreement is cancelled for any reason other than Seller's default, the Buyer shall be required to execute and return a release form provided by the Seller prior to return of the Deposit in accordance with this Agreement, as set forth herein.

4. **Real Estate Tax Disclosure**. When a new home is built, the assessed value of the home is calculated as of January 1st. Therefore, if the Home has a certificate of occupancy issued as of January 1st of the calendar year, Buyer will be assessed based on the value of the completed construction for that tax year. Seller is not responsible for communicating any information regarding real estate taxes (current or future) and cannot and will not predict what the taxes on the Home may be. Buyer should confirm any information provided concerning appraisals, tax valuation, tax rates or other tax-related questions, with Buyer's personal tax advisor and the local taxing authorities.

5. **Radon Gas and Environmental Pollutants**. The United States Environmental Protection Agency and various state agencies have detected elevated levels of naturally occurring radon gas in some residential structures. These agencies have expressed concern that prolonged exposure to high levels of radon gas may result in adverse effects on human health. The Seller is not having any testing done on the Property, or in the Home, with respect to radon gas or environmental pollutants. The Buyer acknowledges that Seller has made no representations or warranties, express or implied, concerning the presence or absence of radon gas or environmental pollutants in the Home or on the Property, and the Buyer acknowledges that the Seller is not qualified to analyze or evaluate these very complex issues with respect to the Home or Property. The Buyer releases the Seller from any and all liability and claims with respect to radon gas and environmental pollutants.

6. **FORM I-295**. At Closing, Seller shall provide Buyer with an affidavit on Form I-295 (Seller's Affidavit - Nonresident Seller Withholding), complying with Section 12-8-580, South Carolina Code of Laws 1976, as amended.

7. **Counterparts**. This Rider A may be executed in counterparts, a complete set of which shall form a single document.

8. **Conflicts**. In the event of any conflict between this Rider A and the Agreement, this Rider A shall control. In all other respects, the Agreement shall remain in full force and effect.

9. **Entire Agreement**. The Agreement, together with this Rider A and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Rider A or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Anthony Logan Ray
A67ABE268C694F5...

Buyer - Anthony Logan Ray
Date 5/8/2013

Buyer -
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

DocuSigned by:
Jennifer Petras
B85C4A49D9B7404...

Authorized Agent of Seller - Jennifer Petras
Date 5/10/2013

DocuSign Envelope ID: 243614C2-A173-4095-9311-A608744D1226

**RIDER B**
**Coastal Carolina Division**

**THIS RIDER B (Coastal Carolina)** (this "Rider B") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") entered into as of the eighth day of MAY , 2013, between Anthony Logan Ray ("Buyer") and Seller, as defined in the Agreement, respecting Lot 0036 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Rider B to the Agreement shall be deemed to include references to this Rider B and to any other rider and addenda attached to the Agreement, which are hereby incorporated by this reference. In addition to those terms, the following terms shall have the meanings set forth below:

"Closing Date Notice Period" shall mean at least seven (7) days prior to the Closing Date.

"Mortgage Contingency Period" shall mean five (5) days if this Agreement is contingent on Buyer obtaining financing as indicated in the Purchase and Sale Agreement.

2. Additional Mortgage Contingency. Unless Buyer shall have notified Seller otherwise writing within the Mortgage Contingency Period, Buyer shall be conclusively presumed to have obtained the loan commitment or agreed to purchase the Property without mortgage financing. If Buyer does timely notify Seller within the Mortgage Contingency Period that he/she failed to obtain a loan commitment, Seller may require Buyer to immediately reapply for a mortgage loan with another lending institution designated by Seller. If Buyer then fails to obtain a loan commitment within seven (7) days from Seller's notice to reapply, either Buyer or Seller shall have the right to terminate this Agreement whereupon the Deposit shall be returned to Buyer, and thereupon the parties hereto shall be released from all liability hereunder without any further acts by either party

3. Closing Costs. BUYER UNDERSTANDS AND AGREES THAT IN ADDITION TO THE TOTAL CASH TO CLOSE (WHICH AMOUNT IS SPECIFIED IN SECTION 2 OF THE AGREEMENT AND THE PURCHASE PRICE AND PAYMENT ADDENDUM), BUYER SHALL PAY CERTAIN OTHER FEES AND CLOSING COSTS, IF ANY, AT CLOSING (LISTED BELOW). IN CONNECTION THEREWITH, WITHOUT LIMITATION, THE ITEMS LISTED BELOW WILL COLLECTIVELY BE REFERRED TO AS "CLOSING COSTS." NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN THE CASE OF AN FHA/VA OR FANNIE MAE LOAN, BUYER SHALL NOT PAY FOR ANY COSTS PROHIBITED BY HUD (FHA), VA OR FANNIE MAE REGULATIONS. ALL REFERENCES TO "PRO RATA SHARES" WILL BE DEEMED A TIME PRO RATION, BASED ON THE CLOSING DATE, WITH BUYER PAYING AMOUNTS ACCRUED ON AND AFTER THE CLOSING DATE. The Closing Costs include, without limitation:

3.1 The premium for a policy of mortgagee's title insurance and the cost to record the Deed. If the settlement charges that VA does not allow Buyer to pay exceed the amount of settlement charges, if any, to be paid by Seller, Seller at its sole discretion may terminate the Agreement and refund Buyer's earnest money. If the settlement charges that FHA does not allow Buyer to pay exceed the amount of settlement charges, if any, to be paid by Seller, Buyer may either pay the additional settlement charges at Closing or the additional settlement charges shall be added to the principal on Buyer's loan, regardless of whether or not the interest rate on Buyer's loan will increase as result of the addition of the settlement charges to the principal.

3.2 Customary closing costs of a Buyer of a single family residence, including but not limited to items such as loan fees, loan closing costs and all other related sums, attorneys' fees, escrows for taxes and insurance, recording fees, documentary stamp taxes on the note, intangible taxes, credit reports and PMI insurance, if applicable, charged by the Lender or otherwise customary for a Buyer at Closing.

3.3 Title search updates, title examination fees, delivery charges, and any other Closing expenses of Buyer.

3.4 All additional costs respecting the Property imposed by any governmental authority.

3.5 The cost of any obligations Buyer incurs not provided for in this Agreement.

3.6 The cost of a survey of the Property.

3.7 Certified governmental liens (liens which can be paid pursuant to written notice), if any, shall be assumed and paid by Seller, pending governmental improvement liens shall be paid and assumed by Buyer.

3.8 A pro rata share of County interim service fees, if any.

3.9 A pro rata share of waste fees.

3.10 A pro rata share of utility deposits and capacity fees (water and/or sewer) for the Property prepaid by Seller.

3.11 Any other expenses of an owner of the Property provided for or referenced in the Documents.

3.12 Amounts reflected in the Master Disclosure and Information Addendum to the Purchase and Sale Agreement, if any, attached hereto and incorporated herein.

3.13 Current expenses of the Property (for example: taxes, special assessments and current monthly assessments to one or more homeowner's associations) will be adjusted between Seller and Buyer as of the Closing Date. Buyer shall reimburse Seller for any prepaid expenses of the Property and capital contributions made to one or more homeowners' associations, paid by Seller in advance and/or for the month in which the Closing Date occurs.

3.14 If real estate taxes for the year in which the Closing Date occurs are assessed in the aggregate on the real estate comprising the portion of the Community (including the Property) rather than on a homesite-by-homesite basis, Seller will pay such taxes in full when due, but Buyer will reimburse Seller at the Closing for Buyer's pro rata share of such taxes from the Closing Date (if such taxes are then known) or the Property's allocable share (so prorated) of Seller's estimate of those taxes (if such taxes are not then known), subject to readjustment at either the request of Seller or Buyer within six (6) months from when the actual tax bill is known. If taxes for the year in which the Closing Date occurs are assessed on a homesite-by-homesite basis but such taxes are not due on the Closing Date, Buyer will be responsible for paying such tax bill in full when due but Seller will reimburse Buyer at the Closing for Seller's pro rata share of such taxes (if the taxes are then known) or Seller's estimate of those taxes (if such taxes are not then known) through the Closing Date, subject to readjustment at either the request of Seller or Buyer within six (6) months from when the actual bill is known. If the Closing takes place after Seller has paid the taxes for the year in which the Closing Date occurs, Buyer will reimburse Seller at Closing for Buyer's pro rata share of those taxes from and after the Closing Date.

3.15 The cost of any modifications or changes which are incurred by Seller as a result of changes in building codes, governmental rules, regulations or requirements, or the enforcement of any of the same, after the Effective Date of this Agreement, shall be paid by Buyer at the time of Closing.

4. **Additional Financing and Closing Costs Disclosures.**

4.1 Although Seller may make available to Buyer the name of one or more lenders or information about one or more available financing alternatives, Buyer agrees that the choice of a lender and loan is Buyer's sole decision, and Seller has not made any promises or representations concerning the likelihood of Buyer obtaining the loan, the terms and conditions of such loan or the interest rate or fees associated with such loan

4.2 4.2 BUYER IS HEREBY ADVISED BY SELLER THAT INTEREST RATES, LOANS FEES, AND OTHER LOAN CONDITIONS ARE NOT GUARANTEED, FIXED OR ESTABLISHED (AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO SUCH ITEMS) AND ARE SUBJECT TO CHANGE BY ANY LENDER. SUBJECT TO SECTION 8 OF THE AGREEMENT, SELLER DOES NOT WARRANT OR GUARANTEE THAT COMPLETION OF THE IMPROVEMENTS OR LOAN FUNDING CAN BE ACHIEVED WITHIN LOAN LOCK PERIODS, IF ANY, REGARDLESS OF WHETHER SUCH LOCKS ARE PAID FOR BY SELLER OR BUYER. IF BUYER LOCKS IN AN INTEREST RATE AND POINTS FOR LOAN FUNDING PRIOR TO CLOSING, BUYER AGREES TO PAY THE DIFFERENCE BETWEEN THE LOCK-IN RATE AND THE MARKET INTEREST RATE AT CLOSING IF THE LOCK-IN RATE EXPIRES PRIOR TO CLOSING.

4.3 Responsibility for obtaining the loan and for satisfying all conditions made by the Lender with regard to the loan shall rest solely with the Buyer.

5. **Warranties**. Buyer understands and agrees that Seller is making only those express limited warranties set forth in the homeowner's warranty (the "**Limited Warranty**"). The Limited Warranty, incorporated herein, shall be delivered to Buyer at Closing and a copy of which is attached hereto **OR** a copy of which is available for examination at Seller's office and will, at Buyer's request, be attached as an exhibit to this Agreement. THE EXPRESS LIMITED WARRANTY AND REMEDIES PROVIDED BY SELLER CONSTITUTE THE EXCLUSIVE WARRANTY AND REMEDIES TO BE MADE AVAILABLE BY SELLER AND, EXCEPT WHERE ADDITIONAL WARRANTIES ARE REQUIRED BY APPLICABLE LAW OR REGULATION, ARE IN PLACE OF ALL OTHER GUARANTIES OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF WORKMANSHIP, MERCHANTABILITY, HABITABILITY, SUITABILITY AND FITNESS, WHICH ARE HEREBY EXPRESSLY DISCLAIMED BY SELLER AND WAIVED BY BUYER. TO THE EXTENT OF ANY CONFLICT BETWEEN ANY PROVISION OF THIS AGREEMENT RELATED TO WARRANTIES AND THE LIMITED WARRANTY, THE PROVISIONS OF THE LIMITED WARRANTY SHALL CONTROL. All of the terms of this Section 6 shall survive Closing and the delivery of the Deed. BUYER AND SELLER ACKNOWLEDGE THAT THEY HAVE EXPRESSLY NEGOTIATED AND BARGAINED FOR THE WAIVER OF THE IMPLIED WARRANTY OF HABITABILITY, AND BUYER ACKNOWLEDGES THE SUFFICIENCY AND RECEIPT OF VALUABLE CONSIDERATION FOR SUCH WAIVER IN THE AMOUNT OF $0, WHICH AMOUNT SHALL BE CREDITED TOWARD THE PURCHASE PRICE AT CLOSING. THE CONSIDERATION AGREED UPON ABOVE HAS BEEN SPECIFICALLY NEGOTIATED BETWEEN BUYER AND SELLER.

Buyer ALP _____ Buyer _____

6. **Documents**. Buyer acknowledges receipt of the Document Book for the Community containing many important documents regarding the Community, including but not limited to some of the documents of record affecting the Property and the Community (collectively, the "**Documents**"). The Document Book is hereby incorporated into this Agreement by this reference. The Document Book may be amended as deemed necessary by

Seller in its sole and absolute discretion. Buyer agrees to take title to the Property subject to the Documents, to abide by and be bound by all of the terms and conditions of the Documents, and any amendments thereto. The Master Disclosure and Information Addendum to Purchase and Sale Agreement attached hereto sets forth additional information respecting lien rights and homeowners association's restrictions affecting the Property. Buyer understands and agrees this Section shall survive the termination of this Agreement.

7. Inspection of the Home. BUYER SHALL BE GIVEN AN OPPORTUNITY TO EXAMINE THE HOME WITH SELLER'S REPRESENTATIVE PRIOR TO CLOSING ON A DATE AND TIME SCHEDULED BY SELLER (A "NEW HOME ORIENTATION," COMMONLY REFERRED TO AS A "WALKTHROUGH"). AT THAT TIME, IF ANY DEFECTIVE OR INCOMPLETE ITEMS ARE NOTED, BUYER SHALL PRESENT TO SELLER AN INSPECTION STATEMENT LISTING SAID ITEMS AND SIGNED BY BUYER. IF ANY ITEMS NOTED ARE ACTUALLY DEFECTIVE IN WORKMANSHIP OR MATERIALS IN SELLER'S OPINION (IN ACCORDANCE WITH CONSTRUCTION STANDARDS PREVALENT FOR A SIMILAR HOME IN THE COUNTY), SELLER WILL BE OBLIGATED TO CORRECT THOSE ITEMS AT SELLER'S COST. A SECOND INSPECTION OF THE HOME WILL BE CONDUCTED PRIOR TO CLOSING AT WHICH TIME BUYER WILL BE GIVEN AN OPPORTUNITY TO EXAMINE THE HOME WITH SELLER'S REPRESENTATIVE TO ACKNOWLEDGE THAT ITEMS LISTED ON THE INSPECTION STATEMENT PREPARED AFTER THE FIRST INSPECTION HAVE BEEN CORRECTED. ANY REMAINING ITEMS THAT SELLER HAS AGREED TO CORRECT WILL BE CORRECTED BY SELLER AT SELLER'S SOLE COST AND EXPENSE PRIOR TO CLOSING (OR AT SELLER'S OPTION WITHIN A REASONABLE TIME AFTER CLOSING), PROVIDED HOWEVER THAT SELLER'S OBLIGATION TO CORRECT WILL NOT BE A GROUND FOR DEFERRING CLOSING, NOR FOR ANY SETOFF, NOR FOR IMPOSING ANY CONDITION ON CLOSING AS LONG AS THE HOME IS HABITABLE. THE ISSUANCE OF A CERTIFICATE OF COMPLETION, OR USE SHALL BE CONCLUSIVE EVIDENCE OF HABITABILITY. NO ESCROW OR HOLDBACK OF CLOSING FUNDS OR ANY CASH TO CLOSE SHALL BE PERMITTED. **EXCEPT FOR WORK THAT CANNOT BE COMPLETED AT THAT TIME OF YEAR.** IF A BUYER FAILS TO TAKE ADVANTAGE OF ANY PRE-CLOSING INSPECTION ON THE TIME AND DATE SCHEDULED BY SELLER, BUYER SHALL BE DEEMED TO HAVE WAIVED THE RIGHT TO INSPECT THE HOME PRIOR TO CLOSING.

8. No Right to Enter. Buyer acknowledges that all matters pertaining to the initial construction of the Property will be performed by Seller and Seller's representatives. Buyer acknowledges and agrees that for reasons of safety and to comply with liability and insurance requirements imposed upon Seller, neither Buyer nor any agent of Buyer shall, until after the Closing, be permitted to enter upon the Property without being accompanied by Seller's representative. Any permitted personal inspections shall be made at times designated by Seller, and shall not be allowed under any condition prior to the formal inspection described above and only with Seller's representative. Buyer agrees not to give instructions to, interfere with or interrupt any workmen at the Property. Buyer may not order any work on the Property until after the Closing. Buyer recognizes that Seller is under no obligation to agree to provide options, extras and/or upgrades. Without limiting the applicability of this Section to all obligations, representations and covenants of Buyer hereunder, Buyer specifically acknowledges that any breach by Buyer of the terms and conditions contained within this Section shall be deemed to be a material breach and shall entitle Seller to declare this Agreement to be in default in accordance with the provisions of the Buyer's Default in the Agreement. Seller's failure to promptly take any action with respect to Buyer's breach of the terms and conditions contained herein shall not be deemed a waiver of any of Seller's rights or remedies hereunder. Whenever this Agreement shall require Seller to complete or substantially complete an item of construction, unless provided specifically to the contrary herein, such item shall be deemed complete or substantially complete when so completed, in the sole and unfettered opinion of Seller. Should Seller fail to provide any item of construction required to be provided, Buyer's sole remedy therefore will be to collect an amount from Seller equal to Seller's cost for such item and for Seller's cost of installation of such item had such item been installed at the appropriate time during construction. Without limiting Seller's rights and Buyer's obligations contained within this Section and elsewhere in this Agreement, should any warranted defects in workmanship or materials be discovered before or after the Closing, Buyer agrees that Buyer's sole remedy therefore is for Seller to, at Seller's sole and absolute discretion, either repair or replace the defective item. To the extent permitted by applicable law, Seller disclaims any liability for incidental or consequential damages that may arise from a defective item.

9. Counterparts. This Rider B may be executed in counterparts, a complete set of which shall form a single document.

10. Conflicts. In the event of any conflict between this Rider B and the Agreement, this Rider B shall control. In all other respects, the Agreement shall remain in full force and effect.

11. **Entire Agreement**. The Agreement, together with this Rider B and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Rider B or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Anthony Logan Ray
A87ABE288CB84F5...

Buyer - Anthony Logan Ray
Date 5/8/2013

Buyer -
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

DocuSigned by:
Jennifer Petras
B85C4A49D6B74C1...

Authorized Agent of Seller - Jennifer Petras
Date 5/10/2013

DocuSign Envelope ID: 243614C2-A173-4095-9311-A608744D1226

# DISCLOSURE STATEMENT REGARDING CHANGE OF OWNERSHIP AND DEVELOPMENT CONTROL OF COMMUNITY

**THIS DISCLOSURE STATEMENT** (this "**Disclosure**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of May 08, 2013, between Anthony Logan Ray (collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0036 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Acknowledgment**. Buyer acknowledges and understands that the real estate market reacts to economic and other conditions which are beyond Seller's control. Due to current real estate market conditions, Buyer acknowledges that Seller has decided not to build additional homes and/or not pursue any further development in the Community. Seller agrees to work cooperatively to effectuate a smooth transition of ownership of certain lots in the Community and/or effectuate the transition of development control of the Community in accordance with applicable law. Buyer understands that the Community will be in a state of transition for an uncertain period of time.

3. **Effect on Community**. Buyer acknowledges that the Seller's decision to not build additional homes in the Community and/or to not pursue further development in the Community may result in the change in ownership of certain homesites and development control, if any, by the Seller. Seller's decision could have adverse impacts upon Buyer or other homeowners in the Community (e.g., the completed or partially completed homes which are currently unsold may remain unsold and vacant for an uncertain period of time). Additionally, Buyer acknowledges that any further development within the Community could be delayed indefinitely, and there is no assurance the Community will ever be completed as originally planned and approved by the local governmental agencies, if any. Also, various common improvements within the Community which have not been completed (e.g., gated entries, signage, club house, etc.) may not be completed for an extended period of time or may never be completed as originally planned. Further, the management and operation of the Community by the homeowners' association could be disrupted during the transition period. Some of the specific changes in this Community include: [*if known, provide information regarding certain amenities that will not be built certain phases that will not be completed, etc.*].

4. **Additional Impacts**. The above provisions provided in Section 3 are not intended to be an exhaustive list of all of the potential adverse impacts to Buyer or other homeowners in the Community that might result from the change in ownership of certain homesites and/or development control by Seller. In contrast, if the transition of ownership of certain homesites and development control to the Seller's successor were to occur as real estate market conditions improve, the foregoing potential adverse impacts could be mitigated.

Seller desires that Buyer be as informed as reasonably possible under the current uncertain circumstances about the potential impacts that might result from the change in ownership of homesites and development control of the Community by Seller prior to Buyer's close of escrow. Buyer acknowledges that Seller cannot predict every impact that may be material to Buyer and that it is imperative that Buyer make his own independent evaluation of the potential adverse impacts that may affect Buyer's decision to consummate the purchase of a home in the Community.

5. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

6. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

7. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

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**BY THE SIGNATURES BELOW, BUYER ACKNOWLEDGES THAT BY CLOSING ESCROW FOR THE PURCHASE OF A HOME IN THIS COMMUNITY, BUYER IS MAKING SUCH PURCHASE WITH FULL KNOWLEDGE, UNDERSTANDING AND AGREEMENT AS TO ALL OF THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT.**

DocuSigned by:
Anthony Logan Ray
A67ABE259C694F5...
Buyer - Anthony Logan Ray
Date 5/8/2013

Buyer -
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

DocuSigned by:
Jennifer Petras
B86C4A49D9574C1...
Authorized Agent of Seller - Jennifer Petras
Date 5/10/2013

## Affiliated Business Arrangement Disclosure Statement

**BUYER: Anthony Logan Ray**

**PROPERTY: 233 Maywood Drive, Moncks Corner SC 29461**

This is to give you notice that the following companies have business relationships with each other: Universal American Mortgage Company, LLC, Lennar Carolinas, LLC and North American Advantage Insurance Services, LLC, and each of these companies is, directly or indirectly, wholly owned by Lennar Corporation. Because of these relationships, referral of services by the undersigned may provide a financial or other benefit.

Set forth below are the types of settlement services offered by these affiliated companies and the estimated charge or range of charges generally required by these companies for such settlement services. You are NOT required to use any of the companies listed above as a condition for purchase of the subject property.

THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

**Provider and Settlement Services/ Estimated Range of Charges**

### MORTGAGE

**Universal American Mortgage Company, LLC** arranges and makes mortgage loans and the following are estimated mortgage loan related charges or range of charges **(not all of the charges may apply)**:

| Description of Fee | Range of Cost |
|---|---|
| Loan Origination Charges (Block 1 of GFE) | |
| Loan Origination Points | 0% - 1% (of the loan amount) |
| Loan Originator Fees | $575 - $900 |
| Loan Points for Interest Rate Chosen | 0% - 3% (of the loan amount) |
| Appraisal Fee Paid to Appraiser | $450 - $750 |
| Credit Report Fee Paid to Outside Agency | $ 12 - $100 |

The actual fees charged may vary based on the size of your loan, loan program and interest rate you choose. There also will be other third party charges. You will receive a Good Faith Estimate when you apply for your mortgage loan, that will give you an estimate of all anticipated charges.

### TITLE

Lester & Lester, P.A. and Buist, Byars & Taylor LLC (collectively, Attorney) provides closing services and also arranges for title insurance through numerous underwriters, one of which is North American Title Insurance Company (North American). Attorney is not affiliated with Lennar Corporation. In connection with the purchase of the subject property, we recommend Attorney to handle the closing and the issuance of any title insurance, which (if Attorney is selected by you) may be provided by North American. Because of the business relationship and arrangement described above, the referral to Attorney may provide Lennar Corporation a financial or other benefit. You are not required to use Attorney or North American.

The following are estimated charges or range of charges for the settlement services listed should North American provide the title insurance:

* Owner's Policy:
  $3.00 per $1,000 of purchase price up to $50,000
  $2.50 per $1,000 of purchase price over $50,000 and up to $100,000
  $1.75 per $1,000 of purchase price over $100,000 and up to $500,000
  $1.50 per $1,000 of purchase price over $500,000 and up to $5,000,000
  $1.00 per $1,000 of purchase price over $5,000,000

* Loan Policy:
  $3.00 per $1,000 of loan amount up to $50,000
  $2.50 per $1,000 of loan amount over $50,000 and up to $100,000
  $1.75 per $1,000 of loan amount over $100,000 and up to $500,000
  $1.50 per $1,000 of loan amount over $500,000 and up to $5,000,000
  $1.00 per $1,000 of loan amount over $5,000,000

* Enhanced Owner's or Loan Policies are 20% more

## Affiliated Business Arrangement Disclosure Statement

* Loan Simultaneous Issue: $75 for the amount of insurance not in excess of the Owner's Policy. Any liability amount over the Owner's Policy shall be calculated at the Loan Policy rates shown above.

* Title Policy Endorsement(s):
$50.00 - $100 each for standard endorsements, 10% or 20% of policy premium for extra-risk endorsements

### INSURANCE

North American Advantage Insurance Services, LLC (NAAIS) is an insurance agent that provides, among other products, homeowner's/hazard and flood insurance. Set forth below is the estimated range of charges by NAAIS for the settlement services listed.

| Settlement Service | Range of Charges - Annual Premium |
|---|---|
| Hazard Insurance | .2% - 2.5% of Home Price |
| Flood Insurace | .1% - .5% of Home Price |

NOTE:
The above is a premium range for hazard and flood insurance. If enhancements to the standard policy such as increased limits, scheduled articles, and/or earthquake coverage are required, the premium may increase. Actual quote and acceptance by NAAIS is subject to NAAIS' application of its underwriting guidelines, including but not limited to verification of your credit score and previous loss history.

Of course, the cost of your insurance may vary due to many factors including, without limitation, the size, location and cost of your home.

### Acknowledgement

I/we have read this notice and understand that Seller is referring me/us to purchase the above described settlement services and may receive a financial or other benefit as a result of this referral.

DocuSigned by:
Anthony Logan Ray
A87ABE268C894F6...
5/8/2013
Buyer's Signature - Anthony Logan Ray Date

Buyer's Signature - Date

Buyer's Signature - Date

Buyer's Signature - Date

Lennar Carolinas, LLC
Printed Name of Seller

DocuSigned by:
Randy Floyd
338D7DD2432C41E...
5/8/2013
Sales Associate's Signature Date
Randy Floyd

DocuSign Envelope ID: 243614C2-A173-4095-9311-A608744D1226

## INSULATION ADDENDUM

THIS INSULATION ADDENDUM (this "Addendum") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") dated as of the eighth day of MAY , 2013, between Anthony Logan Ray (collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0036 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. Insulation. Pursuant to Title 16, Chapter I, Section 460.16 of the Code of Federal Regulations, the insulation that is or will be installed in the Home where conditioned space meets unconditioned space is as follows and will, according to the manufacturer, yield the R-values stated:

| Location | Type | Thickness | R-Value |
|---|---|---|---|
| Exterior Masonry Walls | N/A | N/A | N/A |
| Exterior Stud Wall | Batt | 3 1/2 inches | R-13 |
| Ceilings | Batt | 10 inches | R-30 |
| Roof | Blown | 12 inches | R-30 |
| N/A | N/A | N/A | N/A |

If so indicated above, fiberglass (also known as glass wool) is/will be used for insulation in the Home. The U.S. Department of Health and Human Services ("HHS") has listed fiberglass as a substance "which may reasonably be anticipated to be a carcinogen." This listing identifies substances selected for further study because of their potential carcinogenic risk but is not an assessment by HHS that there is a causal connection between fiberglass and human cancer. The listing does not establish that fiberglass presents a risk to persons in their daily lives.

3. Counterparts. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

4. Conflicts. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

5. Entire Agreement. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Anthony Logan Ray
A67ABE76BC684E5...
Buyer - Anthony Logan Ray
Date 5/8/2013

Buyer -
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC
DocuSigned by:
Jennifer Petras
B85C4A46D0874C1...
Authorized Agent of Seller - Jennifer Petras
Date 5/10/2013

DocuSign Envelope ID: 243614C2-A173-4095-9311-A608744D1226

# INDOOR ENVIRONMENTAL QUALITY DISCLOSURE

**THIS INDOOR ENVIRONMENTAL QUALITY DISCLOSURE** (this "**Disclosure**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the eighth day of MAY , 2013, between Anthony Logan Ray (collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0036 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Disclosure to the Agreement shall be deemed to include references to this Disclosure and to any other disclosure and/or addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Indoor Environmental Contaminates**. There are many different types of indoor environmental contaminants, such as pet dander, dust mites and mold. Molds and other potential contaminants have been a part of our environment for millions of years. Contaminants are everywhere, indoors and outdoors. Therefore, everyone is exposed to some contaminants on a daily basis without evident harm. Due to a number of factors, including the fact that sensitivities to various types of molds and other potential contaminants vary from person to person, there are no state or federal standards concerning acceptable levels of exposure to mold. According to the Consumer Product Safety Commission and the American Lung Association, some diseases or illness have been linked with biological pollutants in the indoor environment, including some forms of mold. However, many of these conditions also have causes unrelated to the indoor environment. Therefore, it is unknown how many potential health problems relate exclusively to poor indoor air. Buyer should determine for himself/herself whether Buyer, Buyer's family members or any other individuals who will occupy or use the Home have special needs or increased risk to these conditions. Buyer should carefully monitor the conditions in the Home for mold growth and other contaminants.

When excessive moisture or water accumulates indoors, mold growth can and will occur, particularly if the moisture problem remains unaddressed. There is no practical way to eliminate all molds or mold spores in an indoor environment. The key to controlling indoor mold growth is to control moisture.

There are many ways to help control moisture in and beneath the Home. The U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the American Lung Association and others recommend taking measures such as those listed below to help control moisture in and beneath the Home. The following list is not meant to be all-inclusive.

- o Fix leaking plumbing and any other source of unwanted water immediately.
- o Maintain proper indoor humidity. Equipment that conditions the air, such as air conditioners, humidifiers and ventilation systems must be operated year round.
- o Raise the temperature in areas where moisture condenses on surfaces and open doors between rooms to increase air circulation in the Home, including doors to closets.
- o Have major appliances, such as furnaces, heat pumps, central air conditioners, window air conditioning units, ventilation systems and furnace attached humidifiers inspected, cleaned and serviced regularly by a qualified professional.
- o Clean and dry refrigerator, air conditioner and dehumidifier drip pans and filters regularly and make sure that refrigerator and freezer doors seal properly.
- o Keep water away from the foundation of the Home by maintaining required slopes, drainage and keeping plantings and sprinklers the proper distance from the Home.
- o If there is a sump pump in the Home, inspect it regularly to ensure that it is properly operating.
- o If there is a crawl space or structural sub-floor, inspect the ground beneath the floor on a regular basis to make sure there is no standing or excessive water. If there is standing or excessive water, seek professional assistance to remove the water. If Buyer is interested in finishing the basement, only do so after consulting an expert to determine the suitability of the basement for a finished area.

The following are suggestions that may assist Buyer in preventing and addressing mold growth in the Home.

- o It is important that Buyer responds promptly when Buyer sees signs of moisture or mold.
- o Do not allow moisture to stand or make contact with carpet, furniture and cellulose-based materials, such as wood, drywall or other non-tile, non-plastic or non-metal materials.
- o Dry all water damaged areas and items immediately to prevent mold growth.
- o If mold develops, clean up the mold by washing off hard surfaces with detergent and water and completely dry the surface.
- o Depending upon the nature and extent of the mold infestation, trained professionals may be needed to assist in the remediation effort.
- o Mold that is not properly and adequately removed may reappear.

Proper maintenance and cleaning of the Home is the responsibility of each homeowner and will lessen the potential for water intrusion and help to control indoor environmental contaminants. Further, it is the responsibility of each homeowner to monitor their Home on a continual basis for excessive moisture, water and mold accumulation. If Buyer discovers accumulation of water or moisture in, around or under the Home, Buyer should immediately seek to control the source of the water or moisture. Failing to control the source could result in additional damage and the growth of mold. Plumbing leaks and water penetrations that are covered by the Limited Warranty, if any, during the term of the Limited Warranty must be reported to Seller immediately. If the Limited Warranty has expired or does not cover the specific problem, Buyer should not delay in having professionals address the problem. Seller will not be responsible for, and Buyer agrees to indemnify and hold harmless Indemnified Parties from and against all Claims in connection with, water-related damages, including personal injuries or property damage caused by mold, but only to extent that the damages are caused by (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction. Buyer also agrees to waive all rights of subrogation for damages resulting from water-related damages, mold growth, any personal injuries, or any remediation resulting from (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction.

3. **Counterparts**. This Disclosure may be executed in counterparts, a complete set of which shall form a single Disclosure.

4. **Conflicts**. In the event of any conflict between this Disclosure and the Agreement or any other addenda and/or riders, this Disclosure shall control. In all other respects, the Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Anthony Logan Ray
A87ABE28BCB94E5...

Buyer - Anthony Logan Ray
Date 5/8/2013

Buyer -
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

DocuSigned by:
Jennifer Petras
B86C4A49D0874C1...

Authorized Agent of Seller - Jennifer Petras
Date 5/10/2013

DocuSign Envelope ID: 243614C2-A173-4095-8311-A608744D1226

SOUTH CAROLINA
NOTICE TO PURCHASER-BORROWER
NOTICE OF AVAILABILITY OF OWNER'S TITLE INSURANCE
AND NOTICE OF AGENCY

A Mortgagee's Policy of title insurance in the amount of $ .00 insuring the property you are buying is being issued to your mortgage lender, but the policy does not provide title insurance coverage to you.

You may obtain an Owner's Policy of title insurance which provides title insurance coverage to you. The additional cost to you for an Owner's Policy of title insurance in the amount of $ .00 (being the agreed upon price) is $ .00, if you request it at this time.

☒ I/We do request an Owner's Policy of title insurance.
☐ I/We do not request an Owner's Policy of title insurance.

Purchase/Borrower: Anthony Logan Ray

SOUTH CAROLINA DEPARTMENT OF INSURANCE
TITLE INSURANCE FINANCIAL DISCLOSURE FORMS

In accordance with S.C. Code §38-75-960(A)(1976), as amended, the undersigned producer of title business or associate of such producer hereby advises that it has a financial interest in the following title insurer(s) or title agent(s):

| Name of Insurer or Agent | Address | Nature of Interest |
|---|---|---|
| | | |

Producer/Associate's Name: _____

Signature: _____

Address _____

Notice is hereby given that is a licensed agency for and will be paid a commission for the underwriting, preparation, and issuance of the policy equal to sixty percent of the premium charged. Notice is hereby given that you have the right to choose your title insurer.

ACKNOWLEDGMENT

The undersigned applicant is a buyer, seller or lender who has been referred by the above-named producer of title insurance business or associate of such producer to one or more of the title insurers or title agents identified hereinabove. The undersigned expressly recognizes and acknowledges the financial interest of such producer or associate as disclosed hereinabove.

Applicant Name/s: _____

Signature: _____

Address: _____

This form complies with SCID Regulation 69-18, August 21, 1974, and F.2781 Rev. 4/90 S.C. Code §38-75-960(A)(1976).

DocuSign Envelope ID: 243614C2-A173-4095-9311-A608744D1226

**RICEFIELD WAY and THE ABBEY AT SPRING GROVE PLANTATION**
**MASTER DISCLOSURE AND INFORMATION ADDENDUM TO**
**PURCHASE AND SALE AGREEMENT**
**SOUTH CAROLINA**

**THIS MASTER DISCLOSURE AND INFORMATION ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the Eighth day of May , 2013, between Anthony Logan Ray ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0036 of Building/Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as **Spring Grove Plantation** (the "**Community**").

1. **Defined Terms**. All capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Community**. The Property lies within a neighborhood known as Ricefield Way or The Abbey at Spring Grove Plantation (the "**Neighborhood**"), which lies within a community known as Spring Grove Plantation (the "**Community**"). This Addendum explains certain terms which are applicable to the purchase of Homes within the Community and the Neighborhood. Current plans are for Ben McCormick Homes, Harbor Homes and First Coast Homes to build homes in the Community. Other builders besides Seller may be added or deleted from the list of builders in the future. Seller, and any other builder in the Community, shall have the right, without notice to Buyer, to make changes to, among other things, homesite sizes, number of homes being built, size and style of homes being built, features and materials in homes being built, prices of homes (whether more or less than currently published), price per square foot of homes (whether more or less than currently published), street layout, amenity layout, and usage, location, size and number of trees, bushes and other foliage (current and future), and any other items or uses which are currently planned for the Community or the Neighborhood. Seller makes no representation or warranties that Seller will be the exclusive builder or developer in the Community or the Neighborhood or that the Community or the Neighborhood will be built out exactly as currently planned, and Seller expressly reserves the right to make whatever changes it deems necessary relating to future development or build out of the Community and the Neighborhood. Any current maps or other materials showing any final or projected community development may be modified or updated in the future.

SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES WITH REGARD TO THE DEVELOPMENT OF HOMESITES IN AND AROUND THE COMMUNITY. HOMESITES IN AND AROUND THE COMMUNITY MAY REMAIN UNDEVELOPED AT THE SOLE DISCRETION OF SELLER, OTHER BUILDERS IN THE COMMUNITY, AND/OR THE DEVELOPER OF THE COMMUNITY. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES, STATED, IMPLIED, OR OTHERWISE WITH REGARD TO SELLER BEING THE SOLE OR EXCLUSIVE BUILDER WITHIN THE COMMUNITY. SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES, STATED, IMPLIED, OR OTHERWISE WITH REGARD TO CONTINUING TO BUILD IN THE COMMUNITY THROUGH FINAL BUILD OUT AND/OR BUILDING UPON ANY UNDEVELOPED HOMESITE(S). FURTHERMORE, IT IS UNDERSTOOD THAT NO REPRESENTATIONS, ESTIMATES OR PROJECTIONS HAVE BEEN CONVEYED REGARDING THE FINAL BUILD OUT TIME OF ANY UNDEVELOPED HOMESITE(S) OR THE OVERALL COMPLETION SCHEDULE OF THIS COMMUNITY. BUYER ACKNOWLEDGES THAT SELLER CONSTANTLY EVALUATES THE PRICING, DESIGNS, PRODUCT MIX AND AMENITIES OF ITS COMMUNITIES AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING WHETHER TO CONTINUE TO BUILD HOMES WITHIN THE COMMUNITY AND BUYER IS NOT RELYING UPON ANY OF THE FOREGOING IN DECIDING TO PURCHASE THE PROPERTY.

3. **Governing Documents**. Buyer acknowledges receipt, either in hard-copy or via internet or electronic means, of all documents ("**Governing Documents**") for the Community and the Neighborhood.

3.1 Buyer acknowledges receipt of, and agrees to be bound by the Declaration for Spring Grove Plantation Community (the "**Declaration**"), the Articles of Incorporation, By-Laws and any Rules and Regulations of Spring Grove Plantation Community Service Association, Inc., all as amended and supplemented from time to time (collectively, the "**Community Documents**"). Buyer acknowledges and agrees that title to the Home will be subject to the Community Documents.

3.2 The Property will be subject to certain deed restrictions as reflected in the Limited Warranty Deed executed by Seller and furnished to Buyer at Closing. The deed restrictions run with the Homesite and require, among other things, that (i) buyer give Seller notice of Seller's defaults or any Claim (as defined therein) after Closing and (ii) Seller have an opportunity to inspect and cure defects in the Home. The deed restrictions further require the arbitration of any Claim against Seller that cannot be resolved.

3.3 Buyer acknowledges the provisions of the Governing Documents are fair and reasonable.

4. **Association Memberships**.

4.1 Upon conveyance and recording of the Deed to the Home, Buyer understands and agrees that Buyer will then become a member of the Spring Grove Plantation Community Service Association, Inc., a South Carolina nonprofit corporation (the "**Association**"). Buyer agrees to accept the liability and obligations of

such memberships. Buyer understands that as a member of the Association, Buyer will be required to pay Assessments (as defined in the Governing Documents) for the maintenance of the Common Areas (as defined in the Governing Documents) and for such other uses and purposes as are provided for in the Governing Documents. Buyer also understands and agrees that a failure to pay Assessments when due could cause the Association to record a lien on the Home and to foreclose such lien. Assessments are subject to additional increases in the manner currently provided for in the Governing Documents. Neither Seller, the Association, nor any other builder can estimate the amount or frequency of any such increase.

4.2 Buyer acknowledges that nominees of Seller, and the developer of the Community and the developer of the Neighborhood may serve as the initial officers and directors of the Association. The officers and directors and the management company, which may be an affiliate of Seller, are authorized by Buyer to act for and on the behalf of the Association. Seller may, but is not required to, advance monies to the Association for operations. In the event such advances are made, they will be considered a loan from Seller, and the Association will be obligated to repay such advances as set forth in the Community Documents.

4.3 Buyer acknowledges that all new construction and modifications of existing construction and exterior improvements within the Community are subject to the prior written approval of the appropriate architectural review, design review or similar committee or authority, which is appointed by the Board of Directors of the Association. Buyer agrees to comply with all rules and regulations of the appropriate authority (or authorities) governing construction of improvements within the Community and the Neighborhood as the same may be amended and exist from time to time. These restrictions are subject to change without notice. Building and use restrictions include, but are not limited to, residential and nonresidential uses, building specifications, accessory structures, nuisance, home occupancy, signage, antennas, animals, driveways, vehicle parking, rubbish, utility and drainage easements, clothes lines, fences, special rights of Seller, the developer of the Community, the developer of the Neighborhood and homebuilder(s), leases and restoration of homesites. Buyer agrees not to commence any construction upon the Homesite until it has obtained all requisite written approvals therefore. Buyer further agrees not to make any modifications of any existing buildings and improvements, including, but not limited to, landscaping and landscape irrigation, without the prior written approvals of the appropriate authority (or authorities) pursuant to any city, county or state regulation and pursuant to recorded covenants, conditions or restrictions governing the land. In addition, every city, county or town has building codes and other ordinances that regulate what is permissible within its jurisdictional limits. Prior to making changes to the Home or Homesite, Buyer should contact the applicable governmental authorities for further information concerning local codes and ordinances. Decks, fences and exterior color are among the more common, although not the only, improvements for which architectural approval is required.

4.4 Approval of any work by the appropriate reviewing authority or authorities shall not constitute an express or implied warranty of representation that any work complies with applicable codes, ordinances or other governmental regulations, or that the work is well designated or will be constructed in a proper manner.

4.5 Failure to submit plans and specifications to the appropriate reviewing authority or authorities for approval is a violation of the provisions of the Declaration and/or applicable deed restrictions, which may result in sanctions and/or the imposition of fines, and the removal, at homeowner expense, any of non-approved improvements or modifications.

5. **Community Charges**. In addition to the Closing Costs set forth in Rider B, Buyer shall pay the following additional Closing Costs respecting the Community:

5.1 Association Assessments. Assessments payable to the Association ("**Association Assessments**"), prorated for the month in which the Closing occurs (based on the then current Assessments at the time of closing). Such Assessments are estimated to be $330.00 per year at this time. Buyer understands that the estimated operating budget for the Association is only an estimate of what it will cost to run the Association. The Association may make changes in the budget at any time to cover increases or decreases in expenses or estimates in the budget. Without limiting the generality of this Section, those changes will not give Buyer any right to cancel the Agreement.

5.2 Association Initial Capital Contribution. Buyer acknowledges that among other Assessments provided for in the Community Documents, the Association has established an initial capital contribution ("**Initial Capital Contribution**"). Buyer acknowledges that upon conveyance of the Property an Initial Capital Contribution in an amount equal to $300.00 (or such amount as determined from time to time) is due. The Initial Capital Contribution may be used for any reason whatsoever including, without limitation, reimbursement for costs in setting up the Association and costs of deficit funding. Buyer acknowledges and agrees that the Initial Capital Contribution is not to be considered as an advance payment of Assessments.

5.3 Resale Capital Contribution. Buyer acknowledges that the Association may establish a Resale Capital Contribution (as defined in the Governing Documents). For more information on the Resale Capital Contribution, please refer to the Governing Documents.

6. **Security**. The Community is not a gated community and the roads in the Community are public.

7. **Building and Use Restrictions**. Every homesite is subject to building and use restrictions as set forth in the Declaration. These restrictions are subject to change without notice. Building and use restrictions may affect,

among other things, residential and nonresidential uses, building specifications, accessory structures, nuisance, home occupancy, signage, antennas, satellite dishes, animals, driveways, vehicle parking, rubbish, utility and drainage easements, clothes lines, fences, special rights of Seller, any developer and homebuilder(s), leases and restoration of homesites. Seller encourages you to carefully review the Declaration and to ensure the long-term quality of life for both you and your neighbors.

8. **Municipal Building Codes And Ordinances**. Every city or town has building codes and other ordinances that regulate what is permissible within its jurisdictional limits. Prior to making changes to your Home or Homesite, you should contact the Building Inspector for Berkeley County at 843.719.4095 for further information concerning local codes and ordinances. Seller is not responsible for notifying Buyer or any other homeowners of the content or restrictions contained in any local codes or ordinances.

9. **Architectural Review**.

9.1 The Declaration currently provides that no improvements shall be commenced upon any homesite, nor shall the exterior color, style and materials of an approved structure on a homesite be altered without the prior written approval of the Architectural Control Committee ("**ACC**"), as applicable, which is appointed by the Board of Directors of the Association. Improvements constructed by Seller or the developer of the Community, or the Neighborhood, as applicable, are exempt from this requirement. Approval of any work by the ACC shall not constitute an express or implied warranty or representation by the ACC that any work complies with applicable codes, ordinances or other governmental regulations, or that the work is well designed or will be constructed in a proper manner. Decks, fences and exterior color are among the more common, although not the only, improvements for which architectural approval is required. For more information concerning architectural review, please review the Declaration.

9.2 Failure to submit plans and specifications to the ACC for approval is a violation of the Declaration, which may result in sanctions and/or the imposition of fines, and the removal, at homeowner expense, of any non-approved modifications.

10. **Pet Restrictions**. Buyer understands that the only pets allowed in the Neighborhood and the Community are those which are in accordance with the restrictions contained in the Community Documents or any amendments thereto.

11. **Short-Term Rentals**. Buyer acknowledges that homes in the Community may be rented for any length of time, subject to certain restrictions set forth in the Community Documents.

12. **Flood Zone**. Buyer acknowledges that the Property may be in a flood zone. Mortgage lenders will typically require the issuance of flood insurance as a requirement for financing, which insurance must be present at Closing. Seller recommends that each Buyer of a Home protect his/her Home by obtaining proper insurance coverage. It is possible, however, for Buyer to submit documentation to the Federal Emergency Management Agency (FEMA) to have the Home re-classified by FEMA, whereby the mortgage lender may have the option to waive the requirement of flood insurance. Buyer is solely responsible for the submission to FEMA for such re-classification and any and all expenses related to such submission. Further, Buyer acknowledges and understands that the waiver of flood insurance is at the sole discretion of the mortgage lender.

13. **Utilities**.

13.1 Buyer acknowledges that no septic tanks shall be permitted within the Community and the Neighborhood. No wells shall be installed without the express written consent of the ACC and all other applicable government agencies.

13.2 Some homesites contain or are adjacent to drainage and utility structures such as storm water overflow swales, storm water retention and/or detention basins, manholes, fire hydrants, electrical transformers, switch boxes, telephone pedestals and streetlights. None of these items shall be altered, obstructed, buried, modified, restricted or interfered with in any manner whatsoever. Overflow swales are generally utilized for overflow storm water capacity as a result of water drainage. Electrical transformers may only be landscaped to the extent permission is given by the utility provider. In some cases, water may flow from one homesite to another. State law may provide that the owner of the homesite receiving water is required to accept the water flow and may not impede the flow of this water. In addition, the Property will be graded to provide for reasonable drainage away from the Home's foundation. The vast majority of foundation problems are caused by insufficient drainage or lack of watering of soil around the foundation. Buyer should keep Buyer's lawn well watered to maintain consistent moisture content and avoid excess wetness, dryness or cracking of soil. The construction of curbs, decks, retaining walls, pools, spas, patios, landscape edging and similar items can also trap water within the yard area and cause structural damage to the Home's foundation. Seller strongly recommends that Buyer consult with a licensed landscape architect and civil engineer before performing any work or making any changes that may affect the existing drainage pattern.

13.3 Berkeley County provides water to the Community. Because Seller does not control the water supply, Seller cannot guarantee the quality of the water provided to the Community. In addition, this area is periodically subjected to extended periods of drought that may cause depletion of water supplies. Municipalities and other providers of water services (including the Town of Moncks Corner) may enact mandatory or voluntary cut backs or other restrictions in water usage. Seller has no control, influence, responsibility or liability for or over decisions concerning water rationing.

13.4 If Buyer has any questions about utility rates, services, safety, or anything else to do with overhead or underground transmission or utility lines, Buyer should contact the utility companies directly. Because Seller values Buyer's safety and that of Buyer's neighbors, no excavation or trenching should be done without first calling the utility companies for the location of buried utilities. There is currently no charge by the utilities for this service. This is especially important in utility easements where buried utility equipment is probable. Digging without advance notification and approval of the utility companies may be illegal, is dangerous and can result in severe personal injury or death to Buyer and Buyer's neighbors, and can also result in severe property damage to homes, property and utility equipment.

14. Waterbodies. BUYER ACKNOWLEDGES THAT THE WATER LEVELS OF LAKES, PONDS OR OTHER WATERBODIES WITHIN THE COMMUNITY AND/OR THE NEIGHBORHOOD MAY VARY. THERE IS NO GUARANTEE BY SELLER, THE ASSOCIATION THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME; AT TIMES, WATER LEVELS MAY BE NONEXISTENT.

15. Regulatory And Governmental Approvals. The zoning, plans, etc. have been approved by Berkeley County. The development of the project, lot, sidewalks, etc. is subject to approval by Berkeley County. For more information on the approvals required and pending in the Community, Buyer should contact the Berkeley County Planning & Zoning Department at 843.719.4095.

16. Prices/Market Values. Seller, and any other builder in the Community, shall have the unilateral right to establish prices for the homes it builds in the Community. Seller and any other builder in the Community may, at its sole discretion, increase or decrease the price or the price per square foot for any home, homesite or option at any time, or offer incentives for sales of homesites and homes, all without notice to Buyer. Once Buyer has signed the Agreement establishing a price for the Property, the prices for any subsequent changes or upgrades to the Home as requested by Buyer, including but not limited to design, floor plan, options, materials or otherwise, are subject to change by Seller until a written and signed agreement on the price is reached by Seller and Buyer for such change or upgrade. Seller makes no representations or warranties that the price for the Property or options in the Home will be increased or decreased for other buyers of identical or similar homes or options. Seller also makes no representations or warranties that changes or options made by Buyer will or will not increase or decrease the market value of the Property. The Property is being sold for residential purposes and not as an investment.

17. Construction And Sales Activities. BUYER ACKNOWLEDGES THAT SOME AREAS OF THE NEIGHBORHOOD AND THE COMMUNITY MAY BE UNDER CONSTRUCTION AND DEVELOPMENT FOR AN EXTENDED TIME. INCIDENT TO THE DEVELOPMENT PROCESS, THE QUIET ENJOYMENT OF THE NEIGHBORHOOD AND THE COMMUNITY MAY BE UNAVOIDABLY INTERFERED WITH TO SOME EXTENT BY THE CONSTRUCTION OPERATIONS. Construction, development and sales activities in the Community and/or the Neighborhood will likely occur after Buyer has taken occupancy of Buyer's Home. Depending upon Buyer's sensitivities, this may result in some inconvenience to Buyer and Buyer's family and guests due to increased noise, dust, road closures, operation of the model homes and sales offices, and other activities. Construction activities can occur at various hours throughout the day, and sales activities can result in additional traffic and visitors throughout the Community, particularly before the Community is completely built out. Neither Seller nor any other builder that may be active in the Community can guarantee that Buyer will not be affected or impacted as a result of the overall construction and development of the Community. Seller gives no guarantees or assurances on the active time of the Community model homes. Homesites across the street or next to the model homes may remain undeveloped until Seller determines that these homesites are no longer needed for marketing purposes.

18. Views. Future development and construction activities in the Community can and will modify the view from homesites (including but not limited to the Homesite). Trees and other foliage may be added or removed from lots or common areas of the Community. Additional housing and other improvements will be added within the community. Because future development and construction activities in the Community will modify views from homesites, Seller does not warrant or guarantee any existing views will be maintained in the future relative to the Property.

19. Streetlights. Numerous streetlights will be installed within the Community, many of which will be installed after homes have been completed, sold and occupied. Streetlights are sized and placed in accordance with Town ordinances and governmental requirements, and could in some instances generate light in or obstruct views from homes in the Community. Information about streetlight size, light output, design and location of streetlights within the Community can be obtained from the service provider.

20. Trees And Foliage. The Community contains numerous native trees of various sizes and varieties. While Seller has taken great care during the planning and construction of the Community to save trees, future development and construction will require the removal of additional trees, shrubs and other foliage and, therefore, Seller does not guarantee the preservation of any trees, shrubs, ground cover or other foliage in the Community or Buyer's Homesite, and cannot be responsible for short or long-term damages to foliage due to construction or development activities. Seller makes no representation or warranty that trees on the Homesite being purchased or any other homesite or common area in the Community will not be removed. All care and maintenance of foliage on an individual homesite is the responsibility of the homeowner, and Seller does not guarantee or warranty the survival of any foliage. Berkeley County has adopted a Tree Ordinance regulating the removal of any tree over a certain size. Before removing a tree, Buyer should contact Berkeley County to ensure that its regulations are adhered to. The Declaration also contains restrictions regarding the removal of any tree over a certain size. Buyer should contact the Association to ensure that its regulations are adhered to.

21. Facilities And Conditions Affecting Homesites.

21.1 The information set forth in this section contains an overview of facilities and conditions which may affect some or all homesites in the Community (including but not limited to the Homesite). Because Seller does not have control over development outside of the Community, Seller does not warrant or guarantee any future development, usage, or lack of development or usage for properties located outside of the Community, or their possible impact on the residents of the Community. For additional information about offsite features that may affect the purchase of the Property, please contact the local governmental authorities having jurisdiction over the Community.

21.2 Seller advises Buyer that some of the homesites (including but not limited to the Homesite) are or may be adjacent to or near some of the following:

DRAINAGE CHANNEL, AIRPORT, RAILROAD TRACKS, STORM WATER DETENTION FACILITY, COMMUNITY CENTER, ELEVATED WATER STORAGE TOWER, SCHOOL FACILITY, PARK SCHOOL SITE, SPORTS FACILITY OR BALL FIELD, COMMUNITY LAKES, PARK AND/OR RECREATION FACILITY, WATER PLANT/SEWER PLANT, LIFT STATION, CELLULAR PHONE, RADIO, TELEVISION OR OTHER TOWER ANTENNA SITE, HIGH VOLTAGE TRANSMISSION LINES OR PIPELINE EASEMENT.

Buyer acknowledges that such facilities may impact noise, vibration, lighting, traffic and other conditions caused by daily operations of the facility. Drainage channels, lakes and storm water detention facilities will have varying levels of water for varying periods of time depending upon rainfall.

21.3 Approximately 10 miles from the edge of the Community is the Charleston International Airport. Some flights landing at or taking off from the airport currently pass over the Community. Jets, helicopters or other aircraft may be seen or heard overhead from the Homesite or even from within the Home. The Charleston International Airport may, in the future, expand the Airport and its operations.

21.4 As a result of the open spaces and bodies of water in and around the Community, Buyer may periodically find wild animals within the confines of the Community including, but not limited to, skunks, nutria, opossums, deer, raccoons, spiders, snakes, bees, fire ants, and other insects common to the area. Contact with any wild animal can be dangerous. Should Buyer encounter any such animal, Buyer is encouraged to contact Buyer's local animal control office for further instructions.

21.5 Property West of the Community. The property west of the Community is currently comprised of agricultural and wooded land and land occupied by the Charleston Steel & Metal plant, Parker Gas Turbine Fuel Systems, and Mt. Holly Hill Park.

21.6 Property North of the Community. The property north of the Community is currently comprised of undeveloped woodlands and land used for residential purposes.

21.7 Property East of the Community. The property east of the Community is currently comprised of forested wetlands and undeveloped woodlands and land used for residential purposes. The property further east of the Community was occupied by the former Pattillo/Stone Mountain Industrial Park Site.

21.8 Property South of the Community. The property south of the Community is currently comprised of undeveloped woodlands and forested wetlands and land used for residential purposes.

21.9 Future Commercial/Retail Uses. The Community is located adjacent to properties which will be developed with major commercial and retail uses in the future. The development of such uses adjacent to the Community may increase traffic volumes, noise, outdoor lighting, pedestrian activity and other similar impacts resulting from commercial development.

21.10 Development of Adjacent Property. Buyer acknowledges that Seller's current construction plans for the Community where the Home and Homesite are located may change and that no representations or warranties are made concerning the development of the Community, or any property adjacent to, surrounding, or near such Community.

21.11 Public Ballfields. Public ballfields are located within the Community. The ballfields are or will be owned by the Association and the future use of the ballfields is in the discretion of Association.

21.12 Major Public Roads. The Community is located along portions of Old Hwy 52 and Cypress Garden Road. These roads may experience heavy traffic.

22. **Floor and Roof Truss Support**. The Home has been designed and constructed with the intent to support typical loads on the floor and roof trusses. Placing or storing excessive loads such as a waterbed or pool table, may result in the warping or failure of the supporting structural components of the Home.

23. **Real Estate Taxes**. When a new home is built, the full value of the home is typically not reflected in the real estate taxes until the second calendar year after construction has been completed. Seller is not responsible for communicating any information regarding real estate taxes (current or future) and cannot and will not predict what the taxes on the Home may be. Buyer should confirm any information provided concerning appraisals, tax valuation, tax rates or other tax-related questions, with Buyer's personal tax advisor and the local taxing authorities.

24. **Public Financing of Capital Improvements**. Berkeley County may finance certain capital improvements in the Community, may issue bonds in connection with such financing and may create one or more special tax districts

within the Community to provide for repayment of such bonds.

25. Town and County Taxes, Charges And Fees. Property within the Community is subject to Berkeley County taxes, utility charges, fees and may become part of a special taxing district. For additional information, contact the Tax Collector's office of Berkeley at 843.719.4030.

26. Addendum Not A Substitute. Buyer acknowledges and agrees that this Addendum is not a substitute for reading the entire Governing Documents. For a more detailed explanation of any section contained in this Addendum, refer to the Governing Documents.

27. Pre-Sale Contingency. Seller shall have the right to terminate this Agreement and cause Buyer's deposits to be refunded in the event that Seller does not enter into binding contracts to sell at least ten percent (10%) of the homes and homesites in the Community. Seller must, however, notify Buyer of such a termination at any time within one hundred eighty (180) days following the date of the first purchase agreement for the sale of a home in the Community, otherwise Seller will be required to construct the Community and the Home and otherwise proceed to perform its obligations under this Agreement. This shall not delay the effectiveness of this Agreement, which shall be immediate, but rather, shall be deemed a "condition subsequent" to this Agreement. In the event of Seller's termination of this Agreement pursuant to this Section, upon such termination and the return of Buyer's Deposit, Seller and Buyer will be fully relieved and released from all obligations and liabilities under and in connection with this Agreement. Seller agrees to use its good faith efforts to meet the foregoing pre-sale requirement.

28. Third Party Developer. Seller is not the developer/declarant of the Community ("Developer"). Buyer acknowledges that (i) Seller is neither related to nor a joint venture partner with Developer, (ii) Seller does not control the amenities (existing or planned), landscaping, or other improvements that Developer may provide within the Community in the sole and absolute discretion of Developer, (iii) Seller has neither prepared nor participated in the preparation of the Community budgets or any other financial information with regard to the Community, and (iv) any representations or warranties which relate to amenities or other matters contained within the Community shall not be construed as representations made by Seller nor shall such representations be relied upon by Buyer in Buyer's determination as to whether to purchase the Property located within the Community. Seller has no control or influence related to the construction timing, completion, changes in design, changes in location, or other major decisions, including the decision not to build future amenities. Buyer agrees to look solely to the Developer with respect to any matters regarding the Association, existing Community amenities, any proposed amenities, landscaping or other improvements.

29. Statements Made By Sales Staff And Brokers. Seller wants to ensure that Seller and Buyer are in full agreement on all terms and conditions relating to the Agreement. To best ensure that there are no misunderstandings, Buyer should ensure that all terms and conditions (including all statements, representations, or understandings upon which Buyer relies in purchasing the Home) are set forth in writing in the Agreement. **If there are any statements, representations or understandings which are made by a sales staff person or any other representative of Seller which are material to Buyer's decision to purchase, Buyer should insist that any such statement, representation or understanding is put in writing and contained in the Agreement. Seller reserves the right to reject the Agreement notwithstanding the inclusion of any such item in the Agreement.**

30. Public School Assignment. Seller does not control and cannot guarantee public school assignments for the Community. Because Seller does not control public school assignments, Seller cannot assure Buyer that public school assignments will not be changed in the future. For more information about public school assignments, Buyer should contact the Berkeley County School Board.

31. Counterparts. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

32. Conflicts. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

33. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

34. **Survival**. All of the terms of this Addendum shall survive Closing and the delivery of the Deed.

DocuSigned by:
Anthony Logan Ray
A674BE288C5G4E5...

Buyer - Anthony Logan Ray
Date 5/8/2013

Buyer -
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

DocuSigned by:
Jennifer Petras
D85C4A49D9B74C1...

Authorized Agent of Seller - Jennifer Petras
Date 5/10/2013

# Electronic Document Delivery Consent

GENERAL INFORMATION. For purposes of this Consent form the term "UAMC", refers to Universal American Mortgage Company, LLC or Universal American Mortgage Company of California. The terms "you" and "your" refer to the recipient of this Consent.

The Electronic Signatures in Global and National Commerce Act, (E-Sign Act), Section 101(c)(1) of Title 1, allows a financial institution to issue electronic records to a customer to satisfy any statute or regulation that requires such information to be in writing, after first obtaining the customer's affirmative consent. The E-Sign Act requires certain information to be provided to the customer regarding this service, which is disclosed in this Consent. You have the right to have the documents described in this Consent provided or made available to you on paper. By signing this Consent you agree to the terms and conditions listed below. Please read this document carefully and retain it for future reference.

ELECTRONIC DOCUMENT DELIVERY. By signing this Consent, you hereby request and consent to UAMC providing your mortgage loan documents in Portable Document Format (PDF) via a link that will be sent to the e-mail address listed below. The mortgage loan documents include important and legally binding disclosures, notices, information and conditions regarding your loan transaction. The e-mail will contain a link to a secure website for you to access such documents. This Electronic Document Delivery service replaces the creation of paper documents and their delivery through land-based mail services. In the event of equipment failure, or for any other reason you are unable to retrieve your e-mails or download the documents, you may obtain a copy of any of the documents on paper by telephoning UAMC at 843-852-3200 or by sending a written request to: UAMC, 1941 Savage Road Suite 100-C, Charleston, SC 29407. No fee will be imposed to receive a paper copy of any document delivered electronically from UAMC.

YOUR RESPONSIBILITIES: In order to receive and access your documents electronically you must have equipment that meets the following minimum hardware, software and system requirements:

1. Have an active e-mail account.
2. Be able to view disclosures on a monitor or other medium.
3. Have access to the Internet and use Internet Explorer 7.0 and above; Mozilla Firefox 3.0, 3.5, 3.6; Chrome 5; or Safari 5.0.1 to receive required information.
4. Be able to receive email that contains hyperlinks to websites in order for UAMC to deliver required information to you.
5. Be able to access documents with Adobe Acrobat Reader. ®
6. Be able to print or download PDF files from websites.

You are responsible for accessing, opening and reading all mortgage documents when notified by UAMC that such documents, which contain important and legally binding disclosures, notices, information and conditions regarding your loan transaction are available. All documents made available to you pursuant to this Consent will constitute your only notice of matters contained in such documents. You are responsible for promptly notifying UAMC if any of the e-mails you receive or documents you attempt to access are incomplete, are unreadable or are not accessible.

Your Consent to receive notifications and documents electronically will remain in effect until amended or withdrawn by you or until this Consent is cancelled. The hardware, software and system requirements listed above may change at any time at UAMC's sole discretion. UAMC will provide you with advance notice of any such change and you may withdraw this Consent if you no longer meet the requirements. If you need to update your e-mail address or other contact information with UAMC or would like to withdraw this Consent and unsubscribe from receiving documents electronically at any time, please contact us via telephone at 843-852-3200 or by sending a written request to: UAMC, 1941 Savage Road Suite 100-C, Charleston, SC 29407.

You are solely responsible for the cost associated with receiving and downloading documents electronically (computer, Internet, e-mail services, etc).

**Before documents will be available electronically, you must demonstrate the ability to receive e-mails and electronic documents by responding to an e-mail that will be sent from UAMC. After signing this Consent and responding to the e-mail, you will be enrolled in the electronic delivery of mortgage documents and disclosures pursuant to the terms of this Consent. UAMC has no obligation to monitor or notify you if e-mails are undeliverable because your e-mail address on file with us is expired or otherwise invalid or because of other technical problems related to your equipment, internet service, or e-mail service. It is you responsibility to ensure that the e-mail address UAMC has on file for you is correct and up to date at all times.**

UAMC may cancel this Consent and opt to deliver documents and disclosures to you in paper form at its sole discretion.

By signing, dating and providing your e-mail address(s) below you agree to receive notifications and documents electronically from UAMC.

| | | |
|---|---|---|
| DocuSigned by: Anthony Logan Ray A67ABE268C694F8... | ray9271@yahoo.com | 5/8/2013 |
| Borrower - Anthony Logan Ray | Email | Date |
| | | |
| Borrower - | Email | Date |
| | | |
| Borrower - | Email | Date |
| | | |
| Borrower - | Email | Date |

DocuSign Envelope ID: 243614C2-A173-4095-9311-A608744D1226

# HOME AUTOMATION ADDENDUM

THIS HOME AUTOMATION ADDENDUM (this "Addendum") is, by this reference, made part of the Purchase and Sale Agreement (the "Agreement") dated as of the Eighth day of May , 2013, between Anthony Logan Ray (collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0036 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Nexia Home Intelligence**. The Property will be equipped with Nexia Home Intelligence (formerly known as Schlage LiNK) which uses Z-Wave® technology in a secure, web-based system that allows remote monitoring and control of Z-Wave® enabled equipment. There is a monthly fee for remote access capabilities and there must be a wireless router and internet access. Nexia has agreed to provide 12 months of free monitoring commencing at Closing.

3. **Nexia Home Intelligence Performance**. Buyer will receive a warranty from the manufacturer. Seller assumes no liability for either the performance of Nexia Home Intelligence or the performance or availability of remote access.

4. **Contact Authorization**. By signing below, Buyer authorizes Nexia to contact Buyer to assist Buyer in explaining, setting up and operating the system, as well as, optional equipment that can be added to the system.

5. **Manufacturers' Warranty Disclaimer**. SELLER ASSIGNS AND PASSES THROUGH TO BUYER THE MANUFACTURERS' WARRANTIES FOR SCHLAGE LINK AND SELLER MAKES NO WARRANTIES WITH RESPECT THERETO. SELLER DISCLAIMS ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, ON SCHLAGE LINK, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF USE, FITNESS OF USE, WORKMANSHIP OR QUALITY. SELLER SHALL NOT BE LIABLE FOR ANY DAMAGES OR INJURY TO THE SCHLAGE LINK OR FOR ANY DAMAGES OR INJURY CAUSED BY SCHLAGE LINK. SELLER'S DISCLAIMER OF MANUFACTURERS' WARRANTIES DOES NOT LIMIT OR OTHERWISE AFFECT THE WARRANTY OF ANY MANUFACTURER.

6. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

7. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

8. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

DocuSigned by:
Anthony Logan Ray
A67ABE268C694E5...

Buyer - Anthony Logan Ray
Date 5/8/2013

Buyer -
Date _____

Buyer -
Date _____

Buyer -
Date _____

SELLER: Lennar Carolinas, LLC

DocuSigned by:
Jennifer Petras
B85C4A49D9B74C1...

Authorized Agent of Seller - Jennifer Petras
Date 5/10/2013

I have completed the sales review of the above purchase agreement documents.

DocuSigned by:
Jason Byham
94813167716B4DB

Sales Reviewer Jason Byham

Date 5/9/2013

# EXHIBIT 10

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

Lennar Carolinas, LLC
1941 Savage Road, Ste. 100-C
Charleston, South Carolina 29407
843-388-8989

# PURCHASE AND SALE AGREEMENT

**PURSUANT TO SECTION 15-48-10, SOUTH CAROLINA CODE OF LAWS, 1976, AS AMENDED, THIS SHALL CONSTITUTE WRITTEN NOTICE THAT THIS AGREEMENT IS SUBJECT TO MANDATORY BINDING ARBITRATION PURSUANT TO SECTION 16 OF THIS AGREEMENT.**

**THIS PURCHASE AND SALE AGREEMENT** (together with the Riders and Addenda attached hereto and incorporated by reference herein, this "**Agreement**") is made and entered into as of the eighth day of OCTOBER , 2011 by and between Lennar Carolinas, LLC ("**Seller**"), and Buyer(s) named below ("**Buyer**"):

| BUYER(S): | Check Applicable: |
|---|---|
| 1. Paula Sellers | Married ☐ Single ☑ Male ☐ Female ☒ |
| 2. | Married ☐ Single ☐ Male ☐ Female ☐ |
| 3. | Married ☐ Single ☐ Male ☐ Female ☐ |
| 4. | Married ☐ Single ☐ Male ☐ Female ☐ |
| No Buyer Changes Will Be Permitted | |

| Buyer Address: | | |
|---|---|---|
| City: | State / Country: | Zip: |

By providing your telephone and fax numbers and your email address, you hereby consent to receiving telephonic, fax and email communications, including advertisements, made or sent by or on behalf of Seller and/or its affiliates.

| | |
|---|---|
| **Home Telephone:** | **Facsimile Numer:** |
| **Business Telephone:** | **Email Address:** sellerspr@yahoo.com |
| **Cellular Telephone:** | |

1. **Purchase and Sale.** Buyer agrees to buy and Seller agrees to sell to Buyer (on the terms and conditions set forth below) Model Hartford constructed or to be constructed on the following described property:
Lot 0006 of Block _____ of The Abbey at Spring Grove Subdivision/Plat, in Berkeley County (the "**County**"), South Carolina

Address: 212 Maywood Drive Moncks Corner SC 29461

The residence and improvements (the "**Home**") constructed or to be constructed on the above described property (the "**Homesite**"), and all appurtenances thereto are collectively referred to in this Agreement as the "**Property.**" The Property is located within the community known as The Abbey at Spring Grove (the "**Community**").

2. **Purchase Price and Payments.** The total purchase price ("**Total Purchase Price**") for the Home, exclusive of any Builder's Fee, as applicable, and Closing Costs as described in Rider B and the Purchase Price and Payment Addendum, is $ 172,990.00. Buyer (and not a third party) has made an earnest money deposit upon the signing of this Agreement (the "**Initial Deposit**") of $ 500.00. Buyer shall make further payments to Seller, including but not limited to any "Additional Deposit" or "Advanced Payment" (consisting of non-refundable deposit(s) for options, extras, and upgrades) as set forth in the Purchase Price and Payment Addendum attached hereto and made a part hereof. The term "**Deposit**" shall include the Initial Deposit, Additional Deposit and Advanced Payment.

3. **Legally Binding Agreement.** THIS AGREEMENT IS A LEGALLY BINDING CONTRACT. IF NOT FULLY UNDERSTOOD, PLEASE SEEK COMPETENT LEGAL ADVICE. NO WARRANTIES OR REPRESENTATIONS, OTHER THAN THOSE SPECIFIED IN THIS AGREEMENT, ARE EXPRESSED OR IMPLIED. ORAL REPRESENTATIONS CANNOT BE RELIED UPON AS CORRECTLY STATING THE REPRESENTATIONS OF SELLER. FOR CORRECT WARRANTIES AND REPRESENTATIONS, REFERENCE SHOULD BE MADE TO THIS AGREEMENT, INCLUDING THE RIDERS AND ADDENDA ATTACHED HERETO, AND THE "**DOCUMENTS**" (AS SUCH TERM IS DEFINED IN RIDER B) PROVIDED TO BUYER, IF ANY.

4. **Financing.**

☐ **NO CONTINGENCY.** If this box is checked, this is a cash transaction and not contingent on financing. Buyer agrees to provide within five (5) calendar days from the Buyer's execution of this Agreement financial statements or other written verification of Buyer's ability to purchase the Property with cash. If Buyer does not (in Seller's sole judgment, based on the documentation provided by Buyer to Seller) have the financial ability to purchase the Property with cash, then Seller may terminate this Agreement by refunding to Buyer any paid Deposit.

☑ **MORTGAGE CONTINGENCY.** If this box is checked, this Agreement is contingent on Buyer obtaining a loan commitment within the Mortgage Contingency Period (as such term is defined in Rider B attached hereto) for a first mortgage loan from Universal American Mortgage Company, LLC (an affiliate of Seller), or another qualified institutional mortgage lender of Buyer's choice ("**Lender**"), with interest, term and service charges at current market rates at time of Closing (as defined below) for a borrower of

Buyer's credit qualifications (the "**Mortgage Contingency**"). Buyer agrees to apply within five (5) calendar days from the execution of this Agreement for a loan at the then prevailing interest rate and terms (the "**Mortgage Contingency Period**"). In the event Buyer chooses to obtain financing through a Lender other than Universal American Mortgage Company, LLC, Buyer agrees to promptly provide Seller, upon Seller's request, with the name, address and phone number of such Lender, the loan officer and the loan processor. Buyer shall furnish promptly and accurately to Lender all information and documents requested by Lender in connection with such application. If Buyer properly makes and pursues the loan application as provided herein but is unable to provide Seller with a copy of a written loan commitment reasonably satisfactory to Seller within the Mortgage Contingency Period, or if Buyer is at any time disapproved for such loan (and Buyer does not cancel or withdraw his/her loan application), then Seller, at its sole discretion, may cancel this Agreement by written notice to Buyer, at Buyer's last known address, in which event Seller shall refund any paid Deposit made by Buyer. If Buyer properly makes and pursues the loan application as provided herein but is unable to obtain mortgage loan financing, despite Buyer's good faith efforts to do so, and Buyer is not otherwise in default under this Agreement, and further provided that Buyer provides Seller with documentation from Lender that the loan has been declined, Buyer may cancel this Agreement by giving written notice to Seller within the Mortgage Contingency Period, in which event Seller shall refund any paid Deposit. If this Agreement provides for a VA guaranteed or FHA-insured loan, Buyer's obligation to complete the purchase contemplated under this Agreement is subject to the VA/FHA Addendum attached hereto and incorporated herein.

The following shall apply only if this Agreement is subject to the Mortgage Contingency, as indicated above:

4.1 Mortgage Loan. Unless Buyer shall have otherwise notified Seller in writing within the Mortgage Contingency Period, Buyer shall be conclusively presumed to have obtained the loan commitment or agreed to purchase the Property without mortgage financing, and the Mortgage Contingency shall be deemed to have been satisfied.

4.2 Application. Buyer understands that any loan application required under this Agreement must be fully completed in order to obtain the mortgage loan, and Buyer will make a good faith attempt to qualify for the mortgage loan. If Buyer has a spouse who does not constitute a Buyer under this Agreement, Buyer agrees to have his/her spouse sign the mortgage documents as required by Lender. BUYER AGREES TO INCUR NO DEBT SUBSEQUENT TO THE DATE HEREOF WHICH MIGHT JEOPARDIZE APPROVAL OF BUYER'S MORTGAGE LOAN. IF THE PROPERTY IS BEING PURCHASED BY A CORPORATION, PARTNERSHIP, OR OTHER ENTITY, BUYER AGREES TO (1) OBTAIN ANY PERSONAL ENDORSEMENTS OR GUARANTEES REQUIRED BY LENDER AND (2) PROVIDE TO LENDER AND/OR THE TITLE INSURER PROMPTLY UPON REQUEST SUCH CERTIFICATES, RESOLUTIONS OR OTHER CORPORATE, PARTNERSHIP OR OTHER ORGANIZATIONAL DOCUMENTS AS MAY BE REQUIRED. Except as provided in this Agreement, Buyer agrees to pay all loan fees and closing costs charged by Lender in connection with the mortgage loan. Buyer will pay any prepaid interest due on the mortgage loan at the time of Closing and any amount Lender may require to be put into escrow toward the payment of property taxes and insurance on the Property. Buyer will also pay any mortgage insurance premiums (prepaid or otherwise), if required by Lender.

4.3 Commitment. Buyer understands that the rate of interest on the mortgage is established by Lender and not by Seller and that any predictions or representations of present or future interest rate that may have been contained in any advertising or promotion by Seller are not binding. If Buyer obtains a written mortgage loan commitment and the mortgage loan commitment is subsequently withdrawn through no fault of Seller including, but not limited to, any condition to such loan commitment not being satisfied for any reason (other than failure of the Property to appraise equal to or greater than the Total Purchase Price), this Agreement shall remain in full force and effect and Buyer shall be conclusively presumed to have agreed to purchase the Property without mortgage financing. If the Lender's appraiser does not appraise the Property for the Total Purchase Price then Seller shall have the option in, Seller's sole discretion, to (i) lower the Total Purchase Price to the appraised value and Buyer shall proceed to Closing, or (ii) terminate this Agreement and return the Deposits to Buyer. If Buyer obtains a loan commitment containing any special condition that is not ordinarily contained in typical loan commitments for the Community, Seller, in Seller's sole discretion, may treat Buyer's loan application as having been denied; whereupon, Seller shall have the rights set forth in this Section 4.

4.4 Sale of Other Residence. Unless the Home Sale Contingency Addendum is executed, Buyer represents and warrants that this Agreement and the mortgage loan referenced herein, are not and will not be subject to or contingent upon Buyer's selling and/or closing on the sale of Buyer's present residence or other property. Failure to close on the purchase of the Property will constitute a default by Buyer and the remedies available to Seller for Buyer's default under this Agreement shall apply.

5. **Funds**. Any funds paid by Buyer under the terms of this Agreement to Seller through a check or cashier's check are accepted by Seller subject to collection. Buyer acknowledges that Seller shall have the right to deposit such check for the Initial Deposit without such action being deemed acceptance of this Agreement. If any such check is not paid by the bank after acceptance of this Agreement, Seller shall have the option to cancel this Agreement and declare Buyer in default. If Buyer provides any check for a Deposit in the form of Canadian currency (a "**C$ check**"), Seller's depository bank will convert such C$ check into a U.S. dollar amount using its currency procedures and exchange rate then in effect two (2) business days following the date of processing (the "**Conversion Date**") and the amount of the Deposit to be applied toward the Total Purchase Price shall be equal to the amount received by Seller from the depository bank on the Conversion Date. Seller reserves the right to charge or pass through any currency conversion-related fees or costs to the Buyer at Closing (as hereafter defined). Notwithstanding the foregoing or anything contained in the Agreement to the contrary, the balance of the Total Purchase Price plus all applicable Closing Costs (the "**Closing Proceeds**") shall be paid to Seller at Closing by wire transfer in immediately available funds or by cashier's check (subject to collection) issued by a bank with a branch in the County where the Property is located. If Buyer delivers all or any portion of the Closing Proceeds in the form of a cashier's check exceeding $25,000.00, then Buyer will not be entitled to possession of the Home until the Closing Proceeds have cleared.

6. **Credit Information Authorization**. Buyer authorizes Lender to whom Buyer has applied or is in the process of applying for a mortgage loan in connection with this transaction to disclose to Seller the information contained in any loan application, verification of deposit, income and employment, and credit reports or credit related documentation on Buyer. Buyer authorizes Seller to order one or more credit reports from a consumer reporting agency to be used in connection with this transaction. The cost of said report(s) is (are) to be paid by Buyer. Buyer authorizes Seller to forward all copies of all or any portion of such report(s) without interpretation to Lender who (at the request of Buyer) will evaluate a potential extension of credit to Buyer in connection with this transaction. Buyer authorizes Lender, and any credit bureau or other person or entity utilized or engaged by Lender, to obtain one or more consumer reports regarding Buyer and to investigate any information, reference, statement, or data, provided to Lender by Buyer or by any other

person or entity, pertaining to Buyer's credit and financial status. Buyer shall indemnify, defend and hold harmless Seller, its officers, directors, shareholders, employees, agents, contractors, subcontractors and suppliers ("Indemnified Parties"), Lender, and any credit bureau or other person or entity utilized or engaged by Lender or Seller, from and against any deficiencies, losses, liabilities, claims, damages, expenses, obligations, penalties, actions, judgments, awards, suits, costs or disbursements of any kind or nature whatsoever, including attorneys' fees and expenses ("Claims") arising from an investigation of Buyer's credit and financial status.

7. **Closing**. Without limiting the terms of Section 8, Buyer acknowledges and agrees that Seller has the right in its sole discretion to schedule the date, time and place for the closing of the transaction contemplated by this Agreement ("**Closing**") and Buyer shall close on such Closing Date (the "**Closing Date**"). Buyer will be given notice of the Closing Date, time and place by the "**Closing Date Notice Period**" (as such term is defined in Rider B attached hereto). Seller is authorized to postpone or advance the date of Closing at its discretion. Seller must, however, give Buyer reasonable notice of the new Closing Date. Any notice of Closing may be given verbally, by telephone, telegraph, telex, facsimile, mail, e-mail, or other means of communication at Seller's option. All notices of Closing will be given to Buyer at the address or by use of the telephone number(s) or e-mail address(es) specified on page 1 of this Agreement unless Seller has received written notice from Buyer of any change therein prior to the date notice of Closing is given. Buyer's failure to receive the notice of Closing because Buyer has failed to advise Seller of any changes of address or phone number, or because Buyer has failed to pick up a letter when Buyer has been advised of an attempted delivery or for any other reason, shall not relieve Buyer of Buyer's obligation to close on the scheduled Closing Date, unless Seller otherwise agrees in writing to postpone the Closing Date. To the extent not prohibited by applicable law, if Seller, in its sole discretion, agrees in writing to reschedule the Closing Date at Buyer's request, or because Buyer (if a corporation) has failed to produce all corporate documents requested by Seller, or for any other reason (except for delay required by Seller), then (1) Seller may impose a late charge as liquidated damages for such delay equal to One Hundred Twenty-Five Dollars ($125.00) per day for every day from the original Closing Date through the date that the transaction closes, and (2) Seller may require that prorations be made as of the original Closing Date. Buyer agrees the late charge is appropriate in order to cover Seller's administrative and other expenses resulting from a delay in Closing and that the amount of liquidated damages is fixed and agreed to by the parties as a reasonable estimate of the damages that Seller shall suffer and is not in the nature of a penalty. Seller is not required to agree to reschedule Closing, but Seller may reschedule Closing in Seller's sole discretion.

8. **Completion Date**. It is expressly agreed by Buyer that notwithstanding anything to the contrary specified herein or verbally represented (including but not limited to Seller's sales representative), any scheduled completion date is a good faith estimate, and Seller makes no promises or representations concerning the date of completion. Buyer agrees that Buyer has not relied, and will not rely upon, any estimated completion date for any purpose whatsoever, including, without limitation, relocation of residence, storage of personal property, or lock-in financing, and Buyer agrees that Seller shall not be liable for any additional costs, expenses or damages whatsoever should the Home not be completed by an estimated completion date. Notwithstanding the foregoing, Seller is required to complete and does agree that the construction of the Home shall be completed not later than two (2) years from the date of Buyer's execution of this Agreement. If construction is delayed by any event recognized by the law of the state in which the Home is located as a defense to a contract action for non-performance or a delay in performance, then the date of completion shall be extended by the delay period. It is the express intent of the parties that the parties' rights and obligations under this Agreement be construed in the manner necessary to exempt this Agreement and the sale of the Property from registration under the Interstate Land Sales Full Disclosure Act, and both Buyer and Seller hereby expressly waive any right or provision of this Agreement that would otherwise preclude such exemption.

9. **Casualty Before Closing**. If the Property is damaged by fire, act of terrorism or other casualty before Closing and the cost of restoration does not exceed three percent (3%) of the Total Purchase Price and repairs will not substantially delay Closing, Seller shall repair the damage and Closing shall proceed pursuant to the terms of this Agreement. If the cost of restoration exceeds three percent (3%) of the Total Purchase Price or the repairs would substantially delay Closing, Buyer shall have the option to: (1) terminate this Agreement and receive a refund of the Deposit made by Buyer to Seller, in which event both parties shall be released from all obligations under this Agreement, or (2) have Seller repair the damage as soon as reasonably possible, and Closing shall be extended until such repair or rebuilding is complete.
Notwithstanding the foregoing, if all or a portion of the Property is damaged by fire, act of terrorism or other casualty and (1) the plans, specifications or construction materials for the Property must be materially modified in order to repair or reconstruct the Property, or (2) the repair or reconstruction of the Property substantially in accordance with the plans and specifications is rendered impossible by any cause recognized by the law of the state in which the Property is located as a defense to a contract action for non-performance, then Seller shall have the right to terminate this Agreement and Buyer shall receive a refund of the Deposit made by Buyer to Seller in which event both parties shall be released from all obligations under this Agreement.

10. **Deed**. Seller shall convey title to Buyer at Closing by delivery to Buyer of a General Limited Warranty Deed (the "**Deed**") describing the Property, which Deed shall convey title to Buyer subject to all matters described in this Agreement.

11. **Closing and Title Matters**. Title to the Property to be delivered to Buyer at Closing will be marketable and insurable, subject only to the following matters:

11.1 Title to the Property shall be subject to the following: (1) zoning, building codes, bulkhead laws, ordinances, regulations, rights or interests vested in the United States of America or the state in which the Community is located; (2) real estate taxes and other taxes for the year of conveyance and subsequent years including taxes or assessments of any special taxing or community development district (including assessments relating to capital improvements and bonds); (3) the general printed exceptions contained in an owner's title insurance policy; (4) utility easements, sewer agreements, telephone agreements, cable agreements, telecommunications agreements, monitoring agreements, restrictions and reservations common to any plat affecting title to the Property; (5) matters that would be disclosed by an accurate survey or inspection of the Property; (6) the Documents; (7) any laws and restrictions, covenants, conditions, limitations, reservations, agreements or easements recorded in the public records for the County (for example, use limitations and obligations, easements (right-of-way) and agreements relating to telephone, gas or electric lines, water and sewer lines and drainage, provided they do not prevent use of the Property for single family residential purposes); (8) minor encroachments on easements that do not substantially interfere with an easement holder's interest in the Property; and (9) acts done or suffered by Buyer and any mortgage or deed of trust obtained by Buyer for the purchase of the Property. It is Buyer's responsibility to review and become familiar with each of the foregoing title matters, some of which are covenants running with the land. If any title defects are discovered by Buyer after Closing, Buyer's sole remedy shall be to make a claim to Buyer's title insurer.

11.2 Seller shall convey title to Buyer at Closing by delivery to Buyer of the Deed, which shall convey title to Buyer subject to all matters described in Section 11.1 of this Agreement. Any such matters omitted from the Deed shall nevertheless be deemed to be included in the Deed.

11.3 Seller shall provide an affidavit complying with the Foreign Investment in Real Property Tax Act of 1980, as amended, upon written request of Buyer.

11.4 Seller may not own title to the Property as of the date of this Agreement or at Closing. However, Seller shall obtain title to the Property on or before the Closing Date or effect the necessary transfer of title on or before the date when Seller causes title to be transferred to Buyer.

11.5 If Seller cannot provide marketable and insurable title as described above, such failure shall not be an event of default and Seller will have a reasonable period of time (at least one hundred and twenty (120) days from the date of the scheduled Closing Date) to attempt to correct any defects in title; provided, however, Seller shall not be obligated to incur any expense, nor institute any litigation, to clear title to the Property. If Seller cannot or elects not to correct the title defects, Seller shall so notify Buyer within such period, and Buyer may thereafter elect (by written notice from Buyer to Seller) one of the following two (2) options: (1) to accept title in the condition offered (with defects) and pay the balance of the Total Purchase Price for the Property (without set off or deduction therefor), thereby waiving any claim with respect to such title defects and Buyer will not make any claims against Seller because of the title defects; or (2) to terminate this Agreement and receive a full refund of the Deposit deposited hereunder. If all such amounts are refunded, Buyer agrees to accept it as full payment of Seller's liability hereunder, whereupon this Agreement shall be terminated and Seller shall thereafter be relieved and released of all further liability hereunder. Buyer shall not thereafter have any rights to make any additional claims against Seller. In the event Buyer does not notify Seller in writing within five (5) calendar days from the receipt of Seller's notice (time being strictly of the essence) as to which option Buyer elects, Buyer shall be conclusively presumed to have elected option (1) set forth above in this subsection.

11.6 The acceptance of the Deed by Buyer shall be deemed to be full performance and discharge of every agreement and obligation on the part of Seller to be performed pursuant to this Agreement, except those which are herein specifically deemed to survive Closing or which may survive by operation of law, if any.

11.7 Title to the Property will be deemed marketable if an owner's policy is issued with standard exceptions.

11.8 All of the terms of this Section 11 shall survive Closing and the delivery of the Deed.

12. **Closing Costs**. The respective responsibilities of Buyer and Seller for all costs, prorations and fees payable at Closing (the "**Closing Costs**") are shown in Rider B attached hereto.

13. **Site and Substitutions**. The materials, equipment and fixtures included in and to be used in constructing the Home will be substantially the same as or similar in quality to those described in the applicable plans and specifications (except as to extras, options and/or upgrades).

13.1 Changes to Plans and Specifications.

13.1.1 Industry Practice. It is widely observed construction industry practice for pre-construction plans and specifications for any home or building to be changed and adjusted from time to time in order to accommodate on-going site conditions and in the field construction factors. These changes and adjustments are essential in order to permit all components of the Home to be integrated into a well-functioning and aesthetically pleasing product in an expeditious manner. Based on the foregoing, Buyer acknowledges that such changes and adjustments may occur and agrees that it is reasonable and to Buyer's benefit to allow Seller the flexibility to make such changes and adjustments to the Home.

13.1.2 Seller's Absolute Right to Make Modifications to Plans and Specifications. Seller has the absolute right to make modifications to the plans and specifications for the Home. Without limiting the generality of the foregoing, Buyer specifically agrees that changes in the dimensions of rooms and patios, entrances and terraces, if applicable, and changes in room size, in the locations of windows, doors, walls, partitions, utility lead-ins and outlets (including, but not limited to, electrical, cable television, and telephone), air-conditioning components, lighting fixtures and electrical panel boxes may be made by Seller in its sole discretion, provided however that changes in the layout and dimensions of the Home shall not substantially affect the value of the Home. Such changes may also include, but are not limited to, changes in the building location, setbacks and facing, the building's external configuration, its structural components, its finishes and the landscaping associated therewith.

13.1.3 Buyer's Acceptance of Actual Floor Plan. Buyer further understands and acknowledges that many of the Homes to be constructed within the Community require floor plans which are opposite (i.e. flipped) mirror images of the model floor plan and Buyer fully understands and accepts the floor plan configuration for the Home and improvements to be constructed within the Home.

13.1.4 No Warranty for Plans and Specifications on File. Buyer further acknowledges and agrees that (1) the plans and specifications of the Home and the Community on file with the applicable governmental authorities may not be identical in detail to Seller's plans and specifications, and (2) because of the day-to-day nature of the changes described in this Section 13, the plans and specifications on file with the applicable governmental authorities may not include some or any of these changes (there being no legal requirement to file all changes with such authorities). As a result of the foregoing, Buyer and Seller both acknowledge and agree that the Home and the Community may not be constructed in accordance with the plans and specifications on file with the applicable governmental authorities. Without limiting the generality of the provisions of Rider B attached hereto, Seller disclaims and Buyer waives any and all express or implied warranties that construction will be accomplished in compliance with such plans and specifications. Seller has not given and Buyer has not relied on or bargained for any such warranties. In furtherance of the foregoing, in the event of any conflict between the actual construction of the Home and/or the

Community, and that which is set forth on the plans and specifications, Buyer agrees that the actual construction shall prevail and to accept the Home and Community as actually constructed (in lieu of what is set forth on the plans and specifications).

13.2 Lot Change. In the event that Seller, in its sole discretion, determines that the Model of the Home selected under this Agreement cannot reasonably be built on the Homesite, then Buyer and Seller hereby agree that they will negotiate in good faith to relocate the Home to another lot in the Community, provided however that there are lots available for sale. If no replacement lot is available, then Buyer may terminate this Agreement and will be entitled to a refund of any paid Deposit.

13.3 Decorative and Landscaping Items.

13.3.1 Buyer understands and agrees that certain of the finishing items, such as tile, marble, carpet, cabinets, stone, brickwork, wood, paint, stain and mica are subject to size and color variations, grain and quality variations, and may vary in accordance with price, availability and changes by manufacturers from those shown in the model, if any, or in illustrations or brochures or those included in the specifications. Furthermore, if circumstances arise that, in Seller's opinion, warrant changes of subcontractors, suppliers, manufacturers, brand names or items, Seller reserves the right to substitute equipment, materials, appliances, etc., which in Seller's opinion are considered to be of quality substantially similar or equal, or of better quality, subject to their availability. Buyer also understands that Seller has the right to substitute or change materials and/or stain colors utilized in wood decor, if any.

13.3.2 Lot grades, lot area, options, facades, shrubs, trees, trim, built-ins, wall treatments, window treatments, furniture, furnishings, fences, decks, locations of walks, driveways and other items in or about a model home area in the subdivision are for display purposes only and are not included in the Total Purchase Price unless otherwise expressly provided herein. Seller has the right to remove any existing trees on the Property or on the surrounding area for any reason. Buyer further understands and agrees that the following items (which may be seen in models or shown in illustrations) will also not be included with the sale of the Home: wall coverings, paint colors, accent light fixtures, wall ornaments, drapes, blinds, bedspreads, furniture, furnishings, wet bars, monitoring systems, certain built-in fixtures, special floor coverings, wood trim, upgraded items and/or any other items of this nature which may be added or deleted from time to time. This list of items (which is not all-inclusive) is provided as an illustration of the type of items built-in or placed upon models or shown in illustrations strictly for purposes of decoration and example only.

13.4 Deed. By acceptance of the Deed, Buyer accepts all variations of the Home.

13.5 Survival. All of the terms of this Section 13 shall survive Closing and the delivery of the Deed.

14. **Buyer's Default.** In the event of Buyer's default and to the extent allowed by law, Seller shall be entitled to keep, as liquidated damages and not as a penalty, Buyer's Deposit not to exceed fifteen percent (15%) of the Total Purchase Price, except that Seller may, in addition, keep, as liquidated damages and not as a penalty, any and all Advanced Payments made by Buyer to Seller for options, extras or upgrades for which Seller has made contractual commitments or incurred liability by placing orders or otherwise. Buyer agrees that actual damages in the event of breach by Buyer would be costly and difficult to calculate, and that such liquidated damages are a fair and reasonable remedy and shall not be considered a penalty. The provisions of this Section shall survive the termination of this Agreement.

15. **Seller's Default.** In the event of Seller's default and to the extent allowed by law, Buyer may recover actual damages but shall not be entitled to special, consequential or punitive damages. Notwithstanding the foregoing, Buyer retains all remedies at law and in equity with respect to Seller's obligation to complete the Home within two (2) years pursuant to Section 8 above. The provisions of this Section shall survive the termination of this Agreement.

16. **Mediation / Arbitration of Disputes.**

16.1 The parties to this Agreement specifically agree that this transaction involves interstate commerce and that any Dispute (as hereinafter defined) shall first be submitted to mediation and, if not settled during mediation, shall thereafter be submitted to binding arbitration as provided by the Federal Arbitration Act (9 U.S.C. §§1 et seq.) and not by or in a court of law or equity. "Disputes" (whether contract, warranty, tort, statutory or otherwise), shall include, but are not limited to, any and all controversies, disputes or claims (1) arising under, or related to, this Agreement, the Property, the Community or any dealings between Buyer and Seller; (2) arising by virtue of any representations, promises or warranties alleged to have been made by Seller or Seller's representative; and (3) relating to personal injury or property damage alleged to have been sustained by Buyer, Buyer's children or other occupants of the Property, or in the Community. Buyer has executed this Agreement on behalf of his or her children and other occupants of the Property with the intent that all such parties be bound hereby. Any Dispute shall be submitted for binding arbitration within a reasonable time after such Dispute has arisen. Nothing herein shall extend the time period by which a claim or cause of action may be asserted under the applicable statute of limitations or statute of repose, and in no event shall the Dispute be submitted for arbitration after the date when institution of a legal or equitable proceeding based on the underlying claims in such Dispute would be barred by the applicable statute of limitations or statute of repose.

16.2 Any and all mediations commenced by any of the parties to this Agreement shall be filed with and administered by the American Arbitration Association or any successor thereto ("AAA") in accordance with the AAA's Home Construction Mediation Procedures in effect on the date of the request. If there are no Home Construction Mediation Procedures currently in effect, then the AAA's Construction Industry Mediation Rules in effect on the date of such request shall be utilized. Any party who will be relying upon an expert report or repair estimate at the mediation shall provide the mediator and the other parties with a copy of the reports. If one or more issues directly or indirectly relate to alleged deficiencies in design, materials or construction, all parties and their experts shall be allowed to inspect, document (by photograph, videotape or otherwise) and test the alleged deficiencies prior to mediation. Unless mutually waived in writing by the parties, submission to mediation is a condition precedent to either party taking further action with regard to any matter covered hereunder.

16.3 If the Dispute is not fully resolved by mediation, the Dispute shall be submitted to binding arbitration and administered by the AAA in accordance with the AAA's Home Construction Arbitration Rules in effect on the date of the request. If there

are no Home Construction Arbitration Rules currently in effect, then the AAA's Construction Industry Arbitration Rules in effect on the date of such request shall be utilized. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Dispute. If the claimed amount exceeds $250,000.00 or includes a demand for punitive damages, the Dispute shall be heard and determined by three arbitrators; however, if mutually agreed to by the parties, then the Dispute shall be heard and determined by one arbitrator. Arbitrators shall have expertise in the area(s) of Dispute, which may include legal expertise if legal issues are involved. All decisions respecting the arbitrability of any Dispute shall be decided by the arbitrator(s). At the request of any party, the award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties.

16.4 The waiver or invalidity of any portion of this Section shall not affect the validity or enforceability of the remaining portions of this Section. Buyer and Seller further agree (1) that any Dispute involving Seller's affiliates, directors, officers, employees and agents shall also be subject to mediation and arbitration as set forth herein, and shall not be pursued in a court of law or equity; (2) that Seller may, at its sole election, include Seller's contractors, subcontractors and suppliers, as well as any warranty company and insurer as parties in the mediation and arbitration; and (3) that the mediation and arbitration will be limited to the parties specified herein.

16.5 To the fullest extent permitted by applicable law, Buyer and Seller agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any other arbitration, judicial, or similar proceeding shall be given preclusive or collateral estoppel effect in any arbitration hereunder unless there is mutuality of parties. In addition, Buyer and Seller further agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any arbitration hereunder shall be given preclusive or collateral estoppel effect in any other arbitration, judicial, or similar proceeding unless there is mutuality of parties.

16.6 Unless otherwise recoverable by law or statute, each party shall bear its own costs and expenses, including attorneys' fees and paraprofessional fees, for any mediation and arbitration. Notwithstanding the foregoing, if a party unsuccessfully contests the validity or scope of arbitration in a court of law or equity, the noncontesting party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in defending such contest, including such fees and costs associated with any appellate proceedings. In addition, if a party fails to abide by the terms of a mediation settlement or arbitration award, the other party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in enforcing such settlement or award.

16.7 Buyer may obtain additional information concerning the rules of the AAA by visiting its website at www.adr.org or by writing the AAA at 335 Madison Avenue, New York, New York 10017.

16.8 Seller supports the principles set forth in the Consumer Due Process Protocol developed by the National Consumer Dispute Advisory Committee and agrees to the following:

16.8.1 Notwithstanding the requirements of arbitration stated in Section 16.3 of this Agreement, Buyer shall have the option, after pursuing mediation as provided herein, to seek relief in a small claims court for disputes or claims within the scope of the court's jurisdiction in lieu of proceeding to arbitration. This option does not apply to any appeal from a decision by a small claims court.

16.8.2 Seller agrees to pay for one (1) day of mediation (mediator fees plus any administrative fees relating to the mediation). Any mediator and associated administrative fees incurred thereafter shall be shared equally by the parties.

16.8.3 The fees for any claim pursued via arbitration in an amount of $10,000.00 or less shall be apportioned as provided in the Home Construction Arbitration Rules of the AAA or other applicable rules.

16.9 Notwithstanding the foregoing, if either Seller or Buyer seeks injunctive relief, and not monetary damages, from a court because irreparable damage or harm would otherwise be suffered by either party before mediation or arbitration could be conducted, such actions shall not be interpreted to indicate that either party has waived the right to mediate or arbitrate. The right to mediate and arbitrate should also not be considered waived by the filing of a counterclaim by either party once a claim for injunctive relief had been filed with a court.

16.10 Buyer and Seller specifically agree that notwithstanding anything to the contrary, the rights and obligations set forth in this Section 16 shall survive (1) Closing and the delivery of the Deed; (2) the termination of this Agreement by either party; or (3) the default of this Agreement by either party.

17. **Other Dispute Resolutions.** Notwithstanding the parties' obligation to submit any Dispute to mediation and arbitration, in the event that a particular dispute is not subject to the mediation or the arbitration provisions of Section 16, then the parties agree to the following provisions: **BUYER ACKNOWLEDGES THAT JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS AGREEMENT ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. BUYER AND SELLER AGREE THAT ANY DISPUTE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY. BUYER AND SELLER HEREBY WAIVE THEIR RESPECTIVE RIGHT TO A JURY TRIAL. SELLER HEREBY SUGGESTS THAT BUYER CONTACT AN ATTORNEY OF BUYER'S CHOICE IF BUYER DOES NOT UNDERSTAND THE LEGAL CONSEQUENCES OF EXECUTING THIS AGREEMENT.** All of the terms of this Section 17 shall survive Closing and the delivery of the Deed.

18. **Selling Agent, Cooperating Broker, and Seller's New Home Consultant.** Unless a Purchase Price and Payment Addendum indicating otherwise is attached hereto, Buyer represents to Seller that Buyer has not consulted, dealt or negotiated with a real estate broker, salesperson or agent other than Seller's sales personnel located at Seller's sales office. Buyer agrees that Seller is not responsible for the payment of a commission to a real estate broker, salesperson or agent other than Seller's sales personnel. Buyer shall indemnify, defend and hold harmless Indemnified Parties from and against any and all Claims resulting from or arising out of any representation or breach of a representation or warranty set forth in this Section. In addition, Buyer acknowledges and

understands that Seller's New Home Consultant ("NHC") and Internet New Home Consultant ("INHC") are agents of Seller, are acting solely for the Seller's interests, and are not acting in any representative capacity for Buyer. Buyer should not disclose any information to Seller's NHC and/or INHC that Buyer considers to be confidential or otherwise does not want disclosed to Seller.

**Buyer's Initials** PRS _____

19. **Construction Activities.** ALL OWNERS, OCCUPANTS AND USERS OF THE COMMUNITY ARE HEREBY PLACED ON NOTICE THAT (1) SELLER AND/OR ITS AGENTS, CONTRACTORS, SUBCONTRACTORS, LICENSEES AND OTHER DESIGNEES, AND/OR (2) ANY OTHER PARTIES, WILL BE, FROM TIME TO TIME, CONDUCTING BLASTING, EXCAVATION, CONSTRUCTION AND OTHER ACTIVITIES WITHIN OR IN PROXIMITY TO THE COMMUNITY. BY THE ACCEPTANCE OF THEIR DEED OR OTHER CONVEYANCE OR MORTGAGE, LEASEHOLD, LICENSE OR OTHER INTEREST, AND BY USING ANY PORTION OF THE COMMUNITY, EACH SUCH OWNER, OCCUPANT AND USER AUTOMATICALLY ACKNOWLEDGES, STIPULATES AND AGREES (1) THAT NONE OF THE AFORESAID ACTIVITIES SHALL BE DEEMED NUISANCES OR NOXIOUS OR OFFENSIVE ACTIVITIES, HEREUNDER OR AT LAW GENERALLY, (2) NOT TO ENTER UPON, OR ALLOW THEIR CHILDREN OR OTHER PERSONS UNDER THEIR CONTROL OR DIRECTION TO ENTER UPON (REGARDLESS OF WHETHER SUCH ENTRY IS A TRESPASS OR OTHERWISE) ANY PROPERTY WITHIN OR IN PROXIMITY TO THE AREA OF THE COMMUNITY WHERE SUCH ACTIVITY IS BEING CONDUCTED (EVEN IF NOT BEING ACTIVELY CONDUCTED AT THE TIME OF ENTRY, SUCH AS AT NIGHT OR OTHERWISE DURING NON-WORKING HOURS), (3) TO THE EXTENT PERMITTED OR NOT PROHIBITED UNDER APPLICABLE LAW, SELLER AND THE OTHER AFORESAID RELATED PARTIES SHALL NOT BE LIABLE FOR ANY AND ALL LOSSES, DAMAGES (COMPENSATORY, CONSEQUENTIAL, PUNITIVE OR OTHERWISE), INJURIES OR DEATHS ARISING FROM OR RELATING TO THE AFORESAID ACTIVITIES, EXCEPT RESULTING DIRECTLY FROM SELLER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, (4) ANY PURCHASE OR USE OF ANY PORTION OF THE COMMUNITY HAS BEEN AND WILL BE MADE WITH FULL KNOWLEDGE OF THE FOREGOING AND (5) THIS ACKNOWLEDGMENT AND AGREEMENT IS A MATERIAL INDUCEMENT TO SELL, CONVEY, AND/OR ALLOW THE USE OF THE PROPERTY.

20. **Dangerous Condition; Construction Work.**

20.1 Buyer understands and agrees that the Property is a construction site and that the Property and the improvements, equipment and supplies thereon constitute a danger to those who may enter on the Property. Buyer shall not enter onto the Property prior to Closing unless authorized and accompanied by Seller's representative. Any unauthorized, unaccompanied entry by Buyer shall constitute a breach of this Agreement by Buyer, at Seller's election. Moreover, any entry by Buyer onto the Property prior to Closing shall be done at Buyer's own risk and in compliance with all federal, state and local safety laws and regulations. To the extent permitted or not prohibited by applicable law, Buyer waives, releases and shall indemnify, defend and hold harmless Indemnified Parties from and against any Claims made by Buyer, Buyer's family members or guests, as a direct or indirect result of any such unauthorized, unaccompanied entry onto the Property.

20.2 Buyer agrees that supervision and direction of the working forces, including, without limitation, all contractors and subcontractors, is to be done exclusively by Seller, and Buyer agrees not to issue any instructions to the working forces or otherwise hinder construction or installation of improvements on the Property. Buyer shall not do or have any work done on the Property, nor may Buyer store any possessions thereon, prior to Closing and transfer of title to the Property to Buyer.

20.3 Buyer agrees that any and all controversies, disputes and claims arising under this Section shall be resolved through binding arbitration in accordance with the terms of this Agreement.

20.4 All of the terms of this Section 20 shall survive Closing and the delivery of the Deed.

21. **OFAC.** Executive Order 13224 requires all United States entities and persons to block assets and not transact business with entities, countries and persons (specifically designated nationals) set forth by the Office of Foreign Asset Control ("**OFAC**"). This requirement applies to all homebuilding entities in The Lennar Family of Builders (including but not limited to Seller), Universal American Mortgage Company, LLC and all of its affiliates, and North American Title Company and all of its affiliates (collectively, the "**Lennar Affiliates**"). Accordingly, each of Seller and the Lennar Affiliates will check current OFAC lists and other publications in connection with each potential transaction, loan, or home sale. In order to check the OFAC list, Buyer must provide to Seller a Government-issued identification card (this might include a driver's license, birth certificate, passport or resident alien card). To the extent Buyer (or any single person or entity constituting a part of Buyer) matches a name or entity on any such OFAC list or publication, the transactions with Buyer contemplated under or in connection with this Agreement will be immediately suspended, and Buyer shall be reported as instructed by the OFAC.

22. **Agreement not to be Recorded.** Buyer covenants that Buyer shall not record this Agreement (or any memorandum thereof) in the Public Records of the County. Buyer agrees, if Buyer records this Agreement, to pay all of Seller's attorneys' fees, paraprofessional fees and expenses incurred in removing the cloud on title caused by such recordation. Seller's rights under this Section shall be in addition to Seller's remedies for Buyer's default provided elsewhere in this Agreement.

23. **Transfer, Assignment and Persons Bound.** Buyer agrees that Buyer will not, and does not have the right to, assign, sell or transfer Buyer's interest in this Agreement (whether voluntarily or by operation of law or otherwise) without Seller's prior written consent. If Buyer is a corporation, other business entity, trustee or nominee, a transfer of any material equity or beneficial or principal interest shall constitute an assignment of this Agreement. If Buyer attempts to assign this Agreement in violation of this Section, Seller can declare Buyer in default and Seller shall be entitled to all remedies available under this Agreement. Buyer agrees that Seller may withhold its consent with or without any reason or condition in any manner it chooses (if it gives it at all) and may charge Buyer a reasonable amount to cover administrative costs incurred in considering whether or not to grant consent. If Buyer dies or in any way loses legal control of his/her affairs, this Agreement will bind his/her heirs and legal representatives. If Buyer has received Seller's permission to assign or transfer this Agreement, then Buyer's approved assignees shall be bound by the terms of this Agreement. If more than one person signs this Agreement as Buyer, each such person shall be jointly and severally liable for full performance of all of Buyer's duties and obligations hereunder.

24. **TIME OF THE ESSENCE.** BUYER ACKNOWLEDGES THAT TIME IS OF THE ESSENCE IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED UNDER THIS AGREEMENT.

25. **Interpretation and Computation of Time.** The use of the masculine gender in this Agreement shall be deemed to refer to the feminine or neuter gender, and the singular shall include the plural, and vice versa, whenever the context so requires. This Agreement reflects the negotiated agreement of the parties. Each party acknowledges that they have been afforded the opportunity to seek competent legal counsel, and each have made an informed choice as to whether or not to be represented by legal counsel. Accordingly, this Agreement shall be construed as if both parties jointly prepared it, and no presumption against one party or the other shall govern the interpretation or construction of any of the provisions of this Agreement. Any reference in this Agreement to the time periods of less than five (5) days shall, in the computation thereof, exclude Saturdays, Sundays and legal holidays. Any reference in this Agreement to time periods of five (5) days or more shall, in computation thereof, include Saturdays, Sundays and legal holidays. If the last day of any such period is a Saturday, Sunday or legal holiday, the period shall be extended to 5:00 p.m. on the next full business day. The section headings in this Agreement are for convenience only and shall not affect the meaning, interpretation or scope of the provisions which follow them.

26. **Notice.** Except as provided in the Closing Section of this Agreement with respect to notices of the scheduled Closing Date, any notice required or permitted to be given in connection with this Agreement shall be in writing and sent by United States certified mail with return receipt requested, professional overnight courier or electronic transmission (with confirmation and copy by (1) certified mail, if Buyer's address is within the United States or (2) overnight professional courier, if to a Buyer whose address is outside of the United States) to Buyer or Seller at the addresses on Page 1 of this Agreement (unless Seller has received written notice from Buyer of any change therein prior to the date such notice is given), and additionally to Seller by hand delivery at Seller's sales office. All notices shall only be effective upon receipt or refusal to accept receipt (by failure to accept delivery or otherwise).

27. **Waiver.** Seller's waiver of any of its rights or remedies shall not operate to waive any other of Seller's rights or remedies or to prevent Seller from enforcing the waived right or remedy in another instance.

28. **Incorporation and Severability.** The explanations and disclaimers set forth in the Documents are incorporated into this Agreement. In the event that any clause or provision of this Agreement shall be void or unenforceable, such clause or provision shall be deemed deleted so that the balance of this Agreement is enforceable.

29. **Governing Law.** Any disputes that develop under this Agreement or questions regarding the interpretation of this Agreement will be settled according to the law of the state where the Property is located to the extent federal law is not applicable.

30. **Entire Agreement.** BUYER CERTIFIES THAT BUYER HAS READ EVERY PROVISION OF THIS AGREEMENT, WHICH INCLUDES EACH RIDER AND ADDENDUM ATTACHED HERETO AND THAT THIS AGREEMENT, TOGETHER WITH EACH SUCH RIDER AND ADDENDUM, CONSTITUTES THE ENTIRE AGREEMENT BETWEEN BUYER AND SELLER. PRIOR AGREEMENTS, REPRESENTATIONS, UNDERSTANDINGS, AND ORAL STATEMENTS NOT REFLECTED IN THIS AGREEMENT HAVE NO EFFECT AND ARE NOT BINDING ON SELLER. BUYER ACKNOWLEDGES THAT BUYER HAS NOT RELIED ON ANY REPRESENTATIONS, NEWSPAPERS, RADIO OR TELEVISION ADVERTISEMENTS, WARRANTIES, STATEMENTS, OR ESTIMATES OF ANY NATURE WHATSOEVER, WHETHER WRITTEN OR ORAL, MADE BY SELLER, SALES PERSONS, AGENTS, OFFICERS, EMPLOYEES, CO-OPERATING BROKERS (IF ANY) OR OTHERWISE EXCEPT AS HEREIN SPECIFICALLY REPRESENTED. BUYER HAS BASED HIS/HER/THEIR DECISION TO PURCHASE THE PROPERTY ON PERSONAL INVESTIGATION, OBSERVATION AND THE DOCUMENTS.

31. **Modification.** This Agreement is the entire agreement for the sale and purchase of the Property and once it is signed by both Buyer and a Division Agent or Officer of Seller, it can only be amended by a written agreement signed by both Buyer and Seller.

32. **Additional Changes.** Notwithstanding Section 32 of this Agreement, Buyer agrees that it may be necessary (at any time and from time to time) after Buyer executes this Agreement for Seller, and/or the developer or declarant under the Documents, to change the terms and provisions of this Agreement and/or the Documents to comply with and conform to the rules and regulations (as same may exist and as same may be promulgated from time to time) of any governmental agency, subdivision or authority or court of competent jurisdiction and Buyer consents to all such changes. Notwithstanding Section 32 of this Agreement, Seller, and/or the developer or declarant under the Documents, shall have the right to amend all Documents for development or other purposes, and Buyer consents to all such amendments.

33. **Inducement.** Buyer acknowledges that the sole inducement to close on the purchase of the Property is the Property itself and not (1) the common facilities comprising part of the Community, if any, or (2) any expectation that the Property will increase in value.

34. **Reservation of Easement.** For the purpose of completing the construction and servicing of the Property and Community, Seller hereby reserves an easement of ingress and egress for itself and its successors and assigns, and each of their respective agents, employees, materialmen and subcontractors, over, under and upon the Property for a period of one (1) year after Closing. Seller shall provide reasonable notice to Buyer before exercising easement rights granted herein. All of the terms of this Section 35 shall survive Closing and the delivery of the Deed.

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35. **Riders and Addenda**. This Agreement consists of nine (9) pages and the following Riders and Addenda, which are attached hereto and by this reference made a part of this Agreement:

Check all that apply:

- [x] Rider B
- [x] Rider A
- [x] Affiliated Business Arrangements Disclosure Statement
- [x] Master Disclosure and Information Addendum
- [x] Cooperating Broker Agreement
- [x] Election Form Addendum
- [x] FHA/VA Addendum
- [ ]
- [x] Home Sale Contingency Addendum
- [x] Purchase Price and Payment Addendum
- [x] Cooperating Broker Addendum
- [x] Indoor Environmental Quality Disclosure Addendum
- [x] Insulation Addendum
- [ ]
- [ ]

36. **Survival**.

36.1 Buyer and Seller agree that it is their express intent that the Sections and documents listed below, together with any other terms in this Agreement that expressly so state, as well as any terms that may survive by operation of law, notwithstanding if the Section, document or term has a survival provision thereto, shall not be merged into the Deed and that these Sections and documents shall survive Closing and the delivery of the Deed: Section 11, Closing and Title Matters; Section 13, Site and Substitutions; Section 16, Mediation / Arbitration of Disputes; Section 17, Other Dispute Resolutions; Section 18, Selling Agent and Cooperating Broker; Section 19, Construction Activities; Section 20, Dangerous Conditions; Construction Work; Section 35, Reservation of Easement; Section 5 of Rider B, Warranties; Section 2 of the Indoor Environmental Quality Disclosure; Cooperating Broker Addendum, in its entirety; and, Master Disclosure and Information Addendum to Purchase and Sale Agreement, in its entirety.

36.2 Buyer and Seller agree that it is their express intent that the Sections and documents listed below, together with any other terms in this Agreement that expressly so state, as well as any terms that may survive by operation of law, notwithstanding if the Section, document or term has a survival provision thereto, shall survive termination of this Agreement: Section 14, Buyer's Default; Section 15, Seller's Default; Section 16, Mediation / Arbitration of Disputes, Section 17, Other Dispute Resolutions; Section 23, Transfer, Assignment and Persons Bound; and Section 6 of Rider B, Documents.

37. **Offer to Purchase/Effective Date**. This Agreement, when executed by Buyer and delivered to Seller, together with the Initial Deposit specified hereunder, shall constitute an offer by Buyer to purchase the Property in accordance with the terms and conditions provided herein, and shall not be binding upon Seller until such time as a Division Agent or Officer of Seller has executed this Agreement. The date of such acceptance is the "**Effective Date**" of this Agreement. In the event Buyer's offer is not accepted by Seller, all paid Deposits made by Buyer to Seller to date shall be returned to Buyer, and Buyer's offer shall be deemed withdrawn.

38. **Counterparts and Signatures**. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall comprise but a single instrument. Signatures may be given via electronic transmission and shall be deemed given as of the date and time of the transmission of this Agreement to the other party.

**THE INITIAL DEPOSIT HAS BEEN RECEIVED BY SELLER SUBJECT TO CLEARANCE.**

SELLER: Lennar Carolinas, LLC

New Home Consultant - Samuel Broadway
Date: 10-10-2011

**THIS AGREEMENT IS NOT BINDING ON SELLER UNTIL ACCEPTED BELOW BY AN AUTHORIZED AGENT OF SELLER.**

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date: 10/11/11

Paula R. Sellers
**Buyer - Paula Sellers**
**Date:** 10.9.2011

**Buyer -**
**Date:**

**Buyer -**
**Date:**

**Buyer -**
**Date:**

## ELECTION FORM ADDENDUM

THIS ELECTION FORM ADDENDUM (this "Addendum") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") dated as of the Eighth day of October , 2011, between Paula Sellers(collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0006 of Building/Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. Defined Terms. All initially-capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to every other addendum attached to the Agreement, which are hereby incorporated by this reference.

2. Affiliated Business. Seller has given Buyer notice in the Affiliated Business Arrangement Disclosure Statement that Seller has business relationships with Universal American Mortgage Company, LLC ("UAMC") and North American Title Company, and its affiliate, North American Title Insurance Corporation (collectively, "North American"). Buyer is hereby informed that Buyer is not obligated to use an affiliated business of Seller as a condition to the sale of the Home.

3. Deposits. Seller's standard practice within the Community is to require the following earnest money deposits:

3.1 Minimum of $1,000 for owner-occupants on homes priced up to $165,000.

3.2 Minimum of $2,000 for owner-occupants on homes priced above $165,000.

3.3 Minimum of $5,000 for non owner-occupants.

3.4 Buyer represents, covenants and warrants to Seller that Buyer is purchasing the Home (check one):

☒ as an owner-occupant.

☐ not as an owner-occupant.

☐ as a cash buyer.

Buyer: PRS _____

3.5 In the event of Buyer's default and to the extent allowed by law, Seller shall be entitled to keep, as liquidated damages and not as a penalty, Buyer's Deposit. Buyer agrees that actual damages in the event of breach by Buyer would be costly and difficult to calculate, and that such liquidated damages are a fair and reasonable remedy and shall not be considered a penalty.

4. Mortgage Loan and Title Insurance.

4.1 Buyer agrees to pay all loan and closing costs in connection with this transaction.

4.2 By checking one of the boxes below and initialing below the selected text, Buyer hereby selects the lender and/or title insurance company that Buyer will use in connection with the purchase of the Home.

4.2.1 ☒ Buyer elects to use UAMC (or such other lender named on the Approved Lender Addendum).

Buyer's Initials: PRS _____

4.2.2 ☐ Buyer intends to purchase the Home without financing.

Buyer's Initials: _____ _____

4.2.2 ☐ Buyer elects to use a lender other than UAMC (or such other lender named on the Approved Lender Addendum) as its Lender.

Buyer's Initials: _____ _____

4.3 Seller will pay up to $ 5000.00 toward Buyer's Closing Costs.

4.4 Seller will not accept a Purchase Agreement, without a pre-approval Letter (not a pre-qualification letter), for the loan amount from a lender. Buyer must provide written loan approval within 30 days from approval of the Agreement.

5. Closing Attorney.

5.1 By checking the box below and initialing below the selected text, Buyer hereby selects the closing attorney that Buyer will use in connection with the purchase of the Home.

5.1.1 ☒ Buyer elects to use Seller's closing attorney, Richard B. Leister (Myrtle Beach), or Buist, Byars & Taylor (Charleston).

Buyer's Initials: PRS _____

Buyer is hereby notified and acknowledges that Buyer is not required to use Seller's closing attorney as a condition to purchasing the Home. There are other closing attorneys available who can represent Buyer in this transaction. If Buyer desires to engage an attorney to represent

Buyer, then Buyer may do so at Buyer's sole expense and will not receive the incentives set forth below. If Buyer elects to use Seller's closing attorney, Seller's closing attorney will represent Seller and Buyer in this transaction, and Seller's closing attorney cannot offer substantive legal advice to either party in connection with the sale and purchase of the Home. BUYER HAS CERTAIN RIGHTS IN CONNECTION WITH THIS TRANSACTION, AND SELLER ENCOURAGES BUYER TO CONSULT WITH ITS OWN ATTORNEY ABOUT SUCH RIGHTS, INCLUDING BUYER'S USE OF SELLER'S CLOSING ATTORNEY TO PURCHASE THE HOME. Seller's closing attorney may make additional disclosures with respect to his or her joint representation of Seller and Buyer. Seller's closing attorney may also elect not to represent Buyer in this transaction, in which case Buyer will need to hire an attorney to represent Buyer.

Buyer's Initials: PRS _____

5.1.2 ☐ Buyer elects to use an attorney other than Seller's closing attorney.

Buyer's Initials: _____ _____

6. **Governing Law**. This Agreement is governed by the law of the state where the Property is located, without regard to its conflicts of law rules.

7. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

8. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

9. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Paula R. Sellers
Buyer - Paula Sellers
Date 10.9.2011

_____
Buyer -
Date _____

_____
Buyer -
Date _____

_____
Buyer -
Date _____

SELLER: Lennar Carolinas, LLC

_____
Authorized Agent of Seller - Ann Ivey
Date _____

**RIDER A**
**(SOUTH CAROLINA)**

**THIS RIDER A (SOUTH CAROLINA)** (this "**Rider A**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the eighth day of OCTOBER , 2011, between Paula Sellers ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0006 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms.** All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Rider A to the Agreement shall be deemed to include references to this Rider A and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Deposit.** All payments made by Buyer to Seller with respect to the Total Purchase Price (including but not limited to the Deposit and the Advanced Payments) shall be paid to Seller for such purposes as Seller shall determine, and Seller shall not be required to maintain the payments in an escrow or trust account. Buyer shall have no right to interest upon the payments. If and to the extent such payments are deposited in any interest bearing account, then any interest on such payments shall inure to the benefit of Seller. At the time of Closing, the amount of the payments shall be credited to Buyer against the Total Purchase Price.

**Buyer's Initials** PRS _____

3. **Return of Deposit.** In the event this Agreement is cancelled for any reason other than Seller's default, the Buyer shall be required to execute and return a release form provided by the Seller prior to return of the Deposit in accordance with this Agreement, as set forth herein.

4. **Real Estate Tax Disclosure.** When a new home is built, the assessed value of the home is calculated as of January 1st. Therefore, if the Home has a certificate of occupancy issued as of January 1st of the calendar year, Buyer will be assessed based on the value of the completed construction for that tax year. Seller is not responsible for communicating any information regarding real estate taxes (current or future) and cannot and will not predict what the taxes on the Home may be. Buyer should confirm any information provided concerning appraisals, tax valuation, tax rates or other tax-related questions, with Buyer's personal tax advisor and the local taxing authorities.

5. **Radon Gas and Environmental Pollutants.** The United States Environmental Protection Agency and various state agencies have detected elevated levels of naturally occurring radon gas in some residential structures. These agencies have expressed concern that prolonged exposure to high levels of radon gas may result in adverse effects on human health. The Seller is not having any testing done on the Property, or in the Home, with respect to radon gas or environmental pollutants. The Buyer acknowledges that Seller has made no representations or warranties, express or implied, concerning the presence or absence of radon gas or environmental pollutants in the Home or on the Property, and the Buyer acknowledges that the Seller is not qualified to analyze or evaluate these very complex issues with respect to the Home or Property. The Buyer releases the Seller from any and all liability and claims with respect to radon gas and environmental pollutants.

6. **FORM I-295.** At Closing, Seller shall provide Buyer with an affidavit on Form I-295 (Seller's Affidavit - Nonresident Seller Withholding), complying with Section 12-8-580, South Carolina Code of Laws 1976, as amended.

7. **Counterparts.** This Rider A may be executed in counterparts, a complete set of which shall form a single document.

8. **Conflicts.** In the event of any conflict between this Rider A and the Agreement, this Rider A shall control. In all other respects, the Agreement shall remain in full force and effect.

9. **Entire Agreement.** The Agreement, together with this Rider A and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Rider A or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Paula R. Sellers

Buyer - Paula Sellers
Date: 10.9.2011

Buyer -
Date:

Buyer -
Date:

Buyer -
Date:

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 10/11/11

**RIDER B**
**Coastal Carolina Division**

**THIS RIDER B (Coastal Carolina)** (this "**Rider B**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the eighth day of OCTOBER , 2011, between Paula Sellers ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0006 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Rider B to the Agreement shall be deemed to include references to this Rider B and to any other rider and addenda attached to the Agreement, which are hereby incorporated by this reference. In addition to those terms, the following terms shall have the meanings set forth below:

"**Closing Date Notice Period**" shall mean at least seven (7) days prior to the Closing Date.

"**Mortgage Contingency Period**" shall mean five (5) days if this Agreement is contingent on Buyer obtaining financing as indicated in the Purchase and Sale Agreement.

2. **Additional Mortgage Contingency**. Unless Buyer shall have notified Seller otherwise writing within the Mortgage Contingency Period, Buyer shall be conclusively presumed to have obtained the loan commitment or agreed to purchase the Property without mortgage financing. If Buyer does timely notify Seller within the Mortgage Contingency Period that he/she failed to obtain a loan commitment, Seller may require Buyer to immediately reapply for a mortgage loan with another lending institution designated by Seller. If Buyer then fails to obtain a loan commitment within seven (7) days from Seller's notice to reapply, either Buyer or Seller shall have the right to terminate this Agreement whereupon the Deposit shall be returned to Buyer, and thereupon the parties hereto shall be released from all liability hereunder without any further acts by either party

3. **Closing Costs**. BUYER UNDERSTANDS AND AGREES THAT IN ADDITION TO THE TOTAL CASH TO CLOSE (WHICH AMOUNT IS SPECIFIED IN SECTION 2 OF THE AGREEMENT AND THE PURCHASE PRICE AND PAYMENT ADDENDUM), BUYER SHALL PAY CERTAIN OTHER FEES AND CLOSING COSTS, IF ANY, AT CLOSING (LISTED BELOW). IN CONNECTION THEREWITH, WITHOUT LIMITATION, THE ITEMS LISTED BELOW WILL COLLECTIVELY BE REFERRED TO AS "**CLOSING COSTS**." NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IN THE CASE OF AN FHA/VA OR FANNIE MAE LOAN, BUYER SHALL NOT PAY FOR ANY COSTS PROHIBITED BY HUD (FHA), VA OR FANNIE MAE REGULATIONS. ALL REFERENCES TO "PRO RATA SHARES" WILL BE DEEMED A TIME PRO RATION, BASED ON THE CLOSING DATE, WITH BUYER PAYING AMOUNTS ACCRUED ON AND AFTER THE CLOSING DATE. The Closing Costs include, without limitation:

3.1 The premium for a policy of mortgagee's title insurance and the cost to record the Deed. If the settlement charges that VA does not allow Buyer to pay exceed the amount of settlement charges, if any, to be paid by Seller, Seller at its sole discretion may terminate the Agreement and refund Buyer's earnest money. If the settlement charges that FHA does not allow Buyer to pay exceed the amount of settlement charges, if any, to be paid by Seller, Buyer may either pay the additional settlement charges at Closing or the additional settlement charges shall be added to the principal on Buyer's loan, regardless of whether or not the interest rate on Buyer's loan will increase as result of the addition of the settlement charges to the principal.

3.2 Customary closing costs of a Buyer of a single family residence, including but not limited to items such as loan fees, loan closing costs and all other related sums, attorneys' fees, escrows for taxes and insurance, recording fees, documentary stamp taxes on the note, intangible taxes, credit reports and PMI insurance, if applicable, charged by the Lender or otherwise customary for a Buyer at Closing.

3.3 Title search updates, title examination fees, delivery charges, and any other Closing expenses of Buyer.

3.4 All additional costs respecting the Property imposed by any governmental authority.

3.5 The cost of any obligations Buyer incurs not provided for in this Agreement.

3.6 The cost of a survey of the Property.

3.7 Certified governmental liens (liens which can be paid pursuant to written notice), if any, shall be assumed and paid by Seller, pending governmental improvement liens shall be paid and assumed by Buyer.

3.8 A pro rata share of County interim service fees, if any.

3.9 A pro rata share of waste fees.

3.10 A pro rata share of utility deposits and capacity fees (water and/or sewer) for the Property prepaid by Seller.

3.11 Any other expenses of an owner of the Property provided for or referenced in the Documents.

3.12 Amounts reflected in the Master Disclosure and Information Addendum to the Purchase and Sale Agreement, if any, attached hereto and incorporated herein.

3.13 Current expenses of the Property (for example: taxes, special assessments and current monthly assessments to one or more homeowner's associations) will be adjusted between Seller and Buyer as of the Closing Date. Buyer shall reimburse Seller for any prepaid expenses of the Property and capital contributions made to one or more homeowners' associations, paid by Seller in advance and/or for the month in which the Closing Date occurs.

3.14 If real estate taxes for the year in which the Closing Date occurs are assessed in the aggregate on the real estate comprising the portion of the Community (including the Property) rather than on a homesite-by-homesite basis, Seller will pay such taxes in full when due, but Buyer will reimburse Seller at the Closing for Buyer's pro rata share of such taxes from the Closing Date (if such taxes are then known) or the Property's allocable share (so prorated) of Seller's estimate of those taxes (if such taxes are not then known), subject to readjustment at either the request of Seller or Buyer within six (6) months from when the actual tax bill is known. If taxes for the year in which the Closing Date occurs are assessed on a homesite-by-homesite basis but such taxes are not due on the Closing Date, Buyer will be responsible for paying such tax bill in full when due but Seller will reimburse Buyer at the Closing for Seller's pro rata share of such taxes (if the taxes are then known) or Seller's estimate of those taxes (if such taxes are not then known) through the Closing Date, subject to readjustment at either the request of Seller or Buyer within six (6) months from when the actual bill is known. If the Closing takes place after Seller has paid the taxes for the year in which the Closing Date occurs, Buyer will reimburse Seller at Closing for Buyer's pro rata share of those taxes from and after the Closing Date.

3.15 The cost of any modifications or changes which are incurred by Seller as a result of changes in building codes, governmental rules, regulations or requirements, or the enforcement of any of the same, after the Effective Date of this Agreement, shall be paid by Buyer at the time of Closing.

4. **Additional Financing and Closing Costs Disclosures.**

4.1 Although Seller may make available to Buyer the name of one or more lenders or information about one or more available financing alternatives, Buyer agrees that the choice of a lender and loan is Buyer's sole decision, and Seller has not made any promises or representations concerning the likelihood of Buyer obtaining the loan, the terms and conditions of such loan or the interest rate or fees associated with such loan

4.2 4.2 BUYER IS HEREBY ADVISED BY SELLER THAT INTEREST RATES, LOANS FEES, AND OTHER LOAN CONDITIONS ARE NOT GUARANTEED, FIXED OR ESTABLISHED (AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO SUCH ITEMS) AND ARE SUBJECT TO CHANGE BY ANY LENDER. SUBJECT TO SECTION 8 OF THE AGREEMENT, SELLER DOES NOT WARRANT OR GUARANTEE THAT COMPLETION OF THE IMPROVEMENTS OR LOAN FUNDING CAN BE ACHIEVED WITHIN LOAN LOCK PERIODS, IF ANY, REGARDLESS OF WHETHER SUCH LOCKS ARE PAID FOR BY SELLER OR BUYER. IF BUYER LOCKS IN AN INTEREST RATE AND POINTS FOR LOAN FUNDING PRIOR TO CLOSING, BUYER AGREES TO PAY THE DIFFERENCE BETWEEN THE LOCK-IN RATE AND THE MARKET INTEREST RATE AT CLOSING IF THE LOCK-IN RATE EXPIRES PRIOR TO CLOSING.

4.3 Responsibility for obtaining the loan and for satisfying all conditions made by the Lender with regard to the loan shall rest solely with the Buyer.

5. **Warranties.** Buyer understands and agrees that Seller is making only those express limited warranties set forth in the homeowner's warranty (the "**Limited Warranty**"). The Limited Warranty, incorporated herein, shall be delivered to Buyer at Closing and a copy of which is attached hereto **OR** a copy of which is available for examination at Seller's office and will, at Buyer's request, be attached as an exhibit to this Agreement. THE EXPRESS LIMITED WARRANTY AND REMEDIES PROVIDED BY SELLER CONSTITUTE THE EXCLUSIVE WARRANTY AND REMEDIES TO BE MADE AVAILABLE BY SELLER AND, EXCEPT WHERE ADDITIONAL WARRANTIES ARE REQUIRED BY APPLICABLE LAW OR REGULATION, ARE IN PLACE OF ALL OTHER GUARANTIES OR WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF WORKMANSHIP, MERCHANTABILITY, HABITABILITY, SUITABILITY AND FITNESS, WHICH ARE HEREBY EXPRESSLY DISCLAIMED BY SELLER AND WAIVED BY BUYER. TO THE EXTENT OF ANY CONFLICT BETWEEN ANY PROVISION OF THIS AGREEMENT RELATED TO WARRANTIES AND THE LIMITED WARRANTY, THE PROVISIONS OF THE LIMITED WARRANTY SHALL CONTROL. All of the terms of this Section 6 shall survive Closing and the delivery of the Deed. BUYER AND SELLER ACKNOWLEDGE THAT THEY HAVE EXPRESSLY NEGOTIATED AND BARGAINED FOR THE WAIVER OF THE IMPLIED WARRANTY OF HABITABILITY, AND BUYER ACKNOWLEDGES THE SUFFICIENCY AND RECEIPT OF VALUABLE CONSIDERATION FOR SUCH WAIVER IN THE AMOUNT OF $0, WHICH AMOUNT SHALL BE CREDITED TOWARD THE PURCHASE PRICE AT CLOSING. THE CONSIDERATION AGREED UPON ABOVE HAS BEEN SPECIFICALLY NEGOTIATED BETWEEN BUYER AND SELLER.

Buyer PRS Buyer _____

6. **Documents.** Buyer acknowledges receipt of the Document Book for the Community containing many important documents regarding the Community, including but not limited to some of the documents of record affecting the Property and the Community (collectively, the "**Documents**"). The Document Book is hereby incorporated into this Agreement by this reference. The Document Book may be amended as deemed necessary by Seller in its sole and absolute discretion. Buyer agrees to take title to the Property subject to the Documents, to abide

by and be bound by all of the terms and conditions of the Documents, and any amendments thereto. The Master Disclosure and Information Addendum to Purchase and Sale Agreement attached hereto sets forth additional information respecting lien rights and homeowners association's restrictions affecting the Property. Buyer understands and agrees this Section shall survive the termination of this Agreement.

7. **Inspection of the Home**. BUYER SHALL BE GIVEN AN OPPORTUNITY TO EXAMINE THE HOME WITH SELLER'S REPRESENTATIVE PRIOR TO CLOSING ON A DATE AND TIME SCHEDULED BY SELLER (A "NEW HOME ORIENTATION," COMMONLY REFERRED TO AS A "WALKTHROUGH"). AT THAT TIME, IF ANY DEFECTIVE OR INCOMPLETE ITEMS ARE NOTED, BUYER SHALL PRESENT TO SELLER AN INSPECTION STATEMENT LISTING SAID ITEMS AND SIGNED BY BUYER. IF ANY ITEMS NOTED ARE ACTUALLY DEFECTIVE IN WORKMANSHIP OR MATERIALS IN SELLER'S OPINION (IN ACCORDANCE WITH CONSTRUCTION STANDARDS PREVALENT FOR A SIMILAR HOME IN THE COUNTY), SELLER WILL BE OBLIGATED TO CORRECT THOSE ITEMS AT SELLER'S COST. A SECOND INSPECTION OF THE HOME WILL BE CONDUCTED PRIOR TO CLOSING AT WHICH TIME BUYER WILL BE GIVEN AN OPPORTUNITY TO EXAMINE THE HOME WITH SELLER'S REPRESENTATIVE TO ACKNOWLEDGE THAT ITEMS LISTED ON THE INSPECTION STATEMENT PREPARED AFTER THE FIRST INSPECTION HAVE BEEN CORRECTED. ANY REMAINING ITEMS THAT SELLER HAS AGREED TO CORRECT WILL BE CORRECTED BY SELLER AT SELLER'S SOLE COST AND EXPENSE PRIOR TO CLOSING (OR AT SELLER'S OPTION WITHIN A REASONABLE TIME AFTER CLOSING), PROVIDED HOWEVER THAT SELLER'S OBLIGATION TO CORRECT WILL NOT BE A GROUND FOR DEFERRING CLOSING, NOR FOR ANY SETOFF, NOR FOR IMPOSING ANY CONDITION ON CLOSING AS LONG AS THE HOME IS HABITABLE. THE ISSUANCE OF A CERTIFICATE OF COMPLETION, OR USE SHALL BE CONCLUSIVE EVIDENCE OF HABITABILITY. NO ESCROW OR HOLDBACK OF CLOSING FUNDS OR ANY CASH TO CLOSE SHALL BE PERMITTED. **EXCEPT FOR WORK THAT CANNOT BE COMPLETED AT THAT TIME OF YEAR.** IF A BUYER FAILS TO TAKE ADVANTAGE OF ANY PRE-CLOSING INSPECTION ON THE TIME AND DATE SCHEDULED BY SELLER, BUYER SHALL BE DEEMED TO HAVE WAIVED THE RIGHT TO INSPECT THE HOME PRIOR TO CLOSING.

8. **No Right to Enter**. Buyer acknowledges that all matters pertaining to the initial construction of the Property will be performed by Seller and Seller's representatives. Buyer acknowledges and agrees that for reasons of safety and to comply with liability and insurance requirements imposed upon Seller, neither Buyer nor any agent of Buyer shall, until after the Closing, be permitted to enter upon the Property without being accompanied by Seller's representative. Any permitted personal inspections shall be made at times designated by Seller, and shall not be allowed under any condition prior to the formal inspection described above and only with Seller's representative. Buyer agrees not to give instructions to, interfere with or interrupt any workmen at the Property. Buyer may not order any work on the Property until after the Closing. Buyer recognizes that Seller is under no obligation to agree to provide options, extras and/or upgrades. Without limiting the applicability of this Section to all obligations, representations and covenants of Buyer hereunder, Buyer specifically acknowledges that any breach by Buyer of the terms and conditions contained within this Section shall be deemed to be a material breach and shall entitle Seller to declare this Agreement to be in default in accordance with the provisions of the Buyer's Default in the Agreement. Seller's failure to promptly take any action with respect to Buyer's breach of the terms and conditions contained herein shall not be deemed a waiver of any of Seller's rights or remedies hereunder. Whenever this Agreement shall require Seller to complete or substantially complete an item of construction, unless provided specifically to the contrary herein, such item shall be deemed complete or substantially complete when so completed, in the sole and unfettered opinion of Seller. Should Seller fail to provide any item of construction required to be provided, Buyer's sole remedy therefore will be to collect an amount from Seller equal to Seller's cost for such item and for Seller's cost of installation of such item had such item been installed at the appropriate time during construction. Without limiting Seller's rights and Buyer's obligations contained within this Section and elsewhere in this Agreement, should any warranted defects in workmanship or materials be discovered before or after the Closing, Buyer agrees that Buyer's sole remedy therefore is for Seller to, at Seller's sole and absolute discretion, either repair or replace the defective item. To the extent permitted by applicable law, Seller disclaims any liability for incidental or consequential damages that may arise from a defective item.

9. **Counterparts**. This Rider B may be executed in counterparts, a complete set of which shall form a single document.

10. **Conflicts**. In the event of any conflict between this Rider B and the Agreement, this Rider B shall control. In all other respects, the Agreement shall remain in full force and effect.

11. **Entire Agreement**. The Agreement, together with this Rider B and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Rider B or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Paula R. Sellers
Buyer - Paula Sellers
Date: 10-9-2011

Buyer -
Date:

Buyer -
Date:

Buyer -
Date:

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 10/11/11

## FHA/VA ADDENDUM

**THIS FHA/VA ADDENDUM** (this "**Addendum**") s executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the eighth day of OCTOBER , 2011, between Paula Sellers ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0006 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **FHA/VA**. BUYER AGREES TO PROCEED WITH THE PURCHASE OF THE HOME AFTER HAVING READ BUYER'S RIGHTS AND PRIVILEGES, AS SET FORTH BELOW:

2.1 FHA Loans.

2.1.1 It is expressly agreed that, notwithstanding any provisions of the Agreement (contract) to the contrary, Buyer (purchaser) shall not incur any penalty by forfeiture of earnest money deposits or otherwise be obligated to complete the purchase of the Home (property described herein) unless Buyer (purchaser) has been given in accordance with the Department of Housing and Urban Development ("**HUD**"), Federal Housing Administration ("**FHA**") or United States Department of Veterans Affairs (the "**VA**") requirements, a written statement by the Federal Housing Commissioner, the VA, or a Direct Endorsement lender setting forth the appraised value of the Home (property) (for mortgage purposes) of not less than $ 172,990.00 (which statement Seller agrees to deliver to Buyer (purchaser) promptly after such Appraised Value Statement is made available to Seller). Buyer (purchaser) shall have the privilege and option of proceeding with the consummation of the Agreement (the contract) without regard to the maximum mortgage the Department of Housing and Urban Development will insure. HUD DOES NOT WARRANT THE VALUE OR THE CONDITION OF THE HOME (PROPERTY). BUYER (PURCHASER) SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE HOME (PROPERTY) ARE ACCEPTABLE.

2.1.2 In the event the value of the Property set forth in the Appraised Value Statement is less than the Total Purchase Price, Buyer shall have the right to exercise the above-mentioned privilege and option to proceed at the Total Purchase Price, which is over and above the FHA Appraised Value Statement, by giving Seller written notice of Buyer's intention to do so in accordance with the Agreement notice requirements. Said notice shall be given within five (5) days of Buyer's receipt of the FHA appraisal by returning to Seller a copy of this Addendum executed by Buyer in the "AGREE TO PROCEED" signature block below. In the event Buyer fails to give proper notice hereunder of Buyer's intention to proceed at the Total Purchase Price, the Agreement shall automatically become null and void and the parties shall promptly execute a written release of Buyer's Deposit, pursuant to which the Deposit shall immediately be returned in full to Buyer.

2.1.3 Buyer agrees to pay a mortgage insurance premium as required by FHA. Buyer has the right to pay the entire premium at the time of Closing or the premium may be added to the loan amount and financed over the term of the loan. If Buyer elects to add the premium to the loan amount, the total loan amount shall consist of the Cash to Close amount specified in the Purchase Price and Payment Addendum, plus the mortgage insurance premium. Pursuant to FHA regulations, Buyer shall pay an annual premium, if required, in addition to the up-front (or financed) premium. Said additional premium shall be paid monthly on a declining balance (excluding the portion of the balance, if any, attributable to the up-front premium).

2.1.4 All parties acknowledge that the processing of a government loan is not subject to specific time limitations. Nevertheless, Buyer agrees to diligently pursue such loan commitment.

2.1.5 Seller and Buyer certify that the terms of the Agreement are true and complete to the best of their respective knowledge and belief. Seller and Buyer further certify that all agreements relating to this real estate transaction have been fully disclosed and are covered in the Agreement, including any addenda attached thereto. Seller and Buyer understand that the failure to provide a complete and accurate copy of the Agreement could jeopardize this transaction. If there are any subsequent changes to the Agreement, the undersigned will submit them promptly to the Lender.

2.1.6 Buyer acknowledges that Buyer has read and completed the attached U.S. Department of Housing and Urban Development form HUD-92564-CN entitled "For Your Protection: Get a Home Inspection".

2.2 VA Loans.

2.2.1 It is expressly agreed that, notwithstanding any provisions of the Agreement to the contrary, Buyer shall not incur any penalty by forfeiture of earnest monies or otherwise be obligated to complete the purchase of the Home if Buyer cannot obtain a loan guaranteed by the VA, including without limitation, if the Total Purchase Price exceeds the reasonable value of the Home established by the VA or a VA lender pursuant to the Lender Appraisal Proceeding Program ("**LAPP**"). Buyer shall, however, have the privilege and option of proceeding with the consummation of the Agreement without regard to the amount of reasonable value established by the VA or a VA lender with LAPP authority. Buyer agrees that should Buyer elect to complete the purchase at an amount in excess of the reasonable value established by the VA or a VA LAPP

lender, Buyer shall pay such excess amount in cash from a source that Buyer agrees to disclose to the lender and the VA, which source Buyer represents and covenants will not be from borrowed funds except as approved by the VA.

2.2.2 To exercise the above-mentioned privilege and option to proceed at the Total Purchase Price, which is over and above the amount of reasonable value established by the VA or a VA LAPP lender, Buyer shall give Seller written notice of Buyer's intention to do so in accordance with the Agreement notice requirements. Said notice shall be given within **five (5)** days of Buyer's receipt of the amount of reasonable value established by the VA or a VA LAPP lender by returning to Seller a copy of this Addendum executed by Buyer in the "AGREE TO PROCEED" signature block below. In the event Buyer fails to give proper notice hereunder of Buyer's intention to proceed at the Total Purchase Price, the Agreement shall automatically become null and void and the parties shall promptly execute a written release of Buyer's Deposit, pursuant to which the Deposit shall immediately be returned in full to Buyer.

2.2.3 VA DOES NOT WARRANT THE VALUE OR THE CONDITION OF THE HOME (PROPERTY). BUYER (PURCHASER) SHOULD SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE HOME (PROPERTY) ARE ACCEPTABLE.

2.3 Special Trust Account. If Buyer is financing the purchase of the Home with a VA guaranteed loan, the Deposit received from Buyer prior to Closing shall be placed in a special trust account with SunTrust Bank ("**Escrow Agent**") in accordance with the provisions of an Amended and Restated VA Escrow Agreement ("**VA Escrow Agreement**") between Lennar Corporation on behalf of Seller and the Escrow Agent, and as required under 38 U.S.C. §3706 or other applicable law. In the event that the Agreement is cancelled for any reason other than Seller's default and pursuant to the provisions of the VA Escrow Agreement, if Buyer seeks a refund of the Deposit from Seller and Seller refunds the Deposit directly to Buyer, Buyer hereby authorizes the Escrow Agent to reimburse Seller for such refund. In consideration for either Seller's or Escrow Agent's refund of the Deposit to Buyer, Seller and Lennar Corporation shall be unconditionally released from any claim arising out of or related to the Deposit and purchase of the Home and Escrow Agent shall be unconditionally released from any claim arising out of or related to the escrow of the Deposit in connection with the purchase of the Home.

Buyer's Initials PRS _____

3. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

4. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Paula R. Sellers
Buyer - Paula Sellers
Date 10.9.2011

Buyer -
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 10/11/11

**AGREE TO PROCEED**

☒ **If this box is checked, Buyer is financing the purchase of the home with an FHA insured loan.** BY THE SIGNATURES BELOW, BUYER ACKNOWLEDGES THAT BUYER IS PURCHASING THE HOME WITH FULL KNOWLEDGE, UNDERSTANDING AND AGREEMENT THAT THE VALUE OF THE PROPERTY SET FORTH IN THE APPRAISED VALUE STATEMENT IS LESS THAN THE TOTAL PURCHASE PRICE. BUYER AGREES TO PROCEED WITH THE CLOSING OF THE PURCHASE OF THE HOME AT THE TOTAL PURCHASE PRICE, AND BUYER FURTHER AGREES TO PAY THE DIFFERENCE AT CLOSING. BUYER HEREBY EXECUTES THIS NOTICE WITHIN FIVE (5) DAYS OF BUYER'S RECEIPT OF THE FHA APPRAISED VALUE STATEMENT.

Paula R. Sellers
Buyer - Paula Sellers
Date 10.9.2011

Buyer -
Date

Buyer -
Date

Buyer -
Date

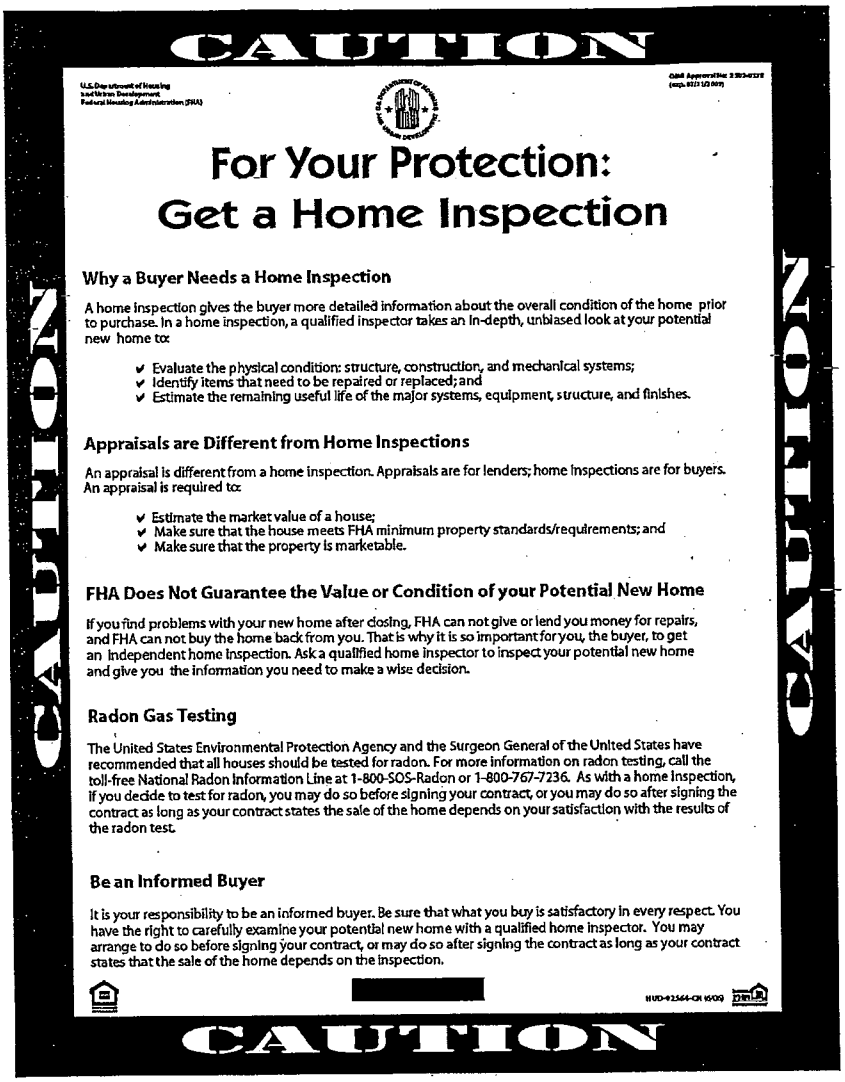
☐ **If this box is checked, Buyer is financing the purchase of the home with an VA guaranteed loan.** BY THE SIGNATURES BELOW, BUYER ACKNOWLEDGES THAT BUYER IS PURCHASING THE HOME WITH FULL KNOWLEDGE, UNDERSTANDING AND AGREEMENT THAT THE VALUE OF THE PROPERTY SET FORTH IN THE AMOUNT OF REASONABLE VALUE ESTABLISHED BY THE VA OR A VA LAPP LENDER IS LESS THAN THE TOTAL PURCHASE PRICE. BUYER AGREES TO PROCEED WITH THE CLOSING OF THE PURCHASE OF THE HOME AT THE TOTAL PURCHASE PRICE, AND BUYER FURTHER AGREES TO PAY THE DIFFERENCE AT CLOSING. BUYER HEREBY EXECUTES THIS NOTICE WITHIN FIVE (5) DAYS OF BUYER'S RECEIPT OF THE AMOUNT OF REASONABLE VALUE ESTABLISHED BY THE VA OR VA LAPP LENDER.

Buyer - Paula Sellers
Date

Buyer -
Date

Buyer -
Date

Buyer -
Date




**I/we understand the importance of getting an independent home inspection. I/we have considered this before signing a contract with the seller for a home. Furthermore, I/we have carefully read this notice and fully understand that FHA will not perform a home inspection nor guarantee the price or condition of the propert**

☒ **I/We choose to have a home inspection performed.**

☐ **I/We choose not to have a home inspection performed.**

x Paula R. Sellers
Signature & Date

x
Signature & Date

x
Signature & Date

x
Signature & Date

## Affiliated Business Arrangement Disclosure Statement

**BUYER: Paula Sellers**

**PROPERTY: 212 Maywood Drive, Moncks Corner SC 29461**

This is to give you notice that the following companies have business relationships with each other: Universal American Mortgage Company, LLC, Lennar Carolinas, LLC and North American Advantage Insurance Services, LLC, and each of these companies is, directly or indirectly, wholly owned by Lennar Corporation. Because of these relationships, referral of services by the undersigned may provide a financial or other benefit.

Set forth below are the types of settlement services offered by these affiliated companies and the estimated charge or range of charges generally required by these companies for such settlement services. You are NOT required to use any of the companies listed above as a condition for purchase of the subject property.

THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.

**Provider and Settlement Services/ Estimated Range of Charges**

**MORTGAGE**

**Universal American Mortgage Company, LLC** arranges and makes mortgage loans and the following are estimated mortgage loan related charges or range of charges **(not all of the charges may apply)**:

| Description of Fee | Range of Cost |
|---|---|
| Loan Origination Points | 0% - 1% (of the loan amount) |
| Loan Points for Interest Rate Chosen | 0% - 3% (of the loan amount) |
| Loan Origination Charge | $575 - $900 |
| Appraisal Fee Paid to Appraiser | $350 - $500 |
| Credit Report Fee Paid to Outside Agency | $ 12 - $100 |

The actual fees charged may vary based on the size of your loan, loan program and interest rate you choose. There also will be other third party charges. You will receive a Good Faith Estimate when you apply for your mortgage loan, that will give you an estimate of all anticipated charges.

**TITLE**

Lester & Lester, P.A. and Buist, Byars & Taylor LLC (collectively, Attorney) provides closing services and also arranges for title insurance through numerous underwriters, one of which is North American Title Insurance Company (North American). Attorney is not affiliated with Lennar Corporation. In connection with the purchase of the subject property, we recommend Attorney to handle the closing and the issuance of any title insurance, which (if Attorney is selected by you) may be provided by North American. Because of the business relationship and arrangement described above, the referral to Attorney may provide Lennar Corporation a financial or other benefit. You are not required to use Attorney or North American.

The following are estimated charges or range of charges for the settlement services listed should North American provide the title insurance:

* Owner's Policy:
  $3.00 per $1,000 of purchase price up to $50,000
  $2.50 per $1,000 of purchase price over $50,000 and up to $100,000
  $1.75 per $1,000 of purchase price over $100,000 and up to $500,000
  $1.50 per $1,000 of purchase price over $500,000 and up to $5,000,000
  $1.00 per $1,000 of purchase price over $5,000,000

* Loan Policy:
  $3.00 per $1,000 of loan amount up to $50,000
  $2.50 per $1,000 of loan amount over $50,000 and up to $100,000
  $1.75 per $1,000 of loan amount over $100,000 and up to $500,000
  $1.50 per $1,000 of loan amount over $500,000 and up to $5,000,000
  $1.00 per $1,000 of loan amount over $5,000,000

* Enhanced Owner's or Loan Policies are 20% more

* Title Policy Endorsement(s):
  $50.00 - $100 each for standard endorsements, 10% or 20% of policy premium for extra-risk endorsements

## Affiliated Business Arrangement Disclosure Statement

### INSURANCE

North American Advantage Insurance Services, LLC (NAAIS) is an insurance agent that provides, among other products, homeowner's/hazard and flood insurance. Set forth below is the estimated range of charges by NAAIS for the settlement services listed.

| Settlement Service | Range of Charges - Annual Premium |
|---|---|
| Hazard Insurance | .2% - 2.5% of Home Price |
| Flood Insurace | .1% - .5% of Home Price |

NOTE:
The above is a premium range for hazard and flood insurance. If enhancements to the standard policy such as increased limits, scheduled articles, and/or earthquake coverage are required, the premium may increase. Actual quote and acceptance by NAAIS is subject to NAAIS' application of its underwriting guidelines, including but not limited to verification of your credit score and previous loss history.

Of course, the cost of your insurance may vary due to many factors including, without limitation, the size, location and cost of your home.

**Acknowledgement**

I/we have read this notice and understand that Seller is referring me/us to purchase the above-described settlement services and may receive a financial or other benefit as a result of this referral.

Paula R. Sellers
Buyer's Signature
Date 10.9.2011

Buyer's Signature
Date

Buyer's Signature
Date

Buyer's Signature
Date

Lennar Carolinas, LLC
Printed Name of Seller

Sales Associate's Signature
Date 10-9-2011

## COOPERATING BROKER AGREEMENT

**THIS COOPERATING BROKER AGREEMENT** (this "**Agreement**") is made and entered into effective as of the eighth day of October , 2011, between ("**Cooperating Broker**") and Lennar Carolinas, LLC ("**Seller**"), respecting Lot 0006 of Block _____ in The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in that certain Purchase and Sale Agreement, by and between Paula Sellers ("**Buyer**") and Seller, dated as of October 08, 2011.

2. **Cooperating Broker**. Notwithstanding anything contained in the Agreement to the contrary, Seller and Cooperating Broker acknowledge that Buyer has dealt with the following brokerage firm in connection with the purchase of the Property ("**Cooperating Broker**"):

Name of Cooperating Broker: Valarie Frasier/Agent Owned

Address: _____

Business Phone: _____

Name of Sales Associate of Cooperating Broker: Valarie Frasier

Date of Registration: 10/08/2011

+ 1.5% bonus

Seller agrees to pay Cooperating Broker, at Closing, a commission in the amount of three percent (3%) of the **Base Purchase Price plus the Homesite Premium less any builder incentives and/or discounts to the Base Purchase Price**, as that amount is determined by the Purchase Price and Payment Addendum (the "**Commission**"), subject however to the terms and conditions set forth below and in the Broker Participation Policy ("**Participation Policy**"). As set forth herein, "incentive" shall mean the total dollar value of all consideration, incentives, discounts, credits, reductions, gifts or other inducements offered or arranged by Seller in connection with Buyer's purchase of the Property, including, without limitation, any: reduction or discount in the Total Purchase Price, Base Purchase Price, or the Homesite Premium; credit for or contribution toward Closing Costs; payment of or contribution toward assessments or capital contributions charged by any homeowner's association or Seller; payment of or contribution toward homeowner's casualty or liability insurance, and/or lease payments; financing incentive such as payment of buy down fees to the Lender; and retail value of any gift to Buyer. No Commission shall be payable by Seller unless Buyer consummates the purchase of the Property in accordance with the terms and conditions of the Purchase and Sale Agreement; accordingly, the Commission shall not be deemed earned unless and until the Closing occurs. Cooperating Broker agrees that it shall look to Buyer for any other commission due to Cooperating Broker that is in excess of the Commission payable by Seller pursuant to this Agreement and for any commission due to any other real estate brokers or salesmen claiming to have represented Buyer in connection with the purchase of the Property. Notwithstanding the foregoing, Seller agrees to pay any and all commissions due to Seller's New Home Consultants working in Seller's sales office.

3. **Sales Associate of Cooperating Broker**. By signing below, sales associate or designated agent of Cooperating Broker ("**Sales Associate**") agrees, on behalf of himself/herself and on behalf of Cooperating Broker, to the terms of this Agreement. Without limiting the foregoing, Sales Associate agrees that Seller's sole responsibility hereunder is to pay the Commission to Cooperating Broker in the manner described above. Any other amounts payable to Sales Associate and/or Cooperating Broker shall be the sole responsibility of Buyer, if provided for in a separate agreement between Cooperating Broker and Buyer. In addition, Sales Associate hereby personally represents and warrants that Sales Associate has full power and authority to execute and deliver this Agreement on behalf of Cooperating Broker and that such execution of this Agreement on behalf of Cooperating Broker has been duly authorized by all necessary and proper corporate action of Cooperating Broker.

4. **Participation Policy**. By signing this Agreement, Sales Associate acknowledges that Sales Associate has read and agrees, on behalf of such Sales Associate and Cooperating Broker, to comply with the terms and conditions in the Participation Policy set forth below. This Agreement shall be null and void if Seller determines, in its absolute discretion, at any time before Closing that Sales Associate and/or Cooperating Broker has/have violated the terms of the Participation Policy. The Participation Policy follows:

4.1 In order for Cooperating Broker to receive a commission in connection with the sale of real property in the Community, Cooperating Broker or Sales Associate must register a prospective buyer (the "**Prospect**") in person at the sales office for the Community (phone registrations will not be accepted). Cooperating Broker or Sales Associate must accompany the Prospect during Prospect's initial visit. If the tracking system used at the sales office for the Community indicates that the Prospect was initially introduced to the Community via the internet, and/or initially registered at the sales office without being accompanied by Cooperating Broker or Sales Associate, neither Cooperating Broker nor Sales Associate

shall be entitled to receive a commission in connection with the sale of real property in the Community to such Prospect. This registration is effective for the period of their realtor buyers contract ("**Registration Period**"). Cooperating Broker may extend the Registration Period as needed.

4.2 Cooperating Broker shall be entitled to receive the Commission, provided that the Prospect (i) is properly registered; (ii) contracts to purchase a home from the on-site sales staff in the Community ("**New Home Consultant**") before the expiration of the Registration Period, and (iii) closes on the transaction pursuant to the Purchase and Sale Agreement for the Property. Notwithstanding the foregoing, in the event two or more brokers claim that they are entitled to a commission from having registered a Prospect, the cooperating broker who is the procuring cause of the sale will be entitled to the commission. This registration, or any extension thereof, does not protect Cooperating Broker or Sales Associate from another broker or sales associate registering the same Prospect in the Community.

4.3 Seller will pay the Commission to Cooperating Broker, provided that the terms and conditions contained herein are satisfied and except as otherwise set forth above relating to later-registering cooperating brokers. In all cases, Sales Associate agrees to look solely to Cooperating Broker for payment of any commission. By way of example, if Sales Associate terminates his/her employment with a registered Cooperating Broker who is entitled to a commission pursuant to this Participation Policy, then Sales Associate shall have no claim against Seller with respect to such commission.

4.4 Cooperating Broker and Sales Associate acknowledge that this Participation Policy, the registration forms, sign-up sheets and other incentives, contracts, or forms given to Prospects or buyers of homes are trade secrets of Seller. Cooperating Broker agrees to indemnify, defend and hold Seller harmless from and against any and all claims, demands, damages, losses, costs and expenses of whatever nature or kind, including reasonable attorneys' fees, paraprofessional fees and costs relating to or arising out of any claim against Seller as a result of conduct or representations made by Cooperating Broker and/or Sales Associate. In the event that Seller must enforce or defend any of the terms and conditions of this Participation Policy, Seller shall be entitled to collect from Cooperating Broker reasonable attorneys' fees, paraprofessional fees and costs.

5. **Cooperating Broker Status, Duties and Prohibitions**. Sales Associate, on behalf of himself/herself and on behalf of Cooperating Broker, hereby represents, warrants and covenants as follows:

X _____ Inititals

5.1 Cooperating Broker is a licensed real estate broker in the State of South Carolina and is serving as a single agent on behalf of Buyer in the purchase of the Home. Cooperating Broker agrees to provide Seller with a copy of their current and valid broker license within fifteen (15) days of the execution of the Purchase and Sale Agreement by Buyer.

_____ Inititals

5.2 Sales Associate is a licensed real estate broker or salesperson in the State of South Carolina and is a designated agent of Cooperating Broker serving as a single agent on behalf of Buyer in the purchase of the Home. Sales Associate agrees to provide Seller with a copy of their current and valid license within fifteen (15) days of the execution of the Purchase and Sale Agreement by Buyer.

X _____ Inititals

5.3 Each of Cooperating Broker and Sales Associate shall comply with all requirements of applicable law as an agent on behalf of Buyer in their representation of Buyer in the purchase of the Home and will assist the parties with communication, interposition, advisement, negotiation, contract terms and closing.

_____ Inititals

5.4 The Cooperating Broker and/or Sales Associate is/are a licensed real estate broker and/or salesperson in the State of South Carolina, and is serving as a disclosed dual agent for both the Buyer and the Seller. Cooperating Broker and/or Sales Associate hereby agree to provide Seller with a copy of their current and valid license within fifteen (15) days of the execution of the Purchase and Sale Agreement by Buyer. Cooperating Broker and/or Sales Associate agree that they shall not, without express permission, disclose that the Seller will accept a price less than the listing price of that Buyer will pay a price greater than the offered price.

6. **Aknowledgment by Cooperating Broker**. This document supersedes any previous Registration Form filed by the Cooperating Broker or any of its agents or employees with the Seller, its agents or employees. Violation by the Cooperating Broker of any provision of this document will constitute a breach of this document by the Cooperating Broker and will, at the Seller's election, void any obligation of the Seller to pay a commission or fee to the Cooperating Broker and will, at the Seller's election, entitle the Seller to whatever remedies it may have at law or in equity.

7. **Governing Law**. This Agreement is governed by South Carolina law, without regard to its conflicts of law rules.

8. **Conflicts**. In the event of any conflict between this Cooperating Broker Agreement and the Purchase and Sale Agreement or any other addenda and/or riders, this Disclosure shall control. In all other respects, the Purchase and Sale Agreement shall remain in full force and effect.

9. **Counterparts**. This Agreement may be executed in counterparts, a complete set of which shall form a single document.

10. **Entire Agreement**. This Agreement sets forth the entire agreement between Seller, Cooperating Broker and Sales Associate and shall not be altered, modified or amended unless such amendment is set forth in writing and signed by all parties to this Agreement.

**COOPERATING BROKER:**

_____

, by
its Sales Associate

By: _____

Print Name: _____

Date: _____

**SALES ASSOCIATE**

Print Name: Samuel Broadway
Date: 10-9-2011

Seller: Lennar Carolinas, LLC

Authorized Agent of Seller: Ann Ivey
Date: 10/11/11

## COOPERATING BROKER ADDENDUM

**THIS COOPERATING BROKER ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the eighth day of October , 2011, between Paula Sellers (collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0006 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to every other addendum attached to the Agreement, which are hereby incorporated by this reference.

2. **Cooperating Broker**. Notwithstanding anything contained in the Agreement to the contrary, Seller and Buyer acknowledge that Buyer has dealt with the following brokerage firm in connection with the purchase of the Property ("**Cooperating Broker**"):

Name of Cooperating Broker: Valerie Frasier / Agent Owned

Address: _____

Business Phone: _____

Name of Sales Associate of Cooperating Broker: _____

Date of Registration: 10/08/2011 Valerie Frasier

3% + 1.5% bonus

Seller agrees to pay Cooperating Broker, at Closing, a commission in the amount of three percent (3%) of the **Base Purchase Price plus the Homesite Premium less any builder incentives and/or discounts to the Base Purchase Price**, as that amount is determined by the Purchase Price and Payment Addendum (the "**Commission**"), subject however to the terms and conditions set forth below and in a separate Cooperating Broker Agreement ("**Broker Agreement**").. As set forth herein, "incentive" shall mean the total dollar value of all consideration, incentives, discounts, credits, reductions, gifts or other inducements offered or arranged by Seller in connection with Buyer's purchase of the Property, including, without limitation, any: reduction or discount in the Total Purchase Price, Base Purchase Price, or the Homesite Premium; credit for or contribution toward Closing Costs; payment of or contribution toward assessments or capital contributions charged by any homeowner's association or Seller; payment of or contribution toward homeowner's casualty or liability insurance, and/or lease payments; financing incentive such as payment of buy down fees to the Lender; and retail value of any gift to Buyer. No Commission shall be payable by Seller unless Buyer consummates the purchase of the Property in accordance with the terms and conditions of the Purchase and Sale Agreement; accordingly, the Commission shall not be deemed earned unless and until the Closing occurs. Buyer agrees that it shall be responsible for any other commission due to Cooperating Broker that is in excess of the Commission payable by Seller pursuant to this Addendum and the Broker Agreement and for any commission due to any other real estate brokers or salesmen claiming to have represented Buyer in connection with the purchase of the Property. Notwithstanding the foregoing, Seller agrees to pay any and all commissions due to Seller's New Home Consultants working in Seller's sales office.

3. **Governing Law**. This Addendum is governed by the law of the state where the Property is located, without regard to its conflicts of law rules.

4. **Counterparts**. This Addendum may be excouted in counterparts, a complete set of which shall form a single Addendum.

5. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

6. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

7. **Survival**. All of the terms of this Addendum shall survive Closing and the delivery of the Deed.

Paula R. Sellers
Buyer - Paula Sellers
Date 10.9.2011

Buyer -
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 10/11/11

## INDOOR ENVIRONMENTAL QUALITY DISCLOSURE

**THIS INDOOR ENVIRONMENTAL QUALITY DISCLOSURE** (this "**Disclosure**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") dated as of the eighth day of OCTOBER , 2011, between Paula Sellers (collectively, "**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0006 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Disclosure to the Agreement shall be deemed to include references to this Disclosure and to any other disclosure and/or addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Indoor Environmental Contaminates**. There are many different types of indoor environmental contaminants, such as pet dander, dust mites and mold. Molds and other potential contaminants have been a part of our environment for millions of years. Contaminants are everywhere, indoors and outdoors. Therefore, everyone is exposed to some contaminants on a daily basis without evident harm. Due to a number of factors, including the fact that sensitivities to various types of molds and other potential contaminants vary from person to person, there are no state or federal standards concerning acceptable levels of exposure to mold. According to the Consumer Product Safety Commission and the American Lung Association, some diseases or illness have been linked with biological pollutants in the indoor environment, including some forms of mold. However, many of these conditions also have causes unrelated to the indoor environment. Therefore, it is unknown how many potential health problems relate exclusively to poor indoor air. Buyer should determine for himself/herself whether Buyer, Buyer's family members or any other individuals who will occupy or use the Home have special needs or increased risk to these conditions. Buyer should carefully monitor the conditions in the Home for mold growth and other contaminants.

When excessive moisture or water accumulates indoors, mold growth can and will occur, particularly if the moisture problem remains unaddressed. There is no practical way to eliminate all molds or mold spores in an indoor environment. The key to controlling indoor mold growth is to control moisture.

There are many ways to help control moisture in and beneath the Home. The U.S. Environmental Protection Agency, the Consumer Product Safety Commission, the American Lung Association and others recommend taking measures such as those listed below to help control moisture in and beneath the Home. The following list is not meant to be all-inclusive.

- o Fix leaking plumbing and any other source of unwanted water immediately.
- o Maintain proper indoor humidity. Equipment that conditions the air, such as air conditioners, humidifiers and ventilation systems must be operated year round.
- o Raise the temperature in areas where moisture condenses on surfaces and open doors between rooms to increase air circulation in the Home, including doors to closets.
- o Have major appliances, such as furnaces, heat pumps, central air conditioners, window air conditioning units, ventilation systems and furnace attached humidifiers inspected, cleaned and serviced regularly by a qualified professional.
- o Clean and dry refrigerator, air conditioner and dehumidifier drip pans and filters regularly and make sure that refrigerator and freezer doors seal properly.
- o Keep water away from the foundation of the Home by maintaining required slopes, drainage and keeping plantings and sprinklers the proper distance from the Home.
- o If there is a sump pump in the Home, inspect it regularly to ensure that it is properly operating.
- o If there is a crawl space or structural sub-floor, inspect the ground beneath the floor on a regular basis to make sure there is no standing or excessive water. If there is standing or excessive water, seek professional assistance to remove the water. If Buyer is interested in finishing the basement, only do so after consulting an expert to determine the suitability of the basement for a finished area.

The following are suggestions that may assist Buyer in preventing and addressing mold growth in the Home.

- o It is important that Buyer responds promptly when Buyer sees signs of moisture or mold.
- o Do not allow moisture to stand or make contact with carpet, furniture and cellulose-based materials, such as wood, drywall or other non-tile, non-plastic or non-metal materials.
- o Dry all water damaged areas and items immediately to prevent mold growth.
- o If mold develops, clean up the mold by washing off hard surfaces with detergent and water and completely dry the surface.
- o Depending upon the nature and extent of the mold infestation, trained professionals may be needed to assist in the remediation effort.
- o Mold that is not properly and adequately removed may reappear.

Proper maintenance and cleaning of the Home is the responsibility of each homeowner and will lessen the potential for water intrusion and help to control indoor environmental contaminants. Further, it is the responsibility of each homeowner to monitor their Home on a continual basis for excessive moisture, water and mold accumulation. If Buyer discovers accumulation of water or moisture in, around or under the Home, Buyer should immediately seek to control the source of the water or moisture. Failing to control the source could result in additional damage and the growth of mold. Plumbing leaks and water penetrations that are covered by the Limited Warranty, if any, during the term of the Limited Warranty must be reported to Seller immediately. If the Limited Warranty has expired or does not cover the specific problem, Buyer should not delay in having professionals address the problem. Seller will not be responsible for, and Buyer agrees to indemnify and hold harmless Indemnified Parties from and against all Claims in connection with, water-related damages, including personal injuries or property damage caused by mold, but only to extent that the damages are caused by (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction. Buyer also agrees to waive all rights of subrogation for damages resulting from water-related damages, mold growth, any personal injuries, or any remediation resulting from (A) Buyer's negligence, (B) Buyer's failure to promptly take appropriate corrective measures and minimize any damages caused by the water or moisture, or (C) Buyer's failure to promptly provide Seller with notice of the water or moisture and give Seller an opportunity to dry the water or moisture and remediate, if necessary, any moisture conditions in the Home caused by improper construction.

3. **Counterparts**. This Disclosure may be executed in counterparts, a complete set of which shall form a single Disclosure.

4. **Conflicts**. In the event of any conflict between this Disclosure and the Agreement or any other addenda and/or riders, this Disclosure shall control. In all other respects, the Agreement shall remain in full force and effect.

5. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Paula R. Sellers
Buyer - Paula Sellers
Date 10-9-2011

Buyer -
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 10/11/11

INSULATION ADDENDUM

THIS INSULATION ADDENDUM (this "Addendum") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") dated as of the eighth day of OCTOBER, 2011, between Paula Sellers (collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0006 of Block ____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. Insulation. Pursuant to Title 16, Chapter I, Section 460.16 of the Code of Federal Regulations, the insulation that is or will be installed in the Home where conditioned space meets unconditioned space is as follows and will, according to the manufacturer, yield the R-values stated:

| Location | Type | Thickness | R-Value |
|---|---|---|---|
| Exterior Masonry Walls | N/A | N/A | N/A |
| Exterior Stud Wall | Batt | 3 1/2 inches | R-13 |
| Ceilings | Batt | 10 inches | R-30 |
| Roof | Blown | 12 inches | R-30 |
| N/A | N/A | N/A | N/A |

If so indicated above, fiberglass (also known as glass wool) is/will be used for insulation in the Home. The U.S. Department of Health and Human Services ("HHS") has listed fiberglass as a substance "which may reasonably be anticipated to be a carcinogen." This listing identifies substances selected for further study because of their potential carcinogenic risk but is not an assessment by HHS that there is a causal connection between fiberglass and human cancer. The listing does not establish that fiberglass presents a risk to persons in their daily lives.

3. Counterparts. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

4. Conflicts. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

5. Entire Agreement. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Paula R. Sellers
Buyer - Paula Sellers
Date 10.10.2011

Buyer -
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller: Ann Ivey
Date 10/11/11

## SCHLAGE LINK ADDENDUM

THIS SCHLAGE LINK ADDENDUM (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the Eighth day of October , 2011, between Paula Sellers ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0006 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "**Community**").

1. **Defined Terms**. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Schlage LiNK**. The Property will be equipped with Schlage LiNK which uses Z-Wave® technology in a secure, web-based system that allows remote monitoring and control of Z-Wave® enabled door locks, Z-Wave enabled Trane Remote Energy Management Thermostats, Schlage cameras and indoor and outdoor Z-Wave enabled lighting. There is a monthly fee for remote access capabilities and there must be internet access. Schlage LiNK has agreed to provide 12 months of free monitoring commencing at tbd.

3. **Schlage LiNK Performance**. Buyer will receive a warranty from the manufacturer. Seller assumes no liability for either the performance of Schlage LiNK or the performance or availability of remote access.

4. **Manufacturers' Warranty Disclaimer**. SELLER ASSIGNS AND PASSES THROUGH TO BUYER THE MANUFACTURERS' WARRANTIES FOR SCHLAGE LINK AND SELLER MAKES NO WARRANTIES WITH RESPECT THERETO. SELLER DISCLAIMS ANY WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, ON SCHLAGE LINK, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF USE, FITNESS OF USE, WORKMANSHIP OR QUALITY. SELLER SHALL NOT BE LIABLE FOR ANY DAMAGES OR INJURY TO THE SCHLAGE LINK OR FOR ANY DAMAGES OR INJURY CAUSED BY SCHLAGE LINK. SELLER'S DISCLAIMER OF MANUFACTURERS' WARRANTIES DOES NOT LIMIT OR OTHERWISE AFFECT THE WARRANTY OF ANY MANUFACTURER.

5. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

6. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

7. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Paula R. Sellers
Buyer - Paula Sellers
Date 10-9-2011

Buyer -
Date _____

Buyer -
Date _____

Buyer -
Date _____

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 10/11/11

**RICEFIELD WAY and THE ABBEY AT SPRING GROVE PLANTATION**
**MASTER DISCLOSURE AND INFORMATION ADDENDUM TO**
**PURCHASE AND SALE AGREEMENT**
**SOUTH CAROLINA**

**THIS MASTER DISCLOSURE AND INFORMATION ADDENDUM** (this "**Addendum**") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "**Agreement**") entered into as of the Eighth day of October , 2011, between Paula Sellers ("**Buyer**") and Seller, as defined in the Agreement, respecting Lot 0006 of Building/Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as **Spring Grove Plantation** (the "**Community**").

1. **Defined Terms**. All capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. **Community**. The Property lies within a neighborhood known as Ricefield Way or The Abbey at Spring Grove Plantation (the "**Neighborhood**"), which lies within a community known as Spring Grove Plantation (the "**Community**"). This Addendum explains certain terms which are applicable to the purchase of Homes within the Community and the Neighborhood. Current plans are for Ben McCormick Homes, Harbor Homes and First Coast Homes to build homes in the Community. Other builders besides Seller may be added or deleted from the list of builders in the future. Seller, and any other builder in the Community, shall have the right, without notice to Buyer, to make changes to, among other things, homesite sizes, number of homes being built, size and style of homes being built, features and materials in homes being built, prices of homes (whether more or less than currently published), price per square foot of homes (whether more or less than currently published), street layout, amenity layout, and usage, location, size and number of trees, bushes and other foliage (current and future), and any other items or uses which are currently planned for the Community or the Neighborhood. Seller makes no representation or warranties that Seller will be the exclusive builder or developer in the Community or the Neighborhood or that the Community or the Neighborhood will be built out exactly as currently planned, and Seller expressly reserves the right to make whatever changes it deems necessary relating to future development or build out of the Community and the Neighborhood. Any current maps or other materials showing any final or projected community development may be modified or updated in the future.

SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES WITH REGARD TO THE DEVELOPMENT OF HOMESITES IN AND AROUND THE COMMUNITY. HOMESITES IN AND AROUND THE COMMUNITY MAY REMAIN UNDEVELOPED AT THE SOLE DISCRETION OF SELLER, OTHER BUILDERS IN THE COMMUNITY, AND/OR THE DEVELOPER OF THE COMMUNITY. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES, STATED, IMPLIED, OR OTHERWISE WITH REGARD TO SELLER BEING THE SOLE OR EXCLUSIVE BUILDER WITHIN THE COMMUNITY. SELLER HAS MADE NO REPRESENTATIONS OR PROVIDED ANY ASSURANCES, STATED, IMPLIED, OR OTHERWISE WITH REGARD TO CONTINUING TO BUILD IN THE COMMUNITY THROUGH FINAL BUILD OUT AND/OR BUILDING UPON ANY UNDEVELOPED HOMESITE(S). FURTHERMORE, IT IS UNDERSTOOD THAT NO REPRESENTATIONS, ESTIMATES OR PROJECTIONS HAVE BEEN CONVEYED REGARDING THE FINAL BUILD OUT TIME OF ANY UNDEVELOPED HOMESITE(S) OR THE OVERALL COMPLETION SCHEDULE OF THIS COMMUNITY. BUYER ACKNOWLEDGES THAT SELLER CONSTANTLY EVALUATES THE PRICING, DESIGNS, PRODUCT MIX AND AMENITIES OF ITS COMMUNITIES AND SELLER MAKES NO REPRESENTATIONS OR WARRANTIES REGARDING WHETHER TO CONTINUE TO BUILD HOMES WITHIN THE COMMUNITY AND BUYER IS NOT RELYING UPON ANY OF THE FOREGOING IN DECIDING TO PURCHASE THE PROPERTY.

3. **Governing Documents**. Buyer acknowledges receipt, either in hard-copy or via internet or electronic means, of all documents ("**Governing Documents**") for the Community and the Neighborhood.

3.1 Buyer acknowledges receipt of, and agrees to be bound by the Declaration for Spring Grove Plantation Community (the "**Declaration**"), the Articles of Incorporation, By-Laws and any Rules and Regulations of Spring Grove Plantation Community Service Association, Inc., all as amended and supplemented from time to time (collectively, the "**Community Documents**"). Buyer acknowledges and agrees that title to the Home will be subject to the Community Documents.

3.2 The Property will be subject to certain deed restrictions as reflected in the General Limited Warranty Deed executed by Seller and furnished to Buyer at Closing. The deed restrictions run with the Homesite and require, among other things, that (i) buyer give Seller notice of Seller's defaults or any Claim (as defined therein) after Closing and (ii) Seller have an opportunity to inspect and cure defects in the Home. The deed restrictions further require the arbitration of any Claim against Seller that cannot be resolved.

3.3 Buyer acknowledges the provisions of the Governing Documents are fair and reasonable.

4. **Association Memberships**.

4.1 Upon conveyance and recording of the Deed to the Home, Buyer understands and agrees that Buyer will then become a member of the Spring Grove Plantation Community Service Association, Inc., a South Carolina nonprofit corporation (the "**Association**"). Buyer agrees to accept the liability and obligations of

such memberships. Buyer understands that as a member of the Association, Buyer will be required to pay Assessments (as defined in the Governing Documents) for the maintenance of the Common Areas (as defined in the Governing Documents) and for such other uses and purposes as are provided for in the Governing Documents. Buyer also understands and agrees that a failure to pay Assessments when due could cause the Association to record a lien on the Home and to foreclose such lien. Assessments are subject to additional increases in the manner currently provided for in the Governing Documents. Neither Seller, the Association, nor any other builder can estimate the amount or frequency of any such increase.

4.2 Buyer acknowledges that nominees of Seller, and the developer of the Community and the developer of the Neighborhood may serve as the initial officers and directors of the Association. The officers and directors and the management company, which may be an affiliate of Seller, are authorized by Buyer to act for and on the behalf of the Association. Seller may, but is not required to, advance monies to the Association for operations. In the event such advances are made, they will be considered a loan from Seller, and the Association will be obligated to repay such advances as set forth in the Community Documents.

4.3 Buyer acknowledges that all new construction and modifications of existing construction and exterior improvements within the Community are subject to the prior written approval of the appropriate architectural review, design review or similar committee or authority, which is appointed by the Board of Directors of the Association. Buyer agrees to comply with all rules and regulations of the appropriate authority (or authorities) governing construction of improvements within the Community and the Neighborhood as the same may be amended and exist from time to time. These restrictions are subject to change without notice. Building and use restrictions include, but are not limited to, residential and nonresidential uses, building specifications, accessory structures, nuisance, home occupancy, signage, antennas, animals, driveways, vehicle parking, rubbish, utility and drainage easements, clothes lines, fences, special rights of Seller, the developer of the Community, the developer of the Neighborhood and homebuilder(s), leases and restoration of homesites. Buyer agrees not to commence any construction upon the Homesite until it has obtained all requisite written approvals therefore. Buyer further agrees not to make any modifications of any existing buildings and improvements, including, but not limited to, landscaping and landscape irrigation, without the prior written approvals of the appropriate authority (or authorities) pursuant to any city, county or state regulation and pursuant to recorded covenants, conditions or restrictions governing the land. In addition, every city, county or town has building codes and other ordinances that regulate what is permissible within its jurisdictional limits. Prior to making changes to the Home or Homesite, Buyer should contact the applicable governmental authorities for further information concerning local codes and ordinances. Decks, fences and exterior color are among the more common, although not the only, improvements for which architectural approval is required.

4.4 Approval of any work by the appropriate reviewing authority or authorities shall not constitute an express or implied warranty of representation that any work complies with applicable codes, ordinances or other governmental regulations, or that the work is well designated or will be constructed in a proper manner.

4.5 Failure to submit plans and specifications to the appropriate reviewing authority or authorities for approval is a violation of the provisions of the Declaration and/or applicable deed restrictions, which may result in sanctions and/or the imposition of fines, and the removal, at homeowner expense, any of non-approved improvements or modifications.

5. **Community Charges**. In addition to the Closing Costs set forth in Rider B, Buyer shall pay the following additional Closing Costs respecting the Community:

5.1 Association Assessments. Assessments payable to the Association ("**Association Assessments**"), prorated for the month in which the Closing occurs (based on the then current Assessments at the time of closing). Such Assessments are estimated to be $300.00 per year at this time. Buyer understands that the estimated operating budget for the Association is only an estimate of what it will cost to run the Association. The Association may make changes in the budget at any time to cover increases or decreases in expenses or estimates in the budget. Without limiting the generality of this Section, those changes will not give Buyer any right to cancel the Agreement.

5.2 Association Initial Capital Contribution. Buyer acknowledges that among other Assessments provided for in the Community Documents, the Association has established an initial capital contribution ("**Initial Capital Contribution**"). Buyer acknowledges that upon conveyance of the Property an Initial Capital Contribution in an amount equal to $300.00 (or such amount as determined from time to time) is due. The Initial Capital Contribution may be used for any reason whatsoever including, without limitation, reimbursement for costs in setting up the Association and costs of deficit funding. Buyer acknowledges and agrees that the Initial Capital Contribution is not to be considered as an advance payment of Assessments.

5.3 Resale Capital Contribution. Buyer acknowledges that the Association may establish a Resale Capital Contribution (as defined in the Governing Documents). For more information on the Resale Capital Contribution, please refer to the Governing Documents.

6. **Security**. The Community is not a gated community and the roads in the Community are public.

7. **Building and Use Restrictions**. Every homesite is subject to building and use restrictions as set forth in the Declaration. These restrictions are subject to change without notice. Building and use restrictions may affect,

among other things, residential and nonresidential uses, building specifications, accessory structures, nuisance, home occupancy, signage, antennas, satellite dishes, animals, driveways, vehicle parking, rubbish, utility and drainage easements, clothes lines, fences, special rights of Seller, any developer and homebuilder(s), leases and restoration of homesites. Seller encourages you to carefully review the Declaration and to ensure the long-term quality of life for both you and your neighbors.

8. **Municipal Building Codes And Ordinances.** Every city or town has building codes and other ordinances that regulate what is permissible within its jurisdictional limits. Prior to making changes to your Home or Homesite, you should contact the Building Inspector for Berkeley County at 843.719.4095 for further information concerning local codes and ordinances. Seller is not responsible for notifying Buyer or any other homeowners of the content or restrictions contained in any local codes or ordinances.

9. **Architectural Review.**

9.1 The Declaration currently provides that no improvements shall be commenced upon any homesite, nor shall the exterior color, style and materials of an approved structure on a homesite be altered without the prior written approval of the Architectural Control Committee ("ACC"), as applicable, which is appointed by the Board of Directors of the Association. Improvements constructed by Seller or the developer of the Community, or the Neighborhood, as applicable, are exempt from this requirement. Approval of any work by the ACC shall not constitute an express or implied warranty or representation by the ACC that any work complies with applicable codes, ordinances or other governmental regulations, or that the work is well designed or will be constructed in a proper manner. Decks, fences and exterior color are among the more common, although not the only, improvements for which architectural approval is required. For more information concerning architectural review, please review the Declaration.

9.2 Failure to submit plans and specifications to the ACC for approval is a violation of the Declaration, which may result in sanctions and/or the imposition of fines, and the removal, at homeowner expense, of any non-approved modifications.

10. **Pet Restrictions.** Buyer understands that the only pets allowed in the Neighborhood and the Community are those which are in accordance with the restrictions contained in the Community Documents or any amendments thereto.

11. **Short-Term Rentals.** Buyer acknowledges that homes in the Community may be rented for any length of time, subject to certain restrictions set forth in the Community Documents.

12. **Flood Zone.** Buyer acknowledges that the Property may be in a flood zone. Mortgage lenders will typically require the issuance of flood insurance as a requirement for financing, which insurance must be present at Closing. Seller recommends that each Buyer of a Home protect his/her Home by obtaining proper insurance coverage. It is possible, however, for Buyer to submit documentation to the Federal Emergency Management Agency (FEMA) to have the Home re-classified by FEMA, whereby the mortgage lender may have the option to waive the requirement of flood insurance. Buyer is solely responsible for the submission to FEMA for such re-classification and any and all expenses related to such submission. Further, Buyer acknowledges and understands that the waiver of flood insurance is at the sole discretion of the mortgage lender.

13. **Utilities.**

13.1 Buyer acknowledges that no septic tanks shall be permitted within the Community and the Neighborhood. No wells shall be installed without the express written consent of the ACC and all other applicable government agencies.

13.2 Some homesites contain or are adjacent to drainage and utility structures such as storm water overflow swales, storm water retention and/or detention basins, manholes, fire hydrants, electrical transformers, switch boxes, telephone pedestals and streetlights. None of these items shall be altered, obstructed, buried, modified, restricted or interfered with in any manner whatsoever. Overflow swales are generally utilized for overflow storm water capacity as a result of water drainage. Electrical transformers may only be landscaped to the extent permission is given by the utility provider. In some cases, water may flow from one homesite to another. State law may provide that the owner of the homesite receiving water is required to accept the water flow and may not impede the flow of this water. In addition, the Property will be graded to provide for reasonable drainage away from the Home's foundation. The vast majority of foundation problems are caused by insufficient drainage or lack of watering of soil around the foundation. Buyer should keep Buyer's lawn well watered to maintain consistent moisture content and avoid excess wetness, dryness or cracking of soil. The construction of curbs, decks, retaining walls, pools, spas, patios, landscape edging and similar items can also trap water within the yard area and cause structural damage to the Home's foundation. Seller strongly recommends that Buyer consult with a licensed landscape architect and civil engineer before performing any work or making any changes that may affect the existing drainage pattern.

13.3 Berkeley County provides water to the Community. Because Seller does not control the water supply, Seller cannot guarantee the quality of the water provided to the Community. In addition, this area is periodically subjected to extended periods of drought that may cause depletion of water supplies. Municipalities and other providers of water services (including the Town of Moncks Corner) may enact mandatory or voluntary cut backs or other restrictions in water usage. Seller has no control, influence, responsibility or liability for or over decisions concerning water rationing.

13.4 If Buyer has any questions about utility rates, services, safety, or anything else to do with overhead or underground transmission or utility lines, Buyer should contact the utility companies directly. Because Seller values Buyer's safety and that of Buyer's neighbors, no excavation or trenching should be done without first calling the utility companies for the location of buried utilities. There is currently no charge by the utilities for this service. This is especially important in utility easements where buried utility equipment is probable. Digging without advance notification and approval of the utility companies may be illegal, is dangerous and can result in severe personal injury or death to Buyer and Buyer's neighbors, and can also result in severe property damage to homes, property and utility equipment.

14. Waterbodies. BUYER ACKNOWLEDGES THAT THE WATER LEVELS OF LAKES, PONDS OR OTHER WATERBODIES WITHIN THE COMMUNITY AND/OR THE NEIGHBORHOOD MAY VARY. THERE IS NO GUARANTEE BY SELLER, THE ASSOCIATION THAT WATER LEVELS WILL BE CONSTANT OR AESTHETICALLY PLEASING AT ANY PARTICULAR TIME; AT TIMES, WATER LEVELS MAY BE NONEXISTENT.

15. Regulatory And Governmental Approvals. The zoning, plans, etc. have been approved by Berkeley County. The development of the project, lot, sidewalks, etc. is subject to approval by Berkeley County. For more information on the approvals required and pending in the Community, Buyer should contact the Berkeley County Planning & Zoning Department at 843.719.4095.

16. Prices/Market Values. Seller, and any other builder in the Community, shall have the unilateral right to establish prices for the homes it builds in the Community. Seller and any other builder in the Community may, at its sole discretion, increase or decrease the price or the price per square foot for any home, homesite or option at any time, or offer incentives for sales of homesites and homes, all without notice to Buyer. Once Buyer has signed the Agreement establishing a price for the Property, the prices for any subsequent changes or upgrades to the Home as requested by Buyer, including but not limited to design, floor plan, options, materials or otherwise, are subject to change by Seller until a written and signed agreement on the price is reached by Seller and Buyer for such change or upgrade. Seller makes no representations or warranties that the price for the Property or options in the Home will be increased or decreased for other buyers of identical or similar homes or options. Seller also makes no representations or warranties that changes or options made by Buyer will or will not increase or decrease the market value of the Property. The Property is being sold for residential purposes and not as an investment.

17. Construction And Sales Activities. BUYER ACKNOWLEDGES THAT SOME AREAS OF THE NEIGHBORHOOD AND THE COMMUNITY MAY BE UNDER CONSTRUCTION AND DEVELOPMENT FOR AN EXTENDED TIME. INCIDENT TO THE DEVELOPMENT PROCESS, THE QUIET ENJOYMENT OF THE NEIGHBORHOOD AND THE COMMUNITY MAY BE UNAVOIDABLY INTERFERED WITH TO SOME EXTENT BY THE CONSTRUCTION OPERATIONS. Construction, development and sales activities in the Community and/or the Neighborhood will likely occur after Buyer has taken occupancy of Buyer's Home. Depending upon Buyer's sensitivities, this may result in some inconvenience to Buyer and Buyer's family and guests due to increased noise, dust, road closures, operation of the model homes and sales offices, and other activities. Construction activities can occur at various hours throughout the day, and sales activities can result in additional traffic and visitors throughout the Community, particularly before the Community is completely built out. Neither Seller nor any other builder that may be active in the Community can guarantee that Buyer will not be affected or impacted as a result of the overall construction and development of the Community. Seller gives no guarantees or assurances on the active time of the Community model homes. Homesites across the street or next to the model homes may remain undeveloped until Seller determines that these homesites are no longer needed for marketing purposes.

18. Views. Future development and construction activities in the Community can and will modify the view from homesites (including but not limited to the Homesite). Trees and other foliage may be added or removed from lots or common areas of the Community. Additional housing and other improvements will be added within the community. Because future development and construction activities in the Community will modify views from homesites, Seller does not warrant or guarantee any existing views will be maintained in the future relative to the Property.

19. Streetlights. Numerous streetlights will be installed within the Community, many of which will be installed after homes have been completed, sold and occupied. Streetlights are sized and placed in accordance with Town ordinances and governmental requirements, and could in some instances generate light in or obstruct views from homes in the Community. Information about streetlight size, light output, design and location of streetlights within the Community can be obtained from the service provider.

20. Trees And Foliage. The Community contains numerous native trees of various sizes and varieties. While Seller has taken great care during the planning and construction of the Community to save trees, future development and construction will require the removal of additional trees, shrubs and other foliage and, therefore, Seller does not guarantee the preservation of any trees, shrubs, ground cover or other foliage in the Community or Buyer's Homesite, and cannot be responsible for short or long-term damages to foliage due to construction or development activities. Seller makes no representation or warranty that trees on the Homesite being purchased or any other homesite or common area in the Community will not be removed. All care and maintenance of foliage on an individual homesite is the responsibility of the homeowner, and Seller does not guarantee or warranty the survival of any foliage. Berkeley County has adopted a Tree Ordinance regulating the removal of any tree over a certain size. Before removing a tree, Buyer should contact Berkeley County to ensure that its regulations are adhered to. The Declaration also contains restrictions regarding the removal of any tree over a certain size. Buyer should contact the Association to ensure that its regulations are adhered to.

21. Facilities And Conditions Affecting Homesites.

21.1 The information set forth in this section contains an overview of facilities and conditions which may affect some or all homesites in the Community (including but not limited to the Homesite). Because Seller does not have control over development outside of the Community, Seller does not warrant or guarantee any future development, usage, or lack of development or usage for properties located outside of the Community, or their possible impact on the residents of the Community. For additional information about offsite features that may affect the purchase of the Property, please contact the local governmental authorities having jurisdiction over the Community.

21.2 Seller advises Buyer that some of the homesites (including but not limited to the Homesite) are or may be adjacent to or near some of the following:

DRAINAGE CHANNEL, AIRPORT, RAILROAD TRACKS, STORM WATER DETENTION FACILITY, COMMUNITY CENTER, ELEVATED WATER STORAGE TOWER, SCHOOL FACILITY, PARK SCHOOL SITE, SPORTS FACILITY OR BALL FIELD, COMMUNITY LAKES, PARK AND/OR RECREATION FACILITY, WATER PLANT/SEWER PLANT, LIFT STATION, CELLULAR PHONE, RADIO, TELEVISION OR OTHER TOWER ANTENNA SITE, HIGH VOLTAGE TRANSMISSION LINES OR PIPELINE EASEMENT.

Buyer acknowledges that such facilities may impact noise, vibration, lighting, traffic and other conditions caused by daily operations of the facility. Drainage channels, lakes and storm water detention facilities will have varying levels of water for varying periods of time depending upon rainfall.

21.3 Approximately 10 miles from the edge of the Community is the Charleston International Airport. Some flights landing at or taking off from the airport currently pass over the Community. Jets, helicopters or other aircraft may be seen or heard overhead from the Homesite or even from within the Home. The Charleston International Airport may, in the future, expand the Airport and its operations.

21.4 As a result of the open spaces and bodies of water in and around the Community, Buyer may periodically find wild animals within the confines of the Community including, but not limited to, skunks, nutria, opossums, deer, raccoons, spiders, snakes, bees, fire ants, and other insects common to the area. Contact with any wild animal can be dangerous. Should Buyer encounter any such animal, Buyer is encouraged to contact Buyer's local animal control office for further instructions.

21.5 Property West of the Community. The property west of the Community is currently comprised of agricultural and wooded land and land occupied by the Charleston Steel & Metal plant, Parker Gas Turbine Fuel Systems, and Mt. Holly Hill Park.

21.6 Property North of the Community. The property north of the Community is currently comprised of undeveloped woodlands and land used for residential purposes.

21.7 Property East of the Community. The property east of the Community is currently comprised of forested wetlands and undeveloped woodlands and land used for residential purposes. The property further east of the Community was occupied by the former Pattillo/Stone Mountain Industrial Park Site.

21.8 Property South of the Community. The property south of the Community is currently comprised of undeveloped woodlands and forested wetlands and land used for residential purposes.

21.9 Future Commercial/Retail Uses. The Community is located adjacent to properties which will be developed with major commercial and retail uses in the future. The development of such uses adjacent to the Community may increase traffic volumes, noise, outdoor lighting, pedestrian activity and other similar impacts resulting from commercial development.

21.10 Development of Adjacent Property. Buyer acknowledges that Seller's current construction plans for the Community where the Home and Homesite are located may change and that no representations or warranties are made concerning the development of the Community, or any property adjacent to, surrounding, or near such Community.

21.11 Public Ballfields. Public ballfields are located within the Community. The ballfields are or will be owned by the Association and the future use of the ballfields is in the discretion of Association.

21.12 Major Public Roads. The Community is located along portions of Old Hwy 52 and Cypress Garden Road. These roads may experience heavy traffic.

22. **Floor and Roof Truss Support**. The Home has been designed and constructed with the intent to support typical loads on the floor and roof trusses. Placing or storing excessive loads such as a waterbed or pool table, may result in the warping or failure of the supporting structural components of the Home.

23. **Real Estate Taxes**. When a new home is built, the full value of the home is typically not reflected in the real estate taxes until the second calendar year after construction has been completed. Seller is not responsible for communicating any information regarding real estate taxes (current or future) and cannot and will not predict what the taxes on the Home may be. Buyer should confirm any information provided concerning appraisals, tax valuation, tax rates or other tax-related questions, with Buyer's personal tax advisor and the local taxing authorities.

24. **Public Financing of Capital Improvements**. Berkeley County may finance certain capital improvements in the Community, may issue bonds in connection with such financing and may create one or more special tax districts

within the Community to provide for repayment of such bonds.

25. **Town and County Taxes, Charges And Fees**. Property within the Community is subject to Berkeley County taxes, utility charges, fees and may become part of a special taxing district. For additional information, contact the Tax Collector's office of Berkeley at 843.719.4030.

26. **Addendum Not A Substitute**. Buyer acknowledges and agrees that this Addendum is not a substitute for reading the entire Governing Documents. For a more detailed explanation of any section contained in this Addendum, refer to the Governing Documents.

27. **Pre-Sale Contingency.** Seller shall have the right to terminate this Agreement and cause Buyer's deposits to be refunded in the event that Seller does not enter into binding contracts to sell at least ten percent (10%) of the homes and homesites in the Community. Seller must, however, notify Buyer of such a termination at any time within one hundred eighty (180) days following the date of the first purchase agreement for the sale of a home in the Community, otherwise Seller will be required to construct the Community and the Home and otherwise proceed to perform its obligations under this Agreement. This shall not delay the effectiveness of this Agreement, which shall be immediate, but rather, shall be deemed a "condition subsequent" to this Agreement. In the event of Seller's termination of this Agreement pursuant to this Section, upon such termination and the return of Buyer's Deposit, Seller and Buyer will be fully relieved and released from all obligations and liabilities under and in connection with this Agreement. Seller agrees to use its good faith efforts to meet the foregoing pre-sale requirement.

28. **Third Party Developer**. Seller is not the developer/declarant of the Community ("**Developer**"). Buyer acknowledges that (i) Seller is neither related to nor a joint venture partner with Developer, (ii) Seller does not control the amenities (existing or planned), landscaping, or other improvements that Developer may provide within the Community in the sole and absolute discretion of Developer, (iii) Seller has neither prepared nor participated in the preparation of the Community budgets or any other financial information with regard to the Community, and (iv) any representations or warranties which relate to amenities or other matters contained within the Community shall not be construed as representations made by Seller nor shall such representations be relied upon by Buyer in Buyer's determination as to whether to purchase the Property located within the Community. Seller has no control or influence related to the construction timing, completion, changes in design, changes in location, or other major decisions, including the decision not to build future amenities. Buyer agrees to look solely to the Developer with respect to any matters regarding the Association, existing Community amenities, any proposed amenities, landscaping or other improvements.

29. **Statements Made By Sales Staff And Brokers**. Seller wants to ensure that Seller and Buyer are in full agreement on all terms and conditions relating to the Agreement. To best ensure that there are no misunderstandings, Buyer should ensure that all terms and conditions (including all statements, representations, or understandings upon which Buyer relies in purchasing the Home) are set forth in writing in the Agreement. **If there are any statements, representations or understandings which are made by a sales staff person or any other representative of Seller which are material to Buyer's decision to purchase, Buyer should insist that any such statement, representation or understanding is put in writing and contained in the Agreement. Seller reserves the right to reject the Agreement notwithstanding the inclusion of any such item in the Agreement.**

30. **Public School Assignment**. Seller does not control and cannot guarantee public school assignments for the Community. Because Seller does not control public school assignments, Seller cannot assure Buyer that public school assignments will not be changed in the future. For more information about public school assignments, Buyer should contact the Berkeley County School Board.

31. **Counterparts**. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

32. **Conflicts**. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

33. **Entire Agreement**. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

34. **Survival**. All of the terms of this Addendum shall survive Closing and the delivery of the Deed.

Paula R. Sellers
Buyer - Paula Sellers
Date 10.9.2011

Buyer -
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 10/11/11

## COOPERATING BROKER AGREEMENT

THIS COOPERATING BROKER AGREEMENT (this "Agreement") is made and entered into effective as of the eighth day of October, 2011, between ("Cooperating Broker") and Lennar Carolinas, LLC ("Seller"), respecting Lot 0006 of Block _____ in The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in that certain Purchase and Sale Agreement, by and between Paula Sellers ("Buyer") and Seller, dated as of October 08, 2011.

2. Cooperating Broker. Notwithstanding anything contained in the Agreement to the contrary, Seller and Cooperating Broker acknowledge that Buyer has dealt with the following brokerage firm in connection with the purchase of the Property ("Cooperating Broker"):

Name of Cooperating Broker: Valore Frasier / Agent Owned

Address: 1081 E. Montague Ave, N. Chas SC 29405

Business Phone: 843-225-8830

Name of Sales Associate of Cooperating Broker: Valore Frasier

Date of Registration: 10/08/2011

Seller agrees to pay Cooperating Broker, at Closing, a commission in the amount of three percent (3%) of the Base Purchase Price plus the Homesite Premium less any builder incentives and/or discounts to the Base Purchase Price, as that amount is determined by the Purchase Price and Payment Addendum (the "Commission"), subject however, to the terms and conditions set forth below and in the Broker Participation Policy ("Participation Policy"). As set forth herein, "incentive" shall mean the total dollar value of all consideration, incentives, discounts, credits, reductions, gifts or other inducements offered or arranged by Seller in connection with Buyer's purchase of the Property, including, without limitation, any: reduction or discount in the Total Purchase Price, Base Purchase Price, or the Homesite Premium; credit for or contribution toward Closing Costs; payment of or contribution toward assessments or capital contributions charged by any homeowner's association of Seller; payment of or contribution toward homeowner's casualty or liability insurance, and/or lease payments; financing incentive such as payment of buy down fees to the Lender; and retail value of any gift to Buyer. No Commission shall be payable by Seller unless Buyer consummates the purchase of the Property in accordance with the terms and conditions of the Purchase and Sale Agreement; accordingly, the Commission shall not be deemed earned unless and until the Closing occurs. Cooperating Broker agrees that it shall look to Buyer for any other commission due to Cooperating Broker that is in excess of the Commission payable by Seller pursuant to this Agreement and for any commission due to any other real estate brokers or salesmen claiming to have represented Buyer in connection with the purchase of the Property. Notwithstanding the foregoing, Seller agrees to pay any and all commissions due to Seller's New Home Consultants working in Seller's sales office.

+ 1.5% bonus

3. Sales Associate of Cooperating Broker. By signing below, sales associate or designated agent of Cooperating Broker ("Sales Associate") agrees, on behalf of himself/herself and on behalf of Cooperating Broker, to the terms of this Agreement. Without limiting the foregoing, Sales Associate agrees that Seller's sole responsibility hereunder is to pay the Commission to Cooperating Broker in the manner described above. Any other amounts payable to Sales Associate and/or Cooperating Broker shall be the sole responsibility of Buyer, if provided for in a separate agreement between Cooperating Broker and Buyer. In addition, Sales Associate hereby personally represents and warrants that Sales Associate has full power and authority to execute and deliver this Agreement on behalf of Cooperating Broker and that such execution of this Agreement on behalf of Cooperating Broker has been duly authorized by all necessary and proper corporate action of Cooperating Broker.

4. Participation Policy. By signing this Agreement, Sales Associate acknowledges that Sales Associate has read and agrees, on behalf of such Sales Associate and Cooperating Broker, to comply with the terms and conditions in the Participation Policy set forth below. This Agreement shall be null and void if Seller determines, in its absolute discretion, at any time before Closing that Sales Associate and/or Cooperating Broker has/have violated the terms of the Participation Policy. The Participation Policy follows:

4.1 In order for Cooperating Broker to receive a commission in connection with the sale of real property in the Community, Cooperating Broker or Sales Associate must register a prospective buyer (the "Prospect") in person at the sales office for the Community (phone registrations will not be accepted). Cooperating Broker or Sales Associate must accompany the Prospect during Prospect's initial visit. If the tracking system used at the sales office for the Community indicates that the Prospect was initially introduced to the Community via the internet, and/or initially registered at the sales office without being accompanied by Cooperating Broker or Sales Associate, neither Cooperating Broker nor Sales Associate

7. Governing Law. This Agreement is governed by South Carolina law, without regard to its conflicts of law rules.

8. Conflicts. In the event of any conflict between this Cooperating Broker Agreement and the Purchase and Sale Agreement or any other addenda and/or riders, this Disclosure shall control. In all other respects, the Purchase and Sale Agreement shall remain in full force and effect.

9. Counterparts. This Agreement may be executed in counterparts, a complete set of which shall form a single document.

10. Entire Agreement. This Agreement sets forth the entire agreement between Seller, Cooperating Broker and Sales Associate and shall not be altered, modified or amended unless such amendment is set forth in writing and signed by all parties to this Agreement.

COOPERATING BROKER:

Helen's Frasier

by Agent Owned Realty Premier Group
its Sales Associate

By: Helen's Frasier

Print Name: Helen's Frasier

Date: 10/9/2011

SALES ASSOCIATE

Print Name: Samuel Broadway
Date: 10-9-2011

Seller: Lennar Carolinas, LLC

Authorized Agent of Seller And Its

Date: 10/11/11

shall be entitled to receive a commission in connection with the sale of real property in the Community to such Prospect. This registration is effective for the period of their realtor buyers contract ("Registration Period"). Cooperating Broker may extend the Registration Period as needed.

4.2 Cooperating Broker shall be entitled to receive the Commission, provided that the Prospect (i) is properly registered, (ii) contracts to purchase a home from the on-site sales staff in the Community ("New Home Consultant") before the expiration of the Registration Period, and (iii) closes on the transaction pursuant to the Purchase and Sale Agreement for the Property. Notwithstanding the foregoing, in the event two or more brokers claim that they are entitled to a commission from having registered a Prospect, the cooperating broker who is the procuring cause of the sale will be entitled to the commission. This registration, or any extension thereof, does not protect Cooperating Broker or Sales Associate from another broker or sales associate registering the same Prospect in the Community.

4.3 Seller will pay the Commission to Cooperating Broker, provided that the terms and conditions contained herein are satisfied and except as otherwise set forth above, relating to later-registering cooperating brokers. In all cases, Sales Associate agrees to look solely to Cooperating Broker for payment of any commission. By way of example, if Sales Associate terminates his/her employment with a registered Cooperating Broker who is entitled to a commission pursuant to this Participation Policy, then Sales Associate shall have no claim against Seller with respect to such commission.

4.4 Cooperating Broker and Sales Associate acknowledge that this Participation Policy, the registration forms, sign-up sheets and other incentives, contracts, or items given to Prospects or buyers of homes are trade secrets of Seller. Cooperating Broker agrees to indemnify, defend and hold Seller harmless from and against any and all claims, demands, damages, losses, costs and expenses of whatever nature or kind, including reasonable attorneys' fees, paraprofessional fees and costs relating to or arising out of any claim against Seller as a result of conduct or representations made by Cooperating Broker and/or Sales Associate. In the event that Seller must enforce or defend any of the terms and conditions of this Participation Policy, Seller shall be entitled to collect from Cooperating Broker reasonable attorneys' fees, paraprofessional fees and costs.

5. Cooperating Broker Status, Duties and Prohibitions. Sales Associate, on behalf of himself/herself and on behalf of Cooperating Broker, hereby represents, warrants and covenants as follows:

Initials

5.1 Cooperating Broker is a licensed real estate broker in the State of South Carolina and is serving as a single agent on behalf of Buyer in the purchase of the Home. Cooperating Broker agrees to provide Seller with a copy of their current and valid broker license within fifteen (15) days of the execution of the Purchase and Sale Agreement by Buyer.

Initials

5.2 Sales Associate is a licensed real estate broker or salesperson in the State of South Carolina and is a designated agent of Cooperating Broker serving as a single agent on behalf of Buyer in the purchase of the Home. Sales Associate agrees to provide Seller with a copy of their current and valid license within fifteen (15) days of the execution of the Purchase and Sale Agreement by Buyer.

Initials

5.3 Each of Cooperating Broker and Sales Associate shall comply with all requirements of applicable law as an agent on behalf of Buyer in their representation of Buyer in the purchase of the Home and will assist the parties with communication, interposition, advisement, negotiation, contract terms and closing.

Initials

5.4 The Cooperating Broker and/or Sales Associate is/are a licensed real estate broker and/or salesperson in the State of South Carolina, and is serving as a disclosed dual agent for both the Buyer and the Seller. Cooperating Broker and/or Sales Associate hereby agree to provide Seller with a copy of their current and valid license within fifteen (15) days of the execution of the Purchase and Sale Agreement by Buyer. Cooperating Broker and/or Sales Associate agree that they shall not, without express permission, disclose that the Seller will accept a price less than the listing price of that Buyer will pay a price greater than the offered price.

6. Acknowledgement by Cooperating Broker. This document supersedes any previous Registration Form filed by the Cooperating Broker or any of its agents or employees with the Seller, its agents or employees. Violation by the Cooperating Broker of any provision of this document will constitute a breach of this document by the Cooperating Broker and will, at the Seller's election, void any obligation of the Seller to pay a commission or fee to the Cooperating Broker and will, at the Seller's election, entitle the Seller to whatever remedies it may have at law or in equity.

## COOPERATING BROKER ADDENDUM

THIS COOPERATING BROKER ADDENDUM (this "Addendum") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") dated as of the eighth day of October, 2011, between Paula Sellers (collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0006 of Block _____ of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to every other addendum attached to the Agreement, which are hereby incorporated by this reference.

2. Cooperating Broker. Notwithstanding anything contained in the Agreement to the contrary, Seller and Buyer acknowledge that Buyer has dealt with the following brokerage firm in connection with the purchase of the Property ("Cooperating Broker"):

Name of Cooperating Broker: Valerie Frasier / Agent Owned
Address: 1081 E. Montague Ave, N. Chas, SC 29405
Business Phone: 843-225-8830
Name of Sales Associate of Cooperating Broker: Valerie Frasier
Date of Registration: 10/08/2011 Valerie Frasier

3% + 1.5% bonus

Seller agrees to pay Cooperating Broker, at Closing, a commission in the amount of three percent (3%) of the Base Purchase Price plus the Homesite Premium less any builder incentives and/or discounts to the Base Purchase Price, as that amount is determined by the Purchase Price and Payment Addendum (the "Commission"), subject however to the terms and conditions set forth below and in a separate Cooperating Broker Agreement ("Broker Agreement"). As set forth herein, "incentive" shall mean the total dollar value of all consideration, incentives, discounts, credits, reductions, gifts or other inducements offered or arranged by Seller in connection with Buyer's purchase of the Property, including, without limitation, any: reduction or discount in the Total Purchase Price, Base Purchase Price, or the Homesite Premium; credit for or contribution toward Closing Costs; payment of or contribution toward assessments or capital contributions charged by any homeowner's association or Seller; payment of or contribution toward homeowner's casualty or liability insurance, and/or lease payments; financing incentive such as payment of buy down fees to the Lender; and retail value of any gift to Buyer. No Commission shall be payable by Seller unless Buyer consummates the purchase of the Property in accordance with the terms and conditions of the Purchase and Sale Agreement; accordingly, the Commission shall not be deemed earned unless and until the Closing occurs. Buyer agrees that it shall be responsible for any other commission due to Cooperating Broker that is in excess of the Commission payable by Seller pursuant to this Addendum and the Broker Agreement and for any commission due to any other real estate brokers or salesmen claiming to have represented Buyer in connection with the purchase of the Property. Notwithstanding the foregoing, Seller agrees to pay any and all commissions due to Seller's New Home Consultants working in Seller's sales office.

3. Governing Law. This Addendum is governed by the law of the state where the Property is located, without regard to its conflicts of law rules.

4. Counterparts. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

5. Conflicts. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

6. Entire Agreement. The Agreement, together with this Addendum and any other addenda or riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

7. Survival. All of the terms of this Addendum shall survive Closing and the delivery of the Deed.

Paula R Sellers

Buyer - Paula Sellers
Date 10.9.2011

Buyer -
Date

Buyer -
Date

Buyer -
Date

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Amy Ney
Date 10/10/11



Buyer _____ Buyer _____

## INSULATION ADDENDUM

THIS INSULATION ADDENDUM (this "Addendum") is executed in conjunction with and, by this reference, incorporated into the Purchase and Sale Agreement (the "Agreement") dated as of the eighth day of OCTOBER , 2011, between Paula Sellers (collectively, "Buyer") and Seller, as defined in the Agreement, respecting Lot 0006 of Block _____, of The Abbey at Spring Grove Subdivision/Plat in the community known as The Abbey at Spring Grove (the "Community").

1. Defined Terms. All initially capitalized terms not defined herein shall have the meanings set forth in the Agreement, and all references in this Addendum to the Agreement shall be deemed to include references to this Addendum and to any other addenda and riders attached to the Agreement, which are hereby incorporated by this reference.

2. Insulation. Pursuant to Title 16, Chapter I, Section 460.16 of the Code of Federal Regulations, the insulation that is or will be installed in the Home where conditioned space meets unconditioned space is as follows and will, according to the manufacturer, yield the R-values stated:

| Location | Type | Thickness | R-Value |
|---|---|---|---|
| Exterior Masonry Walls | N/A | N/A | N/A |
| Exterior Stud Wall | Batt | 3 1/2 inches | R-13 |
| Ceilings | Batt | 10 inches | R-30 |
| Roof | Blown | 12 inches | R-30 |
| N/A | N/A | N/A | N/A |

If so indicated above, fiberglass (also known as glass wool) is/will be used for insulation in the Home. The U.S. Department of Health and Human Services ("HHS") has listed fiberglass as a substance "which may reasonably be anticipated to be a carcinogen." This listing identifies substances selected for further study because of their potential carcinogenic risk but is not an assessment by HHS that there is a causal connection between fiberglass and human cancer. The listing does not establish that fiberglass presents a risk to persons in their daily lives.

3. Counterparts. This Addendum may be executed in counterparts, a complete set of which shall form a single Addendum.

4. Conflicts. In the event of any conflict between this Addendum and the Agreement, this Addendum shall control. In all other respects, the Agreement shall remain in full force and effect.

5. Entire Agreement. The Agreement, together with this Addendum and any other addenda and riders to the Agreement, contains the entire agreement between Buyer and Seller concerning the matters set forth herein. All prior discussions, negotiations and contracts relating to investors and occupancy requirements, if any, whether oral or written, are hereby superseded by these documents. No addition or modification of this Addendum or the Agreement shall be effective unless set forth in writing and signed by Buyer and an authorized agent of Seller.

Buyer - Paula Sellers
Date_____

Buyer -
Date_____

Buyer -
Date_____

Buyer -
Date_____

SELLER: Lennar Carolinas, LLC

Authorized Agent of Seller - Ann Ivey
Date 10/11/11

# EXHIBIT 11

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

# Options Summary

Change Order No: 2
Current Stage No.: 08

PURCHASER(S): Joshua Buetow, Brettany Buetow
COMMUNITY: The Abbey at Spring Grove LOT: 0020
PHASE/SECTION: 60/ ADDRESS: 240 Maywood Drive, Moncks Corner SC 29461
BLOCK: GROUP: 18867600020
PLAN/ELEVATION/GAR: 2059/C/L

Total: $6,500

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Custom | | | | |
| 1 | ~~01/25/2013~~ | 12/11/2012 | Del Samuel Broadway | ~~111~~ | ~~***DELETED***Add Option Upgrade package #3~~ | 0 | -1 | 0 |
| | | | | Super Packages | | | | |
| 2 | 12/11/2012 | | Add Jason Byham HS | UPGSPEC3.1886760.2059 | UPGRADE SPEC PACKAGE (3)<br>Preference: Exterior Vinyl Siding Color. - 1<br>Choice: | 6500 | 1 | 6500 |

Any non-standard (custom) options shall be paid in full in advance (cash or check). This money is non-refundable.
The signature of the New Home Consultant/Designer does not constitute acceptance of these changes by the Seller. These changes shall not be binding until executed by an Authorized Agent of the Seller. The stage of construction of the home may preclude approval of these changes by Seller.

AGREED:

DocuSigned by: Joshua Buetow 5DB9B6F40C83473...
4/30/2013
PURCHASER - Joshua Buetow DATE

DocuSigned by: Brettany Buetow 188FD2108158487...
4/30/2013
PURCHASER - Brettany Buetow DATE

DocuSigned by: Randy Floyd 3FEE08A108BF404...
4/30/2013
NEW HOME CONSULTANT/DESIGNER DATE

In Process

05/02/13
CONSTRUCTION APPROVAL DATE

J.E.B.
4/30/13
SALES APPROVAL DATE

GIL EDWARDS
CONSTRUCTION PRINTED NAME

FINAL APPROVAL - SELLER:

BY:

SELLER'S AUTHORIZED REPRESENTATIVE

DATE

Buyer [illegible] Buyer [illegible]



04/30/2013 03:27 PM
HOMESITE JOB#: 18867600020

APR-30-13 15:20:49

DocuSign Envelope ID: 01AD27CA-4435-42A8-[illegible]D-88D381D72CBD

# Options Summary

Change Order No: 2
Current Stage No.: 08

PURCHASER(S): Joshua Bustow, Brettany Bustow
COMMUNITY: The Abbey at Spring Grove
PHASE/SECTION: 60/
LOT: 0020
ADDRESS: 240 Maywood Drive, Moncks Corner SC 29461
BLOCK: GROUP: 18867600020
PLAN/ELEVATION/GAR: 2059/C/L

Total: $6,500

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Custom | | | | |
| 1 | ~~01/25/2012~~ | 12/11/2012 | Del Samuel Broadway | ~~111~~ | ~~***DELETED***Add Option Upgrade~~ package #3 | 0 | -1 | 0 |
| | | | | Super Packages | | | | |
| 2 | 12/11/2012 | | Add Jason Byham HS | UPGSPEC3.1886760.2059 | UPGRADE SPEC PACKAGE (3)<br>Preference: Exterior Vinyl Siding Color - 1<br>Choice: | 6500 | 1 | 6500 |

Any non-standard (custom) options shall be paid in full in advance (cash or check). This money is non-refundable.
The signature of the New Home Consultant/Designer does not constitute acceptance of these changes by the Seller. These changes shall not be binding until executed by an Authorized Agent of the Seller. The stage of construction of the home may preclude approval of these changes by Seller.

AGREED:

DocuSigned by: Joshua Bustow 5DB0B9F40C83473...
4/30/2013
PURCHASER - Joshua Bustow — DATE

DocuSigned by: Brettany Bustow 188FC2405458487...
4/30/2013
PURCHASER - Brettany Bustow — DATE

DocuSigned by: Randy Floyd 6FEE09A168DF494...
4/30/2013
NEW HOME CONSULTANT/DESIGNER — DATE

CONSTRUCTION APPROVAL — DATE

SALES APPROVAL — DATE

CONSTRUCTION PRINTED NAME

FINAL APPROVAL - SELLER:

BY: DocuSigned by: 23E4DC08541D4F7...
Thomas J Filippello
5/6/2013
SELLER'S AUTHORIZED REPRESENTATIVE — DATE

Buyer _____ Buyer _____



04/30/2013 03:27 PM
HOMESITE JOB#: 18867600020

APR-30-13 15:20:49

# LENNAR

*Color Selection Sheet*

**THE ABBEY AT SPRING GROVE DESIGNER OPTION #3**

Plan: HAWTHORNE II Elevation: C Homesite: 20

Customer: Mr. Joshua + Brethany Beeton

New Address: 240 Maywood Drive

Phone Numbers Home: _____ Other: _____

**EXTERIOR COLORS:** Driftwood Dutch Lap Vinyl Siding **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Almond | | Wicker | | Sandalwood | |
| Canyon Clay | | Antique Ivory | | Dover Gray | |
| Maize | | Sandstone | | Linen | |
| Pebble | | Sage | | | |

**BRICK:** Determined by Elevation

| | | | | | |
|---|---|---|---|---|---|
| Northampton | | Bessemer Grey | | Southampton | |

**VINYL/SHAKE ONLY:** Driftwood Dutch Lap Vinyl Siding/Shake **SHUTTERS:** Black **EXTERIOR TRIM:** White

STONE: N20 Thin

| | | | | | |
|---|---|---|---|---|---|
| Canyon Clay Siding/Almond Shake | | Linen Siding/Wicker Shake | | Santee Ledge | X |
| Almond Siding/Canyon Clay Shake | | Wicker Siding/Linen Shake | | Susquehanna | |
| Sage Siding/Wicker shake | | Antique Ivory Siding/Sandstone Shake | | Saginaw Ledge | |
| Wicker Siding/Sage Shake | X | Sandstone Siding/Antique Ivory Shake | | | |
| Almond Siding/Dover Gray Shake | | ~~Linen Siding/Dover Gray Shake~~ | | | |

**BRICK:** Determined by Elevation

CORRECT COLOR INSTALLED.

| | | | | | |
|---|---|---|---|---|---|
| Northampton | X | Bessemer Grey | | Southampton | |

**CARPET:** Portico Mohawk 727 Canvas Cloth

**CERAMIC TILE:** Sand (Kitchen/Breakfast, Master Bathroom, Hall Bath and Laundry Room

**HARDWOOD:** Portico Oaktown (Foyer & Dining Room)

| | | | | | |
|---|---|---|---|---|---|
| Oak Natural | | Oak Golden | X | Oak Autumn | |
| Oak Cherry | | Oak Oxford | | | |

**CABINETS:** Timberlake - 42" **COUNTERTOPS:** Silestone - Kitchen

| | | | | | |
|---|---|---|---|---|---|
| Nutmeg | X | Kalahari | X | Night Mist | |
| Spice | | Diana Pearl | | Arden Brown | |
| | | Blanco City | | | |

Lennar will determine color selections. Some selections may be discontinued and unavailable at the time of installation. Customer understands dye-lot color variations may occur which is beyond the control of Lennar or the manufacturer. **THE UNDERSIGNED CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ THIS SHEET AND CHECKED IT FOR ACCURACY. NO CHANGES WILL BE ALLOWED. 7/11**

Customer's Signature — 29 APR 13 Date

Customer's Signature — 4/29/13 Date

New Home Consultant — 4/4/13 Date

Construction Manager — 05/02/13 Date

Lennar — 4/30/13 Date

# EXHIBIT 12

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

# LENNAR

## ADDENDUM

Homesite 69 Community The Abbey at Spring Grove Plantation

Buyer Brian and Cindy Chanosa

Street Address 112 Maywood Drive

Special Stipulations: Seller to add granite to the kitchen at no charge to Buyer.
Selling Agent and Selling Agent's Broker in charge agree to waive $1100 of the 4.5% bonus to assist with the cost of Seller adding granite to the kitchen. Seller to provide a gold Visa gift card to selling agent as a bonus.

Contingent on Buyer's clarification and satisfaction of property lot lines and setbacks for Lot 69. Buyers to meet with surveyor week of October 10th.

BC 10.14.11 CC 10/14/11

BC 10/10/11 CC 10/11/11 BC 10/10/11

Buyer — Date 10-10-11

Buyer — Date 10-10-11

Realtor — Date

Brenda S. Jacobs 10/10/11
Broker, Manager

Seller — Date 10/12/11

1041 Savage Rd. Ste 100-Charleston, SC 29414-843.388.8888

# LENNAR

## ADDENDUM

Homesite 59 Community The Abbey at Spring Grove Plantation

Buyer Brian and Cindy Garrison

Street Address 112 Maywood Drive

Special Stipulations: Seller to add granite to the kitchen at no charge to Buyer.
Selling Agent and Selling Agent's Broker in charge agree to waive $1100 of the 1.5% bonus to assist with the cost of Seller adding granite to the kitchen. Seller to provide a $500 Visa gift card to selling agent as a bonus.

Contingent on Buyers' clarification and satisfaction of property lot lines and setbacks for Lot 59. Buyers to meet with surveyor week of October 10-14.

BG 10/10/11
CC 10/11/11
BV 10/10/11
DH 10/14/11

Buyer _____ Date 10-10-11

Buyer _____ Date 10-10-11

Realtor _____ Date _____

Brenda S. Jacobs 10/10/11
Broker, Manager

Seller _____ Date 10/12/11

1041 Savage Rd, Ste 100-Charleston, SC 29414-843.388.8000

# LENNAR

## ADDENDUM

Homesite 69 Community The Abbey at Spring Grove Plantation

Buyer Brian and Cindy Camara

Street Address 112 Maywood Drive

Special Stipulations: Seller to add granite to the kitchen at no charge to Buyer.

Selling Agent and Selling Agent's Broker in charge agree to waive $1100 of the 1.5% bonus to assist with the cost of Seller adding granite to the kitchen. Seller to provide a $500 Visa gift card to selling agent as a bonus.

BC CC 10/10/11

Contingent on Buyers' clarification and satisfaction of property lot lines and setbacks for Lot 59. Buyers to meet with surveyor week of October 10-14.

Buyer — Date 10-10-11

Buyer — Date 10-10-11

Realtor — Date

Brenda S. Jacks 10/10/11
Broker, Manager

Seller — Date 10/12/11

1941 Savage Rd. Ste 100C-Charleston, SC 29414-843.388.8989

# LENNAR

*Color Selection Sheet*
**THE ABBEY DESIGNER OPTION #1**

Plan: Hartford Elevation: A Homesite: TA-59

Customer: Brian & Camara
New Address: 112 Maywood Dr
Phone Numbers Home: 603-978-6641 Other:

**EXTERIOR COLORS:** Driftwood Dutch Lap Vinyl Siding **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Almond | | Wicker | | Sandalwood | |
| Canyon Clay | | Antique Ivory | | Dover Gray | |
| Maize | | Sandstone | | Linen | |
| Pebble | | Sage | X | Pearl | |
| Snow White | | | | | |

**VINYL/SHAKE ONLY:** Driftwood Dutch Lap Vinyl Siding/Shake **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | **STONE:** | |
|---|---|---|---|---|---|
| Canyon Clay Siding/Almond Shake | | Linen Siding/Wicker Shake | | Santee Ledge | |
| Almond Siding/Canyon Clay Shake | | Wicker Siding/Linen Shake | | Susquehanna | |
| Sage Siding/Wicker shake | | Antique Ivory Siding/Sandstone Shake | | Saginaw Ledge | |
| Wicker Siding/Sage Shake | | Sandstone Siding/Antique Ivory Shake | | | |
| Almond Siding/Dover Gray Shake | | Linen Siding/Dover Gray Shake | | | |

**BRICK:** Determined by Elevation

| | | | | | |
|---|---|---|---|---|---|
| Northampton | | Bessemer Grey | | Southampton | |

**CARPET:** Portico Mohawk 727 Canvas Cloth

**VINYL:** Portico Seville

| | |
|---|---|
| Tumbleweed | |
| Golden Bisque | |

**FIREPLACE:** Woodburning with black slate hearth and surround

**HARDWOOD:** Portico Oaktown (Foyer & Dining Room)

| | | | | | |
|---|---|---|---|---|---|
| Oak Natural | | Oak Autumn | | Oak Golden | X |
| Oak Cherry | | Oak Oxford | | | |

**CABINETS:** Timberlake

| | |
|---|---|
| Nutmeg | X |
| Spice | |

**COUNTERTOPS:** Formica

| | | | |
|---|---|---|---|
| Travertine 3526-77 | | Flax Gauze 7708-58 | |
| Sandstone 7265-58 | | Basalt Slate 3690-77 | |
| Jute Gauze 7709-58 | | Granite Uba Tuba | CV BC |

Lennar will determine color selections. Some selections may be discontinued and unavailable at the time of installation. Customer understands dye-lot color variations may occur which is beyond the control of Lennar or the manufacturer. **THE UNDERSIGNED CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ THIS SHEET AND CHECKED IT FOR ACCURACY. NO CHANGES WILL BE ALLOWED. 7/11**

10-2-11
*Customer's Signature* *Date*

10-2-2011
*New Home Consultant* *Date*

*Construction Manager* *Date*

10-2-11
*Customer's Signature* *Date*

10/12/11
*Lennar* 722 *Date*

# LENNAR

**Color Selection Sheet**
**The Abbey @ Spring Grove**

Plan: Hartford Elevation: A Option #1 Homesite: TA-59

Customer: Gary + Nina Wallace
New Address:
Phone Numbers Home: 552-9994 Other: 343-3609

**EXTERIOR COLORS:** Driftwood Dutch Lap Vinyl Siding **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Almond | | Wicker | | Sandalwood | |
| Canyon Clay | | Antique Ivory | | Dover Gray | |
| Maize | | Sandstone | | Linen | |
| Pebble | | Sage | X | | |

**VINYL/SHAKE ONLY:** Driftwood Dutch Lap Vinyl Siding/Shake **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | **STONE:** | |
|---|---|---|---|---|---|
| Canyon Clay Siding/Almond Shake | | Linen Siding/Wicker Shake | | Santee Ledge | |
| Almond Siding/Canyon Clay Shake | | Wicker Siding/Linen Shake | | Susquehanna | |
| Sage Siding/Wicker shake | | Antique Ivory Siding/Sandstone Shake | | Saginaw Ledge | |
| Wicker Siding/Sage Shake | | Sandstone Siding/Antique Ivory Shake | | | |

**BRICK:** Determined by Elevation

| | | | | | |
|---|---|---|---|---|---|
| Northampton | | Bessemer Grey | | Southampton | |

**CARPET:** Portico Mohawk 741 Sandstone

**VINYL:** Portico Seville

| | |
|---|---|
| Tumbleweed | |
| Golden Bisque | X |

**FIREPLACE:** Woodburning with black slate hearth and surround

**HARDWOOD:** Portico Sebastian Plank (Foyer & Dining Room)

| | | | | | |
|---|---|---|---|---|---|
| Golden Oak | X | Brazilian Cherry | | Autumn Oak | |

**CABINETS:** Timberlake

| | |
|---|---|
| Nutmeg | X |
| Spice | |

**COUNTERTOPS:** Formica

| | | | |
|---|---|---|---|
| Travertine 3526-77 | | Flax Gauze 7708-58 | |
| Sandstone 7265-58 | | Basalt Slate 3690-77 | X |
| Jute Gauze 7709-58 | | | |

Lennar will determine color selections. Some selections may be discontinued and unavailable at the time of installation. Customer understands dye-lot color variations may occur which is beyond the control of Lennar or the manufacturer. **THE UNDERSIGNED CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ THIS SHEET AND CHECKED IT FOR ACCURACY. NO CHANGES WILL BE ALLOWED.**

Gary T Wallace 3/19/11
Customer's Signature Date

Nina J Wallace 3/19/11
Customer's Signature Date

3-19-11
New Home Consultant Date

Construction Manager 3/28/11
Lennar Date

# LENNAR

## *Color Selection Sheet*
### The Abbey @ Spring Grove

Plan: Hartford  Elevation: A  Homesite: 1A-59

Customer: Gary + Nina Wallace

New Address:

Phone Numbers Home: 843-552-9994  Other: 343-3609

**EXTERIOR COLORS:** Driftwood Dutch Lap Vinyl Siding **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Almond | | Wicker | | Sandalwood | |
| Canyon Clay | | Antique Ivory | | Linen | |
| Maize | | Sandstone | | Dover Gray | |
| Pebble | | Sage | X | | |

**BRICK:** Determined by Elevation

| | | | | | |
|---|---|---|---|---|---|
| Northampton | | Bessemer Grey | | Southampton | |

**VINYL/SHAKE ONLY:** Driftwood Dutch Lap Vinyl Siding/Shake **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Canyon Clay Siding/Almond Shake | | Linen Siding/Wicker Shake | | **STONE:** Santee Ledge | |
| Almond Siding/Canyon Clay Shake | | Wicker Siding/Linen Shake | | Susquehanna | |
| Sage Siding/Wicker shake | | Antique Ivory Siding/Sandstone Shake | | Saginaw Ledge | |
| Wicker Siding/Sage Shake | | Sandstone Siding/Antique Ivory Shake | | | |

**CARPET:** Portico Mohawk 741 Sandstone

**VINYL:** Portico Seville

| | |
|---|---|
| Tumbleweed | |
| Golden Bisque | X |

**CABINETS:** Timberlake

| | | | |
|---|---|---|---|
| Nutmeg | X | Spice | |

**HARDWOOD:** Portico Sebastian Plank-Foyer

| | |
|---|---|
| Autumn Oak | |
| Brazilian Cherry | |
| Golden Oak | X |

**COUNTERTOPS:** Formica

| | | | |
|---|---|---|---|
| Travertine 3526-77 | | Flax Gauze 7708-58 | |
| Sandstone 7265-58 | | Basalt Slate 3690-77 | X |
| Jute Gauze 7709-58 | | | |

Lennar will determine color selections. Some selections may be discontinued and unavailable at the time of installation. Customer understands dye-lot color variations may occur which is beyond the control of Lennar or the manufacturer. **THE UNDERSIGNED CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ THIS SHEET AND CHECKED IT FOR ACCURACY. NO CHANGES WILL BE ALLOWED.**

Gary J. Wallace 3/19/11
*Customer's Signature* *Date*

Nina J. Wallace 3/19/11
*Customer's Signature* *Date*

3-19-11
*New Home Consultant* *Date*

*Construction Manager* *Date*

3/21/11
*Lennar* *Date*

# EXHIBIT 13

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

# Options Summary

Change Order No: 2
Current Stage No.: 10

PURCHASER(S): Mathew Collins
COMMUNITY: The Abbey at Spring Grove
PHASE/SECTION: 60/
LOT: 0009
ADDRESS: 218 Maywood Drive, Moncks Corner SC 29461
BLOCK: GROUP: 18867600009
PLAN/ELEVATION/GAR: 1480/D/L

Total: $1110

| | Add Date | Delete Date | Action | Item | Description | Price | Qty | Total ($) |
|---|---|---|---|---|---|---|---|---|
| | | | | | Custom | | | |
| 1 | 12/02/2011 | | Add Samuel Broadway HS | 111 | Washer and Dryer | 600 | 1 | 600 |
| 2 | 12/02/2011 | | Add Samuel Broadway HS | 222 | 2" Faux blinds | 510 | 1 | 510 |

Any non-standard (custom) options shall be paid in full in advance (cash or check). This money is non-refundable.
The signature of the New Home Consultant/Designer does not constitute acceptance of these changes by the Seller. These changes shall not be binding until executed by an Authorized Agent of the Seller. The stage of construction of the home may preclude approval of these changes by Seller.

AGREED:

PURCHASER - Mathew Collins — DATE 12-2-11
PURCHASER - — DATE
NEW HOME CONSULTANT/DESIGNER — DATE 12-7-2011
CONSTRUCTION APPROVAL — DATE
SALES APPROVAL — DATE
CONSTRUCTION PRINTED NAME — DATE

FINAL APPROVAL - SELLER:
BY: _____
SELLER'S AUTHORIZED REPRESENTATIVE — DATE 12/5/11

Buyer MC Buyer _____


HOMESITE JOB#: 18867600009
DEC-02-11 11:29:15

# EXHIBIT 14

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

LENNAR

# ADDENDUM

Homesite TA-6 Community Spring Grove

Buyer Patricia Damico

Street Address TBD

Special Stipulations:

Seller agrees to install 2in faux wood blinds and a GE washer and dryer.

Buyer Patricia Damico 1-30-11
Date

Buyer
Date

Realtor 1-30-11
Date

Seller
1-31-11
Date

## Options Summary

Change Order No: 2
Current Stage No.: 10

PURCHASER(S): Patricia Danko
COMMUNITY: The Abbey at Spring Grove
PHASE/SECTION: 60/
LOT: 0003
ADDRESS: 216 Maywood Drive, Mencks Corner SC 29461
BLOCK\ GROUP: 188671600003
PLAN/ELEVATION/CAR: 2073/B/L

Total: $1808

| # | Add Date | Pelgo Date | Add/Del | Qty | Code | Option Description | Price | Qty | Total ($) |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | Custom | | | | |
| 1 | 11/07/2011 | | Add<br>ab sanchez<br>HS | | 111 | GE top load washer & dryer | 600 | 1 | 600 |
| 2 | 11/07/2011 | | Add<br>ab sanchez<br>HS | | 111 | 2in front wood blinds | 935 | 1 | 935 |
| 3 | 11/07/2011 | | Add<br>ab sanchez<br>HS | | 333 | Garage door opener w/ 2 remotes | 275 | 1 | 275 |

Any non-standard (custom) options shall be paid in full in advance (cash or check). This money is non-refundable.
The signature of the New Home Consultant/Designer does not constitute acceptance of these changes by the Seller. These changes shall not be binding until executed by an Authorized Agent of the Seller. The stage of construction of the home may preclude approval of these changes by Seller.

AGREED:

Patricia Danko 11/7/11

| | | | |
|---|---|---|---|
| PURCHASER - Patricia Danko | DATE | PURCHASER - | DATE |
| NEW HOME CONSULTANT/DESIGNER | DATE | CONSTRUCTION APPROVAL | DATE |
| SALES APPROVAL | DATE | CONSTRUCTION PRINTED NAME | DATE |

FINAL APPROVAL (SELLER):
BY: _____
SELLER'S AUTHORIZED REPRESENTATIVE

11-11-11
DATE

Buyer _____ Buyer _____

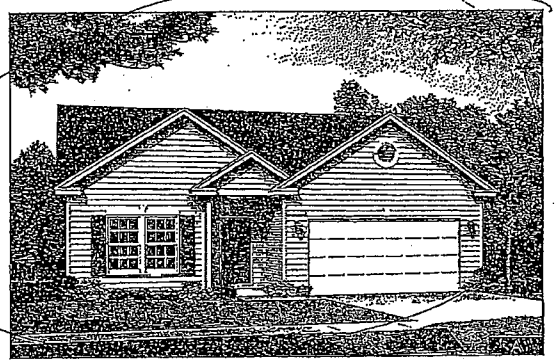
# EXHIBIT 15

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

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# Rosewood

EFD SLD





LENNAR.COM

DocuSign Envelope ID: B4C8DE78-AE08-4493-8839-59C727027060

# Price List

Spring Grove Plantation

| Floorplan | Heated Square Footage | Elevation | Base Price |
|---|---|---|---|
| Indigo | 1480 | A, B | $149,990 |
| | 1480 | C | $150,990 |
| | 1480 | D | $152,990 |
| | 1480 | E | $151,990 |
| Rosewood | 1746 | A | $161,990 |
| | 1746 | B | $164,990 |
| Hawthorne | 1774 | A, B | $162,990 |
| | | C | $165,990 |
| Hawthorne II | 2059 | A, B | $171,990 |
| | | C | $174,990 |
| Cypress | 1926 | A | $172,990 |
| | 1926 | B | $174,990 |
| Hartford | 2073 | A, C | $175,990 |
| | 2073 | B | $178,990 |
| Linden | 2113 | A | $177,990 |
| | 2113 | B | $178,990 |
| | 2113 | C | $179,990 |

Square footage is approximate. Model homes and Welcome Home Centers include decorator colors & features. All prices, plans and specifications are subject to change. Pricing does not include homesite premiums. 2/4/13

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# Designer Package

The Abbey At
Spring Grove
Plantation

DS EFD DS SKD

## Designer Package #3

INTERIOR FINISHES
Ceramic tile in Laundry Room
Ceramic tile or hardwood in Powder Room (per plan)
Hardwood in Foyer, Dining Room, and Family Room (per plan)
Schlage LiNK Home Automation Package including:
one light control, one thermostat control, one entry lock control

KITCHEN
Silestone countertops & backsplash with stainless steel under mount sink
Upgraded 42" flat panel maple cabinets
Ceramic tile in Kitchen/ Breakfast area

BATH
Ceramic tile in Master Bathroom & Hall Bath
Elevated vanity in Master Bath

EXTERIOR FEATURES
Garage door opener with two remotes

**please contact New Home Consultant for pricing confirmation
*Effective after houses started on 8.15.11 or after

revised 1.19.12

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# Included Features

EFD SLD

Spring Grove Plantation

INTERIOR FEATURES
- Smooth finished ceilings throughout
- 9' ceilings on 1st floor, 8' on 2nd floor (per plan), vaulted ceilings (per plan)
- Tray ceiling in Owner's Bedroom (per plan)
- Durable vinyl flooring in Kitchen/Breakfast Area, Laundry Room & Baths
- Hardwood in Foyer
- Upgraded Mohawk® carpet with high-density carpet pad (6lb.) in Family Room, Dining Room, Bedrooms, & Bonus Room (per plan)
- 4 1/4" base board throughout
- 2 panel interior doors with satin nickel hardware
- CAT5e wiring in Family Room, Bonus Room and all Bedrooms
- RG-6 Cable wiring in Family Room, Bonus Room and all Bedrooms
- Ceiling fan pre-wire in all Bedrooms, Family Room, and Bonus Room
- Seagull® Antique Brushed Nickel lighting fixtures in Foyer, Dining Room, Breakfast Room and all Baths
- Closet shelving

EXTERIOR FEATURES
- 10 X 12 patio or covered lanai (per plan)
- Spacious garage with decorative steel raised panel garage door
- 6 panel fiberglass-insulated front door with satin nickel hardware
- Concrete walks & driveway per home site
- Security deadbolts on all exterior doors
- Monolithic slab foundation
- Paneled shutters (per plan)
- Low maintenance dutch lap vinyl siding
- 20 year Certainteed roof shingles
- Termite Taxx® with pest tubes
- Landscape package to include sod in front, sides, & rear yard accented with foundation shrubbery (per plan)
- 2-10 homeowners warranty

KITCHEN FEATURES
- 36" flat panel Maple cabinets
- Recessed lighting in Kitchen (per plan)
- GE® Kitchen featuring black smooth-top self cleaning oven, space saver microwave, multi-cycle dishwasher & refrigerator
- 1/3 HP Badger garbage disposal
- Moen® Solara® stainless steel pull out faucet
- Laminate countertops with stainless steel sink
- Ventilated area above microwave

BATHROOM FEATURES
- Owner's Bath featuring garden tub & separate shower with cultured marble surround and shower door
- Moen® "Eva" brushed nickel faucets
- Moen® "Mason" satin nickel towel
- Bathrooms with cultured marble vanities and elongated commodes
- Pedestal sink with decorative oval mirror in Powder Room (per plan)

ENERGY SAVING FEATURES
- 50-Gallon Rapid Recovery electric hot water heater
- Low-E vinyl single-hung windows with 1/2 screens
- 14 seer energy efficient heating & central air conditioning systems
- Programmable thermostats
- CO2 detectors on each level

HOME AUTOMATION SCHLAGE LINK® SYSTEM
- One thermostat control
- One light control
- One entry lock control

COMMUNITY FEATURES
- Charming community located near downtown Summerville & Goose Creek
- Convenient to shopping & major roadways
- Berkeley County School District
- Pool
- Cabana
- Ballfield
- Playground

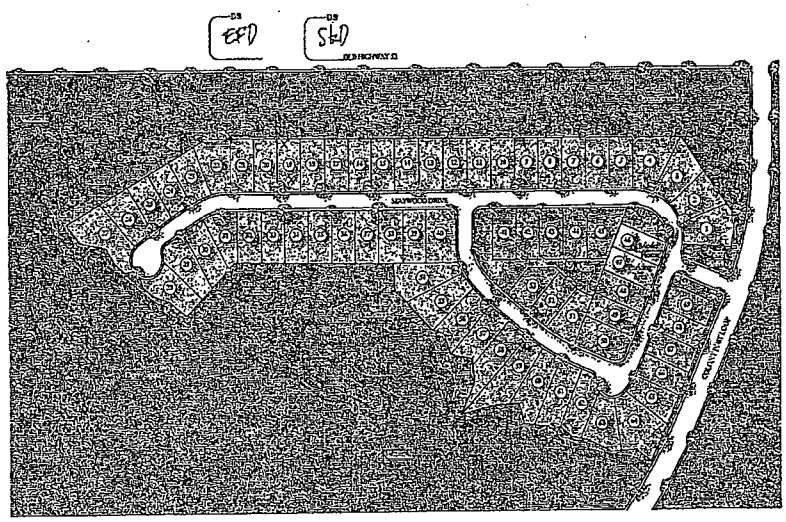
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Some of the features, options, and upgrades may not be available in all communities or all homes. Please see your Lennar Sales Professional for more information. Lennar reserves the right to change or eliminate any of the features, options, and upgrades offered to its customers without prior notice or obligation. Square footage is approximate. Actual square footage may vary. Pictures, photographs, colors, features, and sizes in any model home or sales office may vary from the standard features of the home being offered. Please see your Lennar Sales Professional for more information about the features of the home you are interested in purchasing. Equal Housing Opportunity.

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# Site Plan

Spring Grove
Plantation



DocuSign Envelope ID: B4C8DE78-AE06-4493-8839-59C727027060

# Homesite Premiums

The Abbey At
Spring Grove
Plantation

| Homesite | Premium | Homesite | Premium |
|---|---|---|---|
| 5 | $1,000 | 38 | $4,000 |
| 6 | $1,000 | 39 | $2,500 |
| 7 | $1,000 | 40 | $1,500 |
| 8 | $1,000 | 41 | $2,500 |
| 9 | $1,000 | 42 | $0 |
| 10 | $1,000 | 43 | $0 |
| 11 | $1,000 | 44 | $1,000 |
| 12 | $1,000 | 45 | Off Market |
| 13 | $1,000 | 46 | Model Home |
| 14 | $1,000 | 47 | Parking Lot |
| 15 | $1,000 | 48 | $3,000 |
| 16 | $1,000 | 49 | $500 |
| 17 | $1,500 | 50 | $2,000 |
| 18 | $1,500 | 51 | $1,000 |
| 19 | $1,500 | 52 | $2,000 |
| 20 | $1,500 | 53 | $1,500 |
| 21 | $1,500 | 54 | $2,000 |
| 22 | $1,500 | 55 | $5,000 |
| 23 | $4,000 | 56 | $4,000 |
| 24 | $3,000 | 57 | $4,000 |
| 25 | $3,000 | 58 | $4,000 |
| 26 | $3,000 | 59 | $4,000 |
| 27 | $4,000 | 60 | $5,000 |
| 28 | $5,000 | 61 | $5,000 |
| 29 | $6,000 | 62 | $4,000 |
| 30 | $6,000 | 63 | $6,000 |
| 31 | $5,000 | 64 | $6,000 |
| 32 | $4,000 | 65 | $0 |
| 33 | $4,000 | 66 | $0 |
| 34 | $4,000 | 67 | $0 |
| 35 | $4,000 | 68 | $0 |
| 36 | $4,000 | 69 | $1,000 |
| 37 | $4,000 | | |

EFD SLD

Revised 09.30.11

LENNAR

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# Options Summary

Change Order No: 5
Current Stage No.: ST

PURCHASER(S): Edward Dengg, Sylvia Dengg
COMMUNITY: The Abbey at Spring Grove LOT: 0019 BLOCK: GROUP: 18867600019
PHASE/SECTION: 60/ ADDRESS: 238 Maywood Drive, Moncks Corner SC 29461 PLAN/ELEVATION/GAR: 1746/A/L

Total: $8,650

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Custom** | | | | | | | | |
| 1 | ~~01/24/2012~~ | 12/11/2012 | Del Samuel Broadway | ~~111~~ | ~~***DELETED***Option Package # 3~~ | 0 | -1 | 0 |
| **Hard Window Treatments** | | | | | | | | |
| 2 | 03/09/2013 | | Add randy floyd HS | UBLINDS.1886760.1746 | 2" FAUX WOOD BLINDS PGK | 800 | 1 | 800 |
| **NONE** | | | | | | | | |
| 3 | 03/09/2013 | | Add randy floyd OP | UAPPWD1.1886760.1746 | WHITE GE WASHER & DRYER | 850 | 1 | 850 |
| **Super Packages** | | | | | | | | |
| 4 | 12/11/2012 | | Add Jason Byham HS | UPGSPEC3.1886760.1746 | UPGRADE SPEC PACKAGE (3)<br><br>Preference: Exterior Vinyl Siding Color - 1<br>Choice: | 7000 | 1 | 7000 |

Any non-standard (custom) options shall be paid in full in advance (cash or check). This money is non-refundable.
The signature of the New Home Consultant/Designer does not constitute acceptance of these changes by the Seller. These changes shall not be binding until executed by an Authorized Agent of the Seller. The stage of construction of the home may preclude approval of these changes by Seller.

AGREED:

DocuSigned by: Edward F Dengg 3/9/2013
PURCHASER - Edward Dengg DATE

DocuSigned by: Sylvia L Dengg 3/9/2013
PURCHASER - Sylvia Dengg DATE

DocuSigned by: Randy Floyd 3/9/2013
NEW HOME CONSULTANT/DESIGNER DATE

CONSTRUCTION APPROVAL DATE

SALES APPROVAL DATE

CONSTRUCTION PRINTED NAME

FINAL APPROVAL - SELLER:

DocuSigned by: Thomas J Filippello 3/19/2013
BY: Thomas J Filippello
SELLER'S AUTHORIZED REPRESENTATIVE DATE

Buyer EFD Buyer TJF



03/09/2013 10:28 AM
HOMESITE JOB#: 18867600019

MAR-09-13 10:02:30

DocuSign Envelope ID: C28384C5-3479-4AF2-BBEE-6F07B7AA0C6E

# Options Summary

Change Order No: 5
Current Stage No.: ST

PURCHASER(S): Edward Dengg, Sylvia Dengg
COMMUNITY: The Abbey at Spring Grove LOT: 0019
PHASE/SECTION: 60/ ADDRESS: 238 Maywood Drive, Monoks Corner SC 29461
BLOCK: GROUP: 18867600019
PLAN/ELEVATION/GAR: 1746/A/L

Total: $8,650

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Custom | | | | |
| 1 | ~~01/24/2012~~ | 12/11/2012 | Del Samuel Broadway | ~~H1~~ | ~~***DELETED***Option Package #3~~ | 0 | -1 | 0 |
| | | | | Hard Window Treatments | | | | |
| 2 | 03/09/2013 | | Add randy floyd HS | UBLINDS.1886760.1746 | 2" FAUX WOOD BLINDS PGK | 800 | 1 | 800 |
| | | | | NONE | | | | |
| 3 | 03/09/2013 | | Add randy floyd OP | UAPPWD1.1886760.1746 | WHITE GE WASHER & DRYER | 850 | 1 | 850 |
| | | | | Super Packages | | | | |
| 4 | 12/11/2012 | | Add Jason Byham HS | UPGSPEC3.1886760.1746 | UPGRADE SPEC PACKAGE (3)<br><br>Preference: Exterior Vinyl Siding Color - 1<br>Choice: | 7000 | 1 | 7000 |

Any non-standard (custom) options shall be paid in full in advance (cash or check). This money is non-refundable.
The signature of the New Home Consultant/Designer does not constitute acceptance of these changes by the Seller. These changes shall not be binding until executed by an Authorized Agent of the Seller. The stage of construction of the home may preclude approval of these changes by Seller.

AGREED:

DocuSigned by: Edward F Dengg 3/9/2013
PURCHASER - Edward Dengg DATE

DocuSigned by: Sylvia L Dengg 3/9/2013
PURCHASER - Sylvia Dengg DATE

DocuSigned by: Randy Floyd 3/9/2013
NEW HOME CONSULTANT/DESIGNER DATE

03/15/13
CONSTRUCTION APPROVAL DATE

3/14/13
SALES APPROVAL DATE

GIL EDWARDS
CONSTRUCTION PRINTED NAME

FINAL APPROVAL - SELLER:

BY: _____ _____

SELLER'S AUTHORIZED REPRESENTATIVE DATE

dropped into Buzzsaw 3.15

Buyer EFD Buyer SLD



03/09/2013 10:28 AM
HOMESITE JOB#: 18867600019

MAR-09-13 10:02:30

## Options Summary

Change Order No: 3
Current Stage No.: PR

PURCHASER(S):
COMMUNITY: The Abbey at Spring Grove LOT: 0019 BLOCK: GROUP: 18867600019
PHASE/SECTION: 60/ ADDRESS: 238 Maywood Drive, Moncks Corner SC 29461 PLAN/ELEVATION/GAR: 1746/A/L

Total: $7,000

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Custom | | | | |
| 1 | ~~01/24/2012~~ | 12/11/2012 | Del<br>Samuel<br>Broadway | ~~111~~ | ~~***DELETED***Option Package #3~~ | 0 | -1 | 0 |
| | | | | Super Packages | | | | |
| 2 | 12/11/2012 | | Add<br>Jason Byham<br>HS | UPGSPEC3,1886760.1746 | UPGRADE SPEC PACKAGE (3)<br><br>Preference: Exterior Vinyl Siding Color - 1<br>Choice: | 7000 | 1 | 7000 |

Any non-standard (custom) options shall be paid in full in advance (cash or check). This money is non-refundable.
The signature of the New Home Consultant/Designer does not constitute acceptance of these changes by the Seller. These changes shall not be binding until executed by an Authorized Agent of the Seller. The stage of construction of the home may preclude approval of these changes by Seller.

AGREED:

PURCHASER - DATE

PURCHASER - DATE

NEW HOME CONSULTANT/DESIGNER DATE

CONSTRUCTION APPROVAL DATE

SALES APPROVAL DATE

CONSTRUCTION PRINTED NAME

FINAL APPROVAL - SELLER:

BY: _____ 12/10/12

SELLER'S AUTHORIZED REPRESENTATIVE DATE

Buyer _____ Buyer _____



HOMESITE JOB#: 18867600019

DEC-11-12 10:41:39

# LENNAR

*Color Selection Sheet*

THE ABBEY AT SPRING GROVE DESIGNER OPTION #3

Plan: Rosewood A  Elevation: A  Homesite: 19

Customer: Edwin & Sylvia Dengg

New Address: 238 Maywood Dr., Monks Corner 29461

Phone Numbers: Home: 502-267-9571  Other: 502-558-7484

EXTERIOR COLORS: Driftwood Dutch Lap Vinyl Siding  SHUTTERS: Black  EXTERIOR TRIM: White

| | | | | | |
|---|---|---|---|---|---|
| Almond | | Wicker | | Sandalwood | X |
| Canyon Clay | | Antique Ivory | | Dover Gray | |
| Maize | | Sandstone | | Linen | |
| Pebble | | Sage | | | |

BRICK: Determined by Elevation

Northampton | Bessemer Grey | Southampton

VINYL/SHAKE ONLY: Driftwood Dutch Lap Vinyl Siding/Shake  SHUTTERS: Black  EXTERIOR TRIM: White

| | | | | | |
|---|---|---|---|---|---|
| Canyon Clay Siding/Almond Shake | | Linen Siding/Wicker Shake | | STONE: Santee Ledge | |
| Almond Siding/Canyon Clay Shake | | Wicker Siding/Linen Shake | | Susquehanna | |
| Sage Siding/Wicker shake | | Antique Ivory Siding/Sandstone Shake | | Saginaw Ledge | |
| Wicker Siding/Sage Shake | | Sandstone Siding/Antique Ivory Shake | | | |
| Almond Siding/Dover Gray Shake | | Linen Siding/Dover Gray Shake | | | |

BRICK: Determined by Elevation

Northampton | Bessemer Grey | Southampton

CARPET: Portico Mohawk 727 Canvas Cloth

CERAMIC TILE: Sand (Kitchen/Breakfast, Master Bathroom, Hall Bath and Laundry Room

HARDWOOD: Portico Oaktown (Foyer & Dining Room)

| | | | | | |
|---|---|---|---|---|---|
| Oak Natural | | Oak Golden | X | Oak Autumn | |
| Oak Cherry | | Oak Oxford | | | |

CABINETS: Timberlake - 42"  COUNTERTOPS: Silestone - Kitchen

| | | | | | |
|---|---|---|---|---|---|
| Nutmeg | X | Kalahari | X | Night Mist | |
| Spice | | Diana Pearl | | Arden Brown | |
| | | Blanco City | | | |

Lennar will determine color selections. Some selections may be discontinued and unavailable at the time of installation. Customer understands dye-lot color variations may occur which is beyond the control of Lennar or the manufacturer. THE UNDERSIGNED CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ THIS SHEET AND CHECKED IT FOR ACCURACY. NO CHANGES WILL BE ALLOWED. 7/11

DocuSigned by: Edward F. Dengg 3/11/2013
Customer's Signature  Date

DocuSigned by: Sylvia L. Dengg 3/11/2013
Customer's Signature  Date

New Home Consultant  3/11/13 Date

Construction Manager  3/11/13 Date

Lennar

Sent to Acld 3.13

# EXHIBIT 16

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

# Options Summary

Change Order No: 5
Current Stage No.: 10

PURCHASER(S): Jonathan Douglass, Theresa Douglass
COMMUNITY: The Abbey at Spring Grove LOT: 0043 BLOCK: GROUP: 18867600043
PHASE/SECTION: 60/ ADDRESS: 215 Maywood Drive, Moncks Corner SC 29461 PLAN/ELEVATION/GAR: 2113/A/L

Total: $9,828

| # | Add Date | Delete Date | Add/Del | Code | Option Description | Price | Qty | Total ($) |
|---|---|---|---|---|---|---|---|---|
| | | | | Custom | | | | |
| 1 | ~~09/26/2011~~ | 09/29/2011 | Del Samuel Broadway HS | ~~222~~ | ~~***DELETED***Upgrade option #3~~ | 0 | -1 | 0 |
| 2 | 02/13/2012 | | Add Samuel Broadway HS | 222 | Walk Gate (garage side) | 200 | 1 | 200 |
| | | | | NONE | | | | |
| 3 | ~~09/23/2011~~ | 09/26/2011 | Del Samuel Broadway HS | ~~11111~~ | ~~***DELETED***Upgrade to Granit - Cielo~~ Ornamental | 0 | -1 | 0 |
| 4 | 09/29/2011 | | Add Suzanne Nedovich HS | 333 | Upgrade Option Pkg 3 | 7500 | 1 | 7500 |
| 5 | 02/13/2012 | | Add Samuel Broadway HS | UFENCE10.1886760.2113 | 6' WD PRIVACY FENCING | 16 | 133 | 2128 |

Any non-standard (custom) options shall be paid in full in advance (cash or check). This money is non-refundable.
The signature of the New Home Consultant/Designer does not constitute acceptance of these changes by the Seller. These changes shall not be binding until executed by an Authorized Agent of the Seller. The stage of construction of the home may preclude approval of these changes by Seller.

~~AGREED:~~

PURCHASER - Jonathan Douglass — DATE 2/13/12

PURCHASER - Theresa Douglass — DATE 2/13/12

NEW HOME CONSULTANT/DESIGNER — DATE 2-13-2012

CONSTRUCTION APPROVAL — DATE

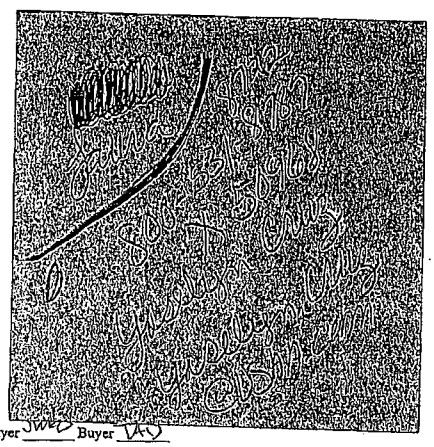
SALES APPROVAL — DATE

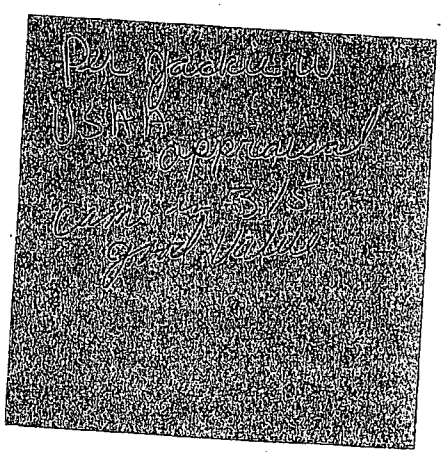
CONSTRUCTION PRINTED NAME — DATE

FINAL APPROVAL - SELLER:

BY: _____

SELLER'S AUTHORIZED REPRESENTATIVE — DATE 2/14/12





Buyer JWD Buyer TAD

LENNAR

# ADDENDUM

Homesite 43 Community The Abbey at Spring Grove Plantation

Buyer Jonathan WE Douglass/Theresa A Douglass

Street Address 215 Maywood Drive, Moncks Corner SC 29461

Special Stipulations:

All Furnishings with In home convey with home purchase and closing.

Buyer — Date 2/13/12

Buyer — Date 2/13/12

Realtor — Date 2/13/12

Seller — Date 2/14/12

LENNAR

*Color Selection Sheet*

**THE ABBEY AT SPRING GROVE DESIGNER OPTION #3**

Plan: _____ Elevation: A Homesite: 43

Customer: Sandhoff, Theresa Douglass

New Address: 215 Maywood Dr.

Phone Numbers Home: _____ Other: _____

**EXTERIOR COLORS:** Driftwood Dutch Lap Vinyl Siding **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Almond | | Wicker | | Sandalwood | |
| Canyon Clay | | Antique Ivory | | Dover Gray | |
| Maize | | Sandstone | | Linen | |
| Pebble | | Sage | | | |

**BRICK:** Determined by Elevation

| | | | | | |
|---|---|---|---|---|---|
| Northampton | | Bessemer Grey | | Southampton | |

**VINYL/SHAKE ONLY:** Driftwood Dutch Lap Vinyl Siding/Shake **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Canyon Clay Siding/Almond Shake | | Linen Siding/Wicker Shake | | **STONE:** | |
| Almond Siding/Canyon Clay Shake | | Wicker Siding/Linen Shake | | Santee Ledge | |
| Sage Siding/Wicker shake | X | Antique Ivory Siding/Sandstone Shake | | Susquehanna | |
| Wicker Siding/Sage Shake | | Sandstone Siding/Antique Ivory Shake | | Saginaw Ledge | |
| Almond Siding/Dover Gray Shake | | Linen Siding/Dover Gray Shake | | | |

**BRICK:** Determined by Elevation

| | | | | | |
|---|---|---|---|---|---|
| Northampton | X | Bessemer Grey | | Southampton | |

**CARPET:** Portico Mohawk 727 Canvas Cloth

**CERAMIC TILE:** Sand (Kitchen/Breakfast, Master Bathroom, Hall Bath and Laundry Room

**HARDWOOD:** Portico Oaktown (Foyer & Dining Room)

| | | | | | |
|---|---|---|---|---|---|
| Oak Natural | | Oak Golden | X | Oak Autumn | |
| Oak Cherry | | Oak Oxford | | | |

**CABINETS:** Timberlake - 42" **COUNTERTOPS:** Silestone - Kitchen

| | | | | | |
|---|---|---|---|---|---|
| Nutmeg | | Kalahari | | Night Mist | |
| Spice | X | Diana Pearl | | Arden Brown | |
| | | Blanco City | X | | |

Lennar will determine color selections. Some selections may be discontinued and unavailable at the time of installation. Customer understands dye-lot color variations may occur which is beyond the control of Lennar or the manufacturer. **THE UNDERSIGNED CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ THIS SHEET AND CHECKED IT FOR ACCURACY. NO CHANGES WILL BE ALLOWED. 7/11**

Customer's Signature — 2/13/12 Date

Customer's Signature — 2/13/2012 Date

New Home Consultant — 2-13-2012 Date

Construction Manager — Date

Lennar — 2/14/12 Date

## Options Summary

Change Order No: 3
Current Stage No: 05

PURCHASER(S):
COMMUNITY: The Abbey at Spring Grove LOT: 0043 BLOCK: GROUP: 18867600043
PHASE/SECTION: 60/ ADDRESS: 215 Maywood Drive, Mooks Corner SC 29461 PLAN/ELEVATION/CAR: 2113/A/L

Total: $7500

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Custom | | | | |
| 1 | ~~09/26/2011~~ | ~~09/29/2011~~ | Del Samuel Broadway HS | 222 | Upgrade option #3 | 0 | -1 | 0 |
| | | | | NONE | | | | |
| 2 | ~~09/23/2011~~ | ~~09/26/2011~~ | Del Samuel Broadway HS | 1111 | Upgrade to Granit - Cielo Ornamental | 0 | -1 | 0 |
| 3 | 09/29/2011 | | Add Suzanne Nedovich HS | 333 | Upgrade Option Pkg 3 | 7500 | 1 | 7500 |

Any non-standard (custom) options shall be paid in full in advance (cash or check). This money is non-refundable.
The signature of the New Home Consultant/Designer does not constitute acceptance of these changes by the Seller. These changes shall not be binding until executed by an Authorized Agent of the Seller. The stage of construction of the house may preclude approval of these changes by Seller.

AGREED:

PURCHASER - DATE 9.29.2011

PURCHASER - DATE

NEW HOME CONSULTANT/DESIGNER DATE

CONSTRUCTION APPROVAL DATE

SALES APPROVAL DATE

CONSTRUCTION PRINTED NAME DATE

FINAL APPROVAL - SELLER:
BY:
SELLER'S AUTHORIZED REPRESENTATIVE

10/3/11
DATE

Buyer_____ Buyer_____

Revised 9-27-11

LENNAR®

## REQUEST FOR START

Date Submitted: 2-24-11 Community: The Abbey

Plan: Linden Elevation: A

Panel #: _____ NHC: AB

INVENTORY HOME

Address: _____

Homesite #: TA-43 Block: _____

Plan Specifications: _____

Garage: (Circle) One Car Two Car Garage Swing: (Circle) Left Right

Base Price: 173,990

Premium: ~~0~~ +7500 option pkg #3

Total Price: 181,490

New Home Consultant: _____ Date: 2-24-11

Director of Sales: _____ Date: 2-25-11

Comments: _____

A COMPLETED COLOR SELECTION SHEET MUST BE SUBMITTED WITH REQUEST FOR START

# LENNAR

*Color Selection Sheet*

THE ABBEY AT SPRING GROVE DESIGNER OPTION #3

Plan: Linden Elevation: A Homesite: 43

Customer: _____

New Address: _____

Phone Numbers Home: _____ Other: _____

**EXTERIOR COLORS:** Driftwood Dutch Lap Vinyl Siding **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Almond | | Wicker | | Sandalwood | |
| Canyon Clay | | Antique Ivory | | Dover Gray | |
| Maize | | Sandstone | | Linen | |
| Pebble | | Sage | | | |

**BRICK:** Determined by Elevation

| | | | | | |
|---|---|---|---|---|---|
| Northampton | | Bessemer Grey | | Southampton | |

**VINYL/SHAKE ONLY:** Driftwood Dutch Lap Vinyl Siding/Shake **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Canyon Clay Siding/Almond Shake | | Linen Siding/Wicker Shake | | **STONE:** | |
| Almond Siding/Canyon Clay Shake | | Wicker Siding/Linen Shake | | Santee Ledge | |
| Sage Siding/Wicker shake | X | Antique Ivory Siding/Sandstone Shake | | Susquehanna | |
| Wicker Siding/Sage Shake | | Sandstone Siding/Antique Ivory Shake | | Saginaw Ledge | |
| Almond Siding/Dover Gray Shake | | Linen Siding/Dover Gray Shake | | | |

**BRICK:** Determined by Elevation

| | | | | | |
|---|---|---|---|---|---|
| Northampton | X | Bessemer Grey | | Southampton | |

**CARPET:** Portico Mohawk 727 Canvas Cloth

**CERAMIC TILE:** Sand (Kitchen/Breakfast, Master Bathroom, Hall Bath and Laundry Room

**HARDWOOD:** Portico Oaktown (Foyer & Dining Room)

| | | | | | |
|---|---|---|---|---|---|
| Oak Natural | | Oak Golden | X | Oak Autumn | |
| Oak Cherry | | Oak Oxford | | | |

**CABINETS:** Timberlake - 42"

| | | | | | |
|---|---|---|---|---|---|
| Nutmeg | | Kalahari | | Night Mist | |
| Spice | X | Diana Pearl | | Arden Brown | |
| | | Blanco City | X | | |

**COUNTERTOPS:** Silestone - Kitchen

Lennar will determine color selections. Some selections may be discontinued and unavailable at the time of installation. Customer understands dye-lot color variations may occur which is beyond the control of Lennar or the manufacturer. **THE UNDERSIGNED CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ THIS SHEET AND CHECKED IT FOR ACCURACY. NO CHANGES WILL BE ALLOWED. 7/11**

| | | | |
|---|---|---|---|
| *Customer's Signature* | *Date* | *New Home Consultant* | *Date* 9-26-11 |
| | | *Construction Manager* | *Date* 9-26-11 |
| *Customer's Signature* | *Date* | *Lennar* | *Date* 9/27/11 |

# Options Summary

Change Order No: 2
Current Stage No.: 05

PURCHASER(S):
COMMUNITY: The Abbey at Spring Grove
PHASE/SECTION: 60/
LOT: 0043
ADDRESS: 215 Maywood Drive, Moncks Corner SC 29461
BLOCK: GROUP: 18867600043
PLAN/ELEVATION/GAR: 2113/A/L

Total: ~~$4900~~ 1500

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Custom | | | | |
| 1 | 09/26/2011 | | Add Samuel Broadway HS | 222 | Upgrade option #3 | 4900 | 1 | ~~4900~~ |
| | | | | NONE | | | | |
| 2 | ~~09/23/2011~~ | ~~09/26/2011~~ | Del Samuel Broadway HS | ~~11111~~ | ~~Upgrade to Granit - Cielo Ornamental~~ | 0 | -1 | 0 |

Any non-standard (custom) options shall be paid in full in advance (cash or check). This money is non-refundable.
The signature of the New Home Consultant/Designer does not constitute acceptance of those changes by the Seller. Those changes shall not be binding until executed by an Authorized Agent of the Seller. The stage of construction of the home may preclude approval of these changes by Seller.

AGREED:

| | | | |
|---|---|---|---|
| PURCHASER - [signature] | DATE 9-26-11 | PURCHASER - [signature] | DATE 9-26-11 |
| NEW HOME CONSULTANT/DESIGNER | DATE | CONSTRUCTION APPROVAL | DATE |
| SALES APPROVAL | DATE | CONSTRUCTION PRINTED NAME | DATE |

FINAL APPROVAL - SELLER:
BY: [signature] 9/27/11
SELLER'S AUTHORIZED REPRESENTATIVE — DATE

Buyer_____ Buyer_____

# EXHIBIT 17

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

# LENNAR

**Color Selection Sheet**
**Ricefield @ Spring Grove**

Plan: Dorchester Elevation: C Homesite: RF-40

Customer: Spec
New Address: Chad Crara
Phone Numbers Home:
Work: Work:
Cell: Cell: 619-988-7340

**EXTERIOR COLORS:** Centennial Beaded Vinyl Siding **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Almond | | Wicker | | Sandalwood | |
| Canyon Clay | | Antique Ivory | | Snow White | |
| Maize | | Sandstone | | Linen | |
| | | | | Sage | X |

**BRICK:** Determined by Elevation

| | | | | | |
|---|---|---|---|---|---|
| Northampton | | Cape Cod | | Southampton | |

**INTERIOR COLORS:**

**CARPET:** Portico Mohawk 741 Sandstone

**HARDWOOD:** Portico Sebastian Plank **CERAMIC TILE:** Sand

| | | | |
|---|---|---|---|
| Golden Oak | X | Brazilian Cherry | |
| Autumn Oak | | | |

**BATHS:** All vanities are white cultured marble. Toilets and tubs are white.

**CABINETS:** Avalon **COUNTERTOPS:** Corian **FIREPLACE SURROUND:**

| | | | | | |
|---|---|---|---|---|---|
| Saddle | | Silt | | Black Slate | X |
| Rouge | X | Burnt Amber | | | |
| Autumn | | Sandstone | X | | |

Lennar will determine color selections. Some selections may be discontinued and unavailable at the time of installation. Customer understands dye-lot color variations may occur which is beyond the control of Lennar or the manufacturer. **THE UNDERSIGNED CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ THIS SHEET AND CHECKED IT FOR ACCURACY. NO CHANGES WILL BE ALLOWED.**

Customer's Signature 4-26-11 Date
New Home Consultant 3-14-11 Date
Customer's Signature 4-26-11 Date
Lennar 5/12/11 Date

**Berkeley County Government**
**PO Box 6122**
**Moncks Corner, SC 29461**
(843) 719-4292 Moncks Corner • (843) 723-3800 x4292 • (843) 567-3136 x4292 St. Stephen

## Certificate of Occupancy

**Printed: 05/17/2011**

**Address:** 146 HARVEST MOON Road
MONCKS CORNER, SC 29461

**Permit #:** RES-1-11-10403
**Parcel #:** 2111102040
**Fire District:** F13
**Zoning:** PDMU

**Project:** <NONE>

**Owner:** Spring Grove Plantion Development Inc.

**Job Description:** New sf residence w/attached garage

**Sprinkler System:**

**Flood Zone:** Not in SCDBA or FEMA

This structure has been inspected for compliance with the requirements of the 2006 Intl Residential Code for occupancy as described.

Henry Jackson
Building & Codes Enforcement
Building Official

**Issued: 05/17/2011**

# EXHIBIT 18

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

# Options Summary

Change Order No: 5
Current Stage No: 10

PURCHASER(S): Danny Morrow, Elise Morrow
COMMUNITY: The Abbey at Spring Grove LOT: D009 BLOCK/ GROUP: 18867600005
PHASE/SECTION: 60/ ADDRESS: 210 Maywood Drive, Moncks Corner SC 29461 PLAN/ELEVATION/GAR: 1926/A/R

Total: $8457

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | Custom | | | | |
| 1 | 09/15/2011 | | Add Samuel Broadway HS | 111 | Upgrade Option #1 | 2500 | 1 | 2500 |
| 2 | 09/15/2011 | | Add Samuel Broadway HS | 222 | 6' privacy fence | 2082 | 1 | 2082 |
| 3 | 09/25/2011 | | Add Samuel Broadway HS | 222 | Granite Counter Tops | 1300 | 1 | 1300 |
| 4 | 09/25/2011 | | Add Samuel Broadway HS | 333 | Faux Wood 2" Blinds | 600 | 1 | 600 |
| 5 | 10/13/2011 | | Add Samuel Broadway HS | 444 | Add garage door opener and remotes | 275 | 1 | 275 |
| | | | | NONE | | | | |
| 6 | 09/25/2011 | | Add Samuel Broadway HS | UAEPWD1.1886760.1926 | WHITE GE WASHER & DRYER FRONT LOAD | 1300 | 1 | 1300 |
| 7 | 09/25/2011 | | Add Samuel Broadway HS | UFGATE1.1886760.1926 | WD FENCING WALK THROUGH GATE | 200 | 1 | 200 |
| 8 | 09/25/2011 | | Add Samuel Broadway HS | UFGATE1.1886760.1926 | WD FENCING WALK THROUGH GATE | 200 | 1 | 200 |

Any non-standard (custom) options shall be paid in full in advance (cash or check). This money is non-refundable.
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AGREED:

PURCHASER - Danny Morrow — DATE: 10/17/11

PURCHASER - Elise Morrow — DATE

NEW HOME CONSULTANT/DESIGNER — DATE

CONSTRUCTION APPROVAL — DATE

SALES APPROVAL — DATE: 10/20/11

CONSTRUCTION PRINTED NAME — DATE

FINAL APPROVAL - SELLER:
BY: 10/20/11
SELLER'S AUTHORIZED REPRESENTATIVE — DATE

Buyer DM Buyer

# LENNAR

## *Color Selection Sheet*
## THE ABBEY DESIGNER OPTION #1

Plan: Cypress Elevation: A Homesite: # 5

Customer: Danny Marrow
New Address: 210 Maywood Dr.
Phone Numbers Home: 843-377-3108 Other:

**EXTERIOR COLORS:** Driftwood Dutch Lap Vinyl Siding **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Almond | | Wicker | | Sandalwood | |
| Canyon Clay | | Antique Ivory | | Dover Gray | |
| Maize | | Sandstone | | Linen | |
| Pebble | ✓ | Sage | | Pearl | |
| Snow White | | | | | |

**VINYL/SHAKE ONLY:** Driftwood Dutch Lap Vinyl Siding/Shake **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Canyon Clay Siding/Almond Shake | | Linen Siding/Wicker Shake | | **STONE:** Santee Ledge | |
| Almond Siding/Canyon Clay Shake | | Wicker Siding/Linen Shake | | Susquehanna | |
| Sage Siding/Wicker shake | | Antique Ivory Siding/Sandstone Shake | | Saginaw Ledge | |
| Wicker Siding/Sage Shake | | Sandstone Siding/Antique Ivory Shake | | | |
| Almond Siding/Dover Gray Shake | | Linen Siding/Dover Gray Shake | | | |

**BRICK:** Determined by Elevation

| | | | | | |
|---|---|---|---|---|---|
| Northampton | | Bessemer Grey | | Southampton | |

**CARPET:** Portico Mohawk 727 Canvas Cloth

**VINYL:** Portico Seville

| | |
|---|---|
| Tumbleweed | |
| Golden Bisque | ✓ |

**FIREPLACE:** Woodburning with black slate hearth and surround

**HARDWOOD:** Portico Oaktown (Foyer & Dining Room)

| | | | | | |
|---|---|---|---|---|---|
| Oak Natural | | Oak Autumn | | Oak Golden | ✓ |
| Oak Cherry | | Oak Oxford | | | |

**CABINETS:** Timberlake

| | |
|---|---|
| Nutmeg | |
| Spice | |

**COUNTERTOPS:** Formica

| | | | |
|---|---|---|---|
| Travertine 3526-77 | ✓ | Flax Gauze 7708-58 | |
| Sandstone 7265-58 | | Basalt Slate 3690-77 | |
| Jute Gauze 7709-58 | X Change to - Cialla ornamental Granite. DM | | |

Lennar will determine color selections. Some selections may be discontinued and unavailable at the time of installation. Customer understands dye-lot color variations may occur which is beyond the control of Lennar or the manufacturer. **THE UNDERSIGNED CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ THIS SHEET AND CHECKED IT FOR ACCURACY. NO CHANGES WILL BE ALLOWED. 7/11**

X _____ 9/25/11
*Customer's Signature* *Date*

_____ 9-25-2011
*New Home Consultant* *Date*

_____
*Construction Manager* *Date*

_____
*Customer's Signature* *Date*

_____ 9/26/11
*Lennar* *Date*

# LENNAR

**Color Selection Sheet**
**The Abbey @ Spring Grove**

Plan: Cypress Elevation: A Homesite: TA-5

Customer: Barbara Hickman
New Address:
Phone Numbers Home: Other:

**EXTERIOR COLORS:** Driftwood Dutch Lap Vinyl Siding **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | | |
|---|---|---|---|---|---|
| Almond | | Wicker | | Sandalwood | |
| Canyon Clay | | Antique Ivory | | Dover Gray | |
| Maize | | Sandstone | | Linen | |
| Pebble | X | Sage | | | |

**VINYL/SHAKE ONLY:** Driftwood Dutch Lap Vinyl Siding/Shake **SHUTTERS:** Black **EXTERIOR TRIM:** White

| | | | | **STONE:** | |
|---|---|---|---|---|---|
| Canyon Clay Siding/Almond Shake | | Linen Siding/Wicker Shake | | Santee Ledge | |
| Almond Siding/Canyon Clay Shake | | Wicker Siding/Linen Shake | | Susquehanna | |
| Sage Siding/Wicker shake | | Antique Ivory Siding/Sandstone Shake | | Saginaw Ledge | |
| Wicker Siding/Sage Shake | | Sandstone Siding/Antique Ivory Shake | | | |

**BRICK:** Determined by Elevation

| | | | | | |
|---|---|---|---|---|---|
| Northampton | | Bessemer Grey | | Southampton | |

**CARPET:** Portico Mohawk 741 Sandstone

**VINYL:** Portico Seville

| | |
|---|---|
| Tumbleweed | |
| Golden Bisque | X |

**FIREPLACE:** Woodburning with black slate hearth and surround

**HARDWOOD:** Portico Sebastian Plank (Foyer & Dining Room)

| | | | | | |
|---|---|---|---|---|---|
| Golden Oak | X | Brazilian Cherry | | Autumn Oak | |

**CABINETS:** Timberlake

| | |
|---|---|
| Nutmeg | X |
| Spice | |

**COUNTERTOPS:** Formica

| | | | |
|---|---|---|---|
| Travertine 3526-77 | X | Flax Gauze 7708-58 | |
| Sandstone 7265-58 | | Basalt Slate 3690-77 | |
| Jute Gauze 7709-58 | | | |

Lennar will determine color selections. Some selections may be discontinued and unavailable at the time of installation. Customer understands dye-lot color variations may occur which is beyond the control of Lennar or the manufacturer. **THE UNDERSIGNED CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ THIS SHEET AND CHECKED IT FOR ACCURACY. NO CHANGES WILL BE ALLOWED.**

Barbara Hickman
*Customer's Signature* *Date*

*Customer's Signature* *Date*

*New Home Consultant* *Date*

*Construction Manager* *Date*

*Lennar* 1-17-11 *Date*

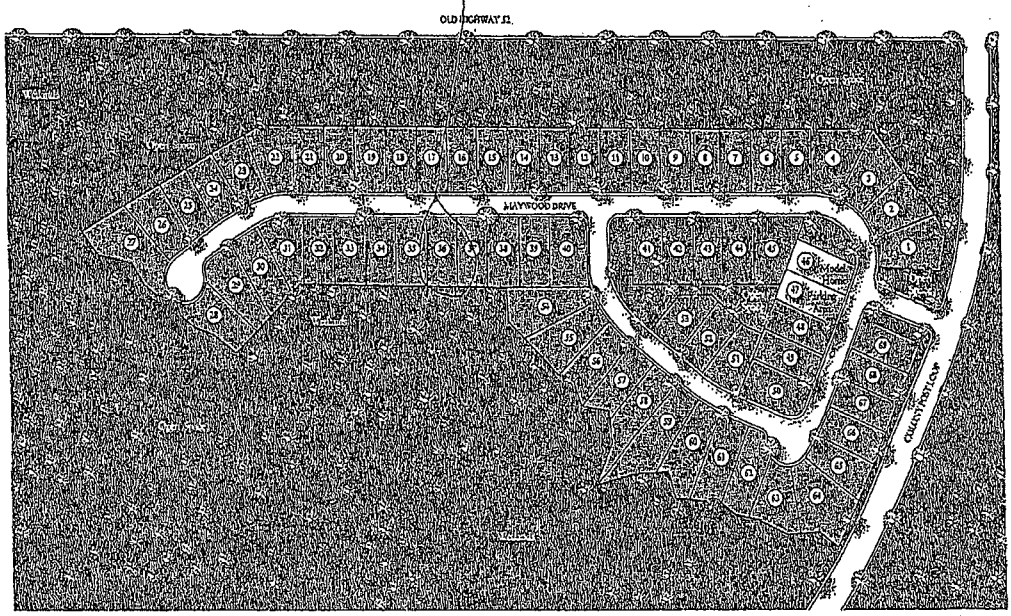
# EXHIBIT 19

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

# Site Plan

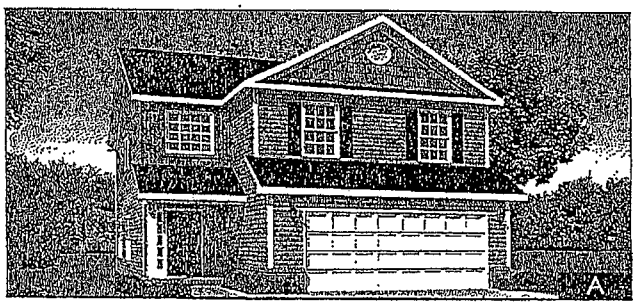
Spring Grove
Plantation

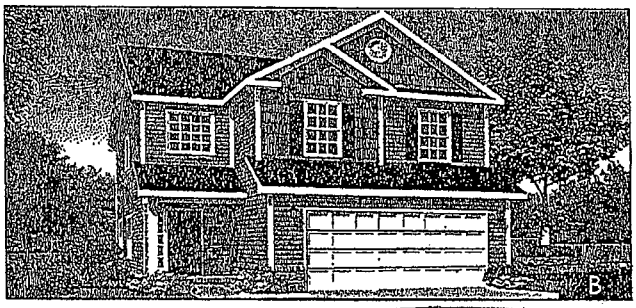
X ALR



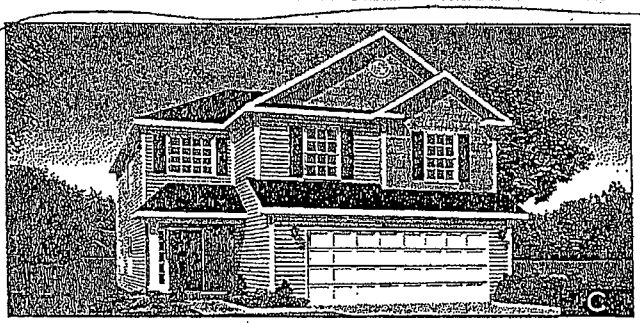

LENNAR.COM

# Linden




X ALR




LENNAR.COM

# Designer Upgrades

The Abbey At
Spring Grove
Plantation

X ALR

## DESIGNER PACKAGE #1

Fireplace
Hardwood in Dining Room and Foyer
Elevated vanity in Master Bathroom
Schlage LiNK Home Automation Package Including:
2 additional modules (3 total), one wireless camera

## DESIGNER PACKAGE #2

INTERIOR FINISHES
Ceramic tile in Laundry Room
Ceramic tile or hardwood in Powder Room (per plan)
Hardwood in Foyer, Dining Room, and Family Room
Fireplace
Blinds
Schlage LiNK Home Automation Package Including:
2 additional modules (3 total), one wireless camera

KITCHEN
Granite countertops & backsplash with stainless steel under mount sink
Upgraded 42" flat panel maple cabinets
Ceramic tile in kitchen/ breakfast area

BATH
Ceramic tile in Master Bathroom and Hall Bath
Elevated vanity in Master Bath

EXTERIOR FEATURES
Garage door opener with two remotes

## DESIGNER PACKAGE #3

INTERIOR FINISHES
Ceramic tile in Laundry Room
Ceramic tile or hardwood in Powder Room (per plan)
Hardwood in Foyer, Dining Room, and Family Room (per plan)
Blinds
Schlage LiNK Home Automation Package Including:
2 additional modules (3 total), one wireless camera

KITCHEN
Granite countertops & backsplash with stainless steel under mount sink
Upgraded 42" flat panel maple cabinets
Ceramic tile in Kitchen/ Breakfast area

BATH
Ceramic tile in Master Bathroom & Hall Bath
Elevated vanity in Master Bath

EXTERIOR FEATURES
Garage door opener with two remotes

See your New Home Consultant for more details
*Updated 5.1.13*

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The specific features in a home may vary from home to home and from one community to another. We reserve the right to substitute equipment, material, appliances and brand names with items of equal or higher, in our sole opinion, value. Color and size variations may occur. The prices of our homes, included features, and available locations are subject to change without notice. Please see the actual home purchase agreement for additional information, disclosures and disclaimers relating to the home and its features. Void where prohibited by law. Copyright © 2011 Lennar Corporation. Lennar and the Lennar logo are service marks or registered service marks of Lennar Corporation and/or its subsidiaries. Revised 3/11 JM

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# Included Features



Spring Grove
Plantation

X ALR

INTERIOR FEATURES
- Smooth finished ceilings throughout
- 9' ceilings on 1st floor, 8' on 2nd floor (per plan), vaulted ceilings (per plan)
- Tray ceiling in Owner's Bedroom (per plan)
- Durable vinyl flooring in Kitchen/Breakfast Area, Laundry Room & Baths
- Hardwood in Foyer
- Upgraded Mohawk® carpet with high-density carpet pad (6lb.) in Family Room, Dining Room, Bedrooms, & Bonus Room (per plan)
- 4 1/4" base board throughout
- 2 panel interior doors with satin nickel hardware
- CAT5e wiring in Family Room, Bonus Room and all Bedrooms
- RG-6 Cable wiring in Family Room, Bonus Room and all Bedrooms
- Ceiling fan pre-wire in all Bedrooms, Family Room, and Bonus Room
- Seagull® Antique Brushed Nickel lighting fixtures in Foyer, Dining Room, Breakfast Room and all Baths
  Closet shelving

EXTERIOR FEATURES
- 10 X 12 patio or covered lanai (per plan)
- Spacious garage with decorative steel raised panel garage door
- 6 panel fiberglass-insulated front door with satin nickel
- hardware
  Concrete walks & driveway per home site
- Security deadbolts on all exterior doors
- Monolithic slab foundation
- Paneled shutters (per plan)
- Low maintenance dutch lap vinyl siding
- 20 year Certainteed roof shingles
- Termite Taexx® with pest tubes
- Landscape package to include sod in front, sides, & rear
- yard accented with foundation shrubbery (per plan)
  2-10 homeowners warranty

KITCHEN FEATURES
- 36" flat panel Maple cabinets
- Recessed lighting in Kitchen (perplan)
- GE® Kitchen featuring black smooth-top self cleaning oven, space saver microwave, multi-cycle dishwasher & refrigerator
- 1/3 HP Badger garbage disposal
- Moen® "Solara" stainless steel pull out faucet
- Laminate countertops with stainless steel sink
- Ventilated area above microwave

BATHROOM FEATURES
- Owner's Bath featuring garden tub & separate shower with cultured marble surround and shower door
- Moen® "Eva" brushed nickel faucets
- Moen® "Mason" satin nickel towel
- Bathrooms with cultured marble vanities and elongated commodes
- Pedestal sink with decorative oval mirror in Powder Room (per plan)

ENERGY SAVING FEATURES
- 50-Gallon Rapid Recovery electric hot water heater
- Low-E vinyl single-hung windows with 1/2 screens
- 14 seer energy efficient heating & central air conditioning systems
- Programmable thermostats
- CO2 detectors on each level

HOME AUTOMATION SCHLAGE LINK® SYSTEM
- One thermostat control
- One light control
- One entry lock control

COMMUNITY FEATURES
- Charming community located near downtown Summerville & Goose Creek
- Convenient to shopping & major roadways
- Berkeley County School District
- Pool
- Cabana
- Ballfield
- Playground

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The specific features in a home may vary from home to home and from one community to another. We reserve the right to substitute equipment, material, appliances and brand names with items of equal or higher, in our sole opinion, value. Color and size variations may occur. The prices of our homes, included features, and available locations are subject to change without notice. Please see the actual home purchase agreement for additional information, disclosures and disclaimers relating to the home and its features. Void where prohibited by law. Copyright © 2013 Lennar Corporation. Lennar and the Lennar logo are service marks or registered service marks of Lennar Corporation and/or its subsidiaries. 2.13

LENNAR

# Price List

## The Abbey at Spring Grove Price Sheet

| Floorplan | Heated Square Footage | Elevation | Base Price |
|---|---|---|---|
| Indigo | 1480 | A, B | $151,490 |
| | 1480 | C | $152,490 |
| | 1480 | D | $154,490 |
| | 1480 | E | $153,490 |
| Rosewood | 1746 | A | $163,490 |
| | 1746 | B | $166,490 |
| Hawthorne | 1774 | A, B | $164,490 |
| | | C | $167,490 |
| Hawthorne II | 2059 | A, B | $173,490 |
| | | C | $176,490 |
| Cypress | 1926 | A | $174,490 |
| | 1926 | B | $176,490 |
| Hartford | 2073 | A, C | $177,490 |
| | 2073 | B | $180,490 |
| Linden | 2113 | A | $180,490 |
| | 2113 | B | $181,490 |
| | 2113 | C | $182,490 |

X ALR

Square footage is approximate. Model homes and Welcome Home Centers include decorator colors & features. All prices, plans and specifications are subject to change. Pricing does not include homesite premiums. 3/18/13

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The specific features in a home may vary from home to home and from one community to another. We reserve the right to substitute equipment, material, appliances and brand names with items of equal or higher, in our sole opinion, value. Color and size variations may occur. The prices of our homes, included features, and available locations are subject to change without notice. Please see the actual home purchase agreement for additional information, disclosures and disclaimers relating to the home and its features. Void where prohibited by law. Copyright © 2011 Lennar Corporation. Lennar and the Lennar logo are service marks or registered service marks of Lennar Corporation and/or its subsidiaries. Revised 3/11/13-NC.

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**ADDENDUM**

HOMESITE: 36

COMMUNITY: ABBEY AT SPRING GROVE

BUYER: ANTHONY RAY

STREET ADDRESS: 233 Maywood Dr. , Moncks Corner, 29461 SC

This addendum amends that certain Purchase and Sale Agreement, dated as of May 8th, 2013, between Buyer and Seller.

1. Seller has disclosed to Buyer that the fireplace installed on this home has caused the side of the home to extend into the setback area. The County has approved the issuance of a certificate of occupancy, a copy of which has been furnished to Buyer.

2. Seller agrees to obtain a formal variance for the above encroachment by filing an application with Berkeley County and paying all fees associated with said application. Purchaser agrees to sign such applications and other documents as may be reasonably necessary to accomplish this filing.

3. All other terms and conditions of the Agreement not modified by the above remain in full force and effect.

Purchaser:

_____
Anthony Ray

Date: _____

Seller:

Lennar Carolinas, LLC

By: _____

Title: AUTHORIZED SIGNER

Date: 5/30/13

# LENNAR®

*Color Selection Sheet*

THE ABBEY DESIGNER OPTION #2

Plan: Linden Elevation: C Homesite: TA36

Customer: Anthony Logan Ray

New Address: 233 Magnolia

Phone Numbers Home: 760-297-8100 Other:

EXTERIOR COLORS: Driftwood Dutch Lap Vinyl Siding SHUTTERS: Black EXTERIOR TRIM: White

| | | |
|---|---|---|
| Almond ☐ | Wicker ☐ | Sandalwood ☐ |
| Canyon Clay ☐ | Antique Ivory ☐ | Dover Gray ☐ |
| Maize ☐ | Sandstone ☐ | Linen ☐ |
| Pebble ☐ | Sage ☐ | Pearl ☐ |
| Snow White ☐ | | |

BRICK: Determined by Elevation

Northampton ☐ Bessemer Grey ☐ Southampton ☐

VINYL/SHAKE ONLY: Driftwood Dutch Lap Vinyl Siding/Shake SHUTTERS: Black EXTERIOR TRIM: White

| | | |
|---|---|---|
| Canyon Clay Siding/Almond Shake ☐ | Linen Siding/Wicker Shake ☑ | STONE: |
| Almond Siding/Canyon Clay Shake ☐ | Wicker Siding/Linen Shake ☐ | Santee Ledge ☐ |
| Sage Siding/Wicker shake ☐ | Antique Ivory Siding/Sandstone Shake ☐ | Susquehanna ☐ |
| Wicker Siding/Sage Shake ☐ | Sandstone Siding/Antique Ivory Shake ☐ | Saginaw Ledge ☐ |
| Almond Siding/Dover Gray Shake ☐ | Linen Siding/Dover Gray Shake ☐ | |

BRICK: Determined by Elevation

Northampton ☐ Bessemer Grey ☒ Southampton ☐

CARPET: Portico Mohawk 727 Canvas Cloth

CERAMIC TILE: Sand (Kitchen/Breakfast, Master Bathroom, Hall Bath and Laundry Room

FIREPLACE: Woodburning with black slate hearth and surround

HARDWOOD: Portico Oaktown (Foyer & Dining Room)

| | | |
|---|---|---|
| Oak Natural ☒ | Oak Autumn ☐ | Oak Golden ☐ |
| Oak Cherry ☐ | Oak Oxford ☐ | |

CABINETS: Timberlake - 42" COUNTERTOPS: Granite

| | | |
|---|---|---|
| Nutmeg ☐ | Uba Tuba ☒ | Blanco Lebion ☐ |
| Spice ☐ | Giallo Latino ☐ | Giallo Ornamental ☐ |

SINK STYLE WITH GRANITE COUNTERTOPS:

Double Bowl ☒ Single Bowl ☐

Lennar will determine color selections. Some selections may be discontinued and unavailable at the time of installation. Customer understands dye-lot color variations may occur which is beyond the control of Lennar or the manufacturer. THE UNDERSIGNED CUSTOMER ACKNOWLEDGES THAT HE/SHE HAS READ THIS SHEET AND CHECKED IT FOR ACCURACY. NO CHANGES WILL BE ALLOWED.

X _____ 5-8-13
Customer's Signature Date

_____
Customer's Signature Date

_____ 5/8/13
New Home Consultant Date

_____ 05/10/13
Construction Manager Date

_____ 5/10/13
Lennar Date

DocuSign Envelope ID: 243614C2-A173-4095-... I-A608744D1226

# Options Summary

Change Order No: 2
Current Stage No.: 06

PURCHASER(S): Anthony Ray
COMMUNITY: The Abbey at Spring Grove
PHASE/SECTION: 60/
LOT: 0036
ADDRESS: 233 Maywood Drive, Moncks Corner SC 29461
BLOCK: GROUP: 18867600036
PLAN/ELEVATION/GAR: 2113/C/R

Total: $9,500

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Basements | | | |
| 1 | 09/27/2012 | | Add Suzanne Nedovich | UPGSPEC2.1886760.2113 | UPGRADE SPEC PACKAGE (2) | 9500 | 1 | 9500 |
| | | | | | NONE | | | |
| ~~2~~ | ~~09/26/2012~~ | 09/27/2012 | Del Suzanne Nedovich | ~~UPG2~~ | ~~***DELETED***UPGRADE PACKAGE #2 (W/FIREPLACE)~~ | 0 | -1 | 0 |

Any non-standard (custom) options shall be paid in full in advance (cash or check). This money is non-refundable.
The signature of the New Home Consultant/Designer does not constitute acceptance of these changes by the Seller. These changes shall not be binding until executed by an Authorized Agent of the Seller. The stage of construction of the home may preclude approval of these changes by Seller.

AGREED:

DocuSigned by: Anthony Logan Ray A67ABE288C804F5...
PURCHASER - Anthony Ray — DATE: 5/8/2013

PURCHASER - — DATE

DocuSigned by: Randy Floyd 33097DBE182641E...
NEW HOME CONSULTANT/DESIGNER — DATE: 5/8/2013

CONSTRUCTION APPROVAL — DATE

SALES APPROVAL — DATE

CONSTRUCTION PRINTED NAME

FINAL APPROVAL - SELLER:

DocuSigned by: Jennifer Petras B88C4A49D9B74C1...
BY: Jennifer Petras — DATE: 5/10/2013

SELLER'S AUTHORIZED REPRESENTATIVE

Buyer ALP — Buyer _____



05/08/2013 01:08 PM
HOMESITE JOB#: 18867600036

MAY-08-13 11:56:50

# EXHIBIT 20

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

OMB Approval No. 2502-0265

# A. Settlement Statement (HUD-1)

B. Type of Loan

| 1. ☐ FHA 2. ☐ RHS 3. ☐ Conv. Uninsured 4. ☒ VA 5. ☐ Conv. Ins. | 6. File Number: 2013050002 | 7. Loan Number: 0008511836 | 8. Mortgage Insurance Case Number: 19-13-8-0433761 |
|---|---|---|---|

C. Note: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

| D. Name and Address of Borrower: | E. Name and Address of Seller: | F. Name and Address of Lender: |
|---|---|---|
| Joshua Buslow<br>Brellany Buslow<br>240 Maywood Drive<br>Moncks Corner, SC 29461 | Lennar Carolinas LLC<br>1941 Savage Road, Suite 100C<br>Charleston, SC 29407 | Universal American Mortgage Company, LLC<br>16550 Lightwave Drive, Ste. 200<br>Clearwater, FL 33760 |

| G. Property Location: | H. Settlement Agent: 57-1074583 | I. Settlement Date: |
|---|---|---|
| 240 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 20<br>The Abbey at Spring Grove<br>211-14-01-055 | Bisel, Byars & Taylor, LLC<br>652 Coleman Blvd., Suite 200<br>Mt. Pleasant, SC 29464 Ph. (843)856-6488<br>Place of Settlement:<br>652 Coleman Blvd., Suite 200<br>Mt. Pleasant SC 29464 | May 29, 2013 |

| J. Summary of Borrower's transaction | | K. Summary of Seller's transaction | |
|---|---|---|---|
| 100. Gross Amount Due from Borrower: | | 400. Gross Amount Due to Seller: | |
| 101. Contract sales price | 180,490.00 | 401. Contract sales price | 180,490.00 ✓ |
| 102. Personal property | | 402. Personal property | |
| 103. Settlement Charges to Borrower (Line 1400) | 8,137.07 | 403. | |
| 104. | | 404. | |
| 105. | | 405. | |
| Adjustments for items paid by Seller in advance | | Adjustments for items paid by Seller in advance | |
| 106. City/Town Taxes to | | 406. City/Town Taxes to | |
| 107. County Taxes to | | 407. County Taxes to | |
| 108. Assessments to | | 408. Assessments to | |
| 109. | | 409. | |
| 110. | | 410. | |
| 111. | | 411. | |
| 112. | | 412. | |
| 120. Gross Amount Due from Borrower | 188,627.07 | 420. Gross Amount Due to Seller | 180,490.00 |
| 200. Amounts Paid by or in Behalf of Borrower | | 500. Reductions in Amount Due Seller: | |
| 201. Deposit or earnest money | 500.00 | 501. Excess deposit (see instructions) | |
| 202. Principal amount of new loan(s) | 184,370.00 | 502. Settlement charges to Seller (Line 1400) | 9,379.52 ✓ |
| 203. Existing loan(s) taken subject to | | 503. Existing loan(s) taken subject to | |
| 204. | | 504. Payoff First Mortgage | |
| 205. | | 505. Payoff Second Mortgage | |
| 206. | | 506. Deposit retained by seller | 500.00 ✓ |
| 207. | | 507. | |
| 208. | | 508. | |
| 209. Seller Paid C/C* | 4,256.63 | 509. Seller Paid C/C* | 4,256.63 ✓ |
| Adjustments for items unpaid by Seller | | Adjustments for items unpaid by Seller | |
| 210. City/Town Taxes to | | 510. City/Town Taxes to | |
| 211. County Taxes 01/01/13 to 05/28/13 | 376.31 | 511. County Taxes 01/01/13 to 05/28/13 | 376.31 ✓ |
| 212. Assessments to | | 512. Assessments to | |
| 213. | | 513. | |
| 214. | | 514. | |
| 215. | | 515. | |
| 216. | | 516. | |
| 217. | | 517. | |
| 218. | | 518. | |
| 219. | | 519. | |
| 220. Total Paid by/for Borrower | 189,502.94 | 520. Total Reduction Amount Due Seller | 14,512.36 |
| 300. Cash at Settlement from/to Borrower | | 600. Cash at settlement to/from Seller | |
| 301. Gross amount due from Borrower (line 120) | 188,627.07 | 601. Gross amount due to Seller (line 420) | 180,490.00 |
| 302. Less amount paid by/for Borrower (line 220) | ( 189,502.94) | 602. Less reductions due Seller (line 520) | ( 14,512.36) |
| 303. Cash ☐ From ☒ To Borrower | 875.77 | 603. Cash ☒ To ☐ From Seller | 165,977.64 |

Substitute Form 1099-S:

SELLER'S TAX ID SOLICITATION: THE INFORMATION IN BLOCKS B, D, H, AND/OR LINES 401, 403, 407 and 408 IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED. YOU ARE REQUIRED BY LAW TO PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

For sales or exchanges of residential real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see the 2012 Schedule D (Form 1040) instructions. If the real estate was not your main home, report this transaction on Form 4797, Sales of Business Property. Form 4797, Part III cannot be used to report a sale or exchange of property that is not your main home if you received or will receive any payment in a later year. If you had more than one sale in 2012, you may be required to use Part II of Form 4797. If you received a loan guaranteed by the proceeds of a qualified mortgage bond or you received a mortgage credit certificate, file Form 8828, Recapture of Federal Mortgage Subsidy, if you sold or disposed of your home at a gain within 9 years after you received the loan. You may have to pay tax. See Form 8828, Recapture of Federal Mortgage Subsidy, and Pub. 523, Selling Your Home.

If you have already paid the real estate tax for the period that includes the sale date, subtract the amount on Lines 406, 407, and 408 from the amount you paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report this amount as income on the "Other Income" line of Form 1040. For more information, see Pub. 523.

For Paperwork Reduction Act Notice, see the 2012 instructions for Forms 1099, 1098, 5498, and W-2.
Department of the Treasury - Internal Revenue Service

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN ON THIS STATEMENT IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER.

| Buyer's Signature | Buyer's Signature | Seller's Signature | Seller's Signature |
|---|---|---|---|
| Date/SSN: | Date/SSN: | Date/SSN: | Date/SSN: |

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the public a record of transaction with information during the settlement process.

## L. Settlement Charges

| | | | | Paid From Borrower's Funds at Settlement | Paid From Seller's Funds at Settlement |
|---|---|---|---|---|---|
| 700. Total Real Estate Broker Fees | | $ 5,287.00 | | | |
| Division of commission (line 700) as follows: | | | | | |
| 701. $ | to | | | | |
| 702. $ 5,287.00 | to Coldwell Banker United Realtors | | | | |
| 703. Commission paid at settlement | | | | | 5,287.00 |
| 704. Agent Bonus (2% of PP) | to Coldwell Banker United Realtors | | | | 3,524.67 |
| 705. | | | | | |
| 800. Items Payable in Connection with Loan | | | | | |
| 801. Our origination charge (includes Origination Point ($ 0.00) | | $ 845.00 | (from GFE #1) | | |
| 802. Your credit or charge (points) for the specific interest rate chosen | | $ | (from GFE #2) | | |
| 803. Your adjusted origination charges | | | (from GFE #A) | 845.00 | |
| 804. Appraisal fee | to VA Appraisar | | (from GFE #3) | 375.00 | |
| 805. Credit Report | to Credco XMI. Credit Service | | (from GFE #3) | 16.70 | |
| 806. Tax service | to | | (from GFE #3) | | |
| 807. Flood certification | to | | (from GFE #3) | | |
| 808. Life of Loan Flood Cert | to 1st American Flood Svcs | | (from GFE #3) | 7.50 | |
| 809. Flood Determination Fee | | | (from GFE #3) | | |
| 810. HUD1300sFlr1442 | | | (from GFE #3) | | |
| 811. | | | (from GFE #3) | | |
| 900. Items Required by Lender to Be Paid in Advance | | | | | |
| 901. Daily interest charges from 05/28/13 | to 06/01/13 | 4 @ $18.41(5510/day | (from GFE #10) | 65.67 | |
| 902. Mortgage insurance premium for | months to Veterans Administration (Financed) | | (from GFE #3) | 3,850.00 | |
| 903. Homeowner's Insurance for 1.0 years to | American Strategic Insurance Corp | | (from GFE #11) | 808.00 | |
| 904. VA Funding Fee 1.0 years to | Veterans Administration (UpFront) | | (from GFE #3) | 0.54 | |
| 905. | | | (from GFE #11) | | |
| 1000. Reserves Deposited with Lender | | | | | |
| 1001. Initial deposit for your escrow account | | | (from GFE #9) | 436.00 | |
| 1002. Homeowner's Insurance 3.000 | months @ $ 67.17 per month | | 201.51 | | |
| 1003. Mortgage Insurance | months @ $ per month | | $ | | |
| 1004. Property taxes | | | 622.89 | | |
| County Taxes 8.000 | months @ $ 77.86 per month | | | | |
| 1005. | | | $ | | |
| 1006. | months @ $ per month | | $ | | |
| 1007. VA Funding Fee | months @ $ per month | | $ | | |
| 1008. | | | $ | | |
| 1009. Aggregate Adjustment | | | -309.33 | | |
| 1100. Title Charges | | | | | |
| 1101. Title services and lender's title insurance | | | (from GFE #4) | 893.50 | |
| 1102. Settlement or closing fee | to Butel, Byars & Taylor, LLC | | $ | | 100.00 |
| 1103. Owner's title insurance to North American Title Insurance Company | | | (from GFE #5) | 75.00 | |
| 1104. Lender's title insurance to North American Title Insurance Company | | | $ 608.50 | | |
| 1105. Lender's title policy limit | $ 184,370.00 | | | | |
| 1106. Owner's title policy limit | $ 180,490.00 | | | | |
| 1107. Agent's portion of the total title insurance premium | to Clear Title Agency, LLC | | $ 350.10 | | |
| 1108. Underwriter's portion of the total title insurance premium | to North American Title Insurance Company | | $ 233.40 | | |
| 1109. | | | | | |
| 1110. | | | | | |
| 1111. | | | | | |
| 1112. | | | | | |
| 1113. | | | | | |
| 1200. Government Recording and Transfer Charges | | | | | |
| 1201. Government recording charges | to RMC Office | | (from GFE #7) | 40.00 | |
| 1202. Deed $ 12.00 | Mortgage $ 28.00 | Releases $ | Other $ | | |
| 1203. Transfer taxes | RMC Office | | (from GFE #6) | | |
| 1204. City/County tax/stamps | $ 667.85 | $ | | | 667.85 |
| 1205. State tax/stamps | $ | $ | | | |
| 1206. | | | | | |
| 1207. | | | | | |
| 1300. Additional Settlement Charges | | | | | |
| 1301. Required services that you can shop for | | | (from GFE #6) | 200.00 | |
| 1302. Survey Fee | to Parker Land Surveying | | $ 200.00 | | -200.00 |
| 1303. 2013 HOA Dues | to MJS on behalf of The Abbey at Spring Gn | | | 197.10 | |
| 1304. Capital Contribution | to MJS on behalf of The Abbey at Spring Gn | | | 300.00 | |
| 1305. | | | | | |
| 1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K) | | | | 8,137.07 | 9,379.52 |

| Comparison of Good Faith Estimate (GFE) and HUD-1 Charges | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Charges That Cannot Increase | HUD-1 Line Number | | |
| Our origination charge | # 801 | 845.00 | 845.00 |
| Your credit or charge (points) for the specific interest rate chosen | # 802 | | |
| Your adjusted origination charges | # 803 | 845.00 | 845.00 |
| Transfer taxes | #1203 | | |

| Charges That In Total Cannot Increase More than 10% | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Government recording charges | #1201 | 60.00 | 40.00 |
| Appraisal fee | # 804 | 375.00 | 375.00 |
| Credit report | # 805 | 75.00 | 16.70 |
| Life of Loan Flood Cert | # 808 | 7.50 | 7.50 |
| Mortgage Insurance Premium | # 902 | 3,880.00 | 3,880.00 |
| VA Funding Fee | # 904 | 0.54 | 0.54 |
| Title services and lender's title insurance | #1101 | 938.11 | 583.60 |
| Owner's title insurance to North American Title Insurance Compa | #1103 | 63.36 | 75.00 |
| Survey Fee | #1302 | 200.00 | 200.00 |
| | Total | 5,589.51 | 5,488.24 |
| | Increase between GFE and HUD-1 Charges | $ -101.27 or | -1.81% |

| Charges That Can Change | | | Good Faith Estimate | HUD-1 |
|---|---|---|---|---|
| Initial deposit for your escrow account | #1001 | | 406.08 | 435.05 |
| Daily interest charges | # 901 | $ 16.41651 0/day | 246.25 | 65.87 |
| Homeowner's Insurance | # 903 | | 812.21 | 808.00 |

Loan Terms

| | |
|---|---|
| Your initial loan amount is | $ 184,370.00 |
| Your loan term is | 30 years |
| Your initial interest rate is | 3.2500 % |
| Your initial monthly amount owed for principal, interest and any mortgage insurance is | $ 802.39 Includes<br>☒ Principal<br>☒ Interest<br>☐ Mortgage Insurance |
| Can your interest rate rise? | ☒ No ☐ Yes, it can rise to a maximum of _____%. The first change will be on _____ and can change again every ___ months after _____. Every change date, your interest rate can increase or decrease by _____%. Over the life of the loan, your interest rate is guaranteed to never be lower than _____% or higher than _____%. |
| Even if you make payments on time, can your loan balance rise? | ☒ No ☐ Yes, it can rise to a maximum of $_____. |
| Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise? | ☒ No ☐ Yes, the first increase can be on _____ and the monthly amount owed can rise to $_____.<br>The maximum it can ever rise to is $_____. |
| Does your loan have a prepayment penalty? | ☒ No ☐ Yes, your maximum prepayment penalty is $_____. |
| Does your loan have a balloon payment? | ☒ No ☐ Yes, you have a balloon payment of $_____ due in ___ years on _____. |
| Total monthly amount owed including escrow account payments | ☐ You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself.<br>☒ You have an additional monthly escrow payment of $146.03 that results in a total initial monthly amount owed of $947.42. This includes principal, interest, any mortgage insurance and any items checked below:<br>☒ Property taxes ☒ Homeowner's Insurance<br>☐ Flood Insurance ☐<br>☐ ☐ |

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

## HUD-1 Attachment

Borrower(s): Joshua Buetow and Brettany Buetow
240 Maywood Drive
Moncks Corner, SC 29461
Lender: Universal American Mortgage Company, LLC
Settlement Agent: Buist, Byars & Taylor, LLC
(843)856-4488
Place of Settlement: 862 Coleman Blvd., Suite 200
Mt. Pleasant SC 29464
Settlement Date: May 28, 2013
Property Location: 240 Maywood Drive
Moncks Corner, SC 29461
Berkeley County, South Carolina
Lot 20
The Abbey at Spring Grove
211-14-01-055

Seller(s): Lennar Carolinas LLC
1941 Savage Road, Suite 100C
Charleston, SC 29407

### Adjusted Origination Charge Details

| | |
|---|---|
| Origination Charge | 25.00 |
| Courier/ Msg Fee to Universal American Mortgage Company, LLC | 25.00 |
| Wire Transfer Fee to Universal American Mortgage Company, LLC | 200.00 |
| Doc Prep Fee to Universal American Mortgage Company, LLC | 595.00 |
| Commitment Fee to Universal American Mortgage Company, LLC | |
| Total | $ 845.00 |

Origination Credit/Charge (points) for the specific interest rate chosen

Total $

Adjusted Origination Charges $ 845.00

### Reserves Deposited with Lender

| | | |
|---|---|---|
| Homeowner's Insurance 3.000 at 67.17 per month | * | 201.51 |
| County Taxes 8.000 at 77.86 per month | * | 622.88 |
| Aggregate Adjustment month | * | -389.33 |
| Total | | $ 435.06 |

| Title Services and Lender's Title Insurance Details | BORROWER | SELLER |
|---|---|---|
| Title Search to Faith Stowe | 35.00 | |
| Title Binder to Clear Title Agency, LLC | 75.00 | - |
| Fedex/ Courier/ Copy to Buist, Byars & Taylor, LLC | 26.00 | |
| Attorney Fee to Buist, Byars & Taylor, LLC | 250.00 | |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20130500O2.PFD/20130500O2/28)

| | | | |
|---|---|---|---|
| Lender's title insurance<br>to North American Title Insurance Company | | 508.50 | |
| | Total | $ 893.50 | $ 0.00 |

| Settlement or Closing Fee Details | | BORROWER | SELLER |
|---|---|---|---|
| Document Preparation Fee<br>to Buist, Byars & Taylor, LLC | | | 100.00 |
| | Total | $ 0.00 | $ 100.00 |

| Owner's Title Insurance | | BORROWER | SELLER |
|---|---|---|---|
| Owner's Policy Premium<br>to North American Title Insurance Company | | 75.00 | |
| | Total | $ 75.00 | $ 0.00 |

| Lender's Title Insurance<br>*fees also shown above in Title Services and Lender's Title Insurance Details | | BORROWER | SELLER |
|---|---|---|---|
| Lender's Policy Premium<br>to North American Title Insurance Company | | 508.50 | |
| | Total | $ 508.50 | $ 0.00 |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(2013050002.PFD/2013050002/28)

## ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

| | |
|---|---|
| **Borrower:** | Joshua Buetow and Brettany Buetow |
| **Seller:** | Lennar Carolinas LLC |
| **Lender:** | Universal American Mortgage Company, LLC |
| **Settlement Agent:** | Buist, Byars & Taylor, LLC<br>(843)856-4488 |
| **Place of Settlement:** | 652 Coleman Blvd., Suite 200<br>Mt. Pleasant SC 29464 |
| **Settlement Date:** | May 28, 2013 |
| **Property Location:** | 240 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 20<br>The Abbey at Spring Grove<br>211-14-01-055 |

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Joshua Buetow

Brettany Buetow

Lennar Carolinas LLC

BY:

ITS: Authorized Agent

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Buist, Byars & Taylor, LLC
Settlement Agent

**WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.**

(20130500Z.PFD/20130000002/Z2)

# EXHIBIT 21

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

OMB Approval No. 2502-0265

# A. Settlement Statement (HUD-1)

B. Type of Loan

| 1. ☐ FHA 2. ☐ RHS 3. ☐ Conv. Unins. 4. ☐ VA 5. ☐ Conv. Ins. | 6. File Number: 2011100049 | 7. Loan Number: 0007703341 | 8. Mortgage Insurance Case Number: |
|---|---|---|---|

C. Note: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

| D. Name and Address of Borrower: | E. Name and Address of Seller: | F. Name and Address of Lender: |
|---|---|---|
| Brian Keith Camara<br>Cynthia A. Camara<br>112 Maywood Drive<br>Moncks Corner, SC 29461 | Lennar Carolinas LLC<br>1941 Savage Road, Suite 100C<br>Charleston, SC 29407 | Universal American Mortgage Company, LLC<br>15550 Lightwave Drive, Ste. 200<br>Clearwater, FL 33760 |

| G. Property Location: | H. Settlement Agent: 57-1074683 | I. Settlement Date: |
|---|---|---|
| 112 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 59<br>The Abbey @ Spring Grove<br>211-14-01-034 | Buist, Byars & Taylor, LLC<br>2660 Elms Plantation Blvd., Bldg. 100, Suite 101<br>N. Charleston, SC 29406 Ph. (843)284-4500<br>Place of Settlement:<br>2660 Elms Plantation Blvd., Bldg. 100, Suite 101<br>N. Charleston, SC 29406 | October 31, 2011 |

| J. Summary of Borrower's transaction | | K. Summary of Seller's transaction | |
|---|---|---|---|
| 100. Gross Amount Due from Borrower: | | 400. Gross Amount Due to Seller: | |
| 101. Contract sales price | 171,740.00 | 401. Contract sales price | 171,740.00 |
| 102. Personal property | | 402. Personal property | |
| 103. Settlement Charges to Borrower (Line 1400) | 7,680.23 | 403. | |
| 104. | | 404. | |
| 105. | | 405. | |
| Adjustments for items paid by Seller in advance | | Adjustments for items paid by Seller in advance | |
| 106. City/Town Taxes to | | 406. City/Town Taxes to | |
| 107. County Taxes to | | 407. County Taxes to | |
| 108. Assessments to | | 408. Assessments to | |
| 109. | | 409. | |
| 110. | | 410. | |
| 111. | | 411. | |
| 112. | | 412. | |
| 120. Gross Amount Due from Borrower | 179,420.23 | 420. Gross Amount Due to Seller | 171,740.00 |
| 200. Amounts Paid by or In Behalf of Borrower | | 500. Reductions In Amount Due Seller: | |
| 201. Deposit or earnest money | 500.00 | 501. Excess deposit (see instructions) | |
| 202. Principal amount of new loan(s) | 165,040.00 | 502. Settlement charges to Seller (Line 1400) | 6,393.14 |
| 203. Existing loan(s) taken subject to | | 503. Existing loan(s) taken subject to | |
| 204. Lender Credit** | 1,237.80 | 504. Payoff First Mortgage | |
| 205. | | 505. Payoff Second Mortgage | |
| 206. | | 506. Deposit retained by seller | 500.00 |
| 207. | | 507. | |
| 208. | | 508. | |
| 209. Seller Paid C/C* | 2,505.23 | 509. Seller Paid C/C* | 2,505.23 |
| Adjustments for items unpaid by Seller | | Adjustments for items unpaid by Seller | |
| 210. City/Town Taxes to | | 510. City/Town Taxes to | |
| 211. County Taxes to | | 511. County Taxes to | |
| 212. Assessments to | | 512. Assessments to | |
| 213. Seller Paid Deed Stamps*** | 636.40 | 513. Seller Paid Deed Stamps*** | 636.40 |
| 214. | | 514. | |
| 215. | | 515. | |
| 216. | | 516. | |
| 217. | | 517. | |
| 218. | | 518. | |
| 219. | | 519. | |
| 220. Total Paid by/for Borrower | 169,919.43 | 520. Total Reduction Amount Due Seller | 10,034.77 |
| 300. Cash at Settlement from/to Borrower | | 600. Cash at settlement to/from Seller | |
| 301. Gross amount due from Borrower (line 120) | 179,420.23 | 601. Gross amount due to Seller (line 420) | 171,740.00 |
| 302. Less amount paid by/for Borrower (line 220) | ( 169,919.43) | 602. Less reductions due Seller (line 520) | ( 10,034.77) |
| 303. Cash ☒ From ☐ To Borrower | 9,500.80 | 603. Cash ☒ To ☐ From Seller | 161,705.23 |

* Substitute Form 1099-S:
SELLER'S TAX ID SOLICITATION: THE INFORMATION IN BLOCKS E, G, H, I AND ON LINES 401, 406, 407 AND 408 IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED. YOU ARE REQUIRED BY LAW TO PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see the 2011 Schedule D (Form 1040) instructions. If the real estate was not your main home, report the transaction on Form 4797, Sales of Business Property, Form 6252, Installment Sale Income, and/or Schedule D (Form 1040), Capital Gains and Losses. You may have to recapture (pay back) all or part of a Federal mortgage subsidy if all the following apply: a) You received a loan provided from the proceeds of a qualified mortgage bond or you received a mortgage credit certificate; b) Your original mortgage loan was provided after 1990, and; c) You sold or disposed of your home at a gain during the first 9 years after you received the Federal mortgage subsidy. This will increase your tax. See Form 8828, Recapture of Federal Mortgage Subsidy, and Pub. 523, Selling Your Home.

If you have already paid the real estate tax for the period that includes the sale date, subtract the amounts on Lines 406, 407 & 408 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report this amount as income on the "Other Income" line of Form 1040. For more information, see Pub. 523.

For Paperwork Reduction Act Notice, see the 2011 Instructions for Forms 1099, 1098, 5498, and W-2G.
Department of the Treasury - Internal Revenue Service

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN BELOW ON THIS STATEMENT IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER.

| Seller's Signature | Seller's Signature | Seller's Signature | Seller's Signature |
|---|---|---|---|
| Tax ID/SSN: | Tax ID/SSN: | Tax ID/SSN: | Tax ID/SSN: |

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA-covered transaction with information during the settlement process.

## L. Settlement Charges

| | | | | Paid From Borrower's Funds at Settlement | Paid From Seller's Funds at Settlement |
|---|---|---|---|---|---|
| 700. Total Real Estate Broker Fees | | $ 5,077.04 | | | |
| *Division of commission (line 700) as follows:* | | | | | |
| 701. $ | to | | | | |
| 702. $ 5,077.04 | to Carolina One | | | | 5,077.04 |
| 703. Commission paid at settlement | | | | | 1,418.10 |
| 704. Bonus | to Carolina One | | | | |
| 705. | | | | | |
| **800. Items Payable in Connection with Loan** | | | | | |
| 801. Our origination charge Includes Origination Point (0.000% or $ 0.00) | | $ 718.00 | (from GFE #1) | | |
| 802. Your credit or charge (points) for the specific interest rate chosen | | $ | (from GFE #2) | | |
| 803. Your adjusted origination charges | | | (from GFE #A) | ** 718.00 | |
| 804. Appraisal fee | to Suzanne R. Piper | | (from GFE #3) | ** 375.00 | |
| 805. Credit Report | to Credco XML Credit Service | | (from GFE #3) | ** 75.00 | |
| 806. Tax service | to | | (from GFE #3) | | |
| 807. Flood certification | to | | (from GFE #3) | | |
| 808. Life of Loan Flood Cert | to 1st American Flood Services | | (from GFE #3) | ** 6.00 | |
| 809. Flood Determination Fee | to 1st American Flood Services | | (from GFE #3) | ** 7.00 | |
| 810. | | | (from GFE #3) | | |
| 811. | | | (from GFE #3) | | |
| **900. Items Required by Lender to Be Paid in Advance** | | | | | |
| 901. Daily interest charges from 10/31/11 | to 11/01/11 | 1 @ $19.217500/day | (from GFE #10) | * 19.22 | |
| 902. Mortgage insurance premium for | months to USDA Rural Housing | | (from GFE #3) | 3,300.80 | |
| 903. Homeowner's Insurance for 1.0 years | to IDS Property Casualty Insurance Company | | (from GFE #11) (57.80/ 574.20S) | * 632.00 | |
| 904. | | | (from GFE #11) | | |
| 905. | | | (from GFE #11) | | |
| **1000. Reserves Deposited with Lender** | | | | | |
| 1001. Initial deposit for your escrow account | | | (from GFE #9) | 72.82 | |
| 1002. Homeowner's Insurance | 3.000 months @ $ 52.67 per month | | $ 158.01 | * | |
| 1003. Mortgage Insurance | 2.000 months @ $ 40.94 per month | | $ 81.88 | * | |
| 1004. Property taxes | | | $ 122.18 | | |
| County Taxes | 2.000 months @ $ 61.09 per month | | | * | |
| 1005. | | | $ | | |
| 1006. | months @ $ per month | | $ | | |
| 1007. | months @ $ per month | | $ | | |
| 1008. | | | $ | | |
| 1009. Aggregate Adjustment | | | $ -289.25 | * | |
| **1100. Title Charges** | | | | | |
| 1101. Title services and lender's title insurance | | | (from GFE #4) | * 853.60 | |
| 1102. Settlement or closing fee | to Bulst, Byars & Taylor, LLC | | $ | | 100.00 |
| 1103. Owner's title insurance to North American Title Insurance Company | | | (from GFE #5) | * 87.60 | |
| 1104. Lender's title insurance to North American Title Insurance Company | | | $ 468.60 | | |
| 1105. Lender's title policy limit | $ 165,040.00 | | | | |
| 1106. Owner's title policy limit | $ 171,740.00 | | | | |
| 1107. Agent's portion of the total title insurance premium | to Clear Title Agency, LLC | | $ 333.72 | * | |
| 1108. Underwriter's portion of the total title insurance premium | to North American Title Insurance Company | | $ 222.48 | | |
| 1109. | | | | | |
| 1110. | | | | | |
| 1111. | | | | | |
| 1112. | | | | | |
| 1113. | | | | | |
| **1200. Government Recording and Transfer Charges** | | | | | |
| 1201. Government recording charges | to RMC Office | | (from GFE #7) | * 35.00 | |
| 1202. Deed $ 10.00 | Mortgage $ 25.00 | Releases $ | Other $ | | |
| 1203. Transfer taxes | to RMC Office | | (from GFE #8) | 638.40 | |
| 1204. City/County tax/stamps | $ 636.40 | $ | | *** | |
| 1205. State tax/stamps | $ | $ | | | |
| 1206. | | | | | |
| 1207. | | | | | |
| **1300. Additional Settlement Charges** | | | | | |
| 1301. Required services that you can shop for | | | (from GFE #6) | 200.00 | |
| 1302. Survey Fee | to Parker Land Surveying | | $ 200.00 | * | -200.00 |
| 1303. 2011 HOA Dues | to Spring Grove Plantation HOA | | | * 50.96 | |
| 1304. 2011 County Taxes (Acreage) | to Lennar Carolinas, LLC | | | POC:S* 1.83 | |
| 1305. See addt'l disb. exhibit | to | | | * 610.00 | |
| 1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K) | | | | 7,680.23 | 6,393.14 |

| Comparison of Good Faith Estimate (GFE) and HUD-1 Charges | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Charges That Cannot Increase | HUD-1 Line Number | | |
| Our origination charge | # 801 | 2,368.40 | 718.00 |
| Your credit or charge (points) for the specific interest rate chosen | # 802 | | |
| Your adjusted origination charges | # 803 | 2,368.40 | 718.00 |
| Transfer taxes | #1203 | 636.40 | 636.40 |

| Charges That In Total Cannot Increase More than 10% | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Government recording charges | #1201 | 50.00 | 35.00 |
| Appraisal fee | # 804 | 375.00 | 375.00 |
| Credit report | # 805 | 75.00 | 75.00 |
| Life of Loan Flood Cert | # 808 | 5.00 | 5.00 |
| Flood Determination Fee | # 809 | 7.00 | 7.00 |
| Mortgage Insurance Premium | # 902 | 3,300.82 | 3,300.80 |
| Title services and lender's title insurance | #1101 | 880.12 | 853.60 |
| Owner's title insurance to North American Title Insurance Compa | #1103 | 100.00 | 87.60 |
| Survey Fee | #1302 | 200.00 | 200.00 |
| | Total | 4,992.94 | 4,939.00 |
| | Increase between GFE and HUD-1 Charges | $ -53.94 or | -1.08% |

| Charges That Can Change | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Initial deposit for your escrow account | #1001 | 467.65 | 72.62 |
| Daily interest charges | # 901 $ 19.217500/day | 76.87 | 19.22 |
| Homeowner's Insurance | # 903 | 810.00 | 632.00 |

## Loan Terms

| | |
|---|---|
| Your initial loan amount is | $ 165,040.00 |
| Your loan term is | 30 years |
| Your initial interest rate is | 4.2500 % |
| Your initial monthly amount owed for principal, interest and any mortgage insurance is | $ 852.84 Includes<br>[X] Principal<br>[X] Interest<br>[X] Mortgage Insurance |
| Can your interest rate rise? | [X] No [ ] Yes, it can rise to a maximum of _____%. The first change will be on _____ and can change again every ___ months after _____. Every change date, your interest rate can increase or decrease by _____%. Over the life of the loan, your interest rate is guaranteed to never be lower than _____% or higher than _____%. |
| Even if you make payments on time, can your loan balance rise? | [X] No [ ] Yes, it can rise to a maximum of $_____. |
| Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise? | [X] No [ ] Yes, the first increase can be on _____ and the monthly amount owed can rise to $_____.<br>The maximum it can ever rise to is $_____. |
| Does your loan have a prepayment penalty? | [X] No [ ] Yes, your maximum prepayment penalty is $_____. |
| Does your loan have a balloon payment? | [X] No [ ] Yes, you have a balloon payment of $_____ due in ___ years on _____. |
| Total monthly amount owed including escrow account payments | [ ] You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself.<br>[X] You have an additional monthly escrow payment of $113.76 that results in a total initial monthly amount owed of $966.60. This includes principal, interest, any mortgage insurance and any items checked below:<br>[X] Property taxes [X] Homeowner's Insurance<br>[ ] Flood Insurance [ ]<br>[ ] [ ] |

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

## HUD-1 Attachment

Borrower(s): Brian Keith Camara and Cynthia A. Camara
112 Maywood Drive
Moncks Corner, SC 29461
Seller(s): Lennar Carolinas LLC
1941 Savage Road, Suite 100C
Charleston, SC 29407
Lender: Universal American Mortgage Company, LLC
Settlement Agent: Buist, Byars & Taylor, LLC
(843)284-4500
Place of Settlement: 2680 Elms Plantation Blvd., Bldg. 100, Suite 101
N. Charleston, SC 29406
Settlement Date: October 31, 2011
Property Location: 112 Maywood Drive
Moncks Corner, SC 29461
Berkeley County, South Carolina
Lot 59
The Abbey @ Spring Grove
211-14-01-034

### Additional Disbursements

| Payee/Description | Note/Ref No. | Borrower | Seller |
|---|---|---|---|
| Spring Grove Plantation HOA<br>Transfer Fee | * | 300.00 | |
| Hometeam Inspection, LLC<br>Home Inspection | * | 310.00 | |
| Total Additional Disbursements shown on Line 1305 | | $ 610.00 | $ 0.00 |

### Adjusted Origination Charge Details

| | |
|---|---|
| Origination Charge | |
| Tax Service Fee<br>to Universal American Mortgage Company, LLC | 73.00 |
| Courier/ Msg Fee<br>to Universal American Mortgage Company, LLC | 25.00 |
| Wire Transfer Fee<br>to Universal American Mortgage Company, LLC | 25.00 |
| Doc Prep Fee<br>to Universal American Mortgage Company, LLC | 200.00 |
| Commitment Fee<br>to Universal American Mortgage Company, LLC | 395.00 |
| Total | $ 718.00 |

Origination Credit/Charge (points) for the specific interest rate chosen

Total $

Adjusted Origination Charges $ 718.00

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(2011100049.PFD/2011100049/18)

| Reserves Deposited with Lender | | | |
|---|---|---|---|
| Homeowner's Insurance 3.000 at 52.67 per month | * | 158.01 |
| Mortgage Insurance 2.000 at 40.94 per month | * | 81.88 |
| County Taxes 2.000 at 61.09 per month | * | 122.18 |
| Aggregate Adjustment month | * | -289.25 |
| | Total | $ 72.82 |

| Title Services and Lender's Title Insurance Details | | BORROWER | SELLER |
|---|---|---|---|
| Title Search to Faith Stowe | | 35.00 | |
| Title Binder to Clear Title Agency, LLC | | 75.00 | |
| Fedex/ Courier/ Copy to Buist, Byars & Taylor, LLC | | 25.00 | |
| Attorney Fee to Buist, Byars & Taylor, LLC | | 250.00 | |
| Lender's title insurance to North American Title Insurance Company | | 468.60 | |
| | Total | $ 853.60 | $ 0.00 |

| Settlement or Closing Fee Details | | BORROWER | SELLER |
|---|---|---|---|
| Document Preparation Fee to Buist, Byars & Taylor, LLC | | | 100.00 |
| | Total | $ 0.00 | $ 100.00 |

| Owner's Title Insurance | | BORROWER | SELLER |
|---|---|---|---|
| Owner's Policy Premium to North American Title Insurance Company | | 87.60 | |
| | Total | $ 87.60 | $ 0.00 |

| Lender's Title Insurance *fees also shown above in Title Services and Lender's Title Insurance Details | | BORROWER | SELLER |
|---|---|---|---|
| Lender's Policy Premium to North American Title Insurance Company | | 468.60 | |
| | Total | $ 468.60 | $ 0.00 |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(2011100049.PFD/2011100049/18)

## ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

| | |
|---|---|
| **Borrower:** | Brian Keith Camara and Cynthia A. Camara |
| **Seller:** | Lennar Carolinas LLC |
| **Lender:** | Universal American Mortgage Company, LLC |
| **Settlement Agent:** | Buist, Byars & Taylor, LLC<br>(843)284-4500 |
| **Place of Settlement:** | 2680 Elms Plantation Blvd., Bldg. 100, Suite 101<br>N. Charleston, SC 29406 |
| **Settlement Date:** | October 31, 2011 |
| **Property Location:** | 112 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 59<br>The Abbey @ Spring Grove<br>211-14-01-034 |

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Brian Keith Camara

Cynthia A. Camara

Lennar Carolinas LLC

BY:

ITS: Authorized Agent

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Buist, Byars & Taylor, LLC
Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20111000049.PFD/20111000049/16)

# EXHIBIT 22

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

OMB Approval No. 2502-0265

# A. Settlement Statement (HUD-1)

B. Type of Loan

| 1. ☐ FHA 2. ☒ RHS 3. ☐ Conv. Unins. 4. ☐ VA 5. ☐ Conv. Ins. | 6. File Number: 2011120013 | 7. Loan Number: 0007905046 | 8. Mortgage Insurance Case Number: |
|---|---|---|---|

C. Note: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

| D. Name and Address of Borrower: | E. Name and Address of Seller: | F. Name and Address of Lender: |
|---|---|---|
| Matthew Edward Collins<br>218 Maywood Drive<br>Moncks Corner, SC 29461 | Lennar Carolinas LLC<br>1941 Savage Road, Suite 100C<br>Charleston, SC 29407 | Universal American Mortgage Company, LLC<br>16550 Lightwave Drive, Ste. 200<br>Clearwater, FL 33760 |

| G. Property Location: | H. Settlement Agent: 57-1074683 | I. Settlement Date: |
|---|---|---|
| 218 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 9<br>The Abbey @ Spring Grove<br>211-14-01-009 | Buist, Byars & Taylor, LLC<br>2660 Elms Plantation Blvd., Bldg. 100, Suite 101<br>N. Charleston, SC 29406 Ph. (843)284-4500<br>**Place of Settlement:**<br>2660 Elms Plantation Blvd., Bldg. 100, Suite 101<br>N. Charleston, SC 29406 | January 31, 2012 |

| J. Summary of Borrower's transaction | | K. Summary of Seller's transaction | |
|---|---|---|---|
| 100. Gross Amount Due from Borrower: | | 400. Gross Amount Due to Seller: | |
| 101. Contract sales price | 135,900.00 | 401. Contract sales price | 135,900.00 |
| 102. Personal property | | 402. Personal property | |
| 103. Settlement Charges to Borrower (Line 1400) | 10,090.04 | 403. | |
| 104. | | 404. | |
| 105. | | 405. | |
| Adjustments for items paid by Seller in advance | | Adjustments for items paid by Seller in advance | |
| 106. City/Town Taxes to | | 406. City/Town Taxes to | |
| 107. County Taxes to | | 407. County Taxes to | |
| 108. Assessments to | | 408. Assessments to | |
| 109. | | 409. | |
| 110. | | 410. | |
| 111. | | 411. | |
| 112. | | 412. | |
| 120. Gross Amount Due from Borrower | 146,080.04 | 420. Gross Amount Due to Seller | 135,900.00 |
| 200. Amounts Paid by or in Behalf of Borrower | | 500. Reductions in Amount Due Seller: | |
| 201. Deposit or earnest money | 500.00 | 501. Excess deposit (see instructions) | |
| 202. Principal amount of new loan(s) | 138,765.00 | 502. Settlement charges to Seller (Line 1400) | 6,839.66 |
| 203. Existing loan(s) taken subject to | | 503. Existing loan(s) taken subject to | |
| 204. Gift Funds | 1,563.79 | 504. Payoff First Mortgage | |
| 205. | | 505. Payoff Second Mortgage | |
| 206. | | 506. Deposit retained by seller | 500.00 |
| 207. | | 507. | |
| 208. | | 508. | |
| 209. Seller Paid C/C* | 4,000.00 | 509. Seller Paid C/C* | 4,000.00 |
| Adjustments for items unpaid by Seller | | Adjustments for items unpaid by Seller | |
| 210. City/Town Taxes to | | 510. City/Town Taxes to | |
| 211. County Taxes 01/01/12 to 01/31/12 | 50.05 | 511. County Taxes 01/01/12 to 01/31/12 | 50.05 |
| 212. Assessments to | | 512. Assessments to | |
| 213. Seller Paid Deed Stamps** | 603.20 | 513. Seller Paid Deed Stamps** | 603.20 |
| 214. | | 514. | |
| 215. | | 515. | |
| 216. | | 516. | |
| 217. | | 517. | |
| 218. | | 518. | |
| 219. | | 519. | |
| 220. Total Paid by/for Borrower | 145,782.04 | 520. Total Reduction Amount Due Seller | 10,992.90 |
| 300. Cash at Settlement from/to Borrower | | 600. Cash at settlement to/from Seller | |
| 301. Gross amount due from Borrower (line 120) | 146,080.04 | 601. Gross amount due to Seller (line 420) | 135,900.00 |
| 302. Less amount paid by/for Borrower (line 220) | ( 145,782.04) | 602. Less reductions due Seller (line 520) | ( 10,992.90) |
| 303. Cash ☒ From ☐ To Borrower | 298.00 | 603. Cash ☒ To ☐ From Seller | 125,097.20 |

Substitute Form 1099-S:

SELLER'S TAXID SOLICITATION. THE INFORMATION IN BLOCKS E, G, H, AND ON LINES 401, 406, 407 and 408 IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED. YOU ARE REQUIRED BY LAW TO PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see the 2012 Schedule D (Form 1040) instructions. If the real estate was not your main home, report the transaction on Form 4797, Sales of Business Property, Form 6252, Installment Sale Income, and/or Schedule D (Form 1040), Capital Gains and Losses. You may have to recapture (pay back) all or part of Federal mortgage subsidy if all the following apply: a) You received a loan that was provided from the proceeds of a qualified mortgage bond or you received a mortgage credit certificate (MCC) for the home securing the loan. b) Your original mortgage loan was provided after 1990, and c) You sold or disposed of your home at a gain during the first 9 years after you received the Federal mortgage subsidy. This will increase your tax. See Form 8828, Recapture of Federal Mortgage Subsidy, and Pub. 523, Selling Your Home.

If you have already paid the real estate tax for the period that includes the sale date, subtract the amounts on Lines 402, 407 &408 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report this amount as income on the "Other Income" line of Form 1040. For more information, see Pub. 523.

For Paperwork Reduction Act Notice, see the 2012 Instructions for Forms 1099, 1098, 8935, and W-2G.
Department of the Treasury - Internal Revenue Service

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THIS NUMBER SHOWN BELOW ON THIS STATEMENT IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER.

| Seller's Signature | Seller's Signature | Seller's Signature | Seller's Signature |
|---|---|---|---|
| TaxID/SSN: | TaxID/SSN: | TaxID/SSN: | TaxID/SSN: |

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPAcovered transaction with information during the settlement process.

## L. Settlement Charges

| | | | Paid From Borrower's Funds at Settlement | Paid From Seller's Funds at Settlement |
|---|---|---|---|---|
| 700. Total Real Estate Broker Fees | | $ 3,959.70 | | |
| *Division of commission (line 700) as follows:* | | | | |
| 701. $ | to | | | |
| 702. $ 3,959.70 | to Prudential | | | |
| 703. Commission paid at settlement | | | | 3,959.70 |
| 704. Bonus 1.5% | to Prudential | | | 1,979.55 |
| 705. | | | | |
| 800. Items Payable in Connection with Loan | | | | |
| 801. Our origination charge Includes Origination Point (1.000% or $ 1,387.55) | | $ 1,864.70 (from GFE #1) | | |
| 802. Your credit or charge (points) for the specific interest rate chosen | | $ (from GFE #2) | | |
| 803. Your adjusted origination charges | | (from GFE #A) | 1,864.70 | |
| 804. Appraisal fee | to Suzanne R. Piper | (from GFE #3) | 375.00 | |
| 805. Credit Report | to Credco XML Credit Service | (from GFE #3) | 12.85 | |
| 806. Tax service | to | (from GFE #3) | | |
| 807. Flood certification | to | (from GFE #3) | | |
| 808. Life of Loan Flood Cert | to 1st American Flood Services | (from GFE #3) | 6.00 | |
| 809. Flood Determination | to 1st American Flood Services | (from GFE #3) | 7.00 | |
| 810. | | (from GFE #3) | | |
| 811. | | (from GFE #3) | | |
| 900. Items Required by Lender to Be Paid in Advance | | | | |
| 901. Daily interest charges from 01/31/12 | to 02/01/12 | 1 @ $15.210000/day (from GFE #10) | 15.21 | |
| 902. Mortgage insurance premium for | months to USDA Rural Housing | (from GFE #3) | 2,775.30 | |
| 903. Homeowner's insurance for 1.0 years | to American Strategic Insurance Corp | (from GFE #11) | 849.00 | |
| 904. | | (from GFE #11) | | |
| 905. | | (from GFE #11) | | |
| 1000. Reserves Deposited with Lender | | | | |
| 1001. Initial deposit for your escrow account | | (from GFE #9) | 303.76 | |
| 1002. Homeowner's insurance | 3.000 months @ $ 54.08 per month | $ 162.24 | | |
| 1003. Mortgage insurance | 2.000 months @ $ 94.41 per month | $ 56.82 | | |
| 1004. Property taxes | | $ 203.56 | | |
| County Taxes | 4.000 months @ $ 50.89 per month | | | |
| 1005. | | $ | | |
| 1006. | months @ $ per month | $ | | |
| 1007. | months @ $ per month | $ | | |
| 1008. | | $ | | |
| 1009. Aggregate Adjustment | | $ -50.09 | | |
| 1100. Title Charges | | | | |
| 1101. Title services and lender's title insurance | | (from GFE #4) | 926.90 | |
| 1102. Settlement or closing fee | to Blitt, Byars & Taylor, LLC | $ | | 100.00 |
| 1103. Owner's title insurance to North American Title Insurance Company | | (from GFE #5) | 75.00 | |
| 1104. Lender's title insurance to North American Title Insurance Company | | $ 411.90 | | |
| 1105. Lender's title policy limit | $ 136,766.00 | | | |
| 1106. Owner's title policy limit | $ 135,690.00 | | | |
| 1107. Agent's portion of the total title insurance premium | to Clear Title Agency, LLC | $ 292.14 | | |
| 1108. Underwriter's portion of the total title insurance premium | to North American Title Insurance Company | $ 194.76 | | |
| 1109. | | | | |
| 1110. | | | | |
| 1111. | | | | |
| 1112. | | | | |
| 1113. | | | | |
| 1200. Government Recording and Transfer Charges | | | | |
| 1201. Government recording charges | to RMC Office | (from GFE #7) | 35.00 | |
| 1202. Deed $ 10.00 | Mortgage $ 25.00 | Releases $ | Other $ | | |
| 1203. Transfer taxes | to RMC Office | (from GFE #8) | 503.20 | |
| 1204. City/County tax/stamps | $ 503.20 | $ | | |
| 1205. State tax/stamps | $ | $ | | |
| 1206. | | | | |
| 1207. | | | | |
| 1300. Additional Settlement Charges | | | | |
| 1301. Required services that you can shop for | | (from GFE #6) | 200.00 | |
| 1302. Survey Fee | to Parker Land Surveying | $ 200.00 | | -200.00 |
| 1303. 2012 HOA Dues | to Spring Grove Plantation HOA | (184.65 pd by S) | 299.35 | |
| 1304. | | | | |
| 1305. See addtl disb. exhibit | to | | 2,283.79 | |
| 1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K) | | | 10,090.04 | 5,839.55 |

| Comparison of Good Faith Estimate (GFE) and HUD-1 Charges | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Charges That Cannot Increase | HUD-1 Line Number | | |
| Our origination charge | # 801 | 2,105.85 | 1,884.70 |
| Your credit or charge (points) for the specific interest rate chosen | # 802 | | |
| Your adjusted origination charges | # 803 | 2,105.85 | 1,884.70 |
| Transfer taxes | #1203 | 603.20 | 603.20 |

| Charges That In Total Cannot Increase More than 10% | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Government recording charges | #1201 | 50.00 | 35.00 |
| Appraisal fee | # 804 | 375.00 | 375.00 |
| Credit report | # 805 | 75.00 | 12.85 |
| Life of Loan Flood Cert | # 808 | 5.00 | 5.00 |
| Flood Determination | # 809 | 7.00 | 7.00 |
| Mortgage Insurance Premium | # 902 | 2,776.30 | 2,776.30 |
| Title services and lender's title insurance | #1101 | 801.30 | 626.90 |
| Owner's title insurance to North American Title Insurance Compr | #1103 | 66.66 | 75.00 |
| Survey Fee | #1302 | 200.00 | 200.00 |
| | Total | 4,356.28 | 4,312.05 |
| | Increase between GFE and HUD-1 Charges | $ -43.23 or | -0.99% |

| Charges That Can Change | | | Good Faith Estimate | HUD-1 |
|---|---|---|---|---|
| Initial deposit for your escrow account | #1001 | | 395.22 | 383.73 |
| Daily interest charges | # 901 | $ 15.210000/day | 152.07 | 15.21 |
| Homeowner's Insurance | # 903 | | 911.98 | 649.00 |

Loan Terms

| | |
|---|---|
| Your initial loan amount is | $ 138,765.00 |
| Your loan term is | 30 years |
| Your initial interest rate is | 4.0000 % |
| Your initial monthly amount owed for principal, interest and any mortgage insurance is | $ 698.90 Includes<br>☒ Principal<br>☒ Interest<br>☒ Mortgage Insurance |
| Can your interest rate rise? | ☒ No ☐ Yes, it can rise to a maximum of _____%. The first change will be on _____ and can change again every ___ months after _____. Every change date, your interest rate can increase or decrease by _____%. Over the life of the loan, your interest rate is guaranteed to never be lower than _____% or higher than _____%. |
| Even if you make payments on time, can your loan balance rise? | ☒ No ☐ Yes, it can rise to a maximum of $_____. |
| Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise? | ☒ No ☐ Yes, the first increase can be on _____ and the monthly amount owed can rise to $_____.<br>The maximum it can ever rise to is $_____. |
| Does your loan have a prepayment penalty? | ☒ No ☐ Yes, your maximum prepayment penalty is $_____. |
| Does your loan have a balloon payment? | ☒ No ☐ Yes, you have a balloon payment of $_____ due in ___ years on _____. |
| Total monthly amount owed including escrow account payments | ☐ You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself.<br>☒ You have an additional monthly escrow payment of $104.97 that results in a total initial monthly amount owed of $801.87. This includes principal, interest, any mortgage insurance and any items checked below:<br>☒ Property taxes ☒ Homeowner's Insurance<br>☐ Flood Insurance ☐<br>☐ ☐ |

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

## HUD-1 Attachment

Borrower(s): Matthew Edward Collins
218 Maywood Drive
Moncks Corner, SC 29461
Lender: Universal American Mortgage Company, LLC
Settlement Agent: Buist, Byars & Taylor, LLC
(843)264-4500
Place of Settlement: 2660 Elms Plantation Blvd., Bldg. 100, Suite 101
N. Charleston, SC 29406
Settlement Date: January 31, 2012
Property Location: 218 Maywood Drive
Moncks Corner, SC 29461
Berkeley County, South Carolina
Lot 9
The Abbey @ Spring Grove
211-14-01-009

Seller(s): Lennar Carolinas LLC
1941 Savage Road, Suite 100C
Charleston, SC 29407

### Additional Disbursements

| Payee/Description | Note/Ref No. | Borrower | Seller |
|---|---|---|---|
| Spring Grove Plantation HOA Transfer Fee | | 300.00 | |
| Snap-on Credit, LLC Payoff | | 1,963.79 | |
| Total Additional Disbursements shown on Line 1305 | | $ 2,263.79 | $ 0.00 |

### Adjusted Origination Charge Details

| | |
|---|---|
| **Origination Charge** | |
| Origination Fee<br>to Universal American Mortgage Company, LLC | 1,387.65 |
| Courier/ Msg Fee<br>to Universal American Mortgage Company, LLC | 25.00 |
| Wire Transfer Fee<br>to Universal American Mortgage Company, LLC | 25.00 |
| Doc Prep Fee<br>to Universal American Mortgage Company, LLC | 200.00 |
| Commitment Fee<br>to Universal American Mortgage Company, LLC | 27.05 |
| Total | $ 1,664.70 |
| **Origination Credit/Charge (points) for the specific interest rate chosen** | |
| Total | $ |
| Adjusted Origination Charges | $ 1,664.70 |

### Reserves Deposited with Lender

| | |
|---|---|
| Homeowner's Insurance<br>3.000 at 54.08 per month | 162.24 |
| Mortgage Insurance<br>2.000 at 34.41 per month | 68.82 |
| County Taxes<br>4.000 at 50.89 per month | 203.56 |
| Aggregate Adjustment<br>month | -50.89 |
| Total | $ 383.73 |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20111200013.PFD/20111200013/17)

| Title Services and Lender's Title Insurance Details | | BORROWER | SELLER |
|---|---|---|---|
| Title Search<br>to Faith Stowe | | 65.00 | |
| Title Binder<br>to Clear Title Agency, LLC | | 75.00 | |
| Fedex/ Courier/ Copy<br>to Bulst, Byars & Taylor, LLC | | 25.00 | |
| Attorney Fee<br>to Bulst, Byars & Taylor, LLC | | 250.00 | |
| Lender's title insurance<br>to North American Title Insurance Company | | 411.90 | |
| | Total | $ 826.90 | $ 0.00 |

| Settlement or Closing Fee Details | | BORROWER | SELLER |
|---|---|---|---|
| Document Preparation Fee<br>to Bulst, Byars & Taylor, LLC | | | 100.00 |
| | Total | $ 0.00 | $ 100.00 |

| Owner's Title Insurance | | BORROWER | SELLER |
|---|---|---|---|
| Owner's Policy Premium<br>to North American Title Insurance Company | | 75.00 | |
| | Total | $ 75.00 | $ 0.00 |

| Lender's Title Insurance<br>*fees also shown above in Title Services and Lender's Title Insurance Details | | BORROWER | SELLER |
|---|---|---|---|
| Lender's Policy Premium<br>to North American Title Insurance Company | | 411.90 | |
| | Total | $ 411.90 | $ 0.00 |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20111200013.PFD/20111200010/17)

## ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

| | |
|---|---|
| **Borrower:** | Matthew Edward Collins |
| **Seller:** | Lennar Carolinas LLC |
| **Lender:** | Universal American Mortgage Company, LLC |
| **Settlement Agent:** | Buist, Byars & Taylor, LLC<br>(843)284-4500 |
| **Place of Settlement:** | 2660 Elms Plantation Blvd., Bldg. 100, Suite 101<br>N. Charleston, SC 29406 |
| **Settlement Date:** | January 31, 2012 |
| **Property Location:** | 218 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 9<br>The Abbey @ Spring Grove<br>211-14-01-009 |

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Matthew Edward Collins

Lennar Carolinas LLC
BY:
ITS: Authorized Agent

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Buist, Byars & Taylor, LLC
Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20111220013.PFD/20111220016/10)

# EXHIBIT 23

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

OMB Approval No. 2502-0265

# A. Settlement Statement (HUD-1)

| B. Type of Loan | 6. File Number: | 7. Loan Number: | 8. Mortgage Insurance Case Number: |
|---|---|---|---|
| 1. ☐ FHA 2. ☐ RHS 3. ☒ Conv. Unins. 4. ☐ VA 5. ☐ Conv. Ins. | 2011110039 | 0007610849 | |

C. Note: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

| D. Name and Address of Borrower: | E. Name and Address of Seller: | F. Name and Address of Lender: |
|---|---|---|
| Patricia C. Danico<br>216 Maywood Drive<br>Moncks Corner, SC 29461 | Lennar Carolinas LLC<br>1941 Savage Road, Suite 100C<br>Charleston, SC 29407 | Universal American Mortgage Company, LLC<br>15550 Lightwave Drive, Ste. 200<br>Clearwater, FL 33760 |

| G. Property Location: | H. Settlement Agent: 57-1074683 | I. Settlement Date: |
|---|---|---|
| 216 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 6<br>The Abbey @ Spring Grove<br>211-14-01-006 | Buist, Byars & Taylor, LLC.<br>2660 Elms Plantation Blvd., Bldg. 100, Suite 101<br>N. Charleston, SC 29406 Ph. (843)284-4500<br>Place of Settlement:<br>2660 Elms Plantation Blvd., Bldg. 100, Suite 101<br>N. Charleston, SC 29406 | November 28, 2011 |

| J. Summary of Borrower's transaction | | K. Summary of Seller's transaction | |
|---|---|---|---|
| 100. Gross Amount Due from Borrower: | | 400. Gross Amount Due to Seller: | 178,798.00 |
| 101. Contract sales price | 178,798.00 | 401. Contract sales price | |
| 102. Personal property | 9,892.58 | 402. Personal property | |
| 103. Settlement Charges to Borrower (Line 1400) | | 403. | |
| 104. | | 404. | |
| 105. | | 405. | |
| Adjustments for items paid by Seller in advance | | Adjustments for items paid by Seller in advance | |
| 106. City/Town Taxes to | | 406. City/Town Taxes to | |
| 107. County Taxes to | | 407. County Taxes to | |
| 108. Assessments to | | 408. Assessments | |
| 109. | | 409. | |
| 110. | | 410. | |
| 111. | | 411. | |
| 112. | | 412. | |
| 120. Gross Amount Due from Borrower | 188,690.58 | 420. Gross Amount Due to Seller | 178,798.00 |
| 200. Amounts Paid by or in Behalf of Borrower | | 500. Reductions in Amount Due Seller: | |
| 201. Deposit or earnest money | 500.00 | 501. Excess deposit (see instructions) | -100.00 |
| 202. Principal amount of new loan(s) | 182,446.00 | 502. Settlement charges to Seller (Line 1400) | |
| 203. Existing loan(s) taken subject to | | 503. Existing loan(s) taken subject to | |
| 204. | | 504. Payoff First Mortgage | |
| 205. | | 505. Payoff Second Mortgage | 500.00 |
| 206. | | 506. Deposit retained by seller | |
| 207. | | 507. | |
| 208. | 5,581.34 | 508. | 5,581.34 |
| 209. Seller Paid C/C* | | 509. Seller Paid C/C* | |
| Adjustments for items unpaid by Seller | | Adjustments for items unpaid by Seller | |
| 210. City/Town Taxes to | | 510. City/Town Taxes to | |
| 211. County Taxes to | | 511. County Taxes to | |
| 212. Assessments to | 662.30 | 512. Assessments to | 662.30 |
| 213. Seller Paid Deed Stamps** | | 513. Seller Paid Deed Stamps** | |
| 214. | | 514. | |
| 215. | | 515. | |
| 216. | | 516. | |
| 217. | | 517. | |
| 218. | | 518. | |
| 219. | | 519. | |
| 220. Total Paid by/for Borrower | 189,189.64 | 520. Total Reduction Amount Due Seller | 6,643.64 |
| 300. Cash at Settlement from/to Borrower | | 600. Cash at settlement to/from Seller | |
| 301. Gross amount due from Borrower (line 120) | 188,690.58 | 601. Gross amount due to Seller (line 420) | 178,798.00 |
| 302. Less amount paid by/for Borrower (line 220) | ( 189,189.64) | 602. Less reductions due Seller (line 520) | 6,643.64 |
| 303. Cash ☐ From ☒ To Borrower | 499.06 | 603. Cash ☒ To ☐ From Seller | 172,154.36 |

Substitute Form 1099-S:
SELLER: STATE LEGISLATION: THE INFORMATION IN BOXES 6, 8, AND 10 ON LINES 401, 406, 407 and 408 IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED. YOU ARE REQUIRED BY LAW TO PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see Sec 2011 Schedule D (Form 1040), Capital Gains and Losses. You may have to recapture (pay back all or part of the Federal mortgage subsidy if within 9 years after you received the Federal mortgage subsidy. This will increase your tax. See Form 8828, Recapture of Federal Mortgage Subsidy, and Pub. 523, Selling Your Home.

transaction on Form 4797, Sales of Business Property. Form 4797 also may be required if you received a nonbond mortgage credit certificate (MCC) from a state or local government. You may be able to claim a credit for part of the interest you paid during the year on the loan secured by your main home. See Form 8396, Mortgage Interest Credit. If you received an MCC, reduce the amount of any deduction you claim for home mortgage interest on Form 1040, Schedule A, by the amount of the credit allowed for the year shown on Form 8396. You may have to report as income all or part of the credit you claimed in earlier years. See Form 8396 and its instructions.

If you have already paid the real estate tax for the period that includes the sale date, subtract the amount on Lines 406, 407 & 408 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report the amount as income on the "Other Income" line of Form 1040. For more information, see Pub. 523.

For Paperwork Reduction Act Notice, see the 2011 instructions for Forms 1099, 1098, 8453, and W-9.

Department of the Treasury - Internal Revenue Service

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN BELOW ON THIS STATEMENT IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER.

| Seller's Signature | Seller's Signature | Seller's Signature | Seller's Signature |
|---|---|---|---|
| Tax ID/SSN: | Tax ID/SSN: | Tax ID/SSN: | Tax ID/SSN: |

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

## L. Settlement Charges

| | | | | | Paid From Borrower's Funds at Settlement | Paid From Seller's Funds at Settlement |
|---|---|---|---|---|---|---|
| **700. Total Real Estate Broker Fees** | | | | | | |
| *Division of commission (line 700) as follows:* | | | | | | |
| 701. $ | to | | | | | |
| 702. $ | to | | | | | |
| 703. Commission paid at settlement | | | | | | |
| 704. | | | | | | |
| 705. | | | | | | |
| **800. Items Payable in Connection with Loan** | | | | | | |
| 801. Our origination charge Includes Origination Point (1.000% or $ 1,024.46) | | | $ 2,542.46 | (from GFE #1) | | |
| 802. Your credit or charge (points) for the specific interest rate chosen | | | $ | (from GFE #2) | | |
| 803. Your adjusted origination charges | | | | (from GFE #A) | 2,542.46 | |
| 804. Appraisal fee | to Suzanne R. Piper | | | (from GFE #3) | 375.00 | |
| 805. Credit Report | to Credco XML Credit Service | | | (from GFE #3) | 13.85 | |
| 806. Tax service | to | | | (from GFE #3) | | |
| 807. Flood certification | to | | | (from GFE #3) | | |
| 808. Life of Loan Flood Cert. | to 1st American Flood Services | | | (from GFE #3) | 5.00 | |
| 809. Flood Determination | to 1st American Flood Services | | | (from GFE #3) | 7.00 | |
| 810. | | | | (from GFE #3) | | |
| 811. | | | | (from GFE #3) | | |
| **900. Items Required by Lender to Be Paid in Advance** | | | | | | |
| 901. Daily interest charges from 11/28/11 | to 12/01/11 | @ $21.243330/day | | (from GFE #10) | 63.73 | |
| 902. Mortgage Insurance premium for | months to USDA Rural Housing | | | (from GFE #3) | 3,646.94 | |
| 903. Homeowner's Insurance for 1.0 years | to American Strategic Insurance Corp | | | (from GFE #11) | 760.00 | |
| 904. | | | | (from GFE #11) | | |
| 905. | | | | (from GFE #11) | | |
| **1000. Reserves Deposited with Lender** | | | | | | |
| 1001. Initial deposit for your escrow account | | | | (from GFE #9) | 298.48 | |
| 1002. Homeowner's Insurance | 3.000 | months @ $ 62.50 per month | $ 187.50 | | | |
| 1003. Mortgage Insurance | 2.000 | months @ $ 45.26 per month | $ 90.52 | | | |
| 1004. Property taxes | | | $ 126.20 | | | |
| County Taxes | 2.000 | months @ $ 63.10 per month | | | | |
| 1005. | | | $ | | | |
| 1006. | | months @ $ per month | $ | | | |
| 1007. | | months @ $ per month | $ | | | |
| 1008. | | | $ | | | |
| 1009. Aggregate Adjustment | | | $ -107.76 | | | |
| **1100. Title Charges** | | | | | | |
| 1101. Title services and lender's title insurance | | | | (from GFE #4) | 882.30 | |
| 1102. Settlement or closing fee | to Butel, Byers & Taylor, LLC | | | $ | | 100.00 |
| 1103. Owner's title insurance to North American Title Insurance Company | | | | (from GFE #5) | 75.00 | |
| 1104. Lender's title insurance to North American Title Insurance Company | | | | $ 504.50 | | |
| 1105. Lender's title policy limit | $ 162,448.00 | | | | | |
| 1106. Owner's title policy limit | $ 178,796.00 | | | | | |
| 1107. Agent's portion of the total title insurance premium | to Clear Title Agency, LLC | | | $ 347.56 | | |
| 1108. Underwriter's portion of the total title insurance premium | to North American Title Insurance Company | | | $ 231.72 | | |
| 1109. | | | | | | |
| 1110. | | | | | | |
| 1111. | | | | | | |
| 1112. | | | | | | |
| 1113. | | | | | | |
| **1200. Government Recording and Transfer Charges** | | | | | | |
| 1201. Government recording charges | to RMC Office | | | (from GFE #7) | 35.00 | |
| 1202. Deed $ 10.00 | Mortgage $ 25.00 | Releases $ | | Other $ | | |
| 1203. Transfer taxes | to RMC Office | | | (from GFE #8) | 662.30 | |
| 1204. City/County tax/stamps | $ 662.30 | $ | | | | |
| 1205. State tax/stamps | $ | $ | | | | |
| 1206. | | | | | | |
| 1207. | | | | | | |
| **1300. Additional Settlement Charges** | | | | | | |
| 1301. Required services that you can shop for | | | | (from GFE #6) | 200.00 | |
| 1302. Survey Fee | to Parker Land Surveying | | | $ 200.00 | | -200.00 |
| 1303. 2011 HOA Dues | to Spring Grove Plantation HOA | | | | 27.95 | |
| 1304. 2011 County Taxes (Acreage) | to Lenner Carolines | | | POC $* | 0.59 | |
| 1305. See addit disb. exhibit | to | | | | 300.00 | |
| 1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K) | | | | | 9,892.58 | -100.00 |

| Comparison of Good Faith Estimate (GFE) and HUD-1 Charges | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Charges That Cannot Increase | HUD-1 Line Number | | |
| Our origination charge | # 801 | 2,542.46 | 2,542.46 |
| Your credit or charge (points) for the specific interest rate chosen | # 802 | 0.00 | 0.00 |
| Your adjusted origination charges | # 803 | 2,542.46 | 2,542.46 |
| Transfer taxes | #1203 | 662.30 | 662.30 |

| Charges That In Total Cannot Increase More than 10% | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Government recording charges | #1201 | 60.00 | 35.00 |
| Appraisal fee | # 804 | 375.00 | 375.00 |
| Credit report | # 805 | 75.00 | 13.85 |
| Life of Loan Flood Cert. | # 808 | 6.00 | 6.00 |
| Flood Determination | # 809 | 7.00 | 7.00 |
| Mortgage Insurance Premium | # 902 | 3,848.84 | 3,848.84 |
| Title services and lender's title insurance | #1101 | 932.34 | 889.30 |
| Owner's title insurance to North American Title Insurance Compa | #1103 | 100.00 | 75.00 |
| | Total | 5,193.28 | 5,048.09 |
| | Increase between GFE and HUD-1 Charges | $ -144.19 or | -2.78% |

| Charges That Can Change | | | Good Faith Estimate | HUD-1 |
|---|---|---|---|---|
| Initial deposit for your escrow account | #1001 | | 482.32 | 298.46 |
| Daily interest charges | # 901 | $ 21.243330/day | 21.24 | 63.73 |
| Homeowner's Insurance | # 903 | | 810.00 | 750.00 |
| Survey Fee | #1302 | | 200.00 | 200.00 |

Loan Terms

| | |
|---|---|
| Your initial loan amount is | $ 182,446.00 |
| Your loan term is | 30 years |
| Your initial interest rate is | 4.2500 % |
| Your initial monthly amount owed for principal, interest and any mortgage insurance is | $ 842.79 Includes<br>☒ Principal<br>☒ Interest<br>☒ Mortgage Insurance |
| Can your interest rate rise? | ☒ No ☐ Yes, it can rise to a maximum of _____%. The first change will be on _____ and can change again every ___ months after _____. Every change date, your interest rate can increase or decrease by _____%. Over the life of the loan, your interest rate is guaranteed to never be lower than _____% or higher than _____%. |
| Even if you make payments on time, can your loan balance rise? | ☒ No ☐ Yes, it can rise to a maximum of $_____. |
| Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise? | ☒ No ☐ Yes, the first increase can be on _____ and the monthly amount owed can rise to $_____. The maximum it can ever rise to is $_____. |
| Does your loan have a prepayment penalty? | ☒ No ☐ Yes, your maximum prepayment penalty is $_____. |
| Does your loan have a balloon payment? | ☒ No ☐ Yes, you have a balloon payment of $_____ due in ___ years on _____. |
| Total monthly amount owed including escrow account payments | ☐ You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself.<br>☒ You have an additional monthly escrow payment of $125.60 that results in a total initial monthly amount owed of $1,068.39. This includes principal, interest, any mortgage insurance and any items checked below:<br>☒ Property taxes ☒ Homeowner's Insurance<br>☐ Flood Insurance ☐<br>☐ ☐ |

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

Certified True Copy

## HUD-1 Attachment

Borrower(s): Patricia C. Damico
216 Maywood Drive
Moncks Corner, SC 29461
Seller(s): Lennar Carolinas LLC
1941 Savage Road, Suite 100C
Charleston, SC 29407
Lender: Universal American Mortgage Company, LLC
Settlement Agent: Bulat, Byars & Taylor, LLC
(843)284-4500
Place of Settlement: 2660 Elms Plantation Blvd., Bldg. 100, Suite 101
N. Charleston, SC 29406
Settlement Date: November 28, 2011
Property Location: 216 Maywood Drive
Moncks Corner, SC 29461
Berkeley County, South Carolina
Lot 8
The Abbey @ Spring Grove
211-14-01-008

### Additional Disbursements

| Payee/Description | Note/Ref No. | Borrower | Seller |
|---|---|---|---|
| Spring Grove Plantation HOA Transfer Fee | * | 300.00 | |
| Total Additional Disbursements shown on Line 1305 | | $ 300.00 | $ 0.00 |

### Adjusted Origination Charge Details

| | |
|---|---|
| **Origination Charge** | |
| Origination Fee<br>to Universal American Mortgage Company, LLC | 1,824.46 |
| Tax Service Fee<br>to Universal American Mortgage Company, LLC | 73.00 |
| Courier/ Msg Fee<br>to Universal American Mortgage Company, LLC | 50.00 |
| Doc Prep Fee<br>to Universal American Mortgage Company, LLC | 200.00 |
| Commitment Fee<br>to Universal American Mortgage Company, LLC | 395.00 |
| Total | $ 2,542.46 |
| **Origination Credit/Charge (points) for the specific interest rate chosen** | |
| Total | $ |
| Adjusted Origination Charges | $ 2,542.46 |

### Reserves Deposited with Lender

| | | |
|---|---|---|
| Homeowner's Insurance<br>3.000 at 62.50 per month | * | 187.50 |
| Mortgage Insurance<br>2.000 at 45.26 per month | * | 90.52 |
| County Taxes<br>2.000 at 63.10 per month | * | 126.20 |
| Aggregate Adjustment<br>month | * | -107.76 |
| Total | | $ 296.46 |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20111110039.PFD/20111110039/15)

| Title Services and Lender's Title Insurance Details | | BORROWER | SELLER |
|---|---|---|---|
| Title Search<br>to Faith Stowe | | 35.00 | |
| Title Binder<br>to Clear Title Agency, LLC | | 75.00 | |
| Fedex/ Courier/ Copy<br>to Buist, Byars & Taylor, LLC | | 25.00 | |
| Attorney Fee<br>to Buist, Byars & Taylor, LLC | | 250.00 | |
| Lender's title insurance<br>to North American Title Insurance Company | | 504.30 | |
| | Total | $ 889.30 | $ 0.00 |

| Settlement or Closing Fee Details | | BORROWER | SELLER |
|---|---|---|---|
| Document Preparation Fee<br>to Buist, Byars & Taylor, LLC | | | 100.00 |
| | Total | $ 0.00 | $ 100.00 |

| Owner's Title Insurance | | BORROWER | SELLER |
|---|---|---|---|
| Owner's Policy Premium<br>to North American Title Insurance Company | | 75.00 | |
| | Total | $ 75.00 | $ 0.00 |

| Lender's Title Insurance<br>*fees also shown above in Title Services and Lender's Title Insurance Details | | BORROWER | SELLER |
|---|---|---|---|
| Lender's Policy Premium<br>to North American Title Insurance Company | | 504.30 | |
| | Total | $ 504.30 | $ 0.00 |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20111110039.PFD/20111110039/15)

## ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

| | |
|---|---|
| Borrower: | Patricia C. Damico |
| Seller: | Lennar Carolinas LLC |
| Lender: | Universal American Mortgage Company, LLC |
| Settlement Agent: | Buist, Byars & Taylor, LLC<br>(843)284-4600 |
| Place of Settlement: | 2360 Ellis Plantation Blvd., Bldg. 100, Suite 101<br>N. Charleston, SC 29406 |
| Settlement Date: | November 28, 2011 |
| Property Location: | 216 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 8<br>The Abbey @ Spring Grove<br>211-14-01-008 |

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Patricia C. Damico

Lennar Carolinas LLC

BY:

ITS: Authorized Agent

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Buist, Byars & Taylor, LLC
Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20111100398.PFD/20111100398/15)

# EXHIBIT 24

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

OMB Approval No. 2502-0265

# A. Settlement Statement (HUD-1)

B. Type of Loan

| 1. ☐ FHA 2. ☐ RHS 3. ☐ Conv. Unins. 4. ☐ VA 5. ☐ Conv. Ins. | 6. File Number: 2013030116 | 7. Loan Number: | 8. Mortgage Insurance Case Number: |
|---|---|---|---|

C. Note: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

| D. Name and Address of Buyer: | E. Name and Address of Seller: | F. Name and Address of Lender: |
|---|---|---|
| Edward F. Dengg<br>Sylvia K. Dengg<br>236 Maywood Drive<br>Moncks Corner, SC 29461 | Lennar Carolinas LLC<br>1941 Savage Road, Suite 100C<br>Charleston, SC 29407 | |

| G. Property Location: | H. Settlement Agent: 57-1074653 | I. Settlement Date: |
|---|---|---|
| 236 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 19<br>The Abbey at Spring Grove<br>211-14-01-054 | Buist, Byars & Taylor, LLC<br>662 Coleman Blvd., Suite 200<br>Mt. Pleasant SC 29464 Ph. (843)856-4488<br>Place of Settlement:<br>662 Coleman Blvd., Suite 200<br>Mt. Pleasant SC 29464 | April 30, 2013 |

| J. Summary of Buyer's Transaction | | K. Summary of Seller's Transaction | |
|---|---|---|---|
| 100. Gross Amount Due from Buyer: | | 400. Gross Amount Due to Seller: | |
| 101. Contract sales price | 164,290.00 | 401. Contract sales price | 164,290.00 |
| 102. Personal property | | 402. Personal property | |
| 103. Settlement Charges to Buyer (Line 1400) | 1,585.91 | 403. | |
| 104. | | 404. | |
| 105. | | 405. | |
| Adjustments for items paid by Seller in advance | | Adjustments for items paid by Seller in advance | |
| 106. City/Town Taxes to | | 406. City/Town Taxes to | |
| 107. County Taxes to | | 407. County Taxes to | |
| 108. Assessments to | | 408. Assessments to | |
| 109. | | 409. | |
| 110. | | 410. | |
| 111. | | 411. | |
| 112. | | 412. | |
| 120. Gross Amount Due from Buyer | 165,876.91 | 420. Gross Amount Due to Seller | 164,290.00 |
| 200. Amounts Paid by or in Behalf of Buyer | | 500. Reductions in Amount Due Seller: | |
| 201. Deposit or earnest money | 1,000.00 | 501. Excess deposit (see instructions) | |
| 202. Principal amount of new loan(s) | | 502. Settlement charges to Seller (Line 1400) | 5,368.47 |
| 203. Existing loan(s) taken subject to | | 503. Existing loan(s) taken subject to | |
| 204. | | 504. Payoff First Mortgage | |
| 205. | | 505. Payoff Second Mortgage | |
| 206. | | 506. Deposit retained by seller | 1,000.00 |
| 207. | | 507. | |
| 208. | | 508. | |
| 209. Seller Paid C/C* | 2,292.82 | 509. Seller Paid C/C* | 2,292.82 |
| Adjustments for items unpaid by Seller | | Adjustments for items unpaid by Seller | |
| 210. City/Town Taxes to | | 510. City/Town Taxes to | |
| 211. County Taxes 01/01/13 to 04/30/13 | 279.36 | 511. County Taxes 01/01/13 to 04/30/13 | 279.36 |
| 212. Assessments to | | 512. Assessments to | |
| 213. | | 513. | |
| 214. | | 514. | |
| 215. | | 515. | |
| 216. | | 516. | |
| 217. | | 517. | |
| 218. | | 518. | |
| 219. | | 519. | |
| 220. Total Paid by/for Buyer | 3,572.20 | 520. Total Reduction Amount Due Seller | 8,940.77 |
| 300. Cash at Settlement from/to Buyer | | 600. Cash at settlement to/from Seller | |
| 301. Gross amount due from Buyer (line 120) | 165,876.91 | 601. Gross amount due to Seller (line 420) | 164,290.00 |
| 302. Less amount paid by/for Buyer (line 220) | ( 3,572.20) | 602. Less reductions due Seller (line 520) | ( 8,940.77) |
| 303. Cash ☒ From ☐ To Buyer | 162,303.71 | 603. Cash ☒ To ☐ From Seller | 155,349.23 |

Borrower's Form 1099-S:

SELLER'S TAX ID SOLICITATION: THE INFORMATION IN BLOCKS E, G, H, AND ON LINES 401, 406, 407 and 408 IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED. YOU ARE REQUIRED BY LAW TO PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

*For sales or exchanges of residential real estate, the person responsible for closing a real estate transaction must provide real estate proceeds to the Internal Revenue Service and must furnish this statement to you. In determining if you have to report the sale or exchange of your main home on your tax return, see the 2013 Schedule D (Form 1040) instructions. If the real estate was not your main home, report the transaction on Form 4797, Sales of Business Property (Form 4797), Publication 544, Sales and Other Dispositions of Assets, and Publication 523, Selling Your Home.*

*If you have already paid the real estate tax for the period that includes the sale date, subtract the amount on Lines 406, 407 & 408 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report the amount subtracted on the "Other Income" line of Form 1040. For more information, see Pub. 523.*

*If you have already paid the real estate tax for the period that includes the sale date, subtract the amount on Lines 406, 407 & 408 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report the amount subtracted on the "Other Income" line of Form 1040. For more information, see Pub. 523.*

For Paperwork Reduction Act Notice, see the 2013 instructions for Forms 1099, 1098, 5498, and W-2.
Department of the Treasury - Internal Revenue Service

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN BELOW ON THIS STATEMENT IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER.

| Seller's Signature | Seller's Signature | Seller's Signature | Seller's Signature |
|---|---|---|---|
| Taxpayer ID No. | Taxpayer ID No. | Taxpayer ID No. | Taxpayer ID No. |

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties in a RESPA covered transaction with information during the settlement process.

| L. Settlement Charges | | | | | |
|---|---|---|---|---|---|
| 700. Total Real Estate Broker Fees | $ 4,859.92 | | | Paid From Buyer's Funds at Settlement | Paid From Seller's Funds at Settlement |
| Division of commission (line 700) as follows: | | | | | |
| 701. $ to | | | | | |
| 702. $ 4,859.92 to Carolina One Real Estate | | | | | |
| 703. Commission paid at settlement | | | | | 4,859.92 |
| 704. *1,000.00 Agent Bonus to be POC by S to Shirley Phillips | | | | | |
| 706. | | | | | |
| 800. Items Payable in Connection with Loan | | | | | |
| 801. Our origination charge Includes Origination Point (0.000% or $ 0.00) | $ | (from GFE #1) | | | |
| 802. Your credit or charge (points) for the specific interest rate chosen | $ | (from GFE #2) | | | |
| 803. Your adjusted origination charges | | (from GFE #A) | | | |
| 804. Appraisal fee to | | (from GFE #3) | | | |
| 805. Credit Report to | | (from GFE #3) | | | |
| 806. Tax service to | | (from GFE #3) | | | |
| 807. Flood certification to | | (from GFE #3) | | | |
| 808. Life of Loan Flood Cert | | (from GFE #3) | | | |
| 809. Flood Determination Fee | | (from GFE #3) | | | |
| 810. HUD1300cFld442 | | (from GFE #3) | | | |
| 811. | | (from GFE #3) | | | |
| 900. Items Required by Lender to Be Paid in Advance | | | | | |
| 901. Daily interest charges from to | @ $/day | (from GFE #10) | | | |
| 902. MIP To Ins. for Life of Loan months to | | (from GFE #3) | | | |
| 903. Homeowner's Insurance for 1.0 years to C.T. Lowndes #OUH02600238 | | (from GFE #11) | POC:$708.00 | | |
| 904. | | (from GFE #11) | | | |
| 905. | | (from GFE #11) | | | |
| 1000. Reserves Deposited with Lender | | | | | |
| 1001. Initial deposit for your escrow account | | (from GFE #9) | | | |
| 1002. Homeowner's Insurance months @ $ per month | | $ | | | |
| 1003. Mortgage Insurance months @ $ per month | | $ | | | |
| 1004. Property taxes | | $ | | | |
| County Taxes months @ $ per month | | | | | |
| 1005. | | $ | | | |
| 1006. months @ $ per month | | $ | | | |
| 1007. months @ $ per month | | $ | | | |
| 1008. | | $ | | | |
| 1009. Aggregate Adjustment | | $ | | | |
| 1100. Title Charges | | | | | |
| 1101. Title services and lender's title insurance | | (from GFE #4) | | 385.00 | |
| 1102. Settlement or closing fee to Butzel, Byars & Taylor, LLC | | $ | | | 100.00 |
| 1103. Owner's title insurance to North American Title Insurance Company | | (from GFE #5) | | 409.50 | |
| 1104. Lender's title insurance to North American Title Insurance Company | | $ | | | |
| 1105. Lender's title policy limit $ | | | | | |
| 1106. Owner's title policy limit $ 164,290.00 | | | | | |
| 1107. Agent's portion of the total title insurance premium to Clear Title Agency, LLC | | | $ 279.00 | | |
| 1108. Underwriter's portion of the total title insurance premium to North American Title Insurance Company | | | $ 186.00 | | |
| 1109. | | | | | |
| 1110. | | | | | |
| 1111. | | | | | |
| 1112. | | | | | |
| 1113. | | | | | |
| 1200. Government Recording and Transfer Charges | | | | | |
| 1201. Government recording charges to RMC Office | | (from GFE #7) | | 12.00 | |
| 1202. Deed $ 12.00 Mortgage $ Releases $ | | Other $ | | | |
| 1203. Transfer taxes RMC Office | | (from GFE #8) | | | |
| 1204. City/County tax/stamps $ 808.56 | $ | | | | 808.56 |
| 1205. State tax/stamps $ | $ | | | | |
| 1206. | | | | | |
| 1207. | | | | | |
| 1300. Additional Settlement Charges | | | | | |
| 1301. Required services that you can shop for | | (from GFE #6) | | 200.00 | |
| 1302. Survey Fee to Parker Land Surveying | | $ 200.00 | | | -200.00 |
| 1303. 2013 HOA Dues to MJS on behalf of The Abbey at Spring Gn | | | | 222.41 | |
| 1304. Capital Contribution to MJS on behalf of The Abbey at Spring Gn | | | | 300.00 | |
| 1305. | | | | | |
| 1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K) | | | | 1,595.91 | 5,368.57 |

| Comparison of Good Faith Estimate (GFE) and HUD-1 Charges | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Charges That Cannot Increase | HUD-1 Line Number | | |
| Our origination charge | # 801 | | |
| Your credit or charge (points) for the specific interest rate chosen | # 802 | | |
| Your adjusted origination charges | # 803 | | |
| Transfer taxes | #1203 | | |

| Charges That In Total Cannot Increase More than 10% | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Government recording charges | #1201 | | 12.00 |
| Title services and lender's title insurance | #1101 | | 566.00 |
| Owner's title insurance to North American Title Insurance Comp | #1103 | | 466.50 |
| Survey Fee | #1302 | | 200.00 |
| | Total | | 1,063.50 |
| | Increase between GFE and HUD-1 Charges | $ 1,063.50 or | 0.00% |

| Charges That Can Change | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Initial deposit for your escrow account | #1001 | | |
| Daily interest charges | # 901 $ /day | | |
| Homeowner's Insurance | # 903 | | 706.00 |

Loan Terms

| | |
|---|---|
| Your initial loan amount is | |
| Your loan term is | _____ years |
| Your initial interest rate is | _____ % |
| Your initial monthly amount owed for principal, interest and any mortgage insurance is | _____ includes<br>☒ Principal<br>☒ Interest<br>☐ Mortgage Insurance |
| Can your interest rate rise? | ☒ No ☐ Yes, it can rise to a maximum of _____%. The first change will be on _____ and can change again every ___ months after _____. Every change date, your interest rate can increase or decrease by _____%. Over the life of the loan, your interest rate is guaranteed to never be lower than _____% or higher than _____%. |
| Even if you make payments on time, can your loan balance rise? | ☒ No ☐ Yes, it can rise to a maximum of $_____. |
| Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise? | ☒ No ☐ Yes, the first increase can be on _____ and the monthly amount owed can rise to $_____. The maximum it can ever rise to is $_____. |
| Does your loan have a prepayment penalty? | ☒ No ☐ Yes, your maximum prepayment penalty is $_____. |
| Does your loan have a balloon payment? | ☒ No ☐ Yes, you have a balloon payment of $_____ due in ___ years on _____. |
| Total monthly amount owed including escrow account payments | ☒ You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself.<br>☐ You have an additional monthly escrow payment of $_____ that results in a total initial monthly amount owed of $_____. This includes principal, interest, any mortgage insurance and any items checked below:<br>☐ Property taxes ☐ Homeowner's Insurance<br>☐ Flood Insurance ☐<br>☐ ☐ |

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

## HUD-1 Attachment

Buyer(s): Edward F. Dengg and Sylvia K. Dengg
238 Maywood Drive
Moncks Corner, SC 29461
Settlement Agent: Buist, Byars & Taylor, LLC
(843)856-4486
Place of Settlement: 652 Coleman Blvd., Suite 200
Mt. Pleasant SC 29464
Settlement Date: April 30, 2013
Property Location: 238 Maywood Drive
Moncks Corner, SC 29461
Berkeley County, South Carolina
Lot 19
The Abbey at Spring Grove
211-14-01-054

Seller(s): Lennar Carolinas LLC
1941 Savage Road, Suite 100C
Charleston, SC 29407

| Title Services and Lender's Title Insurance Details | | BORROWER | SELLER |
|---|---|---|---|
| Title Search<br>to Faith Stowe | | 35.00 | |
| Title Binder<br>to Clear Title Agency, LLC | | 75.00 | |
| Fedex/ Courier Copy<br>to Buist, Byars & Taylor, LLC | | 25.00 | |
| Attorney Fee<br>to Buist, Byars & Taylor, LLC | | 250.00 | |
| | Total | $ 385.00 | $ 0.00 |

| Settlement or Closing Fee Details | | BORROWER | SELLER |
|---|---|---|---|
| Document Preparation Fee<br>to Buist, Byars & Taylor, LLC | | | 100.00 |
| | Total | $ 0.00 | $ 100.00 |

| Owner's Title Insurance | | BORROWER | SELLER |
|---|---|---|---|
| Owner's Policy Premium<br>to North American Title Insurance Company | | 466.50 | |
| | Total | $ 466.50 | $ 0.00 |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20130430116.PFD/20130430116/20)

## ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

**Buyer:** Edward F. Dengg and Sylvia K. Dengg
**Seller:** Lennar Carolinas LLC
**Settlement Agent:** Buist, Byars & Taylor, LLC
(843)856-4488
**Place of Settlement:** 652 Coleman Blvd., Suite 200
Mt. Pleasant SC 29464
**Settlement Date:** April 30, 2013
**Property Location:** 238 Maywood Drive
Moncks Corner, SC 29461
Berkeley County, South Carolina
Lot 19
The Abbey at Spring Grove
211-14-01-054

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I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Edward F. Dengg

Sylvia K. Dengg

Lennar Carolinas LLC

BY: _____
ITS: Authorized Agent

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Buist, Byars & Taylor, LLC
Settlement Agent

**WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.**

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(20130306116.PFC/20130306116/20)

# EXHIBIT 25

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

OMB Approval No. 2502-0265

# A. Settlement Statement (HUD-1)

| B. Type of Loan | | | | |
|---|---|---|---|---|
| 1. ☐ FHA 2. ☐ RHS 3. ☐ Conv. Unins. 4. ☒ VA 5. ☐ Conv. Ins. | 6. File Number: 2012020088 | 7. Loan Number: 1201267571 | 8. Mortgage Insurance Case Number: 19-16-6-0413288 | |

C. Note: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

| D. Name and Address of Borrower | E. Name and Address of Seller | F. Name and Address of Lender |
|---|---|---|
| Jonathan Douglass<br>Theresa Douglass<br>216 Maywood Drive<br>Moncks Corner, SC 29461 | Lennar Carolinas LLC<br>1941 Savage Road, Suite 1000<br>Charleston, SC 29407 | USAA Federal Savings Bank<br>10750 McDermott Freeway<br>San Antonio, TX 78288 |

| G. Property Location | H. Settlement Agent: 57-1074883 | I. Settlement Date |
|---|---|---|
| 215 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 43<br>The Abbey @ Spring Grove<br>211-14-01-018 | Buist, Byars & Taylor, LLC<br>952 Coleman Blvd., Suite 200<br>Mt. Pleasant SC 29464 Ph. (843)856-4488<br>Place of Settlement:<br>952 Coleman Blvd., Suite 200<br>Mt. Pleasant SC 29464 | March 28, 2012 |

| J. Summary of Borrower's transaction | | K. Summary of Seller's transaction | |
|---|---|---|---|
| 100. Gross Amount Due from Borrower | | 400. Gross Amount Due to Seller: | |
| 101. Contract sales price | 179,998.00 | 401. Contract sales price | 179,998.00 |
| 102. Personal property | | 402. Personal property | |
| 103. Settlement Charges to Borrower (Line 1400) | 6,869.30 | 403. | |
| 104. | | 404. | |
| 105. | | 405. | |
| Adjustments for items paid by Seller in advance | | Adjustments for items paid by Seller in advance | |
| 106. City/Town Taxes to | | 406. City/Town Taxes to | |
| 107. County Taxes to | | 407. County Taxes to | |
| 108. Assessments to | | 408. Assessments to | |
| 109. | | 409. | |
| 110. | | 410. | |
| 111. | | 411. | |
| 112. | | 412. | |
| 120. Gross Amount Due from Borrower | 186,867.30 | 420. Gross Amount Due to Seller | 179,998.00 |
| 200. Amounts Paid by or in Behalf of Borrower | | 500. Reductions in Amount Due Seller: | |
| 201. Deposit or earnest money | 600.00 | 501. Excess deposit (see instructions) | |
| 202. Principal amount of new loan(s) | 185,937.00 | 502. Settlement charges to Seller (Line 1400) | 6,553.44 |
| 203. Existing loan(s) taken subject to | | 503. Existing loan(s) taken subject to | |
| 204. Origination Charge credit | 50.00 | 504. Payoff First Mortgage | |
| 205. | | 505. Payoff Second Mortgage | |
| 206. | | 506. Deposit retained by seller | 600.00 |
| 207. | | 507. | |
| 208. | | 508. | |
| 209. Seller Paid O/C Credit | 2,499.33 | 509. Seller Paid O/C Credit | 2,499.33 |
| Adjustments for items unpaid by Seller | | Adjustments for items unpaid by Seller | |
| 210. City/Town Taxes to | | 510. City/Town Taxes to | |
| 211. County Taxes 01/01/12 to 03/28/12 | 180.97 | 511. County Taxes 01/01/12 to 03/28/12 | 180.97 |
| 212. Assessments to | | 512. Assessments to | |
| 213. | | 513. | |
| 214. | | 514. | |
| 215. | | 515. | |
| 216. | | 516. | |
| 217. | | 517. | |
| 218. | | 518. | |
| 219. | | 519. | |
| 220. Total Paid by/for Borrower | 186,167.30 | 520. Total Reduction Amount Due Seller | 11,733.74 |
| 300. Cash at Settlement from/to Borrower | | 600. Cash at settlement to/from Seller | |
| 301. Gross amount due from Borrower (line 120) | 186,867.30 | 601. Gross amount due to Seller (line 420) | 179,998.00 |
| 302. Less amount paid by/for Borrower (line 220) | ( 186,167.30) | 602. Less reductions due Seller (line 520) | ( 11,733.74) |
| 303. Cash ☐ From ☒ To Borrower | 600.00 | 603. Cash ☒ To ☐ From Seller | 168,264.26 |

Section 5 of the Real Estate Settlement Procedures Act (RESPA) requires the following: SELLER'S STATEMENT: THE INFORMATION IN BLOCKS E, G, H, I AND ON LINES 401, 402, 403 AND 404 IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED. YOU ARE REQUIRED BY LAW TO PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish the same report to you. To determine if you have to report the sale or exchange of your principal home on your tax return, see the 2012 Schedule D (Form 1040) instructions. If the sale of your home is not your main home, report the transaction on Form 4797, Sales of Business Property. See 2012 Publication 523, Sales of Your Home, and/or Schedule D (Form 1040), Capital Gains and Losses. You may have to complete this line if you are a foreign person, a real estate dealer, or if you received a mortgage loan that is secured by your home. If this sale qualifies as an installment sale (see Publication 537, Installment Sales), report the part of the selling price you will receive after the year of the sale as income on the installment method. If you received, or will receive, proceeds from a sale or exchange of property that is not your principal residence, such as investment property or vacation property, you may have to report a gain or loss on your income tax return. If this is the case, you should receive a Form 1099-B or 1099-S from the person responsible for closing this sale or exchange. This will help you figure your gain or loss. See Form 1099-B, Proceeds from Broker and Barter Exchange Transactions, and/or Form 1099-S, Proceeds From Real Estate Transactions, and their instructions. You may also have to report the sale or exchange of property if you received a Form 1099-A, Acquisition or Abandonment of Secured Property. See the instructions for Form 1099-A before completing Form 4797 or Schedule D (Form 1040). If you paid interest on a mortgage on your home, you may be able to deduct the interest you paid. See Publication 936, Home Mortgage Interest Deduction. If you received interest income as the holder of a mortgage, you must report that income. If you received a mortgage credit certificate, you may be able to claim a tax credit. See Publication 530, Tax Information for Homeowners. If you received cancellation of debt income, you may have to report that income. See Publication 4681, Canceled Debts, Foreclosures, Repossessions, and Abandonments. If you received a refund of mortgage insurance premiums, you may have to report that income. See Publication 936. If you received a mortgage credit certificate, you may be able to claim a tax credit. See Publication 530. If you received a Form 1098, Mortgage Interest Statement, you may be able to deduct the mortgage insurance premiums you paid. See Publication 936. If you received a Form 1099-C, Cancellation of Debt, you may have to report that income. See Publication 4681.

If you have already paid the real estate tax for the period that includes the settlement date, enter the amount on Lines 405, 407, or 408. If you have not already paid the taxes and you are responsible for paying them, enter the amount you owe on Lines 406, 407, or 408. If you are responsible for paying taxes that are not yet due, enter the amount you owe on Lines 406, 407, or 408. If you are responsible for paying taxes that are not yet due, enter the amount you owe on Lines 406, 407, or 408. If you are responsible for paying taxes that are not yet due, enter the amount you owe on Lines 406, 407, or 408.

For Paperwork Reduction Act Notice, see the 2012 Instructions for Forms 1099, 1098, 5498, and W-2G.
Department of the Treasury - Internal Revenue Service

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN BELOW ON THIS STATEMENT IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER.

| Seller's Signature | Seller's Signature | Seller's Signature | Seller's Signature |
|---|---|---|---|
| Taxpayer: | Taxpayer: | Taxpayer: | Taxpayer: |

The Public Reporting Burden for this collection of data is estimated at 30 minutes per response for collecting, recording, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure was mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

## L. Settlement Cha...

| | | | | | | | | | | Paid From Borrower's Funds at Settlement | Paid From Seller's Funds at Settlement |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 700. Total Real Estate Broker Fees | | | | | | | | | $ 6,324.98 | | |
| Division of commission (line 700) as follows: | | | | | | | | | | | |
| 701. $ | | to | | | | | | | | | |
| 702. $ 5,324.98 | | to | Century 21 | | | | | | | | |
| 703. Commission paid at settlement | | | | | | | | | | | 5,324.98 |
| 704. Bonus 1.5% | | | | to Century 21 | | | | | | | 2,662.49 |
| 705. | | | | | | | | | | | |
| 800. Items Payable in Connection with Loan | | | | | | | | | | | |
| 801. Our origination charge Includes Origination Point (1.000% or $ 0.00) | | | | | | | | $ | 695.00 | (from GFE #1) | |
| 802. Your credit or charge (points) for the specific interest rate chosen | | | | | | | | $ | -1,384.53 | (from GFE #2) | |
| 803. Your adjusted origination charges | | | | | | | | | | (from GFE #A) | -709.53 |
| 804. Appraisal fee | | to | Bailey Appraisal Service | | | | | | | (from GFE #3) | 375.00 |
| 805. Credit Report | | to | CBC | | | | | | | (from GFE #3) | 14.00 |
| 806. Tax service | | to | | | | | | | | (from GFE #3) | |
| 807. Flood certification | | to | FirstAmerican Flood Data Svcs | | | | | | | (from GFE #3) | 5.25 |
| 808. Origination Charge is | | | | | | | | | | (from GFE #3) | |
| 809. made up of USAA | | | | | | | | | | (from GFE #3) | |
| 810. processing fee of | | | | | | | | | | (from GFE #3) | |
| 811. $565.00 | | | | | | | | | | (from GFE #3) | |
| 900. Items Required by Lender to Be Paid in Advance | | | | | | | | | | | |
| 901. Daily interest charges from | 03/28/12 | to | 04/01/12 | 4 @ $19.369400/day | | | | | | (from GFE #10) | 77.47 |
| 902. Mortgage insurance premium for | | | months to | | | | | | | (from GFE #3) | |
| 903. Homeowner's insurance for | 1.0 | years to | American Strategic Insurance Corp | | | | | | | (from GFE #11) | 815.00 |
| 904. | | | | | | | | | | (from GFE #11) | |
| 905. VA Funding Fee | | | | to Dept of VA | | | | | | (from GFE #11) | 5,939.93 |
| 1000. Reserves Deposited with Lender | | | | | | | | | | | |
| 1001. Initial deposit for your escrow account | | | | | | | | | | (from GFE #9) | 894.83 |
| 1002. Homeowner's Insurance | 3.000 | | months @ $ | 68.17 | per | month | | $ | 204.51 | | |
| 1003. Mortgage Insurance | | | months @ $ | | per | month | | $ | | | |
| 1004. Property taxes | | | | | | | | $ | 380.64 | | |
| County Taxes | 6.000 | | months @ $ | 63.44 | per | month | | | | | |
| 1005. | | | | | | | | $ | | | |
| 1006. | | | months @ $ | | per | month | | $ | | | |
| 1007. | | | months @ $ | | per | month | | $ | | | |
| 1008. | | | | | | | | $ | | | |
| 1009. Aggregate Adjustment | | | | | | | | $ | -190.32 | | |
| 1100. Title Charges | | | | | | | | | | | |
| 1101. Title services and lender's title insurance | | | | | | | | | | (from GFE #4) | 695.60 |
| 1102. Settlement or closing fee | | | | to Buist, Byars & Taylor, LLC | | | | $ | | | 100.00 |
| 1103. Owner's title insurance to North American Title Insurance Company | | | | | | | | | | (from GFE #5) | 76.00 |
| 1104. Lender's title insurance to North American Title Insurance Company | | | | | | | | $ | 510.60 | | |
| 1105. Lender's title policy limit | | | $ | 185,937.00 | | | | | | | |
| 1106. Owner's title policy limit | | | $ | 179,955.00 | | | | | | | |
| 1107. Agent's portion of the total title insurance premium | | | | to Clear Title Agency, LLC | | | | | $ | 351.36 | |
| 1108. Underwriter's portion of the total title insurance premium | | | | to North American Title Insurance Company | | | | | $ | 234.24 | |
| 1109. | | | | | | | | | | | |
| 1110. | | | | | | | | | | | |
| 1111. | | | | | | | | | | | |
| 1112. | | | | | | | | | | | |
| 1113. | | | | | | | | | | | |
| 1200. Government Recording and Transfer Charges | | | | | | | | | | | |
| 1201. Government recording charges | | | | to RMC Office | | | | | | (from GFE #7) | 36.00 |
| 1202. Deed $ | 10.00 | Mortgage $ | | 25.00 | Releases $ | | | Other $ | | | |
| 1203. Transfer taxes | | | | RMC Office | | | | | | (from GFE #8) | |
| 1204. City/County tax/stamps | | | $ | 866.00 | | $ | | | | | 866.00 |
| 1205. State tax/stamps | | | $ | | | $ | | | | | |
| 1206. | | | | | | | | | | | |
| 1207. | | | | | | | | | | | |
| 1300. Additional Settlement Charges | | | | | | | | | | | |
| 1301. Required services that you can shop for | | | | | | | | | | (from GFE #6) | |
| 1302. Survey Fee | | | | to Parker Land Surveying | | | | | | | 200.00 |
| 1303. 2012 HOA Dues | | | | to Spring Grove Plantation HOA | | | | | | | 247.75 |
| 1304. Transfer Fee | | | | to Spring Grove Plantation HOA | | | | | | | 300.00 |
| 1305. | | | | | | | | | | | |
| 1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K) | | | | | | | | | | | 8,569.90 |

| Comparison of Good Faith Estimate and HUD-1 Charges | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Charges That Cannot Increase | HUD-1 Line Number | | |
| Our origination charge | # 801 | 685.00 | 685.00 |
| Your credit or charge (points) for the specific interest rate chosen | # 802 | -1,394.63 | -1,394.63 |
| Your adjusted origination charges | # 803 | -709.63 | -709.63 |
| Transfer taxes | #1203 | 1,354.19 | |

| Charges That In Total Cannot Increase More than 10% | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Government recording charges | #1201 | 77.00 | 88.00 |
| Appraisal fee | # 804 | 425.00 | 375.00 |
| Credit report | # 805 | 14.00 | 14.00 |
| Flood certification | # 807 | 5.25 | 5.25 |
| VA Funding Fee | # 905 | 5,939.93 | 5,939.93 |
| | Total | 6,461.18 | 6,370.18 |
| | Increase between GFE and HUD-1 Charges | $ -91.00 or | -1.41% |

| Charges That Can Change | | | Good Faith Estimate | HUD-1 |
|---|---|---|---|---|
| Initial deposit for your escrow account | #1001 | | 323.84 | 394.83 |
| Daily interest charges | # 901 | $ 19.368400/day | 77.47 | 77.47 |
| Homeowner's insurance | # 903 | | 944.99 | 618.00 |
| Title services and lender's title insurance | #1101 | | 740.00 | 885.50 |
| Owner's title insurance to North American Title Insurance Company | #1103 | | 75.00 | 75.00 |

Loan Terms

| | |
|---|---|
| Your initial loan amount is | $ 165,937.00 |
| Your loan term is | 30 years |
| Your initial interest rate is | 3.7500 % |
| Your initial monthly amount owed for principal, interest and any mortgage insurance is | $ 861.10 Includes<br>☒ Principal<br>☒ Interest<br>☐ Mortgage Insurance |
| Can your interest rate rise? | ☒ No ☐ Yes, it can rise to a maximum of _____%. The first change will be on _____ and can change again every ___ months after _____. Every change date, your interest rate can increase or decrease by _____%. Over the life of the loan, your interest rate is guaranteed to never be lower than _____% or higher than _____%. |
| Even if you make payments on time, can your loan balance rise? | ☒ No ☐ Yes, it can rise to a maximum of $_____. |
| Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise? | ☒ No ☐ Yes, the first increase can be on _____ and the monthly amount owed can rise to $_____.<br>The maximum it can ever rise to is $_____. |
| Does your loan have a prepayment penalty? | ☒ No ☐ Yes, your maximum prepayment penalty is $_____. |
| Does your loan have a balloon payment? | ☒ No ☐ Yes, you have a balloon payment of $_____ due in ___ years on _____. |
| Total monthly amount owed including escrow account payments | ☐ You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself.<br>☒ You have an additional monthly escrow payment of $131.61 that results in a total initial monthly amount owed of $992.71. This includes principal, interest, any mortgage insurance and any items checked below:<br>☒ Property taxes ☒ Homeowner's Insurance<br>☐ Flood Insurance ☐<br>☐ ☐ |

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

## HUD-1 Attachment

Borrower(s): Jonathan Douglass and Theresa Douglass
215 Maywood Drive
Moncks Corner, SC 29461
Lender: USAA Federal Savings Bank
Settlement Agent: Bulst, Byars & Taylor, LLC
(843)856-4488
Place of Settlement: 652 Coleman Blvd., Suite 200
Mt. Pleasant SC 29464
Settlement Date: March 28, 2012
Property Location: 215 Maywood Drive
Moncks Corner, SC 29461
Berkeley County, South Carolina
Lot 43
The Abbey @ Spring Grove
211-14-01-018

Seller(s): Lennar Carolinas LLC
1941 Savage Road, Suite 100C
Charleston, SC 29407

### Adjusted Origination Charge Details

| | | |
|---|---|---|
| Origination Charge | | |
| Origination Fee 1 to USAA Federal Savings Bank | | 685.00 |
| | Total | $ 685.00 |
| Origination Credit/Charge (points) for the specific interest rate chosen | | |
| Credit/Charge to USAA Federal Savings Bank | | -1,394.53 |
| | Total | $ -1,394.53 |
| | Adjusted Origination Charges | $ -709.53 |

### Reserves Deposited with Lender

| | |
|---|---|
| Homeowner's Insurance 3.000 at 68.17 per month | 204.51 |
| County Taxes 6.000 at 63.44 per month | 380.64 |
| Aggregate Adjustment month | -190.32 |
| Total | $ 394.83 |

| Title Services and Lender's Title Insurance Details | BORROWER | SELLER |
|---|---|---|
| Title Search to Faith Stowe | 35.00 | |
| Title Binder to Clear Title Agency, LLC | 75.00 | |
| Fedex/ Courier/ Copy to Bulst, Byars & Taylor, LLC | 25.00 | |
| Attorney Fee to Bulst, Byars & Taylor, LLC | 250.00 | |
| Lender's title insurance to North American Title Insurance Company | 510.60 | |
| Total | $ 895.60 | $ 0.00 |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20120086.PFD/20120086/21)

| Settlement or Closing Fee Details | | BORROWER | SELLER |
|---|---|---|---|
| Document Preparation Fee<br>to Bulst, Byars & Taylor, LLC | | | 100.00 |
| | Total | $ 0.00 | $ 100.00 |

| Owner's Title Insurance | | BORROWER | SELLER |
|---|---|---|---|
| Owner's Policy Premium<br>to North American Title Insurance Company | | 75.00 | |
| | Total | $ 75.00 | $ 0.00 |

| Lender's Title Insurance<br>*fees also shown above in Title Services and Lender's Title Insurance Details | | BORROWER | SELLER |
|---|---|---|---|
| Lender's Policy Premium<br>to North American Title Insurance Company | | 510.60 | |
| | Total | $ 510.60 | $ 0.00 |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20120200B6.PFD/20120200B6/21)

## ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

| | |
|---|---|
| Borrower: | Jonathan Douglass and Theresa Douglass |
| Seller: | Lennar Carolinas LLC |
| Lender: | USAA Federal Savings Bank |
| Settlement Agent: | Buist, Byars & Taylor, LLC<br>(843)856-4488 |
| Place of Settlement: | 852 Coleman Blvd., Suite 200<br>Mt. Pleasant SC 29464 |
| Settlement Date: | March 28, 2012 |
| Property Location: | 216 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 43<br>The Abbey @ Spring Grove<br>211-14-01-018 |

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Jonathan Douglass

Theresa Douglass

Lennar Carolinas LLC

BY:
ITS: Authorized Agent

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Buist, Byars & Taylor, LLC
Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20120200S8.PFD/20120200S8/21)

# EXHIBIT 26

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

OMB Approval No. 2502-0265

# A. Settlement Statement (HUD-1)

B. Type of Loan

| 1. ☐ FHA 2. ☐ RHS 3. ☒ Conv. Unins. 4. ☐ VA 5. ☐ Conv. Ins. | 6. File Number: 2011050041 | 7. Loan Number: 8018544240 | 8. Mortgage Insurance Case Number: |
|---|---|---|---|

C. **Note:** *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

| D. Name and Address of Borrower: | E. Name and Address of Seller: | F. Name and Address of Lender: |
|---|---|---|
| Chad R. England, as Trustee<br>Czara E. England, as Trustee<br>146 Harvest Moon Road<br>Moncks Corner, SC 29461 | Lennar Carolinas, LLC<br>1941 Savage Rd, Ste 100C<br>Charleston, SC 29407 | Navy Federal Credit Union<br>5550 Heritage Oaks Drive<br>Pensacola, FL 32526 |

| G. Property Location: | H. Settlement Agent: 57-1074683 | I. Settlement Date: |
|---|---|---|
| 146 Harvest Moon Road<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 40<br>Ricefield Way @ Spring Grove<br>211-11-02-040 | Buist, Byars, & Taylor, LLC<br>2680 Elms Plantation Blvd, Ste 101<br>North Charleston, SC 29406 Ph. (843)284-4500<br>Place of Settlement:<br>2680 Elms Plantation Blvd, Ste 101<br>North Charleston, SC 29406 | June 22, 2011 |

| J. Summary of Borrower's transaction | | K. Summary of Seller's transaction | |
|---|---|---|---|
| 100. Gross Amount Due from Borrower: | | 400. Gross Amount Due to Seller: | |
| 101. Contract sales price | 203,356.00 | 401. Contract sales price | 203,356.00 |
| 102. Personal property | | 402. Personal property | |
| 103. Settlement Charges to Borrower (Line 1400) | 7,712.43 | 403. | |
| 104. | | 404. | |
| 105. | | 405. | |
| Adjustments for items paid by Seller in advance | | Adjustments for items paid by Seller in advance | |
| 106. City/Town Taxes to | | 406. City/Town Taxes to | |
| 107. County Taxes to | | 407. County Taxes to | |
| 108. Assessments to | | 408. Assessments to | |
| 109. | | 409. | |
| 110. | | 410. | |
| 111. | | 411. | |
| 112. | | 412. | |
| **120. Gross Amount Due from Borrower** | 211,068.43 | **420. Gross Amount Due to Seller** | 203,356.00 |
| **200. Amounts Paid by or in Behalf of Borrower** | | **500. Reductions in Amount Due Seller:** | |
| 201. Deposit or earnest money | 1,000.00 | 501. Excess deposit (see instructions) | |
| 202. Principal amount of new loan(s) | 203,356.00 | 502. Settlement charges to Seller (Line 1400) | -99.99 |
| 203. Existing loan(s) taken subject to | | 503. Existing loan(s) taken subject to | |
| 204. | | 504. Payoff First Mortgage | |
| 205. | | 505. Payoff Second Mortgage | |
| 206. | | 506. Deposit retained by seller | 1,000.00 |
| 207. | | 507. | |
| 208. | | 508. | |
| 209. Seller Paid C/C* | 5,000.00 | 509. Seller Paid C/C* | 5,000.00 |
| Adjustments for items unpaid by Seller | | Adjustments for items unpaid by Seller | |
| 210. City/Town Taxes to | | 510. City/Town Taxes to | |
| 211. County Taxes 01/01/11 to 06/22/11 | 399.59 | 511. County Taxes 01/01/11 to 06/22/11 | 399.59 |
| 212. Assessments to | | 512. Assessments to | |
| 213. Seller Paid Deed Stamps** | 752.95 | 513. Seller Paid Deed Stamps** | 752.95 |
| 214. | | 514. | |
| 215. | | 515. | |
| 216. | | 516. | |
| 217. | | 517. | |
| 218. | | 518. | |
| 219. | | 519. | |
| **220. Total Paid by/for Borrower** | 210,508.54 | **520. Total Reduction Amount Due Seller** | 7,052.55 |
| **300. Cash at Settlement from/to Borrower** | | **600. Cash at settlement to/from Seller** | |
| 301. Gross amount due from Borrower (line 120) | 211,068.43 | 601. Gross amount due to Seller (line 420) | 203,356.00 |
| 302. Less amount paid by/for Borrower (line 220) | ( 210,508.54) | 602. Less reductions due Seller (line 520) | ( 7,052.55) |
| **303. Cash** ☒ From ☐ To Borrower | 559.89 | **603. Cash** ☒ To ☐ From Seller | 196,303.45 |

Substitute Form 1099-S:

SELLER'S TAX ID SOLICITATION: THE INFORMATION IN BLOCKS E, G, H, I AND ON LINES 401, 406, 407 and 408 IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED. YOU ARE REQUIRED BY LAW TO PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see the 2011 Schedule D (Form 1040) instructions. If the real estate was not your main home, report the transaction on Form 4797, Sales of Business Property, Form 6252, Installment Sale Income, and/or Schedule D (Form 1040), Capital Gains and Losses. You may have to recapture (pay back) all or part of a Federal mortgage subsidy if all the following apply: a) You received a loan provided from the proceeds of a qualified mortgage bond or you received a mortgage credit certificate; b) Your original mortgage loan was provided after 1990, and; c) You sold or disposed of your home at a gain during the first 9 years after you received the Federal mortgage subsidy. This will increase your tax. See Form 8828, Recapture of Federal Mortgage Subsidy, and Pub. 523, Selling Your Home.

If you have already paid the real estate tax for the period that includes the sale date, subtract the amounts on Lines 406, 407 & 408 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate tax in a prior year, generally report this amount as income on the "Other Income" line of Form 1040. For more information, see Pub. 523.

For Paperwork Reduction Act Notice, see the 2011 Instructions for Forms 1099, 1098, 5498, and W-2G.
Department of the Treasury - Internal Revenue Service

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN BELOW ON THIS STATEMENT IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER.

| Seller's Signature | Seller's Signature | Seller's Signature | Seller's Signature |
|---|---|---|---|
| TaxID/SSN: | TaxID/SSN: | TaxID/SSN: | TaxID/SSN: |

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

## L. Settlement Charges

| | | | | Paid From Borrower's Funds at Settlement | Paid From Seller's Funds at Settlement |
|---|---|---|---|---|---|
| **700. Total Real Estate Broker Fees** | | | | | |
| *Division of commission (line 700) as follows:* | | | | | |
| 701. $ to | | | | | |
| 702. $ to | | | | | |
| 703. Commission paid at settlement | | | | | |
| 704. | | | | | |
| 705. | | | | | |
| **800. Items Payable in Connection with Loan** | | | | | |
| 801. Our origination charge | $ 3,558.00 | (from GFE #1) | | | |
| 802. Your credit or charge (points) for the specific interest rate chosen | $ 508.39 | (from GFE #2) | | | |
| 803. Your adjusted origination charges | | (from GFE #A) | * | 4,066.39 | |
| 804. Appraisal fee to Sea Island Appraisal Company | | (from GFE #3) | POC:B400.00 | | |
| 805. Credit Report to Equifax | | (from GFE #3) | POC:B22.00 | | |
| 806. Tax service to CoreLogic | | (from GFE #3) | * | 45.00 | |
| 807. Flood certification to Flood Data Services Inc. | | (from GFE #3) | * | 7.00 | |
| 808. Tax Set Up Fee to CoreLogic | | (from GFE #3) | * | 5.00 | |
| 809. | | (from GFE #3) | * | | |
| 810. | | (from GFE #3) | * | | |
| 811. | | (from GFE #3) | | | |
| **900. Items Required by Lender to Be Paid in Advance** | | | | | |
| 901. Daily interest charges from 06/22/11 to 07/01/11 | 9 @ $31.340000/day | (from GFE #10) | | 282.05 | |
| 902. Mortgage insurance premium for months to | | (from GFE #3) | | | |
| 903. Homeowner's insurance for 1.0 years to Universal Insurance Company of North Ame | | (from GFE #11) | | 415.00 | |
| 904. | | (from GFE #11) | | | |
| 905. | | (from GFE #3) | | | |
| **1000. Reserves Deposited with Lender** | | | | | |
| 1001. Initial deposit for your escrow account | | (from GFE #9) | | 427.01 | |
| 1002. Homeowner's Insurance 2.000 months @ $ 34.58 per month | | $ 69.16 | | | |
| 1003. Mortgage insurance months @ $ per month | | $ | | | |
| 1004. Property taxes | | $ 565.28 | | | |
| County Taxes 8.000 months @ $ 70.66 per month | | | | | |
| 1005. | | $ | | | |
| 1006. months @ $ per month | | $ | | | |
| 1007. months @ $ per month | | $ | | | |
| 1008. | | $ | | | |
| 1009. Aggregate Adjustment | | $ -207.43 | | | |
| **1100. Title Charges** | | | | | |
| 1101. Title services and lender's title insurance | | (from GFE #4) | (676.61 pd by S)* | 933.40 | |
| 1102. Settlement or closing fee to Bulst, Byars, & Taylor, LLC | | $ | | | 100.00 |
| 1103. Owner's title insurance to North American Title Insurance Company | | (from GFE #5) | | 75.00 | |
| 1104. Lender's title insurance to North American Title Insurance Company | | $ 548.40 | | | |
| 1105. Lender's title policy limit | $ 203,356.00 | | | | |
| 1106. Owner's title policy limit | $ 203,356.00 | | | | |
| 1107. Agent's portion of the total title insurance premium to Clear Title Agency, LLC | | | $ 374.04 | | |
| 1108. Underwriter's portion of the total title insurance premium to North American Title Insurance Company | | | $ 249.36 | | |
| 1109. | | | | | |
| 1110. | | | | | |
| 1111. | | | | | |
| 1112. | | | | | |
| 1113. | | | | | |
| **1200. Government Recording and Transfer Charges** | | | | | |
| 1201. Government recording charges to RMC Office | | (from GFE #7) | | 45.00 | |
| 1202. Deed $ 10.00 Mortgage $ 25.00 Releases $ | | Other $ 10.00 | | | |
| 1203. Transfer taxes to RMC Office | | (from GFE #8) | | 752.95 | |
| 1204. City/County tax/stamps $ 752.95 | $ | | ** | | |
| 1205. State tax/stamps $ | $ | | | | |
| 1206. | | | | | |
| 1207. | | | | | |
| **1300. Additional Settlement Charges** | | | | | |
| 1301. Required services that you can shop for | | (from GFE #6) | | 200.00 | |
| 1302. Survey Fee to Parker Land Surveying | | $ 200.00 | * | | -200.00 |
| 1303. 2011 HOA Dues (300.00 yr.) to Spring Grove Plantation HOA | | | | 158.63 | |
| 1304. Transfer Fee to Spring Grove Plantation HOA | | | | 300.00 | |
| 1305. | | | | | |
| **1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)** | | | | 7,712.43 | -99.99 |

| Comparison of Good Faith Estimate (GFE) and HUD-1 Charges | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| **Charges That Cannot Increase** | **HUD-1 Line Number** | | |
| Our origination charge | # 801 | 3,558.00 | 3,558.00 |
| Your credit or charge (points) for the specific interest rate chosen | # 802 | 508.39 | 508.39 |
| Your adjusted origination charges | # 803 | 4,066.39 | 4,066.39 |
| Transfer taxes | #1203 | 751.10 | 752.95 |

| Charges That in Total Cannot Increase More than 10% | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Government recording charges | #1201 | 26.00 | 45.00 |
| Appraisal fee | # 804 | 400.00 | 400.00 |
| Credit report | # 805 | 22.00 | 22.00 |
| Tax service | # 806 | 45.00 | 45.00 |
| Flood certification | # 807 | 7.00 | 7.00 |
| Tax Set Up Fee | # 808 | 5.00 | 5.00 |
| Survey Fee | #1302 | 500.00 | 200.00 |
| | **Total** | 1,005.00 | 724.00 |
| | Increase between GFE and HUD-1 Charges | $ -281.00 or | -27.96% |

| Charges That Can Change | | | Good Faith Estimate | HUD-1 |
|---|---|---|---|---|
| Initial deposit for your escrow account | #1001 | | 427.01 | 427.01 |
| Daily interest charges | # 901 | $ 31.340000/day | 282.05 | 282.05 |
| Homeowner's Insurance | # 903 | | 415.00 | 415.00 |
| Title services and lender's title insurance | #1101 | | 1,982.87 | 933.40 |
| Owner's title insurance to North American Title Insurance Compa | #1103 | | 455.87 | 75.00 |

## Loan Terms

| | |
|---|---|
| **Your initial loan amount is** | $ 203,356.00 |
| **Your loan term is** | 30 years |
| **Your initial interest rate is** | 5.6250 % |
| **Your initial monthly amount owed for principal, interest and any mortgage insurance is** | $ 1,170.63 includes<br>☒ Principal<br>☒ Interest<br>☐ Mortgage Insurance |
| **Can your interest rate rise?** | ☒ No ☐ Yes, it can rise to a maximum of _____%. The first change will be on _____ and can change again every ___ months after _____. Every change date, your interest rate can increase or decrease by _____%. Over the life of the loan, your interest rate is guaranteed to never be lower than _____% or higher than _____%. |
| **Even if you make payments on time, can your loan balance rise?** | ☒ No ☐ Yes, it can rise to a maximum of $_____. |
| **Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise?** | ☒ No ☐ Yes, the first increase can be on _____ and the monthly amount owed can rise to $_____.<br>The maximum it can ever rise to is $_____. |
| **Does your loan have a prepayment penalty?** | ☒ No ☐ Yes, your maximum prepayment penalty is $_____. |
| **Does your loan have a balloon payment?** | ☒ No ☐ Yes, you have a balloon payment of $_____ due in ___ years on _____. |
| **Total monthly amount owed including escrow account payments** | ☐ You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself.<br>☒ You have an additional monthly escrow payment of $105.24 that results in a total initial monthly amount owed of $1,275.87. This includes principal, interest, any mortgage insurance and any items checked below:<br>☒ Property taxes ☒ Homeowner's insurance<br>☐ Flood Insurance ☐<br>☐ ☐ |

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

# EXHIBIT 27

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

OMB Approval No. 2502-0265

# A. Settlement Statement (HUD-1)

B. Type of Loan

| 1. ☐ FHA 2. ☐ RHS 3. ☐ Conv. Unins. 4. ☐ VA 5. ☐ Conv. Ins. | 6. File Number: 2011090090 | 7. Loan Number: 0007664642 | 8. Mortgage Insurance Case Number: |
|---|---|---|---|

C. Note: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

| D. Name and Address of Borrower: | E. Name and Address of Seller: | F. Name and Address of Lender: |
|---|---|---|
| Danny John Morrow<br>210 Maywood Drive<br>Moncks Corner, SC 29461 | Lennar Carolinas LLC<br>1941 Savage Road, Suite 1000<br>Charleston, SC 29407 | Universal American Mortgage Company, LLC<br>16550 Lightwave Drive, Ste. 200<br>Clearwater, FL 33760 |

| G. Property Location: | H. Settlement Agent: 57-1074583 | I. Settlement Date: |
|---|---|---|
| 210 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 5<br>The Abbey @ Spring Grove<br>211-14-01-005 | Bidst, Byars & Taylor, LLC<br>2660 Elms Plantation Blvd., Bldg. 100, Suite 101<br>N. Charleston, SC 29406 Ph. (843)284-4500<br>Place of Settlement:<br>2660 Elms Plantation Blvd., Bldg. 100, Suite 101<br>N. Charleston, SC 29406 | October 31, 2011 |

| J. Summary of Borrower's transaction | | | K. Summary of Seller's transaction | | |
|---|---|---|---|---|---|
| 100. Gross Amount Due from Borrower: | | | 400. Gross Amount Due to Seller: | | |
| 101. Contract sales price | | 175,347.00 | 401. Contract sales price | | 175,347.00 |
| 102. Personal property | | | 402. Personal property | | |
| 103. Settlement Charges to Borrower (Line 1400) | | 9,592.77 | 403. | | |
| 104. | | | 404. | | |
| 105. | | | 405. | | |
| Adjustments for items paid by Seller in advance | | | Adjustments for items paid by Seller in advance | | |
| 106. City/Town Taxes | to | | 406. City/Town Taxes | to | |
| 107. County Taxes | to | | 407. County Taxes | to | |
| 108. Assessments | to | | 408. Assessments | to | |
| 109. | | | 409. | | |
| 110. | | | 410. | | |
| 111. | | | 411. | | |
| 112. | | | 412. | | |
| 120. Gross Amount Due from Borrower | | 184,939.77 | 420. Gross Amount Due to Seller | | 175,347.00 |
| 200. Amounts Paid by or in Behalf of Borrower | | | 500. Reductions In Amount Due Seller | | |
| 201. Deposit or earnest money | | 500.00 | 501. Excess deposit (see instructions) | | |
| 202. Principal amount of new loan(s) | | 178,925.00 | 502. Settlement charges to Seller (Line 1400) | | 7,849.19 |
| 203. Existing loan(s) taken subject to | | | 503. Existing loan(s) taken subject to | | |
| 204. | | | 504. Payoff First Mortgage | | |
| 205. | | | 505. Payoff Second Mortgage | | |
| 206. | | | 506. Deposit retained by seller | | 500.00 |
| 207. | | | 507. | | |
| 208. | | | 508. | | |
| 209. Seller Paid C/C* | | 5,364.91 | 509. Seller Paid C/C* | | 5,364.91 |
| Adjustments for items unpaid by Seller | | | Adjustments for items unpaid by Seller | | |
| 210. City/Town Taxes | to | | 510. City/Town Taxes | to | |
| 211. County Taxes | to | | 511. County Taxes | to | |
| 212. Assessments | to | | 512. Assessments | to | |
| 213. Seller Paid Deed Stamps** | | 649.35 | 513. Seller Paid Deed Stamps** | | 649.35 |
| 214. | | | 514. | | |
| 215. | | | 515. | | |
| 216. | | | 516. | | |
| 217. | | | 517. | | |
| 218. | | | 518. | | |
| 219. | | | 519. | | |
| 220. Total Paid by/for Borrower | | 185,439.26 | 520. Total Reduction Amount Due Seller | | 14,063.45 |
| 300. Cash at Settlement from/to Borrower | | | 600. Cash at settlement to/from Seller | | |
| 301. Gross amount due from Borrower (line 120) | | 184,939.77 | 601. Gross amount due to Seller (line 420) | | 175,347.00 |
| 302. Less amount paid by/for Borrower (line 220) | | ( 185,439.26) | 602. Less reductions due Seller (line 520) | | ( 14,063.45) |
| 303. Cash ☐ From ☒ To Borrower | | 499.49 | 603. Cash ☒ To ☐ From Seller | | 161,283.55 |

Substitute Form 1099-S

SELLER'S TAXID SOLICITATION: THE INFORMATION IN BLOCKS E, G, H, AND ON LINES 401, 406, 407 and 408 IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED. YOU ARE REQUIRED BY LAW TO PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

For sales or exchanges of certain real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see the 2011 Schedule D (Form 1040) instructions. If the real estate was not your main home, report the transaction on Form 4797, Sales of Business Property; Form 6252, Installment Sale Income, under Schedule D (Form 1040), Capital Gains and Losses. You may have to recapture (pay back) all or part of a Federal mortgage subsidy if all the following apply: a) You received a loan provided from the proceeds of a qualified mortgage bond or you received a mortgage credit certificate; b) Your original mortgage loan was provided after 1990, and c) You sold or disposed of your home at a gain during the first 9 years after you received the Federal mortgage subsidy. This will increase your tax. See Form 8828, Recapture of Federal Mortgage Subsidy, and Pub. 523, Selling Your Home.

If you have already paid the real estate taxes for the period that includes the date of sale, subtract the amounts on Lines 406, 407 & 408 from the amount already paid to determine your deductible real estate tax. But if you have already deducted the real estate taxes as prepaid, generally report the amounts as income on the "Other Income" line of Form 1040. For more information, see Pub. 523.

For Paperwork Reduction Act Notice, see the 2011 instructions for Forms 1099, 1099, 6408, and W-9S.
Department of the Treasury - Internal Revenue Service

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN BELOW ON THIS STATEMENT IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER.

| Seller's Signature | Seller's Signature | Seller's Signature | Seller's Signature |
|---|---|---|---|
| Tax ID/SS#: | Tax ID/SS#: | Tax ID/SS#: | Tax ID/SS#: |

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is intended to provide the parties in a RESPA-covered transaction with information during the settlement process.

## L. Settlement Charges

| | | | | Paid From Borrower's Funds at Settlement | Paid From Seller's Funds at Settlement |
|---|---|---|---|---|---|
| 700. Total Real Estate Broker Fees | | $ 5,099.46 | | | |
| *Division of commission (line 700) as follows:* | | | | | |
| 701. $ | to | | | | |
| 702. $ 5,099.46 | to Carolina One | | | | |
| 703. Commission paid at settlement | | | | | 5,099.46 |
| 704. Bonus | to Carolina One | | | | 2,549.73 |
| 705. $500 Gift Card (POC) | | | | | |
| **800. Items Payable in Connection with Loan** | | | | | |
| 801. Our origination charge Includes Origination Point (1.000% or $ 1,789.28) | | $ 2,507.25 | (from GFE #1) | | |
| 802. Your credit or charge (points) for the specific interest rate chosen | | $ | (from GFE #2) | | |
| 803. Your adjusted origination charges | | | (from GFE #A) | 2,507.25 | |
| 804. Appraisal fee | to Suzanne R. Piper | | (from GFE #3) | 375.00 | |
| 805. Credit Report | to Credco XAL Credit Service | | (from GFE #3) | 38.85 | |
| 806. Tax service | to | | (from GFE #3) | | |
| 807. Flood certification | to | | (from GFE #3) | | |
| 808. Life of Loan Flood Fee | to 1st American Flood Services | | (from GFE #3) | 5.00 | |
| 809. Flood Determination | to 1st American Flood Services | | (from GFE #3) | 7.00 | |
| 810. | | | (from GFE #3) | | |
| 811. | | | (from GFE #3) | | |
| **900. Items Required by Lender to Be Paid in Advance** | | | | | |
| 901. Daily interest charges from 10/31/11 to 11/01/11 | | 1 @ $20.83000/day | (from GFE #10) | 20.83 | |
| 902. Mortgage Insurance premium for months to USDA Rural Housing | | | (from GFE #3) | 3,678.51 | |
| 903. Homeowner's Insurance for 1.0 years to American Strategic Insurance Corp | | | (from GFE #11) | 773.00 | |
| 904. | | | (from GFE #11) | | |
| 905. | | | (from GFE #11) | | |
| **1000. Reserves Deposited with Lender** | | | | | |
| 1001. Initial deposit for your escrow account | | | (from GFE #9) | 82.05 | |
| 1002. Homeowner's Insurance 3.000 | months @ $ 64.42 per month | | $ 193.26 | | |
| 1003. Mortgage Insurance 2.000 | months @ $ 44.39 per month | | $ 88.78 | | |
| 1004. Property taxes | | | $ 124.02 | | |
| County Taxes 2.000 | months @ $ 62.01 per month | | | | |
| 1005. | | | $ | | |
| 1006. | months @ $ per month | | $ | | |
| 1007. | months @ $ per month | | $ | | |
| 1008. | | | $ | | |
| 1009. Aggregate Adjustment | | | $ -324.01 | | |
| **1100. Title Charges** | | | | | |
| 1101. Title services and lender's title insurance | | | (from GFE #4) | 660.50 | |
| 1102. Settlement or closing fee | to Bulat, Byars & Taylor, LLC | | $ | | 100.00 |
| 1103. Owner's title insurance to North American Title Insurance Company | | | (from GFE #5) | 75.00 | |
| 1104. Lender's title insurance to North American Title Insurance Company | | | $ 495.90 | | |
| 1105. Lender's title policy limit | $ 176,925.00 | | | | |
| 1106. Owner's title policy limit | $ 176,347.00 | | | | |
| 1107. Agent's portion of the total title insurance premium | to Clear Title Agency, LLC | | $ 942.64 | | |
| 1108. Underwriter's portion of the total title insurance premium | to North American Title Insurance Company | | $ 228.36 | | |
| 1109. | | | | | |
| 1110. | | | | | |
| 1111. | | | | | |
| 1112. | | | | | |
| 1113. | | | | | |
| **1200. Government Recording and Transfer Charges** | | | | | |
| 1201. Government recording charges | to RMC Office | | (from GFE #7) | 60.00 | |
| 1202. Deed $ 10.00 Mortgage $ 25.00 | Releases $ | | Other $ 15.00 | | |
| 1203. Transfer taxes | to RMC Office | | (from GFE #8) | 649.35 | |
| 1204. City/County tax/stamps | $ 649.35 | $ | | | |
| 1205. State tax/stamps | $ | $ | | | |
| 1206. | | | | | |
| 1207. | | | | | |
| **1300. Additional Settlement Charges** | | | | | |
| 1301. Required services that you can shop for | | | (from GFE #6) | 200.00 | |
| 1302. Survey Fee | to Parker Land Surveying | | $ 200.00 | | -200.00 |
| 1303. 2011 HOA Dues | to Spring Grove Plantation HOA | | | 60.99 | |
| 1304. 2011 County Taxes (Acreage) | to Lennar Carolinas, LLC | | POC:$ | 1.07 | |
| 1305. See addt'l disb. exhibit | to | | | 300.00 | |
| 1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K) | | | | 9,692.77 | 7,549.19 |

| Comparison of Good Faith Estimate (GFE) and HUD-1 Charges | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Charges That Cannot Increase | HUD-1 Line Number | | |
| Our origination charge | # 801 | 2,507.25 | 2,507.25 |
| Your credit or charge (points) for the specific interest rate chosen | # 802 | | |
| Your adjusted origination charges | # 803 | 2,507.25 | 2,507.25 |
| Transfer taxes | #1203 | 851.20 | 849.35 |

| Charges That In Total Cannot Increase More than 10% | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Government recording charges | #1201 | 50.00 | 50.00 |
| Appraisal fee | # 804 | 375.00 | 375.00 |
| Credit report | # 805 | 76.00 | 36.85 |
| Life of Loan Flood Fee | # 808 | 6.00 | 6.00 |
| Flood Determination | # 809 | 7.00 | 7.00 |
| Mortgage Insurance Premium | # 802 | 3,578.51 | 3,578.51 |
| Title services and lender's title insurance | #1101 | 921.77 | 860.90 |
| Owner's title insurance to North American Title Insurance Compr | #1103 | 100.00 | 76.00 |
| Survay Fee | #1302 | 200.00 | 200.00 |

| | | | |
|---|---|---|---|
| | Total | 6,312.28 | 6,208.28 |
| | Increase between GFE and HUD-1 Charges | $ -104.02 or | -1.65% |

| Charges That Can Change | | | Good Faith Estimate | HUD-1 |
|---|---|---|---|---|
| Initial deposit for your escrow account | #1001 | | 380.82 | 82.05 |
| Daily interest charges | # 901 | $ 20.830000/day | 20.80 | 20.83 |
| Homeowner's Insurance | # 903 | | 773.00 | 773.00 |

Loan Terms

| | |
|---|---|
| Your initial loan amount is | $ 178,925.00 |
| Your loan term is | 30 years |
| Your initial interest rate is | 4.2500 % |
| Your initial monthly amount owed for principal, interest and any mortgage insurance is | $ 924.60 Includes<br>☒ Principal<br>☒ Interest<br>☒ Mortgage Insurance |
| Can your interest rate rise? | ☒ No ☐ Yes, it can rise to a maximum of _____%. The first change will be on _____ and can change again every ___ months after _____. Every change date, your interest rate can increase or decrease by _____%. Over the life of the loan, your interest rate is guaranteed to never be lower than _____% or higher than _____%. |
| Even if you make payments on time, can your loan balance rise? | ☒ No ☐ Yes, it can rise to a maximum of $_____. |
| Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise? | ☒ No ☐ Yes, the first increase can be on _____ and the monthly amount owed can rise to $_____.<br>The maximum it can ever rise to is $_____. |
| Does your loan have a prepayment penalty? | ☒ No ☐ Yes, your maximum prepayment penalty is $_____. |
| Does your loan have a balloon payment? | ☒ No ☐ Yes, you have a balloon payment of $_____ due in ___ years on _____. |
| Total monthly amount owed including escrow account payments | ☐ You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself.<br>☒ You have an additional monthly escrow payment of $126.43 that results in a total initial monthly amount owed of $1,051.03. This includes principal, interest, any mortgage insurance and any items checked below:<br>☒ Property taxes ☒ Homeowner's Insurance<br>☐ Flood Insurance ☐<br>☐ ☐ |

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

## HUD-1 Attachment

Borrower(s): Danny John Morrow
210 Maywood Drive
Moncks Corner, SC 29461
Lender: Universal American Mortgage Company, LLC
Settlement Agent: Buist, Byars & Taylor, LLC
(843)284-4500
Place of Settlement: 2880 Elms Plantation Blvd., Bldg. 100, Suite 101
N. Charleston, SC 29406
Settlement Date: October 31, 2011
Property Location: 210 Maywood Drive
Moncks Corner, SC 29461
Berkeley County, South Carolina
Lot 5
The Abbey @ Spring Grove
211-14-01-005

Seller(s): Lennar Carolinas LLC
1941 Savage Road, Suite 100C
Charleston, SC 29407

### Additional Disbursements

| Payee/Description | Note/Ref No. | Borrower | Seller |
|---|---|---|---|
| Spring Grove Plantation HOA Transfer Fee | | 300.00 | |
| Total Additional Disbursements shown on Line 1305 | | $ 300.00 | $ 0.00 |

### Adjusted Origination Charge Details

| | |
|---|---|
| Origination Charge | |
| Origination Fee | 1,789.25 |
| to Universal American Mortgage Company, LLC | |
| Tax Service Fee | 73.00 |
| to Universal American Mortgage Company, LLC | |
| Courier/ Msg/ Wire Fee | 50.00 |
| to Universal American Mortgage Company, LLC | |
| Doc Prep Fee | 200.00 |
| to Universal American Mortgage Company, LLC | |
| Commitment Fee | 395.00 |
| to Universal American Mortgage Company, LLC | |
| Total | $ 2,507.25 |
| Origination Credit/Charge (points) for the specific interest rate chosen | |
| Total | $ |
| Adjusted Origination Charges | $ 2,507.25 |

### Reserves Deposited with Lender

| | | |
|---|---|---|
| Homeowner's Insurance 3.000 at 64.42 per month | * | 193.26 |
| Mortgage Insurance 2.000 at 44.39 per month | * | 88.78 |
| County Taxes 2.000 at 62.01 per month | * | 124.02 |
| Aggregate Adjustment month | * | -324.01 |
| Total | | $ 82.05 |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20110900900.PFD/20110900900715)

| Title Services and Lender's Title Insurance Details | | BORROWER | SELLER |
|---|---|---|---|
| Title Search<br>to Faith Stowe | | 35.00 | |
| Title Binder<br>to Clear Title Agency, LLC | | 75.00 | |
| Fedex/ Courier/ Copy<br>to Bulst, Byars & Taylor, LLC | | 25.00 | |
| Attorney Fee<br>to Bulst, Byars & Taylor, LLC | | 250.00 | |
| Lender's title insurance<br>to North American Title Insurance Company | | 495.90 | |
| | Total | $ 880.90 | $ 0.00 |

| Settlement or Closing Fee Details | | BORROWER | SELLER |
|---|---|---|---|
| Document Preparation Fee<br>to Bulst, Byars & Taylor, LLC | | | 100.00 |
| | Total | $ 0.00 | $ 100.00 |

| Owner's Title Insurance | | BORROWER | SELLER |
|---|---|---|---|
| Owner's Policy Premium<br>to North American Title Insurance Company | | 75.00 | |
| | Total | $ 75.00 | $ 0.00 |

| Lender's Title Insurance<br>*fees also shown above in Title Services and Lender's Title Insurance Details | | BORROWER | SELLER |
|---|---|---|---|
| Lender's Policy Premium<br>to North American Title Insurance Company | | 495.90 | |
| | Total | $ 495.90 | $ 0.00 |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20110900S0.PFD/20110900S0/16)

## ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

| | |
|---|---|
| **Borrower:** | Danny John Morrow |
| **Seller:** | Lennar Carolinas LLC |
| **Lender:** | Universal American Mortgage Company, LLC |
| **Settlement Agent:** | Buist, Byars & Taylor, LLC<br>(843)284-4500 |
| **Place of Settlement:** | 2880 Elms Plantation Blvd., Bldg. 100, Suite 101<br>N. Charleston, SC 29406 |
| **Settlement Date:** | October 31, 2011 |
| **Property Location:** | 210 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 5<br>The Abbey @ Spring Grove<br>211-14-01-005 |

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Danny John Morrow
by [illegible] attorney in fact
Danny John Morrow

Lennar Carolinas LLC
BY: _____
ITS: Authorized Agent

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Buist, Byars & Taylor, LLC
Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20110000000.PFDZ20110000000)

# EXHIBIT 28

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

OMB Approval No. 2502-0265

# A. Settlement Statement (HUD-1)

B. Type of Loan

| 1. ☐ FHA 2. ☐ RHS 3. ☐ Conv. Unins. 4. ☒ VA 5. ☐ Conv. Ins. | 6. File Number: 2013050061 | 7. Loan Number: 0006624035 | 8. Mortgage Insurance Case Number: 19-12-6-0434350 |
|---|---|---|---|

C. Note: *This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.*

| D. Name and Address of Borrower: | E. Name and Address of Seller: | F. Name and Address of Lender: |
|---|---|---|
| Anthony L. Ray<br>233 Maywood Drive<br>Moncks Corner, SC 29461 | Lennar Carolinas LLC<br>1941 Savage Road, Suite 100C<br>Charleston, SC 29407 | Universal American Mortgage Company, LLC<br>16550 Lightwave Drive, Ste. 200<br>Clearwater, FL 33760 |

| G. Property Location: | H. Settlement Agent: 57-1074083 | I. Settlement Date: |
|---|---|---|
| 233 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 36<br>The Abbey at Spring Grove<br>211-14-01-071 | Buist, Byars & Taylor, LLC<br>652 Coleman Blvd., Suite 200<br>Mt. Pleasant SC 29464 Ph. (843)856-4488<br>Place of Settlement:<br>652 Coleman Blvd., Suite 200<br>Mt. Pleasant SC 29464 | May 30, 2013 |

| J. Summary of Borrower's transaction | | K. Summary of Seller's transaction | |
|---|---|---|---|
| 100. Gross Amount Due from Borrower: | | 400. Gross Amount Due to Seller: | |
| 101. Contract sales price | 188,990.00 | 401. Contract sales price | 188,990.00 ✓ |
| 102. Personal property | | 402. Personal property | |
| 103. Settlement Charges to Borrower (Line 1400) | 11,695.90 | 403. | |
| 104. | | 404. | |
| 105. | | 405. | |
| Adjustments for items paid by Seller in advance | | Adjustments for items paid by Seller in advance | |
| 106. City/Town Taxes to | | 406. City/Town Taxes to | |
| 107. County Taxes to | | 407. County Taxes to | |
| 108. Assessments to | | 408. Assessments to | |
| 109. | | 409. | |
| 110. | | 410. | |
| 111. | | 411. | |
| 112. | | 412. | |
| 120. Gross Amount Due from Borrower | 188,685.90 | 420. Gross Amount Due to Seller | 188,990.00 |
| 200. Amounts Paid by or in Behalf of Borrower | | 500. Reductions in Amount Due Seller | |
| 201. Deposit or earnest money | 1,000.00 | 501. Excess deposit (see instructions) | |
| 202. Principal amount of new loan(s) | 192,685.00 | 502. Settlement charges to Seller (Line 1400) | 9,991.40 ✓ |
| 203. Existing loan(s) taken subject to | | 503. Existing loan(s) taken subject to | |
| 204. | | 504. Payoff First Mortgage | |
| 205. | | 505. Payoff Second Mortgage | |
| 206. | | 506. Deposit retained by seller | 1,000.00 ✓ |
| 207. | | 507. | |
| 208. | | 508. | |
| 209. Seller Paid C/C* | | 509. Seller Paid C/C* | |
| Adjustments for items unpaid by Seller | | Adjustments for items unpaid by Seller | |
| 210. City/Town Taxes to | | 510. City/Town Taxes to | |
| 211. County Taxes 01/01/13 to 05/30/13 | 394.06 | 511. County Taxes 01/01/13 to 05/30/13 | 394.06 ✓ |
| 212. Assessments to | | 512. Assessments to | |
| 213. | | 513. | |
| 214. | | 514. | |
| 215. | | 515. | |
| 216. | | 516. | |
| 217. | | 517. | |
| 218. | | 518. | |
| 219. | | 519. | |
| 220. Total Paid by/for Borrower | 194,079.06 | 520. Total Reduction Amount Due Seller | 11,385.46 |
| 300. Cash at Settlement from/to Borrower | | 600. Cash at settlement to/from Seller | |
| 301. Gross amount due from Borrower (line 120) | 188,685.90 | 601. Gross amount due to Seller (line 420) | 188,990.00 |
| 302. Less amount paid by/for Borrower (line 220) | ( 194,079.06) | 602. Less reductions due Seller (line 520) | ( 11,385.46) |
| 303. Cash ☒ From ☐ To Borrower | 5,393.16 | 603. Cash ☒ To ☐ From Seller | 177,604.54 |

**Section 5 of the RESPA requires the following:**

**BORROWER'S TAXPAYER IDENTIFICATION:** THE INFORMATION IN BLOCKS E, G, H, LINES 401, 402, 501 AND 502 IS IMPORTANT TAX INFORMATION AND IS BEING FURNISHED TO THE INTERNAL REVENUE SERVICE. IF YOU ARE REQUIRED TO FILE A RETURN, A NEGLIGENCE PENALTY OR OTHER SANCTION MAY BE IMPOSED ON YOU IF THIS ITEM IS REQUIRED TO BE REPORTED AND THE IRS DETERMINES THAT IT HAS NOT BEEN REPORTED. YOU ARE REQUIRED BY LAW TO PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER. IF YOU DO NOT PROVIDE THE SETTLEMENT AGENT WITH YOUR CORRECT TAXPAYER IDENTIFICATION NUMBER, YOU MAY BE SUBJECT TO CIVIL OR CRIMINAL PENALTIES IMPOSED BY LAW.

For sales or exchanges of capital real estate, the person responsible for closing a real estate transaction must report the real estate proceeds to the Internal Revenue Service and must furnish this statement to you. To determine if you have to report the sale or exchange of your main home on your tax return, see IRS 2013 Schedule D (Form 1040) instructions. If the real estate was not your main home, report the transaction on Form 4797, Sales of Business Property. See IRS publication 523, Selling Your Home, and Publication 544, Sales and Other Dispositions of Assets. Keep this statement for your records.

If you have already paid the real estate tax for the next tax year (for example, in January), the amount you can deduct is the amount you paid at closing. But if you have already deducted the real estate tax in a prior year, you usually report the amount as income on the "Other Income" line of Form 1040. For more information, see IRS Pub. 525.

For Paperwork Reduction Act Notice, see the 2013 Instructions for Forms 1065, 1065, 5498, and W-2G.

Department of the Treasury - Internal Revenue Service

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE NUMBER SHOWN BELOW ON THIS STATEMENT IS MY CORRECT TAXPAYER IDENTIFICATION NUMBER.

| Seller's Signature | Seller's Signature | Seller's Signature | Seller's Signature |
|---|---|---|---|
| Tax ID/SSN: | Tax ID/SSN: | Tax ID/SSN: | Tax ID/SSN: |

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction information during the settlement process.

## L. Settlement Charges

| | | | | Paid From Borrower's Funds at Settlement | Paid From Seller's Funds at Settlement |
|---|---|---|---|---|---|
| 700. Total Real Estate Broker Fees | | | $ 5,509.70 | | |
| Division of commission (line 700) as follows: | | | | | |
| 701. $ | to | | | | |
| 702. $ 5,509.70 | to Coldwell Banker United Realtors | | | | |
| 703. Commission paid at settlement | | | | | 5,608.70 |
| 704. 2% Bonus | to Coldwell Banker United Realtors | | | | 3,799.80 |
| 705. | | | | | |
| 800. Items Payable in Connection with Loan | | | | | |
| 801. Our origination charge Includes Origination Point ($ 0.00) | | | $ 845.00 | (from GFE #1) | |
| 802. Your credit or charge (points) for the specific interest rate chosen | | | $ 1,204.28 | (from GFE #2) | |
| 803. Your adjusted origination charges | | | | (from GFE #A) | 2,049.28 |
| 804. Appraisal fee | to VA Appraiser | | | (from GFE #3) | 375.00 |
| 805. Credit Report | to Credco XML Credit Service | | | (from GFE #3) | 13.80 |
| 806. Tax service | to | | | (from GFE #3) | |
| 807. Flood certification | to | | | (from GFE #3) | |
| 808. Life of Loan Flood Cert | to 1st American Flood Svcs | | | (from GFE #3) | 7.50 |
| 809. Flood Determination Fee | | | | (from GFE #3) | |
| 810. HUD1300aFin142 | to VA Appraiser | | | (from GFE #3) | 75.00 |
| 811. | | | | (from GFE #3) | |
| 900. Items Required by Lender to Be Paid in Advance | | | | | |
| 901. Daily interest charges from 05/30/13 | to 06/01/13 | @ $17.61(5760/day | | (from GFE #10) | 35.03 |
| 902. Mortgage insurance premium for | months to Veterans Administration (Upfront) | | | (from GFE #3) | 6,166.40 |
| 903. Homeowner's insurance for 1.0 years to | American Strategic Insurance Corp | | | (from GFE #11) | 618.00 |
| 904. | | | | (from GFE #11) | |
| 905. | | | | (from GFE #11) | |
| 1000. Reserves Deposited with Lender | | | | | |
| 1001. Initial deposit for your escrow account | | | | (from GFE #9) | 443.61 |
| 1002. Homeowner's insurance 3.000 | months @ $ 68.17 per month | | | $ 204.51 | |
| 1003. Mortgage insurance | months @ $ per month | | | $ | |
| 1004. Property taxes | | | | $ 663.08 | |
| County Taxes 7.000 | months @ $ 80.44 per month | | | | |
| 1005. | | | | $ | |
| 1006. | months @ $ per month | | | $ | |
| 1007. | months @ $ per month | | | $ | |
| 1008. | | | | $ | |
| 1009. Aggregate Adjustment | | | | $ -921.78 | |
| 1100. Title Charges | | | | | |
| 1101. Title services and lender's title insurance | | | | (from GFE #4) | 810.30 |
| 1102. Settlement or closing fee | to Buist, Byars & Taylor, LLC | | | $ | 100.00 |
| 1103. Owner's title insurance to North American Title Insurance Company | | | | (from GFE #5) | 75.00 |
| 1104. Lender's title insurance to North American Title Insurance Company | | | | $ 625.80 | |
| 1105. Lender's title policy limit | $ 192,685.00 | | | | |
| 1106. Owner's title policy limit | $ 165,990.00 | | | | |
| 1107. Agent's portion of the total title insurance premium | to Clear Title Agency, LLC | | | $ 360.16 | |
| 1108. Underwriter's portion of the total title insurance premium | to North American Title Insurance Company | | | $ 240.12 | |
| 1109. | | | | | |
| 1110. | | | | | |
| 1111. | | | | | |
| 1112. | | | | | |
| 1113. | | | | | |
| 1200. Government Recording and Transfer Charges | | | | | |
| 1201. Government recording charges | to RMC Office | | | (from GFE #7) | 40.00 |
| 1202. Deed $ 12.00 | Mortgage $ 28.00 | Releases $ | | Other $ | |
| 1203. Transfer taxes | RMC Office | | | (from GFE #8) | |
| 1204. City/County tax/stamps | $ 691.90 | $ | | | 691.90 |
| 1205. State tax/stamps | $ | $ | | | |
| 1206. | | | | | |
| 1207. | | | | | |
| 1300. Additional Settlement Charges | | | | | |
| 1301. Required services that you can shop for | | | | (from GFE #6) | |
| 1302. Survey Fee | to Parker Land Surveying | | | | 200.00 |
| 1303. 2013 HOA Dues | to MJS on behalf of The Abbey at Spring Grc | | | | 195.29 |
| 1304. Capital Contribution | to MJS on behalf of The Abbey at Spring Grc | | | | 300.00 |
| 1305. | | | | | |
| 1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K) | | | | | 11,895.90 |

| Comparison of Good Faith Estimate (GFE) and HUD-1 Charges | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Charges That Cannot Increase | HUD-1 Line Number | | |
| Our origination charge | # 801 | 845.00 | 845.00 |
| Your credit or charge (points) for the specific interest rate chosen | # 802 | 1,207.26 | 1,204.28 |
| Your adjusted origination charges | # 803 | 2,052.26 | 2,049.28 |
| Transfer taxes | #1203 | | |

| Charges That In Total Cannot Increase More than 10% | | Good Faith Estimate | HUD-1 |
|---|---|---|---|
| Government recording charges | #1201 | 60.00 | 40.00 |
| Appraisal fee | # 804 | 375.00 | 375.00 |
| Credit report | # 805 | 15.00 | 13.90 |
| Life of Loan Flood Cert | # 808 | 7.50 | 7.50 |
| HUD1300sFin442 | # 810 | 75.00 | 75.00 |
| Mortgage Insurance Premium | # 902 | 5,170.07 | 5,166.49 |
| Title services and lender's title insurance | #1101 | 964.48 | 910.30 |
| Owner's title insurance to North American Title Insurance Company | #1103 | 65.48 | 75.00 |
| | Total | 7,774.14 | 7,651.69 |
| | Increase between GFE and HUD-1 Charges | $ -122.25 or | -1.57% |

| Charges That Can Change | | | Good Faith Estimate | HUD-1 |
|---|---|---|---|---|
| Initial deposit for your escrow account | #1001 | | 448.77 | 445.81 |
| Daily interest charges | # 901 | $ 17.816700/day | 35.72 | 35.63 |
| Homeowner's Insurance | # 903 | | 841.48 | 818.00 |

Loan Terms

| | |
|---|---|
| Your initial loan amount is | $ 192,655.00 |
| Your loan term is | 30 years |
| Your initial interest rate is | 3.3750 % |
| Your initial monthly amount owed for principal, interest and any mortgage insurance is | $ 851.88 Includes<br>☒ Principal<br>☒ Interest<br>☐ Mortgage Insurance |
| Can your interest rate rise? | ☒ No ☐ Yes, it can rise to a maximum of _____%. The first change will be on _____ and can change again every ___ months after _____. Every change date, your interest rate can increase or decrease by _____%. Over the life of the loan, your interest rate is guaranteed to never be lower than _____% or higher than _____%. |
| Even if you make payments on time, can your loan balance rise? | ☒ No ☐ Yes, it can rise to a maximum of $_____. |
| Even if you make payments on time, can your monthly amount owed for principal, interest, and mortgage insurance rise? | ☒ No ☐ Yes, the first increase can be on _____ and the monthly amount owed can rise to $_____.<br>The maximum it can ever rise to is $_____. |
| Does your loan have a prepayment penalty? | ☒ No ☐ Yes, your maximum prepayment penalty is $_____. |
| Does your loan have a balloon payment? | ☒ No ☐ Yes, you have a balloon payment of $_____ due in ___ years on _____. |
| Total monthly amount owed including escrow account payments | ☐ You do not have a monthly escrow payment for items, such as property taxes and homeowner's insurance. You must pay these items directly yourself.<br>☒ You have an additional monthly escrow payment of $148.61 that results in a total initial monthly amount owed of $1,000.47. This includes principal, interest, any mortgage insurance and any items checked below:<br>☒ Property taxes ☒ Homeowner's Insurance<br>☐ Flood Insurance ☐<br>☐ ☐ |

Note: If you have any questions about the Settlement Charges and Loan Terms listed on this form, please contact your lender.

## HUD-1 Attachment

Borrower(s): Anthony L. Ray
233 Maywood Drive
Moncks Corner, SC 29461
Lender: Universal American Mortgage Company, LLC
Settlement Agent: Buist, Byars & Taylor, LLC
(843)856-4488
Place of Settlement: 652 Coleman Blvd., Suite 200
Mt. Pleasant SC 29464
Settlement Date: May 30, 2013
Property Location: 233 Maywood Drive
Moncks Corner, SC 29461
Berkeley County, South Carolina
Lot 36
The Abbey at Spring Grove
211-14-01-071

Seller(s): Lennar Carolinas LLC
1941 Savage Road, Suite 100C
Charleston, SC 29407

| Adjusted Origination Charge Details | |
|---|---|
| Origination Charge | |
| Courier/ Msg Fee<br>to Universal American Mortgage Company, LLC | 25.00 |
| Wire Transfer Fee<br>to Universal American Mortgage Company, LLC | 25.00 |
| Doc Prep Fee<br>to Universal American Mortgage Company, LLC | 200.00 |
| Commitment Fee<br>to Universal American Mortgage Company, LLC | 595.00 |
| Total | $ 845.00 |
| Origination Credit/Charge (points) for the specific interest rate chosen | |
| Credit/Charge<br>to Universal American Mortgage Company, LLC | 1,204.28 |
| Total | $ 1,204.28 |
| Adjusted Origination Charges | $ 2,049.28 |

| Reserves Deposited with Lender | |
|---|---|
| Homeowner's Insurance<br>3.000 at 68.17 per month | 204.51 |
| County Taxes<br>7.000 at 80.44 per month | 563.08 |
| Aggregate Adjustment<br>month | -321.78 |
| Total | $ 445.81 |

| Title Services and Lender's Title Insurance Details | BORROWER | SELLER |
|---|---|---|
| Title Search<br>to Faith Stowe | 35.00 | |
| Title Binder<br>to Clear Title Agency, LLC | 75.00 | |
| Fedex/ Courier/ Copy<br>to Buist, Byars & Taylor, LLC | 25.00 | |
| Attorney Fee<br>to Buist, Byars & Taylor, LLC | 250.00 | |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20130530061.PFD/20130530061/20)

| | | | |
|---|---|---|---|
| Lender's title insurance<br>to North American Title Insurance Company | | 525.30 | |
| | Total | $ 910.30 | $ 0.00 |

| Settlement or Closing Fee Details | | BORROWER | SELLER |
|---|---|---|---|
| Document Preparation Fee<br>to Buist, Byars & Taylor, LLC | | | 100.00 |
| | Total | $ 0.00 | $ 100.00 |

| Owner's Title Insurance | | BORROWER | SELLER |
|---|---|---|---|
| Owner's Policy Premium<br>to North American Title Insurance Company | | 75.00 | |
| | Total | $ 75.00 | $ 0.00 |

| Lender's Title Insurance<br>*fees also shown above in Title Services and Lender's Title Insurance Details | | BORROWER | SELLER |
|---|---|---|---|
| Lender's Policy Premium<br>to North American Title Insurance Company | | 525.30 | |
| | Total | $ 525.30 | $ 0.00 |

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(2013050061.PFD/2013050061/20)

## ACKNOWLEDGMENT OF RECEIPT OF SETTLEMENT STATEMENT

| | |
|---|---|
| Borrower: | Anthony L. Ray |
| Seller: | Lennar Carolinas LLC |
| Lender: | Universal American Mortgage Company, LLC |
| Settlement Agent: | Buist, Byars & Taylor, LLC<br>(843)856-4488 |
| Place of Settlement: | 852 Coleman Blvd., Suite 200<br>Mt. Pleasant SC 29464 |
| Settlement Date: | May 30, 2013 |
| Property Location: | 233 Maywood Drive<br>Moncks Corner, SC 29461<br>Berkeley County, South Carolina<br>Lot 36<br>The Abbey at Spring Grove<br>211-14-01-071 |

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Anthony L. Ray

Lennar Carolinas LLC
BY:
ITS: Authorized Agent

To the best of my knowledge, the HUD-1 Settlement Statement which I have prepared is a true and accurate account of the funds which were received and have been or will be disbursed by the undersigned as part of the settlement of this transaction.

Buist, Byars & Taylor, LLC
Settlement Agent

WARNING: It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

(20130605\1.PFD/20130605\1/20)

# EXHIBIT 29

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

# LENNAR 1-2-10 WARRANTY

LENNAR 1-2-10 WARRANTY

## LENNAR 1-2-10 WARRANTY

Dear Homebuyer(s):

Congratulations! You are purchasing a Home with warranty protection provided by a member of the Lennar Family of Builders ("Lennar"). As part of Lennar's commitment to quality, value and integrity, we give you, the Homeowner, a limited 1 year warranty on workmanship, a limited 2 year warranty on systems and a limited 10 year warranty on structural elements (the "Lennar Limited Warranty" or "Limited Warranty").

This Warranty Booklet constitutes a Limited Warranty from Lennar. The limited express warranties contained in these documents are specific and detailed as to the scope of your warranty coverage and, to the extent allowed by law, Lennar specifically disclaims all other implied warranties, including without limitation any general warranty of good workmanship or habitability. While we are confident that we can resolve any warranty items to your satisfaction, **YOU SHOULD BE AWARE THAT THIS LIMITED WARRANTY INCLUDES A REQUIREMENT THAT ALL DISPUTES BE SUBMITTED TO BINDING ARBITRATION.**

Please take the time to become familiar with this Warranty Booklet and read it in its entirety. It defines our responsibilities to you and your responsibilities to your Home. Your proper maintenance of your Home is vital, and if you do not perform the required maintenance on your Home, it will limit your warranty rights. While Lennar will be happy to answer any questions that you have about your Limited Warranty or specific construction standards and how they apply to your home, the content of this Warranty Booklet controls as to Lennar's obligations to you and your Home to the extent of any difference between the content of the document and your conversations with any Lennar representative.

Congratulations and enjoy your new Home!

Lennar

## EXPRESS LIMITED WARRANTY- THE "LENNAR LIMITED WARRANTY"

Under the Lennar Limited Warranty, the seller of your home ("Lennar") commits that the components of your Home will perform to the standards listed in this Warranty Booklet. Specific components of your Home are covered for either one, two or ten years under the Lennar Limited Warranty, and Lennar's obligations are expressly limited to those standards and for only those time-periods as explained below. Please take the time to review the section titled "What Is Not Covered By The Lennar Limited Warranty" which lists those items excluded from the Lennar Limited Warranty. The Lennar Limited Warranty commences on the date of closing of the original purchase of the Home (the "Closing Date"). The protection periods provided below are referred to in the Lennar Limited Warranty as "Warranty Terms."

### WORKMANSHIP PROTECTION FOR YEAR 1.

For one year from the Closing Date, Lennar warrants that the components of the Home set forth in the Workmanship Standards found on pages 15 to 55 of this Warranty Booklet will perform in accordance with those Workmanship Standards. If a component is not specifically listed in the Workmanship Standards, then it is not warranted under the Lennar Limited Warranty or otherwise. If a component is performing in accordance with the Workmanship Standards, then Lennar has no further obligations under the Lennar Limited Warranty. Lennar reserves the sole right to determine the repairs and or replacements necessary to meet the Workmanship Standards. Please note that a limited number of items in the Workmanship Standards are subject to a one time repair obligation.

### SYSTEMS PROTECTION FOR YEARS 1-2.

For two years from the Closing Date, Lennar warrants that the components of the Home set forth in the Systems Standards found on pages 55 to 56 of this Warranty Booklet will perform in accordance with those Systems Standards. If a component is not specifically listed in the Systems Standards, then it is not warranted under the Lennar Limited Warranty or otherwise. If a component is performing in accordance with the Systems Standards, then Lennar has no further obligations under the Lennar Limited Warranty. Lennar reserves the sole right to determine the repairs and or replacements necessary to meet the Systems Standards.

### STRUCTURAL PROTECTION FOR YEARS 1 THROUGH 10.

For ten years from the Closing Date, Lennar warrants that the structural components of the Home set forth in the Structural Components Standards found on pages 58 to 59 of this Warranty Booklet will perform in accordance with those Structural Standards. If a component is not specifically listed in the Structural Standards, then it is not warranted under the Lennar Limited Warranty or otherwise. If a structural component is performing in accordance with those Structural Standards, then Lennar has no further obligations under the Lennar Limited Warranty. Lennar reserves the sole right to determine the repairs and/or replacements necessary to meet the Structural Standards and may, at its sole election, implement repairs in phases to determine if structural components can be stabilized as part of meeting its obligations under the Structural Standards.

### TRANSFERABILITY

All of your rights and obligations under the Lennar Limited Warranty shall, unless previously released by you, or your successor fully transfer to each successor owner of the Home, including any mortgagee in possession, for the remainder of the applicable Warranty Term and any transfer shall in no way affect, increase or reduce the coverage under the Lennar Limited Warranty for its unexpired term. If you sell your Home during the Warranty Term, you agree to give this Warranty Booklet to the successor owner, to inform the successor owner of warranty rights, and to otherwise make it possible for the successor owner to fulfill the successor owner's obligations under the terms of the Lennar Limited Warranty. **If you are an owner other than the original purchaser of the Home, you are bound by all the terms and conditions of the Lennar Limited Warranty including, but not limited to, claims procedures and the**

**requirement to submit any disputes that may arise under the Lennar Limited Warranty to binding arbitration**

## REQUESTING LENNAR LIMITED WARRANTY SERVICE

If you believe that a component of your Home is not performing to the Lennar Limited Warranty standards during the applicable Warranty Term, you must send the appropriate Notice of Workmanship/Systems Claim Form or Notice of Structural Claim Form (located at this back of this booklet)("Notice") to Lennar.

The Notice of Claim must list the specific warranty claim and the date that you first observed the condition that is the subject of the claim. You must notify Lennar of any observed component that you believe is not performing to Lennar Limited Warranty standards as soon as possible and in no event later than the date the applicable warranty expires, by sending the notice to the appropriate Customer Care office.

We must receive your Notice of Claim not later than thirty (30) days after the applicable Workmanship, Systems or Structural Warranty expires or we will have no further obligation to you under the Lennar Limited Warranty. Lennar is not responsible for repairs or any other costs or expenses (including, but not limited to, attorneys' fees and engineers' fees) incurred by you prior to the date you give Lennar a Notice of Claim. In the event that you fail to notify us and give us the opportunity to inspect and repair the conditions giving rise your claim, Lennar will not be responsible for any repairs or any other costs or expenses (including, but not limited to, attorneys' and engineers' fees) you incur to address the claim.

We will respond to a timely Notice of Workmanship or System Claim within thirty (30) days and complete any warranted repairs within sixty (60) days of receipt of your written Notice of Claim to us unless (i) you or other events beyond our reasonable control delay our completion (including a failure to allow prompt inspections of your home), or (ii) the condition reasonably requires more than sixty (60) days to properly repair. If we determine that any of the Workmanship or Systems items you report to us are not covered by the Lennar Limited Warranty, we will endeavor to advise you in writing within (30) thirty days of our determination of no coverage.

Additional time may be required for us to assess structural claims and evaluate our response. As such, we will respond to any Notice of Structural Claim within (60) days of receipt of your written Notice of Structural Claim unless you or other events beyond our control delay our response (including a failure to allow prompt inspections of your home). Additional time may be required to investigate, design, implement and/or complete structural repairs beyond the (60) days by which we commit to complete Workmanship/Systems repairs. If we determine that any of the Structural items you report to us are not covered by the Lennar Limited Warranty, we will endeavor to advise you in writing within (30) thirty days of our determination of no coverage.

Investigation of claims often requires inspection of the Home, and under certain circumstances, invasive testing might be needed. We may request additional documents or information from you, and you agree as part of the Lennar Limited Warranty to fully cooperate with the investigation of your claim. By submitting a Notice of Claim, you agree to grant Lennar and/or their representatives prompt and complete access to your Home during normal business hours of 8 a.m. to 5 p.m. to inspect, repair and conduct tests in your Home as we may deem necessary. If you refuse to allow us access to your Home, such denial of access shall void the Lennar Limited Warranty with respect to your claim.

Lennar reserves the option to repair, replace or pay you the reasonable cost of repair or replacement for any warranted and covered claim. Prior to Lennar undertaking repairs, replacement or payment, you agree to assign to Lennar all claims you may have against any other person or entity who Lennar or you believe may have any responsibility associated with the warranted and covered claim.

If you believe that we have not met our obligations under the Lennar Limited Warranty, you may seek resolution of any claim you may have pursuant to the mediation/arbitration provisions set forth in the following section of the Warranty Booklet.

## MEDIATION/ARBITRATION OF DISPUTES

The terms "Buyer" and "Seller" as used in this section of your warranty shall have the same meanings as set forth in your Purchase and Sale Agreement. By purchasing a Lennar home and receiving this warranty, Buyer specifically agrees that this transaction involves interstate commerce and that any Dispute (as hereinafter defined) shall first be submitted to mediation and, if not settled during mediation, shall thereafter be submitted to binding arbitration as provided by the Federal Arbitration Act (9 U.S.C. §§1 et seq.) and not by or in a court of law or equity. **"Disputes"** (whether contract, warranty, tort, statutory or otherwise), shall include, but are not limited to, any and all controversies, disputes or claims (1) arising under, or related to your Purchase and Sale Agreement, the Property, the Community (as these terms are defined in Buyer's Purchase and Sale Agreement) or any dealings between Buyer and Seller (with the exception of "consumer products" as defined by the Magnuson-Moss Warranty-Federal Trade Commission Act, 15 U.S.C. §2301 et seq., and the regulations promulgated thereunder and with the exception of any dispute arising pursuant to Section 8); (2) arising by virtue of any representations, promises or warranties alleged to have been made by Seller or Seller's representative; and (3) relating to personal injury or property damage alleged to have been sustained by Buyer, Buyer's children or other occupants of the Property, or in the Community. Buyer acknowledges that it has executed the Purchase and Sale Agreement on behalf of his or her children and other occupants of the Property with the intent that all such parties be bound by the Purchase and Sale Agreement and the Limited Warranty.

Any and all mediations commenced by Buyer or Seller shall be filed with and administered by the American Arbitration Association or any successor thereto (**"AAA"**) in accordance with the AAA's Supplementary Mediation Procedures for Residential Construction Disputes in effect on the date of the request or any rules enacted to replace those Rules if in effect on the date of the request.. If there are no Supplementary Mediation Procedures for Residential Construction Disputes currently in effect or any rules enacted to replace those rules in effect, then the AAA's Construction Industry Mediation Rules in effect on the date of such request shall be utilized. Unless mutually waived in writing by the parties, submission to mediation is a condition precedent to either Buyer or Seller taking further action with regard to any matter covered hereunder.

If the Dispute is not fully resolved by mediation, the Dispute shall be submitted to binding arbitration and administered by the AAA in accordance with the AAA's Supplementary Arbitration Procedures for Residential Construction Disputes in effect on the date of the request. If there are no Supplementary Arbitration Procedures for Residential Construction Disputes currently in effect, then the AAA's Construction Industry Arbitration Rules in effect on the date of such request shall be utilized. Any judgment upon the award rendered by the arbitrator may be entered in and enforced by any court having jurisdiction over such Dispute. Unless Buyer and Seller otherwise agree, claims in excess of $10,000.00 but less than $500,000.00 shall utilize the Regular Track Procedures of the Construction Industry Arbitration Rules, as modified by the Supplementary Arbitration Procedures for Residential Construction. If the claimed amount exceeds $250,000.00 or includes a demand for punitive damages, the Dispute shall be heard and determined by three arbitrators; however, if mutually agreed to by Buyer and Seller, then the Dispute shall be heard and determined by one arbitrator. Arbitrators shall have expertise in the area(s) of Dispute, which may include legal expertise if legal issues are involved. All decisions respecting the arbitrability of any Dispute shall be decided by the arbitrator(s). At the request of either Buyer or Seller, the award of the arbitrator(s) shall be accompanied by detailed written findings of fact and conclusions of law. Except as may be required by law or for confirmation of an award, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both Buyer and Seller.

The waiver or invalidity of any portion of this Section shall not affect the validity or enforceability of the remaining portions of this Section. Buyer and Seller further agree (1) that any Dispute involving Seller's

affiliates, directors, officers, employees and agents shall also be subject to mediation and arbitration as set forth herein, and shall not be pursued in a court of law or equity; (2) that Seller may, at its sole election, include Seller's contractors, subcontractors and suppliers, as well as any warranty company and insurer as parties in the mediation and arbitration; and (3) that the mediation and arbitration will be limited to the parties specified herein.

Unless otherwise recoverable by law or statute, each of Buyer and Seller shall bear its own costs and expenses, including attorneys' fees and paraprofessional fees, for any mediation and arbitration. Notwithstanding the foregoing, if Buyer or Seller unsuccessfully contests the validity or scope of arbitration in a court of law or equity, the noncontesting party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in defending such contest, including such fees and costs associated with any appellate proceedings. In addition, if Buyer or Seller fails to abide by the terms of a mediation settlement or arbitration award, the other party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in enforcing such settlement or award.

To the fullest extent permitted by applicable law, Buyer and Seller agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any other arbitration, judicial, or similar proceeding shall be given preclusive or collateral estoppel effect in any arbitration hereunder unless there is mutuality of the parties. In addition, Buyer and Seller further agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any arbitration hereunder shall be given preclusive or collateral estoppel effect in any other arbitration, judicial, or similar proceeding unless there is mutuality of the parties.

Buyer may obtain additional information concerning the rules of the AAA by visiting its website at www.adr.org or by writing the AAA at 335 Madison Avenue, New York, New York 10017.

Seller supports the principals set forth in the Consumer Due Process Protocol developed by the National Consumer Dispute Advisory Committee and agrees to the following:

Notwithstanding the requirements of arbitration stated in this section, Buyer shall have the option, after pursuing mediation as provided herein, to seek relief in a small claims court for disputes or claims within the scope of the court's jurisdiction in lieu of proceeding to arbitration. This option does not apply to any appeal from a decision by a small claims court.

Seller agrees to pay for one (1) day of mediation (mediator fees plus any administrative fees relating to the mediation). Any mediator and associated administrative fees incurred thereafter shall be shared equally by the parties.

The fees for any claim pursued via arbitration in an amount of $10,000.00 or less shall be apportioned as provided in the Supplementary Rules for Residential Construction Disputes of the AAA or other applicable rules. Unless provided otherwise by the Supplementary Rules for Residential Construction Disputes of the AAA or other applicable rules, for claims that exceed $10,000.00, the filing party shall pay up to the first $750.00 of any initial filing fee to initiate arbitration. Under the following conditions, Seller agrees to pay up to the next $2,000.00 of any initial filing fee: (1) Buyer has participated in mediation prior to initiating the arbitration; (2) the parties have mutually agreed to waive mediation; or (3) Seller is the filing party. The portion of any filing fee not covered above, and any case service fee, management fee or fees of arbitrator(s), shall be shared equally by the parties.

Notwithstanding the foregoing, if either Seller or Buyer seeks injunctive relief, and not monetary damages, from a court because irreparable damage or harm would otherwise be suffered by either party before mediation or arbitration could be conducted, such actions shall not be interpreted to indicate that

either party has waived the right to mediate or arbitrate. The right to mediate and arbitrate should also not be considered waived by the filing of a counterclaim by either party once a claim for injunctive relief had been filed with a court.

Other Dispute Resolutions. Notwithstanding the Buyer's and Seller's obligation to submit any Dispute to mediation and arbitration, in the event that a particular dispute is not subject to the mediation or the arbitration provisions of this section, then Buyer and Seller agree to the following provisions: **BUYER ACKNOWLEDGES THAT JUSTICE WILL BEST BE SERVED IF ISSUES REGARDING THIS AGREEMENT ARE HEARD BY A JUDGE IN A COURT PROCEEDING, AND NOT A JURY. BUYER AND SELLER AGREE THAT ANY DISPUTE, CLAIM, DEMAND, ACTION, OR CAUSE OF ACTION SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY. BUYER AND SELLER HEREBY WAIVE THEIR RESPECTIVE RIGHT TO A JURY TRIAL. SELLER HEREBY SUGGESTS THAT BUYER CONTACT AN ATTORNEY OF BUYER'S CHOICE IF BUYER DOES NOT UNDERSTAND THE LEGAL CONSEQUENCES OF EXECUTING THE PURCHASE AND SALE AGREEMENT.**

## WHAT'S NOT COVERED BY YOUR LENNAR LIMITED WARRANTY

In addition to other limitations and exclusions set forth in this Lennar Limited Warranty and the accompanying Workmanship, Systems and Structural Standards, the Lennar Limited Warranty does not provide coverage for the following items, which are specifically excluded:

1. Damage to any property, fixture, structure, improvement or appurtenance that was not constructed by Lennar. You shall be responsible for paying any costs required to remove such property, fixture, structure, improvement or appurtenance if Lennar deems it reasonably necessary to address a warranty claim.

2. Damage to land, landscaping (including sodding, seeding, shrubs, trees and planting), sprinkler systems, outbuildings, carports, or any other appurtenant structure or attachment to the dwelling, or other additions or improvement not a part of your Home;

3. Loss or damage which arises while your Home is being used primarily for nonresidential purposes;

4. Damages caused by changes in the level of the underground water table which were not reasonably foreseeable at the time of construction of your Home;

5. Loss of use of all or a portion of your Home;

6. This warranty does not apply to any manufactured item such as appliances, fixtures, equipment (except as specifically defined in the Workmanship, Systems and Structural Standards) or any other item which is covered by a manufacturer's warranty, nor does it cover conditions that are caused by failure of any such manufactured item. Appliances and items of equipment not covered by this limited warranty, include but are not limited to: air conditioning units, attic fans, boilers, burglar alarms, carbon monoxide detectors, ceiling fans, central vacuum systems, chimes, dishwashers, dryers, electric meters, electronic air cleaners, exhaust fans, fire alarms, fire protection sprinkler systems, freezers, furnaces, garage door openers, garbage disposals, gas meters, gas or electric grills, heat exchangers, heat pumps, humidifiers, intercoms, oil tanks, outside lights or motion lights not attached to the Home, range hoods, ranges, refrigerators, sewage pumps, smoke detectors, solar collectors, space heaters, sump pumps, thermostats, trash compactors, washers, water pumps, water softeners, water heaters, whirlpool baths, and whole house fans. Please note that the Workmanship, Systems and Structural Standards include reference to some items covered by this paragraph but the inclusion of those items in the Workmanship, Systems and Structural Standards is not intended to limit this exclusion. **ANY EQUIPMENT FAILURE COVERED BY THIS PARAGRAPH IS EXCLUDED FROM THE LENNAR LIMITED WARRANTY AND COVERED ONLY BY A MANUFACTURER'S WARRANTY, IF ANY.**

7. Any condition which has not resulted in actual physical damage to your Home;

8. Any loss or damage that is caused or made worse by any of the following causes, whether acting alone or in sequence or concurrence with any other cause or causes whatsoever, including without limitation, negligence on the part of any person:

   a. Negligence, defective material or work supplied by, or improper operation by, anyone including you or your family other than Lennar or its employees, agents or

subcontractors, including failure to comply with the warranty requirements of manufacturers of appliances, equipment or fixtures;

b. Change of the grading of the ground that alters the original grade or flow of water at your Home, or does not comply with accepted grading practices;

c. Riot or civil commotion, war, vandalism, hurricane, tornado or other windstorm, fire, explosion, blasting, smoke, water escape, tidal wave, flood, hail, snow, ice storm, lightning, falling trees or other objects, aircraft, vehicles, mudslide, avalanche, earthquake, volcanic eruption or Acts of God;

d. Abuse of your Home, or any part thereof;

e. Microorganisms, fungus, decay, wet rot, dry rot, soft rot, rotting of any kind, mold, mildew, vermin, termites, insects, rodents, birds, wild or domestic animals, plants, corrosion, rust, radon, radiation, formaldehyde, asbestos, any solid, liquid or gaseous pollutant, contaminant, toxin, irritant or carcinogenic substance, whether organic or inorganic, and electromagnetic field or emission, including any claim of health risk or uninhabitability based on any of the foregoing;

f. Your failure to minimize or mitigate any defect, condition, loss or damage as soon as practicable;

9. Any loss or damage caused by buried debris (unless such debris was buried by Lennar or its employees, agents or subcontractors), underground springs, sinkholes, mineshafts or other subsurface anomalies which were not reasonably foreseeable by Lennar;

10. Any request for warranty performance submitted after an unreasonable delay from notice of the condition or, in any event, later than thirty (30) days after the expiration of the applicable Warranty Term;

11. Conditions consistent with or caused by normal wear and tear, including normal wear and tear caused by weather and/or other environmental conditions;

12. Any condition caused by the homeowner's failure to properly maintain the home; or

13. Any and all exclusions set forth in the Workmanship, Systems and Structural Standards.

## LIMITATIONS ON LENNAR LIMITED WARRANTY

**Homeowner obligations.** You are obligated to care for your Home in such as way as to prevent or minimize damage to it and to properly maintain the Home. You should be aware that all homes go through a period of settlement and movement. During this period, your Home or components of your Home may experience some material shrinkage, cracking and other events which are normal and customary. Remember that you are responsible for proper maintenance of your Home including maintaining the original grades around your Home, planting trees and shrubs at a proper distance from your Home and conforming to generally accepted landscape practices for your region. Changing the drainage and grading patterns or trapping water near your home as a result of homeowner changes in grades and landscaping may cause damage to your foundation.

**Disclaimer of Implied Warranties.** Except as prohibited by laws of the state in which the Home is located, all other warranties, express or implied, including but not limited to any implied warranty of habitability, are hereby expressly disclaimed and waived. The terms of the Lennar Limited Warranty shall not be added to or varied either orally or in writing, and you agree to immediately notify Lennar if you believe any employee or agent of Lennar has added to or varied, either orally or in writing, the terms of the Lennar Limited Warranty. Such notification shall not be deemed as a modification of the agreement regardless of whether Lennar responds to the notice either verbally or in writing. In the event that any provision of the Lennar Limited Warranty is determined to be unenforceable in your state, such determination shall not affect the validity of the remaining provisions of the Lennar Limited Warranty.

**Cap on Lennar Limited Warranty.** Lennar's total financial obligations under the Lennar Limited Warranty are limited to the original sales price of your Home. This cap is calculated based on the cumulative total of all repairs, replacements or payments made during the Lennar Limited Warranty. Our costs of designing, accomplishing and monitoring repair to your Home are included in this cumulate total.

**Consequential Damages Not Covered.** Lennar shall not be liable for, and you expressly waive recovery of, any consequential damages that may result from the condition of any component of the Home, including but limited to: any diminution in value of the Home before or after repairs are performed; lost profits; damages to personal property; any personal injury of any kind including physical or mental pain and suffering and emotional distress, and any medical or hospital expenses; costs of food, moving and storage, relocation expenses, or rental value of the Home or any other costs due to loss of use, inconvenience or annoyance during repairs. Lennar will, however, reimburse you for reasonable costs of temporary hotel accommodations and a reasonable daily food allowance for such period of time that the repairs required by the claim are so extensive that you cannot reasonably reside in the Home during the repairs.

**Other Coverage.** Lennar shall not be responsible for, and the Limited Lennar Warranty shall not cover, any damages, costs or expenses that are covered by your homeowners' insurance or other insurance, government, or third party reimbursement programs.

**Not an Insurance Policy.** The Lennar Limited Warranty is **not an insurance policy** and Lennar does not provide you any insurance through the Lennar Limited Warranty or otherwise. You should always obtain homeowner's insurance to protect your Home, and your bank or other mortgage provider may require homeowner's insurance if you have a mortgage.

**Discretion to Repair, Replace or Make Payment.** Lennar reserves the option, at its sole discretion, to repair, replace or pay you the reasonable cost of repair or replacement for any claim made under this Lennar Limited Warranty. The design method and manner of any repair shall also be at Lennar's sole discretion.

**Warranty Terms Not Extended.** The warranty terms of the Lennar Limited Warranty shall not be extended by any repair, replacement or payment made under the Lennar Limited Warranty. There shall be no warranty, express or implied, arising from repair or replacement work performed by or on behalf of Lennar except for the remaining original warranty term.

**Limitations on Structural Repairs.** Structural repairs are limited to only those (i) repairs of damage to load-bearing portions of your Home that are necessary to restore their load-bearing function; (ii) repair of those non-load bearing portions damaged by the condition that gives rise to the claim and whose repair is necessary to make your Home safe, sanitary or otherwise livable; and (iii) repair and cosmetic correction of only those surfaces, finishes and coverings, original to the Home, that were damaged by the condition giving rise to the claim or by the repair of the condition giving rise to the claim.

**Limitations on Post-Repair Condition of Home.** Repairs undertaken under the Lennar Limited Warranty are intended to restore the Home to approximately the same condition as existed prior to the claim, but not necessarily to like-new condition.

**Previously Known Conditions.** The Lennar Limited Warranty covers only those conditions which first occur during the term of the Lennar Limited Warranty. In addition, any conditions you knew about prior to the Effective Date of Lennar Limited Warranty such as items identified in the "walk-through," "punch-list," or in the case of a previously owned home, conditions that were identified on a home inspection report or were apparent through any reasonable inspection are not covered by the Lennar Limited Warranty.

## STATE SPECIFIC LIMITATIONS/CLARIFICATIONS

Certain states have special laws that impact new home warranties. If your home is located in one of the states listed below, the information set forth for your state modifies or adds to the terms of this Warranty. If your home is not located in one of the following states, the following language is inapplicable to you and your Lennar Limited Warranty.

**California**

The Lennar Limited Warranty is intended to meet or exceed the terms provided under California Civil Code section 895, et seq. Where the statutory coverage provides greater coverage than the Limited Warranty Workmanship, Systems, and Structural Standards, the statutory coverage shall apply. In California, the dispute resolution provisions of the Purchase and Sale Agreement shall control over the dispute resolution provisions of this Lennar Limited Warranty.

**Georgia**

**LENNAR AND HOMEOWNER EXPRESSLY AGREE THAT THE ARBITRATION PROVISIONS SET FORTH IN THIS LENNAR LIMITED WARRANTY ESTABLISH THE EXCLUSIVE MEANS TO RESOLVE ALL DISPUTES THAT MAY ARISE BETWEEN YOU AND LENNAR (UNLESS A STATUTE EXPRESSLY PROVIDES OTHERWISE).**

**Maryland (Non-Montgomery County)**

The Lennar Limited Warranty is intended to meet or exceed the terms and rights available under Maryland Code section 10-601, and Lennar warrants that for a period of two years, your home will be free of any defect in the electrical, plumbing, heating, cooling, and ventilating systems. Notwithstanding provisions to the contrary in the Lennar Limited Warranty, Lennar warrants appliances, fixtures, and items of equipment that we install, but the warranty period is limited to the length and scope of the manufacturer's warranty on the item.

**Maryland (Montgomery County, only)**

The Lennar Limited Warranty is intended to meet or exceed the terms and rights required by the Montgomery County Code. The Lennar Limited Warranty will provide the greater of the coverage of the Lennar Warranty Workmanship, Systems and Structural Standards or the Montgomery County Code, whenever they are in conflict.

Additionally, this Lennar Limited Warranty is intended to meet or exceed the terms and rights set forth in the Montgomery County Code related to consequential damages arising as a result of construction defects. The Lennar Limited Warranty will cover the greater of the damages provided in the Lennar Limited Warranty or the requirements of the Montgomery County Code, whenever there is a conflict between them.

You may obtain a copy of the applicable county warranty requirements from Montgomery County, directly.

**Minnesota**

The Lennar Limited Warranty in intended to meet or exceed the terms and rights available under Minn. Stat. 327A.01. Where the statutory coverage provides greater coverage than the Lennar Warranty Workmanship, Systems and Structural Standards, the statutory coverage shall apply.

To preserve your rights under the Lennar Limited Warranty in Minnesota, you must notify us in writing of your claim no later than six months after the applicable warranty time periods expire.

**South Carolina**

THIS AGREEMENT IS SUBJECT TO ARBITRATION PURSUANT TO THE UNIFORM ARBITRATION ACT, SECTION 15048-10, ET. SEQ. CODE OF LAWS OF SOUTH CAROLINA, 1976, AS AMENDED.

**Texas**

The Lennar Limited Warranty is intended to meet or exceed the terms and rights available under section 430.001 et seq. of the Property Code and regulations on performance standards found in Title 10, Chapter 304 of the Texas Administrative Code. The Lennar Limited Warranty will provide the greater of the coverage of the Lennar Warranty Workmanship, Systems and Structural Standards or the Texas warranties and building and performance standards whenever there is a conflict between them.

## LENNAR WORKMANSHIP, SYSTEMS AND STRUCTURAL STANDARDS

The following Workmanship, Systems and Structural Standards have been developed and accepted by the residential construction industry in general. The following Standards are expressed in terms of required standards under the Lennar Limited Warranty. Lennar shall correct any condition that does not comply with these standards that occur within the applicable warranty term. Lennar will attempt to match and replace with Homeowner's original choice of colors and materials, except where Homeowner custom-ordered the items. Lennar is not responsible for discontinued items, changes in dye lots, colors or patterns, or items ordered outside of the original construction and does not guaranty an exact match to any paint color or other finish.

Structural components covered by the Structural Standards shall only include:

1. Foundations systems and footings
2. Beams
3. Girders
4. Lintels
5. Columns
6. Roof sheathing (only if your Home has original FHA/VA financing still in effect)
7. Load bearing walls and partitions
8. Roof framing systems
9. Floor systems
10. For the State of Colorado, basement slabs for the first four years of the structural warranty period but only if your Home has original FHA/VA-insured financing.

The following components are NOT covered under the Structural Standards:

1. Non-load bearing partitions and walls
2. Wall tile or paper
3. Plaster, laths or drywall
4. Flooring and sub-floor material
5. Brick, stucco, stone, siding or veneer
6. Any other type of exterior cladding
7. Roof shingles, roof tiles, sheathing, and tar paper
8. Heating, cooling, ventilating, plumbing, electrical and mechanical systems
9. Appliances, fixtures or items of equipment
10. Doors, trim, cabinets, hardware, insulation, paint, stains
11. Basement and other interior floating, ground-supported concrete slabs
12. Any item covered under the workmanship and systems standards

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| SITE WORK | |
| Grading | Performance Standard:<br>Settling around foundation walls, utility trenches or other filled areas that exceeds a maximum of six inches from finished grade established by Builder is considered a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. Homeowner is responsible for removal and replacementof shrubs and other landscaping affected by placement of the fill.<br><br>Exclusions:<br>Homeowner is responsible for establishing and maintaining adequate ground cover. Landscape altered by the Homeowner voids the Warranty on settlement/grading. |
| Improper surface drainage | Performance Standard:<br>Deficiency is limited to grades within 10 feet and swales within 20 feet of Home. Standing or ponding water that remains in these areas for a period longer than 24 hours after a normal rain is considered a deficiency. In swales that drain from adjoining properties or where a sump pump discharges, water is not to remain in these areas for a period longer than 48 hours after a normal rain. The possibility of standing water after an unusually heavy rainfall should be anticipated and is not considered a deficiency. No grading determination is to be made while there is frost or snow or when the ground is saturated.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. Builder is only responsible for initially establishing the proper grades, swales and drainage away from the Home. The Homeowner is responsible for maintaining such grades and swales once constructed by the Builder. Builder is not responsible for drainage deficiencies attributable to grading requirements imposed by state, county or local governing agencies.<br><br>Exclusions<br>Standing or ponding water outside of defined swales and beyond 10 feet from the foundation of the Home or that is within 10 feet but is caused by unusual grade conditions, or retention of treed areas, is not considered a deficiency. Standing or ponding water caused by changes in the grade or placement of sod, fencing, or any other obstructions by Homeowner is excluded from coverage. If the Homeowner adds a pool, patio or decks, Builder will no longer be responsible for any warranty claim for improper surface drainage. |
| Flowing or trickling water appears in interior crawl space surfaces | Performance Standard:<br>A crawl space that is not graded and drained properly to prevent surface run-off from accumulating deeper than two inches in areas 36 inches or larger in diameter is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusions:<br>Deficiencies caused by the 1) Homeowner improperly modifying the existing grade or allowing water from an irrigation system to cause water to accumulate excessively under the foundation.; 2) Homeowner allowing landscape plantings to interfere with proper drainage away from the foundation; or 3) Homeowner using the crawl space for storage of any kind are excluded from the Warranty. |
| Soil erosion | No coverage. |
| LANDSCAPE | No coverage due to regional variances in temperature and terrain. Warranty coverage may be available from a third-party landscape contractor, if applicable. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Landscape damage from warranty repairs | Performance Standard:<br>Landscape areas that are disturbed during repair work are deficiencies.<br><br>Responsibility:<br>Restore grades, seed and landscape to meet original condition as reasonably possible. Builder is not responsible for grassed or landscaped areas which are damaged by others, including any work performed by public or private utility companies.<br><br>Exclusions:<br>Replacement of trees and large bushes that existed at the time the Home was constructed or those added by the Homeowner after occupancy or those that subsequently die are excluded from coverage. |
| IRRIGATION | No coverage. |
| FENCING | No coverage. |
| CONCRETE | |
| Basement or foundation wall cracks, other than expansion or control joints | Performance Standard:<br>Cracks that allow water to enter through the basement or crawl space wall or seeping through the basement floor are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Deficiencies caused by the 1) Homeowner improperly modifying the existing grade or allowing water from an irrigation system to cause water to accumulate excessively under the foundation.; 2) Homeowner allowing landscape plantings to interfere with proper drainage away from the foundation; or 3) Homeowner using the crawl space for storage of any kind are excluded from the Warranty. |
| Expansion/control joint separation | No coverage. Concrete slabs are designed to move at control joints, and such movement does not require corrective action. |
| Cracking of attached garage floor slab | Performance Standard:<br>Cracks in attached garage floor slabs that exceed ¼ inch in width or ¼ inch in vertical offset are a deficiency.<br><br>Responsibility:<br>Builder will take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Matching of concrete color or texture is not covered by the Warranty. |
| Cracking of detached garage floor slab | No coverage. |
| Garage concrete floor has settled, heaved, or separated | Performance Standard:<br>A garage floor that settles, heaves, or separates in excess of 1 inch from the foundation of the Home is a deficiency.<br><br>Responsibility:<br>Builder will take corrective action necessary to comply with the Standard. |
| Cracks in attached patio slab and sidewalks | No coverage. Driveways, sidewalks, stoops, patios, etc., are exposed to the elements year round and are subject to wear and tear from weather. Cracks are to be expected due to curing, expansion and contraction. |
| Cracks in exterior concrete | No coverage. Driveways, sidewalks, stoops, patios, etc., are exposed to the elements year round and are subject to wear and tear from weather. Cracks are to be expected due to curing, expansion and contraction. |
| Cracks in concrete on-grade floors, with finish flooring | Performance Standard:<br>Cracks that rupture or significantly impair the appearance or performance of the finish flooring material are deficiencies.<br><br>Responsibility:<br>Repair cracks as required so as not to be apparent when the finish flooring material is in place. Repair may include filling, grinding or use of a floor-leveling compound.<br><br>Exclusions:<br>Concrete slab-on-grade floors cannot be expected to be crack-free. Most cracking is minor and is the result of large areas of concrete shrinking as the concrete cures. These cracks do not affect the structural integrity of the home. Since slab-on-grade floors are quite large, shrinkage cracks can be expected to occur randomly. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Cracks in concrete floor of unfinished area (no floor covering) or in areas not designed for living | No coverage. |
| Cracks in visible face of foundation | No coverage. |
| Uneven concrete floor slabs | Performance Standard:<br>Concrete floors in rooms finished for habitability by Builder that have pits, depressions or area of unevenness exceeding 3/8 inch in 4 feet are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Where applicable, surface patching is an accepted method of repair. Reinstall or replace any finish flooring material as necessary.<br><br>Exclusions:<br>Basement floors or where a floor or a portion of a floor has been designed for specific drainage purposes are excluded from the Standard. |
| Interior concrete work is pitting, scaling or spalling | Performance Standard:<br>Interior concrete surfaces that disintegrate to the extent that aggregate is exposed and loosened under normal conditions of use are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusions:<br>Builder is not responsible for deterioration caused by salt, chemicals, mechanical implements, or other factors beyond the Builder's control.<br>Color variations are not covered by the Warranty. |
| Efflorescence is present on surface of basement floor | No coverage. |
| Separation of brick or masonry edging from concrete slab or step | Performance Standard:<br>It is common for the joint to crack between concrete and masonry due to the dissimilarity of the materials. Cracks in excess of ¼ inch are a deficiency.<br><br>Responsibility:<br>Grout crack fully and reset loose masonry where required. Replacement of masonry material, if required, shall match the existing as closely as possible but Builder cannot guaranty an exact match. |
| Cracking, settling or heaving of stoops and steps | Performance Standard:<br>Stoops and steps that have settled, heaved or separated in excess of 1 inch from Home are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to meet the Standard. |
| Water remains on stoops or steps after rain has stopped | Performance Standard:<br>Water shall drain off outdoor stoops and steps. Minor amounts of water can be expected to remain on stoops and steps for up to 24 hours after rain.<br><br>Responsibility:<br>Builder shall take corrective action necessary to meet the Standard. |
| Concrete stair general standards | Performance Standard:<br>Concrete stair steepness and dimensions, such as tread width, riser height, landing size and stairway width that do not comply with the Building Code are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Concrete stair handrail standards | Performance Standard:<br>Handrails that do not remain securely attached to concrete stairs are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusions:<br>Handrails that do not remain securely attached because of ordinary wear and tear including but not limited to children sliding down the rail or otherwise playing on the rails is excluded. |
| Separation or movement of concrete slabs within the structure at construction and control joints | No coverage. Concrete slabs within the structure are designed to move at construction and control joints and are not deficiencies. The Homeowner is responsible for maintenance of joint material. Expansion joints are intentionally placed in some concrete surfaces to allow sections of concrete to expand and contract with changes in temperature, and control joints are intentionally placed in concrete to control cracking as concrete cures. Expansion and control joints often have inserted plastic barriers or have been grooved/notched during concrete placement and will have a tendency to move or crack in the joint area. |
| Concrete block or poured concrete basement wall is bowed or out of plumb | Performance Standard:<br>Basement walls that bow or are out of plumb greater than 1.5 inches per 8 feet when measured vertically on the wall are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Exposed concrete wall has holes in it | Performance Standard:<br>Holes in walls that are larger than 1 inch in diameter or 1 inch in depth are considered a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Concrete has protruding objects | Performance Standard:<br>Concrete slabs that have protruding objects, such as a nail, rebar or wire mesh are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Asphalt driveways | No coverage. |
| Masonry (brick) driveway settlement/shifting | No coverage. |
| Masonry driveway color variation | No coverage. |
| Cracks/chips in masonry driveway | Performance Standard:<br>Cracks or chips in a masonry driveway caused by construction activities are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Negative slope driveway | Performance Standard:<br>A driveway that has a negative slope is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusions:<br>Driveways with negative slope due to site conditions where the lot is below the road are not a deficiency. |
| Pop-outs in exterior concrete | No coverage. |
| Surface scaling in exterior concrete | No coverage. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Water ponding on Exterior concrete surfaces | No coverage. |
| Common area sidewalks | No coverage. |
| Exterior concrete paver surfaces | No coverage. |
| Exterior concrete finish | No coverage. |
| Protruding object in exterior concrete | Performance Standard:<br>Exterior concrete that has protruding objects, such as a nail, rebar or wire mesh is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Concrete corners and edges | Performance Standard:<br>Concrete corners and edges that are excessively damaged during construction activities are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| MASONRY | |
| Cracks in masonry, brick or stone veneer | Performance Standard:<br>Small hairline cracks resulting from shrinkage are common in mortar joints of masonry construction. Cracks greater than ¼ inch in width are deficiencies.<br><br>Responsibility:<br>Builder will repair cracks greater than ¼ inch by tuck pointing and patching. Repairs should be made near the end of the Warranty Term to allow Home to stabilize and normal settlement to occur.<br><br>Exclusions:<br>Builder is not responsible for color variations between existing and new mortar. |
| Masonry wall bowed | Performance Standard:<br>A masonry wall that bows in an amount equal to or in excess of one inch in ten feet when measured vertically is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>This Standard does not apply to natural stone products. |
| Masonry broken, loose or deteriorated | Performance Standard:<br>A masonry unit or mortar that is broken, loose or deteriorated is adeficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Stained or dirty masonry | Performance Standard:<br>Masonry that has dirt, stain or debris on the surface due to construction activities is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Gaps in masonry walls | Performance Standard:<br>A gap between masonry and adjacent material equaling or exceeding 1/4 of an inch in average width that is not caulked is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Mortar obstructions | Performance Standard.<br>Mortar that obstructs a functional opening, such as a vent, weep hole or plumbing cleanout is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusions:<br>Deficiencies caused by the Homeowner putting any material into weep holes are excluded. Weep holes are an integral part of the wall drainage system and must remain unobstructed. |
| Mortar stain on exterior brick or stone | Performance Standard:<br>Exterior brick and stone shall be free of mortar stains detracting from the appearance of the finished wall when viewed from 20 feet at closing.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Efflorescence is present on masonry or mortar surface | No coverage. |
| Cracking or spalling of stucco and cement plaster | Performance Standard:<br>Hairline cracks in stucco or cement plaster are common especially if applied directly to masonry back-up. Cracks greater than 1/8 inch in width or spalling of the finish surfaces are deficiencies.<br><br>Responsibility:<br>Scrape out cracks and spalled areas. Fill with cement plaster or stucco to match finish and color as close as possible.<br><br>Exclusions:<br>The Builder will try to match the original stucco texture and color as closely as possible, but a perfect match is not covered by the Warranty. The Builder shall not be responsible for repairing cracks in stucco caused by the Homeowner's actions, including the attachment of devices to the stucco surface, such as, but not limited to, patio covers, plant holders, awnings and hose racks. |
| Separation at stucco joints | Performance Standard:<br>A separation between a stucco surface and adjacent material that equals or exceeds 1/4 of an inch in width that is not caulked is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Separation of coating from base on exterior stucco wall | Performance Standard:<br>Texture may become separated from the base stucco layer. Missing stucco texture greater than 1/8 inch is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder is not responsible for failure to match color or texture, due to the nature of the material.<br><br>Exclusions:<br>Texture loss beneath the horizontal weep or drainage screed is normal and is not covered by the Warranty. |
| Exposed lath | Performance Standard:<br>Lath that is exposed is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Texture mismatch | Performance Standard:<br>Deviations, bumps or voids measuring over ¼ inch per 4 feet, which are not part of the intended texture are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exemptions:<br>Texture is applied by hand, which varies with the technique of the installer. Where tall walls exist, it is necessary to install in several passes. Breaks between application phases occur in all homes and sometimes are more visible due to the method of application. Inherent inconsistency is to be expected as with all hand-applied troweled finishes. During repair, the Builder will try to match the original texture as closely as possible, but a perfect match is not covered by the Warranty. |
| Stucco color mismatch | No coverage. Stucco/Cementitious finish is a colored cement product and is affected by the underlying surface, application technique, temperature, humidity and curing. The Builder will try to match stucco/cementitious finish color as closely as possible, but a perfect match is not covered by the Warranty. |
| Surface staining | No coverage. The surface of exterior walls may become stained from rainwater or water splashing up from the ground. Since the surface is a porous material, this condition cannot be eliminated and is not covered by the Warranty. |
| Stucco/cementitious finish appears wet | No coverage. The surface is a porous cement product and designed to become saturated with moisture. It will, therefore, appear wet long after rain has stopped. This is a normal condition and is not covered by the Warranty. |
| Stucco finish imperfections | Performance Standard:<br>Stucco surfaces that have imperfections that are visible from a distance of ten feet under normal lighting conditions and that disrupt the overall uniformity of the finished pattern are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Stucco deteriorates excessively | Performance Standard:<br>Stucco that deteriorates excessively is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Deterioration caused by Homeowner allowing water from irrigation system to contact stucco excessively is not covered. |
| Stucco bowed, uneven or wavy | Performance Standard:<br>Stucco walls that bow in excess of 1½ inches in ten feet measured vertically is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Stucco screed | Performance Standard:<br>A stucco screed that does not have a minimum clearance of at least 4 inches above the soil or landscape surface and at least 2 inches above any paved surface is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Deficiencies due to Homeowner-altered landscape are not covered. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Stucco obstructs opening | Performance Standard:<br>Stucco that obstructs a functional opening, such as a vent, weep hole or plumbing cleanout is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Course of masonry or veneer not straight | No coverage. |
| Exterior cut bricks are of different thickness below openings | No coverage. |
| CARPENTRY/FRAMING | |
| Floors squeak, due to improper installation or loose subfloors | Performance Standard:<br>Loud and objectionable squeaks caused by improper installation or loose subfloor are deficiencies, but a totally squeak-proof floor cannot be guaranteed.<br><br>Responsibility:<br>Builder will refasten any loose subfloor or take other corrective action to reduce squeaking to the extent possible within reasonable repair capability without removing floor and ceiling finishes. Floor squeaks may occur when a subfloor that has come loose from the joists is deflected by the weight of a person and rubs against the nails that hold it in place. Squeaks may also occur when one joint is deflected while the other members remain stationary. Because the Standard requires the Builder to make a reasonable attempt to eliminate squeaks without requiring removal of all floor and ceiling finishes, nailing loose subflooring with casing nails into the carpet surface and countersinking the head is an acceptable practice. |
| Squeaking stair riser or tread | Performance Standard:<br>Loud squeaks caused by a loose stair riser or tread are deficiencies, but totally squeak-proof stair risers or treads cannot be guaranteed.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Gaps exist between interior stair railing parts | Performance Standard:<br>Gaps between interior stair railing parts that exceed 1/8 inch in width are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Interior stair railing lacks rigidity | Performance Standard:<br>Interior stair railings that are not attached to structural members in accordance with applicable codes are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Interior stair tread deflects too much | Performance Standard:<br>An interior stair tread that deflects in excess of 1/8 inch at 200 pounds force is a deficiency.<br><br>Responsibility.<br>Builder shall take corrective action necessary to comply with the Standard. |
| Gaps exist between interior stair risers, treads, and/or skirts | Performance Standard:<br>Gaps between adjoining parts that are designed to meet flush that exceed 1/8 inch in width are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Uneven wood framed floors | Performance Standard:<br>Sub-flooring that has excessive humps, ridges, depressions or slopes within any room that equals or exceeds 3/8 of an inch in any 32-inch direction is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Wood floor is out of square | No coverage. |
| Wood floor is out of level | Performance Standard:<br>If any point on the surface of a wood floor is more than ½ inch higher or lower than any other point on the surface within 20 feet, or proportional multiples of the preceding dimensions, it is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Excessive deflection observed in floor or roof constructed of wood I-joists | Performance Standard:<br>All beams, joists, rafters, headers, and other structural members constructed of wood I-joists that are not sized, and fasteners spaced, according to manufacturer's specifications for size, length, and spacing are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Bowed stud walls or ceilings | Performance Standard:<br>All interior and exterior frame walls or ceilings have slight variations on the finish surfaces. Walls or ceilings that are bowed more than ½ inch within a 32 inch horizontal measurement; or ½ inch with any 8 foot vertical measurement are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Wood frame walls out of plumb | Performance Standard:<br>Wood frame walls that are more than 3/8 inch out of plumb for any 32 inch vertical measurement are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Wood, concrete, masonry or steel columns are bowed or out of plumb | Performance Standard:<br>Wood columns that are bowed in excess of ½ inch in 8 feet or out of plumb in excess of 1/8 inch in any 12 inches or ¾ inch in 8 feet when measured from base to top of column are a deficiency.<br><br>Concrete columns installed with a bow in excess of 1 inch in 8 feet are a deficiency. Concrete columns installed out of plumb in excess of ¼ inch in 12 inches when measured from the base to the top of the column, not to exceed 1 ½ inches in 8 feet are a deficiency.<br><br>Exposed concrete columns bowed or out of plumb in excess of 1 inch in 8 feet are a deficiency.<br><br>Masonry columns installed out of plumb in excess of ¼ inch in 12 inches when measured from the base to the top of the column not to exceed 1 ½ inches in 8 feet are a deficiency.<br><br>Masonry columns bowed or out of plumb more than 1 inch in 8 feet are a deficiency.<br><br>Steel columns out of plumb in excess of 1/8 inch in 12 inches when measured from the base to the top of the column are a deficiency.<br><br>Steel columns bowed or out of plumb in excess of 3/8 inch in 8 feet when measured vertically are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Exterior moisture barrier on wall | Performance Standard:<br>An exterior moisture barrier that allows an accumulation of moisture inside the barrier is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Penetrations made by the Homeowner through the exterior moisture barrier that permit the introduction of moisture inside the barrier are excluded. |
| Springiness, bounce, shaking, or visible sag is observed in floor or roof | Performance Standard:<br>All beams, joists, rafters, headers and other structural members shall be sized and fasteners spaced according to the National Forest Products Association span tables or local building codes.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Wood beam or post is split | Performance Standard:<br>Beams or post, especially those 2 ½ inches or greater in thickness, will sometimes split as they dry subsequent to construction. Unfilled splits exceeding ¼ inch in width and all splits exceeding 3/8 inch in width are deficiencies.<br><br>Responsibility:<br>Builder shall repair or replace as required. Filling splits is acceptable for widths up to 3/8 inch.<br><br>Exclusion:<br>Some characteristics of drying wood are beyond the control of the Builder and cannot be prevented. |
| Wood beam or post is twisted, bowed or cupped | Performance Standard:<br>A non-structural post or beam having a warp or twist equal or exceeding one inch in eight-feet of length is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Split or warped rafters or trusses | No coverage. Some splitting or warping is normal and is caused by high temperature effects on lumber. |
| Exterior sheathing and subflooring which delaminates or swells | Performance Standard:<br>Sheathing and subflooring delaminating or swelling on the side that the finish material has been applied is a deficiency.<br><br>Responsibility:<br>Builder shall repair or replace subflooring or sheathing as required. Replacement of the finish materials, when necessary, shall be done to match the existing finish as closely as possible. |
| Wood frame walls out of square | Performance Standard:<br>The diagonal of a triangle with sides of 12 feet and 16 feet along the edges of the floor that is not 20 feet plus or minus ½ inch is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| INTERIOR TRIM | |
| Shelving | Performance Standard:<br>The length of a closet rod shall not be shorter than the actual distance between the end supports in an amount equal to or exceeding 1/4 of an inch and shall be supported by stud-mounted brackets no more than four feet apart. The length of a shelf shall not be shorter than the actual distance between the supporting walls by an amount equal to or exceeding 1/4 of an inch and shall be supported by stud-mounted brackets no more than four feet apart. End supports shall be securely mounted.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Unsatisfactory quality of finished interior trim and workmanship | Performance Standard:<br>Joints between moldings and adjacent surfaces that exceed 1/8 inch in width are deficiencies.<br><br>Responsibility:<br>Repair defective joints and touch up finish coating where required to match as closely as possible. Caulking is acceptable.<br><br>Exclusion:<br>Some separation due to lumber shrinkage is normal and should be expected. Separation of trim and moldings can be caused by lack of control of indoor relative humidity by Homeowner and is not covered. |
| Inside corner is not coped or mitered | Performance Standard:<br>Trim edges at inside corners that are not coped or mitered are a deficiency. However, square edge trim may be butted.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Trim or molding miter edges do not meet | Performance Standard:<br>Gaps between miter edges in trim and molding that exceed ¼ inch at installation are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Interior trim is split | No coverage. Splits, cracks and checking are inherent characteristics of all wood products and are not considered deficiencies. |
| Hammer marks visible on interior trim | Performance Standard:<br>Hammer marks on interior trim that are readily visible from a distance of 6 feet under normal lighting conditions are a deficiency.<br><br>Responsibility: Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing.<br><br>Exemption:<br>Refinished or replaced areas may not match surrounding areas exactly. |
| Exposed nail heads in woodwork | Performance Standard:<br>After painting or finishing, nails and nails holes that are readily visible from a distance of 6 feet under normal lighting conditions are a deficiency.<br><br>Responsibility:<br>Fill nail holes where required and, if necessary, touch up paint, stain or varnish to match as closely as possible. Builder's responsibility is limited to deficiencies noted prior to closing.<br><br>Exemption:<br>Nail holes do not have to be filled where the surface finish is not conducive or so designed to have nail holes filled because of the product. Nail holes in base and trim in unfinished rooms or closets do not have to be filled. |
| THERMAL AND MOISTURE PROTECTION | |
| Leaks in basement or in foundation/crawl space | Performance Standard:<br>Leaks resulting in actual trickling of water through the walls or seeping through the floor are deficiencies.<br><br>Responsibility:<br>Take such corrective action as is necessary to correct basement and crawl space leaks, except where the cause is determined to be the result of Homeowner negligence. Where a sump pit has been installed by Builder in the affected areas but the sump pump was not contracted for or installed by Builder, no action is required until a properly sized pump is installed by the Homeowner in an attempt to correct the condition. Should the condition continue to exist, then Builder shall take necessary action to correct the problem.<br><br>Exemption:<br>Leaks caused by landscaping improperly installed by the Homeowner or failure by the Homeowner to maintain proper grades are excluded from Warranty Coverage. Dampness in basement and foundation walls or in concrete basement and crawl space floors is often common to new construction and is not a deficiency. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Insufficient insulation | Performance Standard:<br>Insulation that is not installed around all habitable areas in accordance with established local industry standards is a deficiency.<br><br>Responsibility:<br>Builder shall install insulation of sufficient thickness and characteristics to meet the local industry standards. In the case of dispute, cost for investigating the sufficiency of insulation and restoring areas to prior condition is to be borne by Homeowner if it is found that the standard has been met by Builder. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Sound transmission between rooms, floor levels, or from the street into Home | No coverage. |
| Inadequate ventilation or moisture in crawl spaces | Performance Standard:<br>Crawl spaces shall have adequate ventilation to remove moisture or other approved method of moisture control. Ventilation or other moisture control methods shall be considered a deficiency if there is damage to supporting members or insulation due to moisture accumulation.<br><br>Responsibility:<br>Builder shall investigate to determine cause, and make necessary repairs. Corrective action may include the installation or properly sized louvers, vents, vapor barrier or other locally approved method of moisture control.<br><br>Exclusion:<br>Temporary conditions may cause condensation in crawl spaces that can no be eliminated by ventilation and/or vapor barrier. Night air may cool foundation walls and provide a cool surface on which moisture may condense. In Homes that are left unheated in the winter, the underside of floors may provide a cold surface on which warmer crawl space air may condense. These and other similar conditions are beyond the Builder's control. Maintaining adequate heat and seasonable adjustment of vents is the responsibility of the Homeowner. |
| Inadequate ventilation or moisture control in attics or roofs | Performance Standard:<br>Attics or roofs shall have adequate ventilation to remove moisture, or other approved method of moisture control. Ventilation or other moisture control methods shall be considered a deficiency if there is damage to supporting members or insulation due to moisture accumulation.<br><br>Responsibility:<br>Builder shall investigate to determine cause, and make necessary repairs. Corrective action may include the installation of properly sized louvers, vents, vapor retarder or other locally approved method of moisture control.<br><br>Exclusion:<br>The Homeowner is responsible for keeping existing vents unobstructed. Locally approved and properly constructed "hot roof" or other alternative roof designs may not require ventilation, and where there is no evidence of moisture damage to supporting members or insulation, are not deficiencies. |
| Attic vents or louvers leak | Performance Standard:<br>Attic vents and louvers that leak are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Infiltration of wind driven rain and snow are not considered leaks and are beyond the control of the Builder. |
| Bath or kitchen exhaust fans improperly vented into attic | Performance Standard:<br>Bath or kitchen exhaust fans that are vented into attics causing moisture to accumulate resulting in damage to supporting members or insulation are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Kitchen or bath fans allow cold air infiltration | No coverage. This is a normal condition beyond the Builder's control. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Water or air leaks in exterior walls due to inadequate caulking | Performance Standard:<br>Joints and cracks in exterior wall surfaces and around openings that are not properly caulked to exclude the entry of water or excessive drafts are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>The Homeowner must maintain caulking once the condition is corrected. |
| Delamination, splitting or deterioration of exterior siding | Performance Standard:<br>Any hardwood or composite siding that has delaminated (separated into layers) is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>The effects of improper Homeowner maintenance, negligent damage caused by objects striking the siding and weathering are not covered by the Warranty. |
| Loose or fallen siding | Performance Standard:<br>All siding that is not installed properly, which causes same to come loose or fall off is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Loose or fallen siding due to Homeowners actions or neglect, such as leaning heavy objects against siding, impact, or sprinkler systems repeatedly wetting siding is not a deficiency. |
| Siding is bowed | Performance Standard:<br>Bows exceeding ½ inch in 32 inches are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. If replacement of siding is required, Builder will match the original material as closely as possible. Homeowner should be aware that the new finish may not exactly match the original surface texture or color.<br><br>Exclusion:<br>Bowed siding due to Homeowner's actions or such as bowing caused by sprinkler system repeatedly wetting siding is not a deficiency. |
| Siding is cupped | Performance Standard:<br>Siding cupped in an amount equal to or exceeding ½ of an inch in a six foot run is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Stained siding from nails | Performance Standard:<br>Nail stains exceeding ¼ inch in length and visible from a distance of 20 feet are deficiencies.<br><br>Responsibility:<br>Builder shall correct by either removing stains, painting or staining the affected area one-time only during the Warranty Term. Builder shall match color and finish as closely as possible. Where paint or stain touch up affects the majority of the wall surface, the whole area shall be refinished.<br><br>Exclusion:<br>"Natural weathering" or semi-transparent stains are excluded from coverage |
| Siding joints separated | Performance Standard:<br>Joint separations in siding exceeding 3/16 inch are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Filling with sealant is an acceptable repair. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Gaps between siding and trim | Performance Standard:<br>Gaps between siding and moldings at trim pieces, miter joints or openings that exceed ¼ inch are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Caulking and repainting is an acceptable repair. |
| Siding nails expose interior fiber | Performance Standard:<br>Siding nails that are countersunk to expose the interior fibers of hardboard or cementitious composite siding are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Caulking and repainting is an acceptable repair. |
| Splits or knotholes in siding or trim | Performance Standard:<br>Knotholes that expose the underlying sheathing or building paper, or splits in exterior siding or trim wider than 1/8 inch are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Siding color or texture mismatch | Performance Standard:<br>The Builder will try to match the texture and color of the existing siding as closely as possible for any repair or replacement of siding, but a perfect match is not guaranteed by the Warranty. |
| Siding finish faded | Performance Standard:<br>Any colored siding will fade when exposed to the sun. This is a normal condition. If a particular piece of siding that becomes excessively faded in contrast to similarly exposed siding, it is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Siding/trim wood rot | Performance Standard:<br>Some warping, cupping, splitting or rotting of wood can be expected. Excess warping, cupping, spitting or rotting of wooden members is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| "Bleeding" through siding paint | Performance Standard:<br>Resins and extractives "bleeding" through the paint are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>The Warranty will not apply if stains or clear wood protectants are used, since they do not cover up the natural extractives of wood. Effects of improper Homeowner maintenance, negligence, physical damage or weathering are not covered by the Warranty. |
| Unsatisfactory quality of finished exterior trim and workmanship | Performance Standard:<br>Joints between exterior trim elements and siding which are in excess of ¼ inch are deficiencies. In all cases, the siding shall be capable of performing its function to exclude the elements.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Caulk open joints between dissimilar materials. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Loose exterior trim | Performance Standard:<br>Trim that has separated from the home by more than ¼ inch is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>The Warranty does not cover trim separation caused by acts of God or unusually high winds that exceed the manufacturer's wind limits. |
| Protruding nails in exterior trim | Performance Standard:<br>Trim with nails that completely protrude through the finished surface of the trim is a deficiency but nail heads may be visible on some products.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Some products specify that the nails be flush with the trim surface. When these products are used, visible nail heads are not considered protruding nails as long as they are painted over. |
| Nail stains in exterior trim | Performance Standard:<br>Nail stains exceeding ½ inch in length and visible from a distance of 20 feet are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Exterior trim board cupped | Performance Standard:<br>Exterior trim and eave block that cups in an amount equal to or in excess of a 1/4 of an inch in a six-foot run is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Exterior trim board twisted | Performance Standard:<br>Bows and twists in trim board exceeding ¾ inch per 8 feet are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Exterior trim is split | Performance Standard:<br>Exterior trim and eave block with cracks or splits equal to or in excess of 1/8 of an inch in average width are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Siding is not installed on a straight line | Performance Standard:<br>Any piece of lap siding more than ½ inch off parallel in 20 feet with contiguous courses is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Siding is buckled | Performance Standard:<br>Siding that projects more than 3/16 inch from the face of adjacent siding is a deficiency<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Siding is wavy | Performance Standard:<br>Some waviness in lap siding is to be expected because of bows in studs. Thermal expansion waves or distortions in aluminum or vinyl lap siding, sometimes called oil canning, are considered deficiencies if they exceed 1/2 inch in 32 inches.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Aluminum or vinyl lap siding trim is loose from house | Performance Standard:<br>Trim that is separated more than ¼ inch from the house is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Aluminum or vinyl lap siding courses are not parallel with eaves or wall openings | Performance Standard:<br>Any piece of aluminum or vinyl lap siding more than ½ inch off parallel in 20 feet with contiguous courses, or contiguous break such as a soffit line, is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Aluminum or vinyl lap siding nail shows under window, door, or eave | Performance Standard:<br>Facing nails that do not match the color of the trim they affix are deficiencies. Nail heads in the field of the siding that are exposed are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Aluminum or vinyl lap siding trim accessory is loose from caulking at windows or other wall openings | No coverage. |
| Aluminum or vinyl lap siding is not cut tight to moldings | Performance Standard:<br>Gaps between siding and moldings that exceed ¼ inch are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>The consumer and contractor may agree to disregard standard to match conditions on structure. |
| Aluminum or vinyl lap siding is cut crooked | Performance Standard:<br>Visible cuts in siding shall be straight, plumb, and neat. Crooked cuts greater than 1/8 inch from true are a deficiency.<br><br>Responsibility:<br>Gaps shall comply with the manufacturer's guidelines unless the existing building is out of square or out of plumb. Cut edges of vinyl siding should always be covered by trim or receiving channels and should not be visible. Cuts should be made so that when properly installed in trim, edges are not visible. |
| ROOF | |
| Water trapped under roofing membrane | Performance Standard:<br>Any blister larger than 12 inches is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Roof or flashing leaks | Performance Standard:<br>Roof and flashing leaks that occur under normal weather conditions are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Leaks caused by debris or ice accumulation are considered part of routine Homeowner maintenance and are not covered by the Warranty. |
| Roof shingles have blown off | Performance Standard:<br>Shingles shall not blow off in wind less than the manufacturer's standards or specifications.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Shingles that blow off in winds less than the manufacturer's specifications due to a manufacturing defect are the manufacturer's responsibility.<br>Shingles that blow off in hurricanes, tornadoes, hailstorms, or winds including gusts greater than 60 miles per hour, are not deficiencies. Homeowner should consult the manufacturer's warranty for specs, standards and warranty responsibility in higher wind speeds. |
| Lifted, torn, curled or otherwise defective shingles | No coverage. Manufacturing defects in shingles are not covered under the Warranty. The Homeowner should consult the manufacturer's warranty for specs, standards, and manufacturer's warranty responsibility. |
| Mildew, algae and moss on roofs | No coverage. The growth of mildew, algae and moss on roof surfaces is caused by the accumulation of dust and considered the responsibility of the Homeowner to conduct proper routine maintenance. The growth of mildew, algae and moss on roof surfaces is not covered under the Warranty. |
| Roof tile efflorescence | No coverage. Efflorescence is a temporary surface condition that causes a white chalky substance to form on concrete products. It is not uncommon for efflorescence to form on roof tiles, as it is a common condition for all concrete products. Efflorescence will eventually wash away with rain and, therefore, is not covered under the Warranty. |
| Roofing shingles or tiles not aligned | No coverage. Shingles and tiles are installed to withstand a maximum exposure to the weather as recommended by the manufacturer. Often, tiles and shingles must be adjusted to compensate for differing roof conditions. This is not considered a defect. |
| Shading or shadowing pattern | No coverage. Shading or shadowing on roofing materials is caused by the differences in product color installed in a specific area. The Builder will try to minimize shading deviations by mixing the tiles and shingles during installation, but uniform shading or shadowing is not covered by the Warranty. |
| Roof tile color variations | No coverage. Color fading, color changes, variations of the color hue or physical deterioration of the color from outside conditions of roof tiles should be expected. Because shade variations are normal and expected from weather, oxidation or air pollutants, color variations in roof tiles are not covered by the Warranty. |
| New roofing products do not match existing | No coverage. The color and texture of new roofing components used to repair existing roofing components may not match due to weather or manufacturing variations. For any repair or replacement of roofing components, the Builder will try to match the texture and color of existing roofing components as closely as possible, but a perfect color match is not covered by the Warranty. |
| Interior water damage from ice-damming | Performance Standard:<br>Ice-damming causing leaks into living areas because of incorrectly installed insulation is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>No action is required if the condition is caused by swings of freezing and thawing in the weather. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Loose or cracked tiles or shingles | Performance Standard:<br>A roof tile that is cracked or broken is a deficiency. A shingle that is broken so that it detracts from the overall appearance of the home is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Deficiencies caused by Homeowner conduct. |
| Standing water on built-up roofs. | Performance Standard:<br>Water that does not drain from a flat or low pitched roof within 24 hours of a normal rainfall is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Minor ponding or standing of water is not considered a deficiency. Minor ponding shall not exceed 3/8 inch. |
| Miscellaneous roof water infiltration | Performance Standard:<br>Exterior moisture barrier of the roof that allows moisture penetration is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Penetrations through exterior moisture barrier of the roof made by the Homeowner. |
| Roofing is blistered but does not admit water | Performance Standard:<br>No coverage. Surface blistering of roll roofing is caused by unusual conditions of heat and humidity acting on the asphalt and cannot be controlled by the Builder. |
| Roof ridge beam deflects | Performance Standard:<br>Roof ridge beam deflection greater than 1 inch in 8 feet is considered a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Roof or ceiling rafter bows | Performance Standard:<br>Rafters that bow greater than 1 inch in 8 feet are considered a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Roof sheathing is wavy or appears bowed | Performance Standard:<br>Roof sheathing that bows more than ½ inch in 2 feet is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Ice builds up on the roof | No coverage. During prolonged cold spells, ice is likely to build up at the eaves of a roof. This condition can naturally occur when snow and ice accumulates. |
| Asphalt shingles do not overhang edges of roof, or hang too far over edges of roof | Performance Standard:<br>Asphalt shingles shall overhang roof edges by not less than ¼ inch, and not more than ¾ inch unless the manufacturer's standards/specifications indicate otherwise.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Asphalt shingles have developed surface buckling | Performance Standard:<br>Asphalt shingle surfaces need not be perfectly flat. Buckling higher than ¼ inch is considered a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Sheathing nails have loosened from framing and raised asphalt shingles | Performance Standard:<br>Nails that loosen from roof sheathing to raise asphalt shingles from surface are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Roofing nails are exposed at ridge of roof | Performance Standard:<br>Nail heads shall be sealed to prevent leakage.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Holes from walk boards are visible in asphalt shingles | Performance Standard:<br>Holes from walk boards shall be flashed and sealed below the asphalt shingle tab to prevent leakage. If patch is visible from ground, the shingle should be replaced.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Existing roof shingles telegraphing through new asphalt shingles | No coverage. |
| Water is trapped under roll roofing | Performance Standard:<br>Water that becomes trapped under roll roofing is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Gutter and downspouts leak | Performance Standard:<br>Leaks at connections of gutters and downspouts are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Homeowner is responsible for keeping gutters and downspouts clean. Gutter may overflow during heavy rains provided proper care is taken by the Homeowner to clear debris, snow and ice. |
| Water remains in gutters after a rain | Performance Standard:<br>Small amounts of water may remain in some sections of gutter for a short time after a rain.<br>Standing water in gutters that exceeds ½ inch in depth is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>Homeowner is responsible for keeping gutters and downspouts free from debris that would obstruct drainage. |
| DOORS AND WINDOWS | |
| Warpage of interior or exterior doors | Performance Standard:<br>Warping on doors that exceeds ¼ inch as measured diagonally from corner to corner is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Warping that occurs to stain or lacquer-finished doors that are improperly maintained is the Homeowner's responsibility and is not covered by the Warranty. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Doors that do not open and close freely without binding against the doorframe | Performance Standard:<br>Passage doors that do not open and close freely without binding against the doorframe are deficiencies. Lock bolt is to fit the keeper to maintain a closed position.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Wood doors may stick during occasional periods of high humidity. Seasonal changes may cause doors to expand and contract, and are usually temporary conditions. |
| Gaps are visible around exterior door edge, door jamb and threshold | Performance Standard:<br>Gaps greater than ¼ inch are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Door edge is not parallel to door jamb | Performance Standard:<br>Door edge that is not within 3/16 inch of parallel to the door jamb is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Door swings open or closed by the force of gravity | Performance Standard:<br>When a door is placed in an open position, it shall remain in the position it was placed, unless the movement is caused by airflow.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Door panels shrink and expose bare wood | No coverage. Wooden panels will shrink and expand because of temperature and/or humidity changes, and may expose unpainted surfaces. This does not constitute a defect. |
| Door panels split | Performance Standard:<br>Door panels that have split to allow light to be visible through the door are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Bottom of doors drag on carpet surface | Performance Standard:<br>Where it is understood by Builder and Homeowner that carpet is planned to be installed as floor finish by Builder, the bottom of the doors which drag on the carpet are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Where carpet is selected by the Homeowner having excessive high pile, the Homeowner is responsible for any additional door undercutting. Builder is not responsible if Homeowner installs carpet. |
| Excessive opening at the bottom of interior doors | Performance Standard:<br>Passage doors from room to room that have openings between the bottom of the door and the floor finish material in excess of 1 ½ inches are deficiencies. Closet doors having an opening in excess of 2 inches are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Bi- fold and pocket doors | Performance Standard:<br>Pocket doors that rub in their pockets during normal operation are deficiencies. Bifold doors shall slide properly on their tracks at the time of closing.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>Cleaning and maintenance necessary to preserve proper operation are the Homeowner's responsibility. |
| Sliding patio doors and screens | Performance Standard:<br>Sliding patio doors and screens that come off their tracks when sliding during normal operation are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>Some entrance of the elements can be expected under windy conditions. |
| Sliding patio door does not roll smoothly | Performance Standard:<br>Sliding patio doors that do not roll smoothly at the time of closing are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>The cleaning and maintenance necessary to preserve proper operation are the Homeowner's responsibility |
| Latch is loose or rattles | Performance Standard:<br>Hardware shall function properly, without catching binding or requiring excessive force to operate. A door or window latch or lock shall close securely and shall not be loose or rattle.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>Some minor movement should be expected. |
| Painted or stained doors | Performance Standard:<br>A door or window shall be painted or stained according to the manufacturers' specifications.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| De-laminated doors | Performance Standard:<br>A door that delaminates is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Damage to metal doors | Performance Standard:<br>A metal door that is dented or scratched due to construction activities is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Garage door fails to operate or fit properly | Performance Standard:<br>Garage doors that do not operate and fit the door opening within the manufacturer's installation tolerances are deficiencies. Some entrance of the elements can be expected under heavy weather conditions and is not considered a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>No adjustment is required when cause is determined to result from anyone but Builder's or Builder's subcontractors' installation of an electric door opener. |
| Damage to metal garage door | Performance Standard:<br>A metal garage door that is dented or scratched due to construction activities is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Garage door opener | No coverage. |
| Garage door spring | Performance Standard:<br>A garage door spring shall operate properly and shall not lose appreciable tension, break or be undersized.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Garage | Performance Standard:<br>A garage door shall remain in place at any open position, operate smoothly and not be off track.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Window is difficult to open or close | Performance Standard:<br>Windows that require greater opening or closing force than the manufacturer's specifications are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Normal maintenance by the Homeowner includes keeping the tracks, channels and operating mechanisms clean and lubricated. For most windows, Homeowners should use a dry silicone spray lubricant on the tracks once each year. |
| Double hung windows do not stay in place when open | Performance Standard:<br>Double hung windows are permitted to move within a two inch tolerance, up or down when put in an open position. Any excessive movement exceeding the tolerance is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Condensation or frost on window frames and glass | Performance Standard:<br>No coverage. Windows and skylights will collect condensation on their interior surfaces when high humidity within the home turns into water on the colder window or skylight surface. The Homeowner is responsible for controlling interior temperature and humidity to avoid condensation. Draperies and blinds should be left open to encourage air circulation and even temperatures during periods of cold weather and high interior humidity. Under the Warranty, no action on the part of the Builder is required. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Hardware does not work properly, fails to lock or perform its intended purpose | Performance Standard:<br>Hardware finishes shall not be tarnished, blemished, corroded or stained due to construction activities, unless the finish is installed as a specialty feature.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>The Builder is not responsible for tarnished, blemished, or stained hardware finishes that have been damaged by factors that are beyond the manufacturer's or the Builder's control such as the Homeowner's use of abrasive pads or cleaners, harsh chemicals, alcohol, organic solvents or deterioration caused by exposure to outdoor elements such as salt air or humidity. |
| Damaged hardware | Performance Standard:<br>Hardware shall not be scratched, chipped, cracked or dented due to construction activities.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Loose hardware | Performance Standard:<br>Hardware shall be installed securely and shall not be loose.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Door hardware or kick plate has tarnished | No coverage. |
| Interior iron work | Performance Standard:<br>Interior ironwork that has rusted is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>The builder is not responsible for ironwork finishes that rust due to factors that are beyond the manufacturer's or the Builder's control such as the Homeowner's use of abrasive pads or cleaners, harsh chemicals, alcohol, organic solvents or deterioration caused by exposure to humidity. |
| Storm doors, windows and screens do not operate or fit properly | Performance Standard:<br>Storm doors, windows and screens, when installed, which do not operate or fit properly to provide the protection for which they are intended are considered deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>Missing screens, rips or gouges in the screen mesh are not covered by this Warranty. |
| Plastic molding behind storm door melts from exposure to sunlight | Performance Standard:<br>The plastic moldings behind the storm doors should not melt if the storm panel is removed and reinstalled by the owner during normal maintenance operations.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Drafts around doors and windows | Performance Standard:<br>Some infiltration is usually noticeable around doors and windows especially during high winds. No daylight shall be visible around frame when window or exterior door is closed.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>In high wind areas, the Homeowner may need to have storm windows and doors installed to eliminate drafts. |
| Clouding and condensation on inside surfaces of insulated glass | No coverage. |
| Window or skylight leaks | Performance Standard:<br>Water leaking through or around windows or skylights as a result of improper installation is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Water leaks at windows or skylights resulting from Homeowner damage, extreme weather or improper Homeowner maintenance are not covered by the Warranty. Water may become visible inwindow tracks and sliding glass door tracks during heavy rain and should drain to the outside of the home. |
| Window scratches and imperfections | Performance Standard:<br>Where a viewer looks through the window in daylight without direct sunlight, a potential imperfection that is in the view plane 90° to the window surface that is detectable from a distance of over ten feet is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Defective glass | Performance Standard:<br>Defects, including stress cracks or failed seals in insulated windows, are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Broken glass or screen | Performance Standard:<br>Broken glass or screen due to construction activities are a deficiency.<br><br>Responsibility<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Mirrors and shower doors | Performance Standard:<br>A mirror, interior glass or shower door shall not be loose and shall be securely mounted or attached to the supporting surface. Fixtures, such as towel bars or door handles, shall be securely mounted. A mirror, interior glass or shower door shall not be damaged due to construction activities. A shower door shall not leak. Imperfections in a mirror or shower door shall not be visible from a distance of two feet or more when viewed in normal light. When opening and closing, a shower door shall operate easily and smoothly without requiring excessive pressure.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| FINISHES | |
| Cracks in plaster wall and ceiling surfaces | Performance Standard:<br>Hairline cracks are not unusual. Cracks in plaster wall and ceiling surfaces exceeding 1/16 inch in width are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Drywall cracks, texture variations | Performance Standard:<br>Hairline cracks are not unusual. Cracks in interior gypsum board or other drywall materials exceeding 1/8 inch in width are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Texture on blown or textured ceilings is uneven | No coverage. This is a normal condition that occurs with randomly applied materials. |
| Drywall bowed | Performance Standard:<br>A drywall surface that has a bow or depression that equals or exceeds 1/4 of an inch out of line within any 32-inch horizontal measurement as measured from the center of the bow or depression or 1/2 of an inch within any eight-foot vertical measurement is a deficiency.<br><br>A ceiling made of drywall that has bows or depressions that equal or exceed 1/2 of an inch out of line within a 32-inch measurement as measured from the center of the bow or depression running parallel with a ceiling joist or within 1/2 of an inch deviation from the plane of the ceiling within any eight-foot measurement is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Drywall is crowning | Performance Standard:<br>Crowning at a drywall joint that equals or exceeds 1/4 of an inch within a twelve-inch measurement centered over the drywall joint is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Drywall is out of plumb, level or square | Performance Standard:<br>A drywall surface that is out of level (horizontal), plumb (vertical) or square (perpendicular at a 90-degree angle) such that there are variations in those measurements to wall or surface edges atany opening, corner, sill, shelf, etc. that equals or exceeds 3/8 of an inch in any 32-inch measurement along the wall or surface is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Angular gypsum wallboard joints are uneven | No coverage. This is a natural condition that occurs with randomly applied materials. |
| Nail pops, blisters, or other blemishes on finished wall or ceiling | Performance Standard:<br>Nail pops and blisters that are readily visible from a distance of 6 feet under normal lighting conditions are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Repairs should be completed near the end of the Warranty Term to allow for normal movement in Home.<br><br>Exclusion:<br>Depressions or slight mounds at nail heads are not considered deficiencies. Builder is not responsible for nail pops or blisters that are not visible, such as those covered by wallpaper. |
| Cracked corner bead, excess joint compound, trowel marks or blisters in tape joints | Performance Standard:<br>Cracked or exposed corner bead, trowel marks, excess joint compound, or blisters in drywall tape are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. Repairs should be completed near the end of the Warranty Term to allow for normal settling in the Home. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| FLOORING | |
| Flagstone, marble, quarry tile, slate, or other hard surface flooring is broken or loose | Performance Standard:<br>Tile, flagstone or similar hard surfaced sanitary flooring that cracks or becomes loose is a deficiency. Subfloor and wallboard are required to be structurally sound, rigid and suitable to receive a finish.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Cracking or loosening of flooring caused by the Homeowner's negligence is not a deficiency. Builder is not responsible for color and pattern variations or discontinued patterns of the manufacturer. Hollow tiles occasionally occur and are not covered by the Warranty. |
| Hard surface color variations and imperfections | No coverage. |
| Excessive "lippage" of adjoining marble or ceramic tile | Performance Standard:<br>Lippage greater than 1/8 inch is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing.<br><br>Exclusion:<br>Irregular tiles such as limestone, adoquin and Mexican Payers are not covered by the Warranty. |
| Cracks in grouting of ceramic tile joints or at junctions with other materials such as a bathtub, shower, or countertop | No coverage. |
| Grout or mortar joint is not a uniform color | Performance Standard:<br>Grout that changes shade or discolors excessively due to construction activities is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Irregular grout lines | Performance Standard:<br>Hard surface layout or grout line that are excessively irregular are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing.<br><br>Exclusion:<br>Natural products such as flagstone, marble, granite, slate, and other quarry tile will have size variations that may create irregular layouts or grout lines. |
| Nail pops appear on the surface of resilient flooring | Performance Standard:<br>Readily apparent nail pops are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Builder is not responsible for discontinued patterns or color variations. Sharp objects such as high heels, table and chair legs, can cause similar problems, and are not covered by this Warranty. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Depressions or ridges appear in the resilient flooring due to subfloor irregularities | Performance Standard:<br>Readily apparent depressions or ridges exceeding 1/8-inch are a deficiency. The ridge or depression measurement is taken as the gap created at one end of a 6-inch straight edge placed over the depression or ridge with 3-inches on one side of the deficiency held tightly to the floor.<br><br>Responsibility:<br>Builder shall take required action to bring the deficiency within acceptable tolerances so as to be not readily visible.<br><br>Exclusion:<br>Builder is not responsible for discontinued patterns or color variations in the floor covering, Homeowner neglect or abuse, nor installations performed by others. |
| Resilient flooring or base loses adhesion | Performance Standard:<br>Resilient flooring or base that lifts, bubbles, or becomes unglued is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Builder is not responsible for discontinued patterns or color variations. |
| Seams or shrinkage gaps show at resilient flooring joints | Performance Standard:<br>Gaps in excess of 1/16-inch in width in resilient floor covering joints are deficiencies. Where dissimilar materials abut, a gap in excess of 1/8-inch is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Proper repair can be affected by sealing gap with seam sealer.<br><br>Exclusion:<br>Builder is not responsible for discontinued patterns or color variations of floor covering. Minor gaps should be expected. |
| Vinyl flooring patterns misaligned | Performance Standard:<br>Patterns at seams between adjoining pieces that are not aligned to within 1/8 inch are deficiencies. The corners of adjoining resilient floor tiles shall be aligned to within 1/8 inch.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing.<br><br>Exclusion:<br>Misaligned patterns are not covered unless they result from improper orientation of the floor tiles. |
| Vinyl flooring stains | No coverage. |
| Yellowing appears on surface of vinyl sheet goods | No coverage. |
| Vinyl flooring not square | Performance Standard:<br>Vinyl flooring that is not installed square to the most visible wall or that varies by 1/4 of an inch in any six-foot run is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Cupping, open joints, or separations in wood flooring | Performance Standard:<br>Open joints or separations between floorboards of finished wood flooring that exceed 1/8-inch in width are deficiencies. Cups in strip floorboards that exceed 1/16-inch in height in a 3-inch maximum distance when measured perpendicular to the length of the board are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>Wood floors are subject to shrinkage and swell due to seasonal variations in the humidity level of Home. While boards may be installed tight together, gaps or separations may appear during heating seasons or periods of low humidity. Gaps or separations that close during non-heating seasons are not considered deficiencies. The Homeowner should be familiar with the recommended care and maintenance requirements of their wood floor. Repeated wetting and drying, or wet mopping may damage wood finishes. Dimples or scratches can be caused by moving furniture or dropping heavy objects, and certain high heel style shoes may cause indentations. These conditions are not covered by the Warranty. |
| Humps, depressions or unevenness in wood flooring | Performance Standard:<br>Wood flooring that has excessive humps, depressions or unevenness that equals or exceeds 3/8 of an inch in any 32-inch direction within any room is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Voids in the floor finish | Performance Standard:<br>Voids or "holidays" that are readily visible from a distance of 6 feet under normal lighting conditions are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Top coating on hardwood flooring has peeled | Performance Standard:<br>Field applied coating that peels during normal usage is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusions:<br>Prefinished coatings are the manufacturer's responsibility. |
| Crowning of strip flooring has occurred | Performance Standard:<br>Crowning in strip flooring that exceeds 1/16 inch in depth in a 3-inch maximum span when measured perpendicular to the long axis of the board is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Excessive knots and color variation of strip hardwood flooring | No coverage. |
| Hardwood flooring buckles from substrate | Performance Standard:<br>Hardwood floor that becomes loose from the substrate is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Slivers or splinters appear in strip flooring | Performance Standard:<br>Slivers or splinters that occur during the installation of the flooring are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Hardwood floor staining/shading | Performance Standard:<br>Hardwood floor staining or shading that occurs as a result of construction activities is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| "Sticker burn" appears on surface of strip flooring | Performance Standards:<br>Discoloration from stacking strips in hardwood flooring in certain grades of flooring is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Excessive lippage is located at junction of prefinished wood flooring products | Performance Standard:<br>Lippage greater than 1/16 inch is considered a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Loose sub-flooring | Performance Standard:<br>Lumber shrinkage as well as temperature and humidity changes may cause loose sub-flooring.<br><br>Responsibility:<br>Builder will correct if due to a defective joint or improper flashing. |
| Carpet does not meet at the seams | Performance Standard:<br>A visible gap or overlapping at the seam due to improper installation is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Color variations in carpet | No coverage. |
| Carpeting loosens, or the carpet stretches | Performance Standard:<br>Wall-to-wall carpeting installed as the primary floor covering that comes up, loosens, or separates from the points of attachment is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Dead spots appear in padding areas below carpet surface | Performance Standard:<br>Carpeted areas that do not have full coverage of pad consistent throughout the flooring area are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Floor covering fades, stains or discolors | No coverage. |
| Premature wearing of carpet | No coverage. Manufacturer's warranty may apply. |
| Cuts and gouges in any floor covering | Performance Standard:<br>Cuts and gouges in any floor covering from construction activities is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| PAINT | |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Interior caulking | Performance Standards:<br>Interior caulking that deteriorates or cracks excessively is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Paint color variation | Performance Standard:<br>Paint or stain that has excessive color, shade or sheen variation is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Knot and wood stains appear through paint on exterior | Performance Standard:<br>Excessive knot and wood stains that bleed through the paint are considered deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Resin bleeds through on interior trim | No coverage. This is a normal condition that can be expected to occur with natural materials such as wood. |
| Exterior paint or stain peels or deteriorates | Performance Standard:<br>Exterior paints or stains that peel or deteriorate during the first year of ownership are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>Fading, however, is normal and subject to the orientation of painted surfaces to the climactic conditions which may prevail in the area. Fading is not a deficiency. |
| Interior paint or stain deteriorates | Performance Standard:<br>Interior paints or stains that peel or deteriorate during the first year of ownership are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>Fading, however, is normal and subject to the orientation of painted surfaces to the climactic conditions which may prevail in the area. Fading is not a deficiency. |
| Painting required as corollary repair because of other work | Performance Standard:<br>Repainting, staining or refinishing may be required because of repair work. Repairs required under the Warranty should be finished to match the immediate surrounding areas as closely as practical. Due to fading and normal weathering, a perfect match cannot be achieved and a perfect match is not covered by the Warranty. Where repairs affect more than 50% of a wall or ceiling area, the Builder will repaint the entire wall or ceiling surface from corner to corner. Where custom paints and wall coverings have been installed, the Builder will not warrant the match of any necessary repairs. All blemishes shouldbe noted and repaired prior to custom paints and wall coverings being applied. |
| Mildew or fungus forms on painted or factory finished surfaces | No coverage. |
| Deterioration of varnish or lacquer finishes on exterior surfaces | No coverage. Clear finishes on exterior surfaces, such as wood entry doors, diminish with aging and should be reapplied as part of routine Homeowner maintenance every 6-18 months, depending on outside exposure. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Deterioration of varnish or lacquer finishes on interior surfaces | Performance Standard:<br>Clear finishes used on exterior surfaces may deteriorate rapidly. This is beyond the control of the Builder.<br><br>Clear finishes on interior woodwork that deteriorate during the first year of the warranty period are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Deterioration more than one year after closing is excluded. |
| Damaged interior surfaces | Performance Standard:<br>Interior painted, varnished or finished surfaces that are dented, nicked or gouged due to construction activities are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Interior paint coverage | Performance Standard:<br>Wall, ceiling, and trim surfaces that are painted that show through new paint when viewed from a distance of 6-feet under normal lighting conditions are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Visible brush marks on interior paint | No coverage. |
| Visible lap marks on interior paint | No coverage. |
| Paint splatters and smears on finish surfaces | Performance Standard:<br>Paint splatters on walls, woodwork, or other surfaces which are excessive, that are readily visible when viewed from a distance of 6-feet under normal lighting conditions are deficiencies.<br><br>Responsibility:<br><br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing.<br><br>Exclusion:<br>Minor paint splatter and smears on impervious surfaces than can be easily removed by normal cleaning methods are considered to be the Homeowner's maintenance and are not deficiencies. |
| Peeling of wallcovering installed by Builder | Performance Standard:<br>Peeling of wallcovering is a deficiency, unless it is due to the Homeowner's abuse or negligence.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>Builder is not responsible for wallpaper installed by Purchaser. Homeowner is responsible for maintaining adequate ventilation in areas of high humidity, such as kitchens and bathrooms. |
| Separated seams in wallpaper | Performance Standard:<br>Builder will correct if wall surface is readily visible. Minor imperfections can be expected.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Pattern in wallcovering is mismatched at the edges | Performance Standard:<br>Patterns in wallcovering that do not match at the edges are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing.<br><br>Exclusion:<br>Builder is not responsible for discontinued or variations in color. Defects in the wallcovering patterns are the manufacturer's responsibility, and excluded from Warranty coverage. |
| Lumps and ridges and nail pops in wallboard that appear after the Homeowner has wallcovering installed by others | No coverage. |
| Stained, discolored or spotted wall coverings | Performance Standard:<br>Stained, discolored or spotted wall coverings from construction activities are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Scratched, gouged, cut or torn wall covering | Scratched, gouged, cut or torn wall covering from construction activities is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| CHIMNEY/FIREPLACE | |
| Fireplace or chimney does not draw properly causing smoke to enter home | Performance Standard:<br>A properly designed and constructed fireplace or chimney shall function correctly. High winds can cause temporary negative or down drafts. Negative drafts can also be caused by obstructions such as tree branches, steep hillsides, adjoining homes, and interior furnaces. In some cases, it may be necessary to open a window slightly to create an effective draft. Since negative draft conditions could be temporary, it is necessary for the Homeowner to substantiate the problems to the Builder by constructing a fire so the condition can be observed.<br><br>Responsibility:<br>When it is determined that the malfunction is based upon improper construction of the fireplace, the Builder shall take the necessary steps to correct the problem.<br><br>Exclusion:<br>When it is determined that the fireplace is properly designed and constructed, but still malfunctions due to natural causes beyond Builder's control, Builder is not responsible. |
| Chimney separation from structure to which it is attached | Performance Standard:<br>Newly built fireplaces will often incur slight amounts of separation. Separation that exceeds ½-inch from the main structure in any 10-foot vertical measurement is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Caulking or grouting is acceptable unless the cause of the separation is due to Structural Failure of the chimney foundation. In that case, caulking is unacceptable. |
| Firebox color is changed; accumulation of residue in chimney or flue | No coverage. |
| Water infiltration into firebox from flue | No coverage. It is common for water infiltration to occur into the firebox from the flue. A certain amount of rainwater can be expected under certain conditions. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| New chimney flashing leaks | Performance Standard:<br>New chimney flashing that leaks under normal conditions is a deficiency except where the cause is determined to result from ice build-up or the owner's actions or negligence.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Crack in masonry chimney cap or crown causes leakage | Performance Standard:<br>It is normal for caps to crack due to expansion and contraction, however where leaks occur with cracking it is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Firebox lining damaged by fire | No coverage. Heat and flames may cause discoloration. |
| Pre-fab gas fireplace | No coverage. |
| Cracks in masonry hearth or facing | Performance Standard:<br>Small hairline cracks in mortar joints resulting from shrinkage are not unusual. Cracks in stone or brick hearth or facing greater than ¼-inch in width are deficiencies.<br><br>Responsibility:<br>Builder will repair cracks exceeding standard by pointing or patching. Builder is not responsible for color variations between existing and new mortar.<br><br>Exclusion:<br>Heat and flames from normal fires can cause cracking or firebrick and mortar joints. This should be expected, and is not covered by the Warranty. |
| Brick veneer spalling from chimney surface | Performance Standard:<br>Spalling of newly manufactured brick is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Firebrick or mortar joint cracks | No coverage. Heat and flames from normal fires can cause cracking. |
| CABINETS AND COUNTERTOPS | |
| Kitchen and vanity cabinet doors and drawers bind | Performance Standard:<br>Cabinet doors and drawers that do not easily open or close are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Warping of kitchen and vanity cabinet doors and drawer fronts | Performance Standard:<br>Warpage that exceeds ¼-inch as measured from the face of the cabinet frame to the furthermost point of warpage on the drawer or door front in a closed position is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Gaps between cabinets, ceiling and walls | Performance Standard:<br>Countertops, splash boards, base and wall cabinets are to be securely mounted. Gaps in excess of ¼-inch between wall and ceiling surfaces are a deficiency.<br><br>Responsibility:<br>Builder shall make necessary adjustment of cabinets and countertop or close gap by means of moldng suitable to match the cabinet or countertop finish, or as closely as possible; or other acceptable means, including caulking, putty, scribe molding or by repositioning the cabinets. |
| Cabinets do not line up with each other | Performance Standard:<br>Cabinet faces more than 1/8 inch out of line, and cabinet corners more than 3/16 inch out of line, are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Surface cracks and delaminations in high pressure laminates of vanity and kitchen cabinet countertops | Performance Standard:<br>Countertops fabricated with high pressure laminate coverings that delaminate or have surface cracks or joints exceeding 1/16-inch between sheets are considered deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Cabinet door will not stay closed | Performance Standard:<br>Cabinets that do not hold the door in a closed position are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Wood cabinet finish variations | No coverage. All wood in any finish will exhibit color changes when exposed to light. All wood cabinets are constructed using different pieces of wood, and each piece will differ in color as well as change color in different ways. This color change is caused by variations in the minerals and acids from the soil and other conditions created by the growth environment of a tree. These variations in graining and color are characteristics of a natural wood cabinet are not considered defects. Wood has these variations, and these variations are not covered by the Warranty. |
| Crack in door panel | Performance Standard:<br>Cracks in cabinet door panels due to construction activities are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Chips, cracks, scratches on countertop, cabinet, fixture, fitting or appliance | Performance Standard:<br>Chips, cracks, scratches on countertop, cabinet, fixture, fitting or appliance due to construction activities are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Manufactured marble vanity top cracks at drain | Performance Standard:<br>Vanity tops that crack due to construction activities are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Damaged solid surface tops | Performance Standards:<br>Solid surface countertops shall be free of scratches that are visible from a distance of six feet in normal lighting conditions at time of acceptance of the project.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Concrete countertops | Performance Standard:<br>(1) A concrete countertop with excessive pits, depressions, or unevenness that equal or exceed 1/8 of an inch in any 32-inch measurement is a deficiency.<br>(2) A concrete countertop with separations or cracks equal to or exceeding 1/16 of an inch in width or 1/64 of an inch in vertical displacement is a deficiency.<br>(3) A finished concrete countertop that is stained, spotted or scratched due to construction activities is a deficiency.<br>(4) A concrete countertop with a chipped edge that extends beyond 1/16 of an inch from the edge of the countertop due to construction activities is a deficiency.<br>(5) A concrete countertop that changes shade or discolors excessively due to construction activities is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Countertop not level | Performance Standard:<br>Hard surface countertops that are not level to within 1/4 of an inch in any six-foot measurement are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| APPLIANCES | |
| Defective fixture, fitting or appliance | Performance Standard:<br>Kitchen, laundry and bar appliances that fail to function per the manufacturer's specifications will be addressed by the manufacturer under the manufacturer's warranty. |
| Chipped or scratched appliances | Performance Standard:<br>Scratched or chipped finishes on porcelain, glass or other surfaces on laundry, kitchen or bar appliances due to construction activities are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| DECKS | No coverage. |
| PEST CONTROL | No coverage. |
| POOLS | No coverage. |
| PLUMBING | |
| Faucet or valve leak | Performance Standard:<br>A valve or faucet leak due to material or workmanship is a deficiency and is covered only during the first year of the Warranty Term.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Leakage caused by worn or defective washers or seals is a Homeowner maintenance item. |
| Defective plumbing fixtures, appliances or trim fittings | No coverage. Defective plumbing fixtures, appliances, and trim fittings are covered under the manufacturer's warranty. |
| Staining of plumbing fixtures | No coverage. High iron and manganese content in the water supply system will cause staining of plumbing fixtures. Maintenance and treatment of the water is the Homeowner's responsibility. |
| Corroded fixtures | No coverage. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Loose fixtures | Performance Standard:<br>Fixtures that are loose are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Toilet standards | Performance Standard:<br>Toilet equipment that allows water to run continuously is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br>If toilet equipment allows water to run continuously, the Homeowner shall shut off the water supply or take such action as is necessary to avoid damage to the home. |
| Noisy water pipes | Performance Standard:<br>Some noise can be expected from the water pipe system, due to the flow of water. However, the supply pipes should not make the pounding noise called "water hammer." "Water hammer" is a deficiency .<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>Noises due to water flow and pipe expansion are not considered deficiencies. |
| The bathtub or shower leaks | Performance Standard:<br>Bathtubs and showers that leak are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Proper repair can be affected by sealing area around tubs and showers.<br><br>Exclusion:<br>Maintenance of caulk seals is a Homeowner responsibility. |
| Bathtub or shower squeaks | No coverage. |
| Shower enclosure flexes | Performance Standard:<br>Excessive flexing in a shower base occurs when the drain assembly moves up or down with normal weight is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the first year of the Warranty Term.<br><br>Exclusion:<br>Composite shower walls will flex when pushed inward. Such flexing is not considered a defect. |
| Sewer odors | No coverage. |
| Blocked vent stack | No coverage. |
| Water heater | Performance Standard:<br>A water heater that is not installed and secured according to the manufacturer's specifications and the Building Code is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Waste disposal unit | Performance Standard:<br>A waste disposal unit that is not installed and operating according to the manufacturer's specifications is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Decorative gas appliance | Performance Standard:<br>A decorative gas appliance that is not installed in accordance with manufacturer's specifications is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Fixture stopper | Performance Standard:<br>A fixture stopper that does not retain water in accordance with the manufacturer's specifications is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| MECHANICAL | |
| Exterior compressor unit pad | No coverage. |
| Back draft dampers | Performance Standard:<br>Back draft dampers that are not installed according to the manufacturer's specifications are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Inadequate heat | Performance Standard:<br>A heating system shall be capable of producing an inside temperature of at least 70-degrees Fahrenheit as measured in the center of the room at a height of five feet above the floor under local outdoor winter design conditions. NOTE FOR HEATING: There may be periods when the outdoor temperature falls below the design temperature, thereby lowering the temperature in Home.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Orientation of Home and location of room will also provide a temperature differential, especially when the air-conditioning or heating system is controlled by a single thermostat for one or more floor levels. Homeowner is responsible for balancing dampers and registers and for making other necessary minor adjustments. |
| Inadequate cooling | Performance Standard:<br>When air conditioning is provided, the cooling system is to be capable of maintaining a temperature of 78-degrees Fahrenheit as measured in the center of each room at height of five feet above the floor, under local outdoor summer design conditions. NOTE FOR AIR CONDITIONING: In the case of outside temperatures exceeding 95-degrees Fahrenheit, the system shall keep the inside temperature 15-degrees cooler than the outside temperature. National, state, or local requirements shall supersede this guideline where such requirements have been adopted by the local governing agency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Orientation of Home location of room will also provide a temperature differential, especially when the air conditioning system is controlled by a single thermostat for one or more levels. The Homeowner is responsible for balancing dampers and registers and for making other necessary minor adjustments. |
| Refrigerant lines leak | Performance Standard:<br>Builder-installed refrigerant lines or ground loop pipes that develop leaks during normal operation are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Leaks due to Homeowner's actions or negligence are excluded. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Refrigerant line insulation | Performance Standard:<br>Insulation that does not completely encase the refrigerant line according to Code is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>The Homeowner shall ensure that insulation on the refrigerant line is not damaged or cut due to home maintenance or landscape work. |
| Ductwork and heating piping not insulated in uninsulated area | Performance Standard:<br>Ductwork and heating pipes that are run in uninsulated crawl spaces, garages or attics that are not insulated are deficiencies. Basements are not "uninsulated areas", and no insulation is required.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Condensate lines clog up | No coverage. Condensate lines will clog under normal conditions. The Homeowner is responsible for continued operation of drain lines. |
| Drip pan | Performance Standard:<br>A drip pan and drain line that is not installed under a horizontal air handler as per the Code is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>The Homeowner shall periodically check for the free flow of condensate (water) from the line and clear the line when necessary. |
| Improper mechanical operation of evaporative cooling system | Performance Standard:<br>Equipment that does not function properly at temperature standard set is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Ductwork makes noises | No coverage. When metal is heated, it expands, and when cooled, it contracts. The resulting "ticking" or "cracking" sounds generally are to be expected and are not deficiencies. |
| Ductwork makes excessively loud noises known as "oil canning" | Performance Standard:<br>The stiffening of the ductwork and the gauge of metal used shall be such that ducts do not "oil can". The booming noise caused by oil canning is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Ductwork separates, becomes unattached | Performance Standard:<br>Ductwork that is not intact or securely fastened is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Vibration from heating or cooling equipment | Performance Standard:<br>No coverage. It is normal for heating/air-conditioning equipment to generate some noise and vibration. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Metal rattling at register, grills or ducts | Performance Standard:<br>Air moving through registers, grills and ducts makes noise and is normal. Duct systems are not designed to be noise-free. However, metal rattling from the registers, grills or ducts is considered a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term.<br><br>Exclusion:<br>Under certain conditions, some noise may be experienced with the normal flow of air when product is installed correctly. |
| Vent, grill or register operation | Performance Standard:<br>A vent, grill or register that does not operate easily and smoothly when applying normal operating pressure is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| There are gaps between HVAC vent or register covers and the wall or ceiling | No coverage. This is a normal condition beyond the contractor's control. |
| Condensation on the outside of air handlers and ducts | No coverage. Air handlers and ducts will collect condensation on their exterior surfaces when extreme temperature differences and high humidity levels occur. Condensation usually results from humid conditions within the home that are created by the owner or during the curing process in a new space. |
| ELECTRICAL COMPONENTS | |
| Chipped, cracked, dented or scratched fixture or trim plate | Performance Standard:<br>Chipped, cracked, dented or scratched fixture or trim plate due to construction activity is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Tarnished fixture or trim plate | No coverage. |
| Box or trim plate is not plumb or level | Performance Standard:<br>A fixture, electrical box or trim plate that is not installed in accordance with the Code or is not plumb and level is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Smoke detector | No coverage. |
| Exhaust fan | Performance Standard:<br>An exhaust fan that does not operate within the manufacturer's specified noise level is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Ceiling fan vibrates | No coverage. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Electrical wiring | Performance Standard:<br>Electrical wiring installed inside the home that is not installed in accordance with the Code and any other applicable electrical standards is a deficiency. Electrical wiring that is not capable of carrying the designated load as set forth in the Code is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>The Builder shall not be responsible for utility improvements from the meter/demarcation point to the utility poles or the transformer. All electrical equipment shall be used for the purposes and/or capacities for which it was designed and in accordance with manufacturer's specifications. |
| Electrical panel, breakers and fuses | Performance Standard:<br>An electrical panel and breakers that do not have sufficient capacity to provide electrical service to the home during normal residential usage are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>The Builder is not responsible for electrical service interruptions caused by external conditions such as power surges, circuit overloads and electrical shorts. |
| Fuses blow, or circuit breakers kick out | Performance Standard:<br>Fuses and circuit breakers that deactivate under normal usages, when reset or replaced are defidencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Ground fault interrupter trips frequently | Performance Standard:<br>Any GFCI device that fails to reset is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>The Homeowner is responsible for repairing any device that causes the GFCI to trip. |
| Fixtures, outlets, doorbells and switches | Performance Standard:<br>Fixtures, outlets, doorbells and switches that are not installed according to manufacturer's specifications are a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Wiring for cable television, telephone, or internet | Performance Standard:<br>Wiring for cable television, telephone or internet that is not installed according to the manufacturer's specifications is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Malfunction of low-voltage wiring system | Performance Standard:<br>Low-voltage wiring system malfunction is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Communication wiring | No coverage. |
| Drafts from electrical outlets | No coverage. The electrical junction box on exterior walls may produce a slight air flow whereby the cold air can be drawn through the outlet into a room. This problem is normal in new Home construction. |

| DEFICIENCY | WORKMANSHIP STANDARDS AND EXCLUSIONS (1 YEAR) |
|---|---|
| Malfunction of electrical outlets, switches, or fixtures | Performance Standard:<br>All switches, fixtures and outlets which do not operate as intended are considered deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to a one-time repair during the Warranty Term. |
| Receptacle/switch too far off wall | Performance Standard:<br>A receptacle/switch that is more than 1/8 inch from the adjoining wall surface is a deficiency<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. Builder's responsibility is limited to deficiencies noted prior to closing. |
| Light fixture tarnishes | No coverage. Finishes on light fixtures may be covered under their manufacturer's warranty. |

| DEFICIENCY | SYSTEMS STANDARDS AND EXCLUSIONS (2 YEARS) |
|---|---|
| MECHANICAL SYSTEMS | |
| Septic systems fail to operate properly | Performance Standard:<br>Septic system should be capable of properly handling normal flow of household effluent.<br><br>Responsibility:<br>Builder shall take corrective action if it is determined that malfunction is due to a deficiency in workmanship, materials, or failure to construct system in accordance with state, county, or local requirements. Builder is not responsible for malfunctions or limitations in the operation of the system attributable to design restrictions imposed by state, county, or local governing agencies. Builder is also not responsible for malfunctions which occur or are caused by conditions beyond Builder's control, including Homeowner negligence, abuse, freezing, soil saturation, changes in ground water table, or other acts of nature.<br><br>Exclusion:<br>The Homeowner is responsible for periodic pumping of the septic tank and a normal need for pumping is not a deficiency. The following are considered for the Homeowner's negligence or abuse as exclusion under the Warranty: a.) excessive use of water such as overuse of washing machine and dishwasher, including their simultaneous use; b.) connection of sump pump, roof drains or backwash from water conditioner, to the system c) placing of non-biodegradable items in the system; d) addition of harsh chemicals, greases or cleaning agents, and excessive amounts of bleaches or drain cleaners; e) use of a food waste disposer not supplied by Builder; f) placement of impervious surfaces over the disposal area; g) allowing vehicles to drive or park over the disposal area; h) failure to periodically pump out the septic tank when required. Sewage pumps are excluded under the Warranty. |
| Water in plumbing pipes freezes, and the pipes burst | Performance Standard:<br>Drain, waste, vent and water pipes shall be adequately protected to prevent freezing and bursting during normally anticipated cold weather.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Burst pipes due to Homeowner's neglect and resultant damage are not Builder's responsibility. Homeowner is responsible for draining exterior faucets, and maintaining suitable temperature in the Home to prevent water in pipes from freezing. During periods when the outdoor temperature falls below the design temperature, Homeowner is responsible for draining or protecting pipes. Homes which are periodically occupied, such as summer homes, or where there will be no occupancy for an extended period of time, must be properly winterized or periodically checked to insure that a reasonable temperature is maintained. |

| DEFICIENCY | SYSTEMS STANDARDS AND EXCLUSIONS (2 YEARS) |
|---|---|
| Leakage from any piping | Performance Standard:<br>Leaks in any waste, vent and water piping are deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>Condensation on piping does not constitute leakage, and is not a deficiency, except where pipe insulation is required. The Homeowner shall shut off water supply immediately if such is required to prevent further damage to the home. |
| Sanitary sewers, fixtures, waste or drain lines are clogged | Performance Standard:<br>The Builder is not responsible for sewers, fixtures, or drains that are clogged because of Homeowner's actions or negligence. Sanitary sewers, fixtures, waste or drain lines that do not operate or drain properly due to improper construction are deficiencies.<br><br>Responsibility:<br>When defective construction is shown to be the cause, Builder shall make necessary repairs. If Homeowners' actions or negligence is the cause, the Homeowner is responsible for correcting the problem. Homeowner is liable for the entire cost of any sewer and drain cleaning service provided by Builder where clogged drains are caused by Homeowner's actions or negligence.<br><br>Exclusion:<br>Builder is not responsible for sewer lines that extend beyond the property lines on which the Home is constructed. |
| Water supply system fails to deliver water | Performance Standard:<br>All service connections to municipal water main or private water supply are Builder's responsibility when installed by Builder.<br><br>Responsibility:<br>Builder shall repair as required if failure to supply water is the result of deficiency in workmanship or materials.<br><br>Exclusion:<br>If conditions exist which disrupt or eliminate the sources of water supply that are beyond Builder's control, then Builder is not responsible. |
| In ground wells | No coverage. |
| Sump pump | Performance Standard:<br>A sump pump that is not installed according to the manufacturer's specifications is a deficiency.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard.<br><br>Exclusion:<br>The Homeowner is responsible for maintaining the sump pump. |
| ELECTRICAL SYSTEMS | |
| Failure of wiring to carry its designed load | Performance Standard:<br>Wiring that is not capable of carrying the designated load, for normal residential use to switches, receptacles, and equipment, is a deficiency.<br><br>Responsibility:<br>Builder shall check wiring and replace if it fails to carry the design load. |

| DEFICIENCY | STRUCTURAL STANDARDS AND EXCLUSIONS (10 YEARS) |
|---|---|
| STRUCTURAL | |
| The foundation is out of level | Performance Standard:<br>Slab foundations should not move differentially after they are constructed, such that a tilt or deflection in the slab in excess of the standards defined below arises from post-construction movement. The protocol and standards for evaluating slab foundations shall follow the "Guidelines for the Evaluation and Repair of Residential Foundations" as published by the Texas Section of the American Society of Civil Engineers (2002), hereinafter referred to as the "ASCE Guidelines" with the following modifications:<br>(1) Overall deflection from the original construction elevations shall be no greater than the overall length over which the deflection occurs divided by 360 (L/360) and must not have more than one associated symptom of distress, as described in Section 5 of the ASCE Guidelines, that results in actual observable physical damage to the home.<br>(2) The slab shall not deflect after construction in a tilting mode in excess of one percent from the original construction elevations resulting in actual observable physical damage to the components of the home.<br>If measurements and associated symptoms of distress show that a slab foundation does not meet the deflection or tilt standards stated in this Standard, a third-party inspector's recommendation shall be based on the appropriate remedial measures as described in Section 7 of the ASCE Guidelines. |
| Crack in concrete footing | Performance Standard:<br>Cracks greater than ¼ inch in width are considered deficiencies.<br><br>Responsibility:<br>Builder shall take corrective action necessary to comply with the Standard. |
| Pier and beam foundations | Floor over pier and beam foundations.<br>(A) A floor over pier and beam foundation shall not deflect more than L/360 from its original construction elevations and have that movement create actual observable physical damage to the components of the home identifiable in Section 5.3 of the ASCE Guidelines.<br>(B) If a floor over pier and beam foundation deflects more than L/360 from its original construction elevation and the movement has created actual observable physical damage to the components of a home identifiable in Section 5.3 of the ASCE Guidelines, a third-party inspector's recommendation shall be based on applicable remedial measures as described in Section 7 of the ASCE Guidelines. |
| Cracked or bowed structural components | Structural components.<br>(A) A defined structural component shall not crack, bow, become distorted or deteriorate, such that it compromises the structural integrity of a home or the performance of a structural system of the home resulting in actual observable physical damage to a component of the home.<br>(B) If a structural component of a home cracks, bows, is distorted or deteriorates such that it results in actual observable physical damage to a component of the home, the Builder shall take such action as is necessary to repair, reinforce or replace such structural component to restore the structural integrity of the home or the performance of the affected structural system. |
| Deflected structural components | Deflected structural components.<br>(A) A structural component shall not deflect more than the ratios allowed by the Code.<br>(B) If a structural component of the home is deflected more than the ratios allowed by the Code, the Builder shall to repair, reinforce or replace such structural component to restore the structural integrity of the home or the performance of the affected structural system. |
| Damaged structural components | Damaged structural components.<br>(A) A structural component shall not be so damaged that it compromises the structural integrity or performance of the affected structural system.<br>(B) If a structural component is so damaged that it compromises the structural integrity or performance of a structural system of the home, the Builder shall take such action as is necessary to repair, reinforce or replace such structural component to restore the structural integrity of the home or the performance of the affected structural system. |
| Separated structural components | Separated structural components.<br>(A) A structural component shall not separate from a supporting member more than 3/4 of an inch or such that it compromises the structural integrity or performance of the system.<br>(B) If a structural component is separated from a supporting member more than 3/4 of an inch or separated such that it compromises the structural integrity or performance of a structural system of the home, the Builder shall take such action as necessary to repair, reinforce or replace such structural component to re-establish the connection between the structural component and the supporting member, to restore the structural integrity of the home and the performance of the affected structural system. |

| DEFICIENCY | STRUCTURAL STANDARDS AND EXCLUSIONS (10 YEARS) |
|---|---|
| Non-performing structural components | Non-performing structural components.<br>(A) A structural component shall function as required by the Code.<br>(B) If a structural component does not function as required by the Code, the Builder shall take such action as is necessary to bring the variance within the standard stated in subparagraph (A) of this paragraph. |

LENNAR

Mail to: Lennar
Customer Care Office
Local Address

**NOTICE OF CLAIM FORM**
**FOR LENNAR LIMITED WARRANTY COVERAGE**
**Workmanship/Systems Claims Only**

Please read the Lennar Warranty Booklet for filing instructions and pertinent information

YOUR NAME_____

ADDRESS OF COMPLAINT_____
(Street)

_____
(City) (State) (Zip)

HOME PHONE (_____) _____BUSINESS PHONE (_____) _____

EFFECTIVE DATE -
OF WARRANTY _____/_____/_____
(Mo.) (Day) (Year)
(Date of Closing or First Occupancy)

NATURE OF DEFECT (BE SPECIFIC): _____

_____

_____

_____

_____

DATE DEFECT FIRST OBSERVED _____/_____/_____
(Mo.) (Day) (Year)

DATE FIRST REPORTED TO LENNAR _____/_____/_____
(Mo.) (Day) (Year)

Attach any copies of relevant correspondence between you and Lennar or any third party involving this claim.

**CHECK ONE (if applicable)**
1. ☐ FHA 2. ☐ VA 3. ☐ RHS
Case #_____
If you are the original owner, and your Home is FHA-financing,, please provide the following
Name of Mortgage Company: _____
Address of Mortgage Company: _____

_____
Homeowner Signature (Date)

_____
Homeowner Signature (Date)

LENNAR

Mail to: Lennar
Customer Care Office
Local Address

**NOTICE OF CLAIM FORM**
**FOR LENNAR LIMITED WARRANTY COVERAGE**
**Structural Claims Only**

Please read the Lennar Warranty Booklet for filing instructions and pertinent information

YOUR NAME_____

ADDRESS OF CLAIM_____
(Street)

_____
(City) (State) (Zip)

HOME PHONE (_____) _____BUSINESS PHONE (_____) _____

EFFECTIVE DATE
OF WARRANTY _____/_____/_____
(Mo.) (Day) (Year)
(Date of Closing or First Occupancy)

Please note that the Lennar Limited Warranty provides Limited Structural Warranty Coverage which is subject to exclusions and conditions. You are encouraged to review the Structural Performance Standards of your Warranty and the list of structural components that are covered and not covered by the Structural Performance Standards.

Please answer the following questions:

1. Have you reviewed the Structural Performance Standards and list of covered and non-covered components in your Warranty? ☐ Yes ☐ No

2. Do you believe that you have a covered Structural claim under the terms of the Structural Performance Standards in your Warranty? ☐ Yes ☐ No

NATURE OF DEFECT (BE SPECIFIC): _____

_____

_____

DATE DEFECT FIRST OBSERVED _____/_____/_____
(Mo.) (Day) (Year)

DATE FIRST REPORTED TO LENNAR _____/_____/_____
(Mo.) (Day) (Year)

Attach any copies of relevant correspondence between you and Lennar or any third party involving this claim.

**CHECK ONE (if applicable)**
1. ☐ FHA 2. ☐ VA 3. ☐ RHS
Case #_____
If you are the original owner, and your Home is FHA-financing,, please provide the following
Name of Mortgage Company: _____
Address of Mortgage Company: _____

_____
Homeowner Signature (Date)

_____
Homeowner Signature (Date)

# EXHIBIT 30

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

LENNAR

# Lennar Carolinas, LLC

## MASTER TRADE PARTNER AGREEMENT

CONTRACTOR'S STATE LICENSE No: **G1119111**

DIVISION OFFICE: Coastal Carolinas - **Regional Operations Center**
CONTRACT: All Communities in Coastal Carolinas

THIS MASTER TRADE PARTNER AGREEMENT (hereinafter referred to as the "Agreement"), is made and entered into at Charleston, SC, on 02/26/2013 by and between Lennar Carolinas LLC whose address is 1941 Savage Rd. Suite 100C ("Contractor") and A-C & A Concrete, Inc, a [Corporation], whose address is 302 Peters Creek Rd. Summerville, SC 29483, telephone number 843-761-5637 ("Subcontractor").

1. **SCOPE OF WORK:** Subcontractor shall provide labor, material, equipment or other services in such location(s) and under such terms and conditions as Contractor shall deem necessary (the "Work") upon receipt of a work agreement from Contractor in substantially the form of the Work Agreement ("Work Agreement") attached hereto as Schedule "A." When issued, each Work Agreement shall become part of the Agreement. The location(s) where the Work is to be performed ("Job Site" or "Project Site"), may be more fully described in the "Price Schedule," attached as Exhibit "A" to the Work Agreement, and the "Work," as defined in the Work Agreement.

1.1 SUB-SUBCONTRACTOR: Unless otherwise provided, the term "Sub-subcontractor" shall include all persons or entities of all tiers, whether contracting directly with Subcontractor, or any person acting by, through or under Subcontractor, that are providing labor, materials, equipment, supplies, and/or supervision to satisfy the requirements of Subcontractor's Work. Subcontractor shall keep its Sub-subcontractors informed of the requirements of this Agreement.

1.2 PERFORMANCE OF THE WORK. Subcontractor shall furnish all labor, materials, equipment, supplies, supervision and all other things necessary to timely and properly perform the Work in a good and workmanlike manner, free from defects in workmanship or materials, acceptable to Contractor, and in strict accordance with (i) the plans and specifications, (ii) any applicable manufacturer's specifications, recommendations or requirements, (iii) applicable industry standards, codes, or other rules or regulations, and (iv) the requirements of Contractor's overall schedule. Subcontractor guarantees the availability of all labor, equipment and materials necessary to complete the Work in strict accordance with Contractor's schedule. Subcontractor shall be solely responsible to pay for all labor, salaries, materials, tools, equipment, supplies, state, federal, local and all other applicable sales, use, income or other taxes of any type or nature, transportation, storage facilities, offices, telephones, other overhead, shop drawings, supervision, temporary or permanent facilities and all other things necessary for the full and complete performance of the Work covered by this Agreement and the Work Agreement(s). Subcontractor shall secure and pay for all permits and governmental fees, licenses and inspections, to the extent necessary, for the proper execution and completion of Subcontractor's Work. No substitutions shall be allowed in the performance of the Work unless expressly approved by Contractor in writing.

1.3 INSPECTION AND INVESTIGATION. Subcontractor shall fully and completely investigate and study (i) the Project Site, (ii) the plans and specifications, (iii) any manufacturer's specifications, and (iv) all other conditions that may affect the Work, and shall be solely responsible for verifying that it possesses the most current set of plans and specifications. By executing the Work Agreement, Subcontractor represents that it has noted no deficiencies or problems with the Project Site, the plans and specifications, the manufacturer's specifications, or any other conditions which would impact its ability to perform the Work in accordance with the requirements of this Agreement or any Work Agreement. If Subcontractor subsequently discovers

any discrepancies between the plans, specifications, manufacturer's specifications, physical conditions, or any errors and omissions in the plans or specifications or in the layout as given that might affect the Work, Subcontractor shall immediately notify Contractor in writing. Any Work performed by Subcontractor relating to such discrepancy, error or omission shall be done at Subcontractor's sole risk. Prior to ordering materials or performing the Work, Subcontractor shall verify (i) that the materials are adequate for the performance of the Work, and (ii) that all measurements or conditions relevant to Subcontractor's Work are acceptable. No extra charge or compensation shall be allowed on account of differences between actual dimensions or conditions, and the measurements and conditions which may be found as indicated in the plans and specifications. The soils and geology reports, investigations or borings available to Subcontractor were prepared by third parties and made only for the purpose of study and design. Contractor does not warrant or guarantee, either expressly or impliedly, (i) the sufficiency or accuracy of the reports or investigations or borings which have been made, or (ii) any conditions that exist throughout the Project. Subcontractor agrees to undertake the Work subject to all site conditions as they now exist or may arise.

1.4 DEFECTIVE WORK. Subcontractor is responsible, at its sole cost, for promptly repairing or replacing any defective Work noted by Contractor or any third-party inspectors. In the event Subcontractor's Work involves construction of a residential dwelling, Subcontractor is also responsible, at its sole cost, for promptly repairing or replacing any defective Work noted by the homebuyer. Subcontractor shall provide Contractor with an itemized construction inspection checklist in a form approved by Contractor that Subcontractor will use to verify completion and workmanship of the Work. The failure of Contractor to identify any defects in the Work during any inspection shall not relieve Subcontractor of its responsibility to perform the Work in accordance with the requirements of this Agreement. Contractor shall be the sole judge of the adequacy of the repairs made to fix defective work. If Subcontractor covers any Work prior to Contractor's inspection of the Work, then Subcontractor shall be responsible for the cost of uncovering or removal and replacement of the Work to allow Contractor's inspection. Subcontractor shall correct all items noted as needing correction within forty-eight (48) hours of receipt of Contractor's notice. In the event Subcontractor's Work involves construction of a residential dwelling, Subcontractor shall correct all items noted as needing correction, including any items noted during homebuyer's orientation before the earlier of (i) close of homeowner's escrow, or (ii) forty-eight (48) hours of receipt of Contractor's notice.

1.5 PROGRESS. Subcontractor shall comply with the deadlines and schedules established in the Work Agreement and by Contractor, and shall prosecute the Work with diligence and with adequate labor, equipment and materials to satisfy Subcontractor's progress requirements and so as to not delay the work of other subcontractors. Subcontractor shall cooperate and coordinate its Work with all other subcontractors so as to avoid any delay or interferences. Subcontractor acknowledges and agrees that Contractor utilizes the Supply Pro® scheduling system for issuing start orders and scheduling Work for each homesite. Subcontractor agrees to subscribe to and utilize the Supply Pro® scheduling system to receive and respond to Work start orders, scheduling changes, and other modifications to the Work, and agrees to utilize Supply Pro® to notify the Contractor of Subcontractor's completion of assigned Work and to initiate requests for payment. All costs of subscribing to, utilizing, and maintaining Supply Pro for the Subcontractor shall be borne by Subcontractor. Subcontractor acknowledges that timely submission of requests for payment is a critical aspect of payment under the terms of this Agreement and is material consideration on Contractor's part in entering into this Agreement. Requests for payment submitted more than one hundred twenty (120) days after performance of the Work or delivery of materials would result in additional administrative costs for Contractor and substantial increased project costs.

1.5.1 As a result, Contractor and Subcontractor agree that payment for any and all invoices submitted more than one hundred twenty (120) days from the date of performance of the Work or delivery of materials shall, to the fullest extent permitted by

applicable law, be waived and Contractor shall have no obligation to make payment to Subcontractor therefor, and Subcontractor shall have no lien rights for the Work or materials for which payment was waived under this 120-day provision. Further, Subcontractor expressly agrees to indemnify and defend Contractor should a lien be filed on any property in connection with labor or materials, for which payment was waived under this 120-day provision, to the fullest extent permitted by applicable law.

1.5.2 This provision does not affect Subcontractor's rights, or the rights of any subcontractor providing labor or materials to timely seek full payment; restrict or limit the constitutional or statutory right to file and record liens or stop notices for non-payment; or take all steps reasonably necessary to preserve its lien and bond rights as permitted by law.

1.5.3 Subcontractor shall include notice of this requirement in each contract with its Sub-subcontractors and suppliers relating to the Work.

1.6 WORK OF OTHERS. Subcontractor shall be responsible for protecting its Work, and the work of other subcontractors or Contractor until final acceptance by Contractor. Subcontractor shall, without limitation, be fully responsible for the protection of all existing structures, materials, equipment, curbs, landscaping, flora, fauna and adjacent property. Subcontractor shall be responsible for inspecting the work of other subcontractors that may affect its own Work and shall immediately report to Contractor, in writing, any defects, discrepancies or problems which could adversely affect Subcontractor's work.

1.7 MATERIALS. Unless otherwise specifically stated in this Agreement or any Work Agreement, all goods or materials (i) are to be shipped F.O.B. Job Site and paid for by Subcontractor, and (ii) shall be used within seven (7) days of their receipt. Deliveries to and storage at the Project or Job Site are the sole risk and responsibility of the Subcontractor. Subcontractor shall be responsible for damage or loss to all material and equipment until final payment by Contractor. No materials will be paid for until properly installed. Title to the Work shall vest in Contractor upon performance; provided, however, the vesting of such title shall not impose any obligations on Contractor or relieve Subcontractor of any of its obligations hereunder. To the extent not prohibited by law, Subcontractor hereby waives any security interest or removeables rights it may have in goods or material to be supplied hereunder and waives its right to the remedies available for a buyer's breach as provided in the Uniform Commercial Code. On-site storage for materials is not provided unless otherwise set forth in a Work Agreement.

1.8 DELAYS AND DISRUPTIONS/WAIVER OF CONSEQUENTIAL DAMAGES. IN THE EVENT OF ANY DELAY, DISRUPTION, INTERFERENCE, STOPPAGE OR HINDRANCE IN COMMENCEMENT OR PROSECUTION OF THE WORK CAUSED BY ANY REASON WHATSOEVER ("WORK INTERRUPTIONS"), INCLUDING ANY WORK INTERRUPTIONS CAUSED IN WHOLE OR IN PART, OR ALLEGED TO HAVE BEEN CAUSED IN WHOLE OR IN PART, BY CONTRACTOR OR OTHER SUBCONTRACTORS, SUBCONTRACTOR, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY WAIVES ANY DAMAGES CAUSED BY SUCH WORK INTERRUPTIONS. SUBCONTRACTOR'S SOLE AND EXCLUSIVE REMEDY FOR ANY WORK INTERRUPTIONS SHALL BE AN EXTENSION OF TIME TO PERFORM ITS WORK. TO THE FULLEST EXTENT PERMITTED BY LAW SUBCONTRACTOR SPECIFICALLY WAIVES ANY RIGHT TO RECOVER DIRECT, INDIRECT, CONSEQUENTIAL, IMPACT, OR OTHER COSTS, EXPENSES, OR DAMAGES, INCLUDING BUT NOT LIMITED TO DELAY DAMAGES, COSTS OF ACCELERATION, INEFFICIENCY, LOSS OF ORGANIZATION, LOSS OF PROFITS, JOB SITE OR HOME OFFICE OVERHEAD, LABOR OR MATERIAL ESCALATION, OR DETERIORATION OF MATERIALS, CAUSED BY ANY WORK INTERRUPTION. TO THE FULLEST EXTENT PERMITTED BY LAW SUBCONTRACTOR ALSO SPECIFICALLY WAIVES ANY RIGHT TO RECOVER INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY TYPE AND NO MATTER THE CAUSE OF SUCH DAMAGES OR FAULT

ON THE PART OF CONTRACTOR OR ANY OTHER PERSON. NOTWITHSTANDING THE FOREGOING, THESE WAIVERS SHALL NOT PRECLUDE RECOVERY OF DAMAGES BY SUBCONTRACTOR FOR WORK INTERRUPTIONS CAUSED SOLELY BY FRAUD, BAD FAITH, OR ACTIVE INTERFERENCE ON THE PART OF CONTRACTOR.

2. **LABOR AND SUPERVISION:** Subcontractor shall maintain competent and sufficient supervision and employees on site during all times that Subcontractor is performing its Work. Subcontractor's superintendent shall be experienced, fully able to communicate with Contractor, trained, knowledgeable as to the Work, and shall have full authority to act for and bind Subcontractor. Subcontractor's superintendent shall be satisfactory to Contractor, and shall not be changed without Contractor's written consent. All communications or directions given to the Subcontractor's superintendent shall be as binding as if given to Subcontractor. Subcontractor shall enforce strict discipline and good order among its employees and Sub-subcontractors, and shall not employ any unfit or unskilled person. Subcontractor shall immediately remove and replace any person deemed unfit or unskilled by Contractor. Subcontractor shall maintain a list of all persons performing its Work on the Job Site and shall produce such list to Contractor upon request. Subcontractor shall perform criminal background checks of any person that will perform any portion of its Work, and Subcontractor shall not allow any registered sex offender or any person convicted of a felony or a misdemeanor involving theft, larceny, violence, sexual assault or any other crime of moral turpitude to work at the Project Site or Job Site. In performing such background checks, Subcontractor shall comply with all requirements of the Fair Credit Reporting Act and any other applicable laws and regulations.

3. **LEGAL COMPLIANCE:** Subcontractor and its Sub-subcontractors shall, at all times, comply with all applicable local, state, or federal statutes, ordinances, rules and regulations, and any amendments thereto, as well as those of any other public body having authority concerning the Work, including *without limitation*, the local and state building codes, FHA Minimum Property requirements, VA building code requirements, the Occupational Safety and Health Act of 1970, 29 U.S.C. §§ 651 et seq, the Immigration Reform and Control Act of 1986 ("IRCA"), the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRAIRA"), the Immigration and Nationality Act ("INA"), all applicable equal employment opportunity laws and requirements promulgated by any governmental authority, including, without limitation, the requirements of Title VII of the 1964 Civil Rights Act, 42 United States Code, Section 1981, Executive Orders 11246, 11375 and 11478, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the Fair Labor Standards Act; all applicable local, state, or federal environmental laws and regulations including, without limitation, the Clean Air Act, 42 USC §§ 7401-7671; the Clean Water Act, 33 USC §§ 1251-1387; the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 USC §§ 9601-9675; the Solid Waste Disposal Act, 42 USC §§ 6901-6992, the Toxic Substances Control Act, 15 USC §§ 2601-2692; and the Endangered Species Act of 1973, 16 USC §§ 1531-544. Subcontractor is solely responsible, for itself and others acting by, through or under Subcontractor, for compliance with the requirements of this paragraph and the other obligations of this Agreement.

3.1 IMMIGRATION. With respect to its obligations herein or in any Work Agreement, Subcontractor specifically warrants and agrees it (i) shall not knowingly hire or continue to employ aliens not authorized to work in the United States, (ii) has and shall continue to verify the employment documentation specified in the Immigration Act, and (iii) has and shall properly complete and retain the U.S. Citizenship and Immigration Services' Form I-9 for all its employees covered by the Immigration Act. Accordingly and pursuant to the indemnity requirements of this Agreement, Subcontractor agrees to defend, indemnify and hold Contractor free and harmless from and against any claims or charges asserted or filed against and any judgments, fines, penalties and assessments entered against Contractor arising from or as the result of the employment or engagement of any person inconsistent with the foregoing promises or the laws of the United States. In addition, should Subcontractor fail to comply with this section, Contractor shall have the right to rescind this Agreement and/or declare Subcontractor in default under this Agreement and as a result Contractor will be entitled to all direct, indirect, consequential, impact, or other costs, expenses, or damages, including but not limited to costs, loss of organization, lost profits, or

attorneys' fees and/or paraprofessional fees arising out of or as a result of Subcontractor's breach of this section. Furthermore, at Contractor's sole discretion and as a monetary remedy for such breach, Contractor may, as liquidated damages and not as a penalty, withhold all or any portion of payments owed to Subcontractor for any work completed but unpaid prior to Subcontractor's breach.

3.2 PATENT AND COPYRIGHTS. Subcontractor shall assume all liability for all royalties, licenses, patent fees, and any other charges made in connection with the use of patented or copyrighted processes in connection with its Work.

3.3 ENVIRONMENTAL. Contractor has developed the Lennar Environmental Management System ("LEMS") as a company-wide environmental management system to provide guidance to Contractor's employees, Subcontractors, and Sub-subcontractors on how to comply with applicable environmental requirements at Contractor's job sites. By signing this Agreement, Subcontractor acknowledges that it is responsible for understanding and complying with the specific environmental requirements applicable to the Work as well as ensuring that the Work does not interfere with efforts by Contractor employees or other Subcontractors and/or Sub-subcontractors to comply with environmental requirements. If requested by Contractor, Subcontractor will attend a pre-construction meeting where Contractor will further explain the LEMS and the environmental requirements applicable to the Job Site; however Subcontractor remains independently responsible for understanding and complying with all applicable environmental requirements regardless of whether a pre-construction meeting is held.

Further, it is acknowledged and understood that prior to the initiation of the Work at each Job Site, Subcontractor will inspect the Job Site, observe the environmental conditions of the Job Site, and review Contractor's environmental plans and specifications, including Contractor's Stormwater Pollution Prevention Plan or equivalent ("SWPPP"), wetlands or endangered species limitations, and dust control plan, and any Spill Prevention and Control Countermeasure Plan, or its equivalent, if applicable, and that Subcontractor has notice and knowledge of the environmental conditions of the Job Site. If, during the course of its performance of the Work, Subcontractor discovers a previously unidentified environmental condition, Subcontractor shall immediately notify Contractor and shall not proceed with any Work that would disturb such environmental condition without Contractor's approval.

Subcontractor shall take care not to damage any Best Management Practices ("BMPs") or Control Measures, as defined below, by the Work, and in the event Subcontractor causes such damage it shall immediately report such damage to Contractor and take appropriate measures to remedy such damage. Without limiting any of its other rights or remedies provided elsewhere in this Agreement (including its right to defense and indemnification by Subcontractor), Contractor may offset from any payments due Subcontractor, or otherwise recoverable from Subcontractor: (i) the costs to repair or replace any BMPs or Control Measures damaged by Subcontractor; and (ii) the costs of all fines, fees, expenses and other penalties sought against or incurred by Contractor due to, in whole or in part, (a) Subcontractor's violation of the obligations herein, (b) Subcontractor's violation of the Water Quality Requirements or Air Quality Requirements, as defined below, including violations arising from damage to BMPs or Control Measures caused by Subcontractor, (c) Subcontractor's interference with the implementation of the Water Quality and Dust Control Requirements by Contractor or by any other party responsible for implementing the Water Quality or Dust Control Requirements, (d) spills, releases, or discharges of hazardous, toxic, or other substances caused by Subcontractor, (e) Subcontractor's failure to comply with the requirements of Section 3.3.1 of this Agreement regarding hazardous and toxic substances or (f) Subcontractor's failure to comply with the requirements of Section 3.3.2.1 of this Agreement regarding Spill Prevention, Control and Countermeasures for the Job Site or Project Site. Failure to satisfy the obligations in this paragraph shall be deemed a material default of this Agreement, and Contractor may, without prejudice to any other right or remedy, (i) withhold any payments to Subcontractor under this Agreement or otherwise until Subcontractor has remedied its failure,

and/or (ii) terminate this Agreement, withhold payments otherwise due Subcontractor under this Agreement or otherwise, and retain a separate Subcontractor to complete Subcontractor's obligations at Subcontractor's expense.

3.3.1 HAZARDOUS AND TOXIC SUBSTANCES. Prior to commencing the Work at a particular Job Site, Subcontractor shall identify in writing all hazardous or toxic substances, as those substances are defined in the applicable environmental laws, to be used in performing the Work by Subcontractor, and shall provide Material Safety Data Sheets ("MSDS") to Contractor for those substances. Contractor may hold any payments otherwise due Subcontractor until such documentation is supplied. Subcontractor shall immediately notify Contractor in writing of all hazardous or toxic substances discovered during the performance of the Work or otherwise brought to the job site which were omitted from any previous notification(s) and promptly provide the MSDS on those substances to Contractor. Subcontractor shall not allow any hazardous or toxic substances on the job site unless (i) necessarily required for the performance of its Work, and (ii) Subcontractor has previously provided Contractor with MSDS sheets for those substances.

Subcontractor shall immediately notify Contractor of any spill, release or discharge of any hazardous or toxic substance by itself or any other person. As to any spill, release or discharge of any hazardous or toxic substance which is caused by Subcontractor or any of its employees, agents, Sub-subcontractors, customers, or invitees, Subcontractor shall, at its sole expense, immediately take all reasonable, necessary and legally required actions to (i) prevent the further spread of any spill, release or discharge, and (ii) take immediate action to properly clean up the spill, release or discharge (including without limitation any soil or water contaminated by such spill, release or discharge) in full compliance with all applicable laws and regulations and any directions from Contractor.

3.3.2 WATER QUALITY COMPLIANCE. Subcontractor shall comply, and shall ensure compliance by those acting by, through or under Subcontractor, with all applicable requirements regarding discharges to surface water or groundwater ("Water Quality Requirements") at Contractor's Job Sites. Water Quality Requirements include, but are not limited to, Contractor's SWPPPs; stormwater permits, including the state construction general permit or federal construction general permit, whichever is applicable, and local stormwater permits; federal, state, and local stormwater rules, regulations, and ordinances, including requirements imposed by Municipal Separate Storm Sewer System entities; Clean Water Act Section 404 wetlands permits, regulations, and mitigation agreements; and streambed alteration agreements. Before beginning any Work at a particular Job Site, Subcontractor shall review applicable Water Quality Requirements, copies of which will be available at the Job Site or will be made available upon Subcontractor's request; however Subcontractor remains independently responsible for understanding and complying with Water Quality Requirements. If required by the Water Quality Requirements or requested by Contractor, Subcontractor shall sign and/or certify the SWPPP before beginning the Work. To the extent applicable to the Work, Subcontractor shall fully comply with and implement the SWPPP, including the BMPs described by the SWPPP. Subcontractor will ensure its workforce, including superintendent, leadspersons, and tradespersons, are trained in stormwater management practices and BMPs that apply to the Work. Subcontractor agrees to provide documentation of employee stormwater management training to Contractor upon request or if required in the SWPPP and to participate in Contractor's stormwater "tailgate" meetings and to document attendance on forms provided by Contractor. Subcontractor shall immediately notify Contractor of a regulatory inspection and any corrective action, notice of correction, notice of violation or any other type of regulatory enforcement action or notice whether written or verbal regardless of the nature or severity related to Water Quality compliance for the Job Site or Project Site.

3.3.2.1 SPILL PREVENTION CONTROL AND COUNTERMEASURES. Subcontractor shall comply with all federal, state, and local spill prevention control & countermeasure ("SPCC") statutes, ordinances, rules and regulations, and any amendments thereto, including, but not limited to, the SPCC regulations contained in 40 CFR Part 112 ("SPCC Regulations"), and all amendments thereto; federal, state and local fire codes; federal and state Occupational Health and Safety Acts (O.S.H.A.); the current LEMS SPCC Policy and Guidance Module; applicable Job Site and facility specific SPCC Plans (as defined below); and, SPCC Best Management Practices (BMPs) contained in the Job Site SWPPP, while Subcontractor is mobilized on the Job site or performing Work. Contractor shall make the LEMS SPCC Policy and Guidance Module available for Subcontractors review upon request. In the event there is a conflict between SPCC requirements contained in documents that apply to Subcontractor's Work, e.g. Fire Code, SPCC Plan or SWPPP, Subcontractor shall comply with the most stringent requirements that apply to Subcontractors Work.

Oil, for the purpose of this Section is defined by the SPCC Regulations, and includes, but is not limited to, petroleum, synthetic oils, gasoline, diesel, motor oil, hydraulic oil, waste oil, or grease. Subcontractor shall not mobilize any individual oil storage container with the oil storage capacity of 55 gallons or more onto the Job Site without an express written approval from Contractor. If Contractor has a SPCC Plan in effect for the Job Site, Subcontractor shall comply with Contractor's SPCC Plan in it's entirety. Contractor may request information from Subcontractor to include in a Contractor SPCC Plan, and Subcontractor agrees to provide the requested information to Contractor by the end of the fifth ($5^{th}$) day following Contractor's written request which may include, but is not limited to, any and all information concerning Subcontractors anticipated or actual oil storage capacity, the nature of the oil to be stored, the locations where the oil will be stored; an estimated inventory and oil storage capacity of containers with an oil storage capacity of 55 gallons or more; secondary containment practices for all oil storage containers, spill response and clean up procedures to be implemented by Subcontractor in the event of a spill, and, documentation of training of Subcontractor's workmen with SPCC responsibility. However, Subcontractor remains independently responsible for understanding and complying with the SPCC Regulations. At all times, Subcontractor shall supply workmen trained with the knowledge, expertise and experience to operate Subcontractor's oil storage facility, regardless of size or storage capacity, in accordance with all federal, state, and local regulations; the SWPPP; and, the SPCC Plan if applicable.

Subcontractor shall immediately notify Contractor of a regulatory inspection and any corrective action, notice of correction, notice of violation or any other type of regulatory enforcement action or notice whether written or verbal regardless of the nature or severity related to SPCC compliance for the Job Site and/or Subcontractor's Work.

3.3.3 AIR QUALITY COMPLIANCE. Subcontractor shall comply, and shall ensure compliance by those acting by, through or under Subcontractor, with federal, state, and local air quality and dust control rules, regulations, and ordinances and Contractor's site-specific dust control plans and/or permits, if applicable (collectively "Dust Control Requirements"). Before beginning any Work at a particular Job Site, Subcontractor shall review the applicable Dust Control Requirements, copies of which will be available at the Job Site or will be made available upon Subcontractor's request; however, Subcontractor remains independently responsible for understanding and complying with Dust Control Requirements. To the extent applicable to its work, Subcontractor shall fully comply with

and implement the control measures described by the Dust Control Requirements ("Control Measures"), including work practices such as controlling off-site vehicle track-out and using only designated points of ingress and egress at the Job Site. Subcontractor shall immediately notify Contractor if a regulatory inspection and any corrective action, notice of correction, notice of violation or any other type of regulatory enforcement action or notice whether written or verbal regardless of the nature or severity related to SPCC compliance for the Job Site or Project Site.

3.3.4 OTHER ENVIRONMENTAL REQUIREMENTS. The requirements in Sections 3.3.1, 3.3.2, 3.3.2.1 and 3.3.3 of this Agreement are not all-inclusive, and Contractor reserves the right to specify other environmental requirements with which Subcontractor shall comply.

3.4 SAFETY. Subcontractor is an independent contractor and shall be **solely responsible** for ensuring that its Work is performed in a safe manner. Nothing herein shall be deemed to be an exercise of control by Contractor of Subcontractor's safety obligations. Subcontractor shall take all reasonable and necessary safety precautions with regard to the Work, shall coordinate its safety precautions with other Subcontractors, Sub-subcontractors, and suppliers, shall comply with all safety requirements, laws, regulations, rules or ordinances of any authority (governmental or otherwise) responsible for the safety of persons or property. Subcontractor shall notify Contractor, both verbally and in writing, of all injuries to Subcontractor's employees within eight (8) hours of the injury. Failure to adhere to Contractor's safety policies, the safety requirements of this Agreement, or the job rules shall be deemed a material default of Subcontractor's obligations. Subcontractor agrees to comply with all health and safety programs, as well as any rules promulgated by Contractor, in furtherance of Subcontractor duties under the Occupational Safety and Health Act. If in the opinion of Contractor the health and safety of any person or persons is endangered or appropriate safety measures are not being implemented, Contractor may (but is not required to) take such action as it deems necessary and appropriate, including without limitation, the following: (i) stop Subcontractor's Work or require Subcontractor to immediately remedy any unsafe condition caused by the Subcontractor at its own expense; (ii) shut the Project Site or Job Site down, in whole or in part, until any unsafe condition is remedied; (iii) remedy any unsafe condition caused by Subcontractor at Subcontractor's sole expense; (iv) terminate this Agreement and hold Subcontractor fully liable for any losses incurred by Contractor as a result of the Subcontractor-caused unsafe condition and such termination; (v) recover against Subcontractor all fines or penalties assessed by any authority (governmental or otherwise) and caused by or alleged to have been caused by Subcontractor and/or (vi) Assess safety violation penalties of up to $200 for each violation of jobsite safety rules or governmental safety laws, regulations, rules or ordinances. Contractor may backcharge or separately invoice the Subcontractor for such safety violation penalties.

4. **JOB RULES:** Subcontractor is solely responsible for complying with and ensuring compliance by its employees and its Sub-subcontractors with (i) Contractor's Code of Safe Practices, (ii) other Contractor policies concerning safety, reasonable restrictions on use and access to the Job Site by unauthorized personnel, and (iii) the other rules and policies concerning Subcontractor's work and as set forth in the "Job Rules" (attached hereto as Schedule "C"). Upon failure to so comply, Contractor may, in addition to the other remedies herein, stop Subcontractor's Work and/or terminate this Agreement.

5. **LIENS AND BOND CLAIMS:** Subcontractor shall keep the Work and the real property being improved by Subcontractor free and clear of any liens, stop notices, fund trapping notices, or bond claims of any kind whatsoever (collectively "Lien or Bond Claims"), to the extent such Lien or Bond Claims (a) relate to Subcontractor's Work, or (b) are for any monies due or allegedly due (i) Subcontractor or any Sub-subcontractor, (ii) any factoring company, lender (secured or unsecured), or (iii) any other entity claiming by, through, or under Subcontractor or any Sub-subcontractor (collectively the "Lien Claimants"). In the event a Lien or Bond Claim is filed or threatened to be filed by any Lien Claimant, Subcontractor shall, at Contractor's sole election, immediately (i) settle and resolve such claim and obtain a full waiver

and release of the Lien or Bond Claim from the Lien Claimant, or (ii) provide a statutory bond acceptable to Contractor that will bond around or discharge such Lien or Bond Claim. Should Subcontractor fail to do so, Contractor may, without additional notice to Subcontractor, (i) settle, bond or discharge the lien or bond claim in any manner Contractor deems appropriate, and charge the costs thereof (including payment of the lien, stop notice or fund trapping notice, or bond claim amount, premiums for bonds, overhead, costs, and reasonable attorneys' fees and paraprofessional fees) to Subcontractor, and/or (ii) withhold further payments to Subcontractor under this Agreement or otherwise until Subcontractor has complied with its obligations herein. Contractor's obligation to pay such costs is not limited to any monies, if any, then due or to become due Subcontractor under any contract between Contractor and Subcontractor. Subcontractor has not and shall not assign any right or claim for payment from Contractor or any right to perfect a lien against the Work or real property to any third person. Any assignment or attempted assignment shall be unenforceable against Contractor, and shall be deemed a material default of this Agreement. Subcontractor shall include substantially identical language to this Section 5 in all subcontracts of any Sub-subcontractor, and shall also require that all Sub-subcontractors shall waive and release all liens and claims to liens as a condition to their receiving payment.

5.1 At Contractor's request, Subcontractor shall provide the following to Contractor: (i) proof of payment for labor, equipment or material or equipment supplied for the Work or any other obligation for payment arising from the Work; and (ii) an affidavit stating that every Sub-subcontractor has been paid in full up to and including the date of any payment application, along with the names of any such person or entity who has not been paid in full and the amount due each. If Contractor believes that Subcontractor's financial circumstances will affect Subcontractor's performance of its obligations herein, Contractor may take any other precautionary action it deems reasonably necessary to protect its interests including, without limitation, (i) the right to request additional financial assurances from Subcontractor, (ii) the right to require Subcontractor to post, at Subcontractor's cost, a payment bond, (iii) the right to withhold all or any portion of payments due Subcontractor, or (iv) the right to make payments jointly to Subcontractor and any person claiming monies from Subcontractor or any Sub-subcontractor.

5.2 CONDITIONAL/UNCONDITIONAL LIEN WAIVERS. As a condition precedent to receiving each and any payment for Work as described in Section 12 hereof, Subcontractor and, if applicable, each of its Sub-Subcontractors and suppliers shall execute and furnish to Contractor a Conditional Lien Waiver and Release in substantially the form of "Conditional Waiver and Release Upon Final Payment" (attached hereto as Schedule "B-1") acknowledging receipt of such payment to the extent payment is actually received. Subsequent to receiving payment, Subcontractor and if applicable, each of its Sub-subcontractors and suppliers shall execute and provide to Contractor an Unconditional Lien Waiver and Release in substantially the form of "Unconditional Waiver and Release Upon Final Payment" (attached hereto as Schedule "B-2") acknowledging receipt of all payments due with respect to such Work. Subcontractor agrees that, in lieu of preparing or providing lien waivers for each property for which Work was provided and/or materials were supplied, one lien waiver referencing payment for multiple addresses shall have the same force and effect as multiple lien waivers. Subcontractor shall include this one-waiver-for-multiple-addresses agreement in each contract with its Sub-subcontractors and suppliers relating to the Work. The lien waivers required to be delivered to Contractor by Subcontractor under this Agreement may be photocopies or facsimile copies, and Subcontractor hereby acknowledges that should it provide a photocopy or facsimile of a lien waiver on behalf of itself or one of its Sub-subcontractors or suppliers, such photocopy or facsimile shall have the same legal force and effect as an original lien waiver. Subcontractor shall also comply with all procedural requirements of laws of the state that govern this Agreement with respect to the enforceability of such lien waivers. Regardless of this section, Subcontractor agrees to provide Contractor with labor, materials and supplies that are free and clear of any debt or lien against the labor, materials or supplies and, in addition to any other indemnification obligations under this Agreement, Subcontractor shall indemnify, defend, and hold Contractor harmless from and

against any claim, loss, cost or expense relating to any debts or liens against the Property relating to the Work. Subcontractor shall include such requirements in each contract with its Sub-subcontractors and suppliers relating to the Work.

6. **CONTRACTOR'S EQUIPMENT:** Should Subcontractor or any Sub-subcontractor use equipment, scaffolding or other facilities of Contractor or another subcontractor, it is understood and agreed that (i) Subcontractor and Sub-subcontractor shall fully inspect and become familiar with the proper and safe use of such equipment, scaffolding or facilities, (ii) Subcontractor and Sub-subcontractor shall properly train and supervise their employees, Sub-subcontractors and suppliers in the proper and safe use of such equipment, scaffolding and facilities, and (iii) Subcontractor's or Sub-subcontractor's use of such equipment, scaffolding or facilities shall be at their sole risk. Subcontractor and Sub-subcontractor waive all claims and liability of any type or nature against Contractor and the owners or lessors of such equipment, scaffolding or other facilities, assumes the full risk of the operation thereof, and assumes full responsibility for any and all loss, cost, expense (including all attorneys' fees and paraprofessional fees), damage, or injury arising therefrom.

7. **SECURITY:** Subcontractor shall be solely responsible for providing security for the Work, tools, equipment, materials or other property. Regardless of whether Contractor provides security at the Project Site, Contractor shall not be responsible for theft, vandalism or loss to any of Subcontractor's or Sub-subcontractor's work, tools, equipment, materials or other property.

8. **CLEAN UP:** Subcontractor shall maintain a tidy Job Site and Community and clean up and haul away all debris, rubbish, hazardous or toxic discharges and surplus materials ("Construction Debris") on a daily basis and properly dispose of such Construction Debris in an authorized trash bin or at a licensed or certified landfill. In addition, Subcontractor will leave the Job Site, subject property and, if applicable, the building premise(s) clean and in good order. These obligations are in addition to Subcontractor's obligations under any other section of this Agreement. If, after twenty-four (24) hours' notice by Contractor's representative to Subcontractor's representative, Subcontractor has not diligently proceeded with the clean-up as outlined in this Section 8, then Contractor shall have the right to proceed with the clean-up at Subcontractor's expense.

9. **INSURANCE:** Before starting the Work, Subcontractor shall procure and maintain at its own expense the insurance set forth in the "Insurance Requirements" attached hereto as Schedule "F", which requirements are incorporated by this reference as though set forth in full herein, including, without limitation and if applicable, the "OCIP Addendum", if attached hereto. To the extent that the "Insurance Requirements" are added to or amended by any Work Agreement, such requirements are incorporated by this reference as though set forth in full herein.

10. **EXPRESS WARRANTIES:** Subcontractor, expressly warrants to Contractor, Contractor's customers, or any subsequent owner of a structure constructed by Contractor (collectively "Warranty Beneficiaries"), that its Work shall be performed in a good and workmanlike manner, free from defects in workmanship or materials, and in strict accordance with (i) the plans and specifications, (ii) any applicable manufacturer's specifications, recommendations or requirements, and (iii) all applicable industry standards, codes, or other rules or regulations applicable to the performance of the Work. This warranty section is in addition to warranties provided by law. Any portion of Subcontractor's Work not complying with the foregoing shall be considered defective. Subcontractor shall also require each of its Sub-subcontractors to give to Contractor the same warranty regarding the Sub-subcontractor's work. Subcontractor shall, within two (2) working days of notification by Contractor, repair or replace any defective Work unless the warranty work could not reasonably be performed within such time period, in which event the warranty work shall be performed as quickly as reasonably possible. In the event of an emergency (as determined by Contractor), the Subcontractor shall perform its warranty work within eight (8) hours. In addition, a seven (7) day-a-week and a twenty-four (24) hour on-call emergency service must be provided by Subcontractor and any Sub-subcontractor providing roofing, plumbing, electrical and/or HVAC work.

10.1. Extended Warranties. In addition to the foregoing warranties, Subcontractor shall also, (a) for a period of twelve (12) months from (i) the *date of close of escrow* between Contractor and its homebuyers for Work associated with a structure or associated site work intended to be used primarily for residential purposes, or (ii) final completion of the Work for all other types of Work, repair or replace any defective Work, and perform Contractor's obligations under any applicable warranty insurance programs (the "One Year Warranty"); (b) for a period of twenty-four (24) months from the (i) the date of close of escrow between Contractor and its homebuyers for Work associated with a structure or associated site work intended to be used primarily for residential purposes, or (ii) final completion of the Work for all other types of Work, repair or replace any defective Work associated with any heating, cooling, mechanical and electrical systems (the "Systems") installed by Subcontractor, and perform Contractor's Systems obligations under any applicable warranty insurance programs (the "Two Year Warranty"); and (c) for a period of one - hundred twenty (120) months from (i) the date of close of escrow between Contractor and its homebuyers for Work associated with a structure or associated site work intended to be used primarily for residential purposes, or (ii) final completion of the Work for all other types of Work, repair or replace any defective Work, associated with structural damage, and perform Contractor's obligations under any applicable warranty insurance programs (the "Ten Year Warranty"). The foregoing obligations exist so long as the defect(s) arose or existed during the relevant extended warranty periods, and even if such defects were not observed until after the expiration of the extended warranty period. Should Contractor perform any of Subcontractor's warranty work (extended or otherwise), Subcontractor shall reimburse Contractor for the cost of repairing or replacing such defective Work. Notwithstanding anything to the contrary herein, should any state or federal law impose a warranty, express or implied, or any other obligation to repair, replace or pay for defective work arising from Subcontractor's Work that is longer than the time period set forth in this paragraph, Subcontractor's warranty obligation period shall be deemed to extend for the duration of the applicable state or federal law.

10.2 Manufacturer's Warranties. Prior to the earlier of completion of Work or upon the termination of this Agreement, Subcontractor shall provide Contractor with any and all applicable manufacturer's warranties on equipment, materials or appliances furnished pursuant to this Agreement. Subcontractor shall fully cooperate with Contractor in making any claim on any manufacturer's warranty.

**11. EXTRA WORK/CHANGES:** NO EXTRA WORK OR CHANGES TO THE WORK SHALL BE PERFORMED BY SUBCONTRACTOR OR PAID FOR BY CONTRACTOR UNLESS SUCH EXTRA WORK OR CHANGE TO THE WORK HAS BEEN AUTHORIZED IN WRITING BY CONTRACTOR AND AGREED TO BY SUBCONTRACTOR PRIOR TO PERFORMANCE THEREOF. ALL EXTRA WORK OR CHANGE TO THE WORK (EACH, A "CHANGE ORDER") MAY BE REQUESTED AND SCHEDULED BY CONTRACTOR UTILIZING THE SUPPLY PRO® SCHEDULING SYSTEM. ANY CHANGE ORDER ISSUED BY CONTRACTOR UTILIZING THE SUPPLY PRO® SYSTEM SHALL BE CONSIDERED APPROVED IN WRITING BY CONTRACTOR. THE SUBCONTRACTOR'S ACKNOWLEDGEMENT OF THE CHANGE ORDER IN SUPPLY PRO® SHALL CONSTITUTE SUBCONTRACTOR'S AGREEMENT TO THE TERMS (INCLUDING, WITHOUT LIMITATION, THE SCHEDULE FOR PERFORMANCE AND COMPENSATION) SET FORTH IN SUCH CHANGE ORDER.

IN ADDITION TO ISSUING CHANGE ORDERS VIA THE SUPPLY PRO® SCHEDULING SYSTEM, THE CONTRACTOR MAY ISSUE WRITTEN CHANGE ORDERS EXECUTED BY AN OFFICER OF CONTRACTOR TO THE SUBCONTRACTOR VIA FACSIMILE, EMAIL, MAIL, OR BY HAND. SUCH CHANGE ORDERS SHALL NOT BE EFFECTIVE UNTIL EXECUTED BY THE SUBCONTRACTOR AND RETURNED TO CONTRACTOR. UPON EXECUTION OF SUCH CHANGE ORDERS BY CONTRACTOR AND SUBCONTRACTOR, CONTRACTOR SHALL ISSUE A START ORDER FOR THE WORK INCLUDED WITHIN SUCH CHANGE ORDER. FAILURE OF SUBCONTRACTOR TO EXECUTE AND RETURN TO CONTRACTOR ANY SUCH CHANGE ORDER WITHIN TWENTY-FOUR (24) HOURS AFTER RECEIPT THEREOF SHALL CONSTITUTE SUBCONTRACTOR'S DISAPPROVAL OF SUCH CHANGE ORDER, AND, IN SUCH EVENT, WITHOUT FURTHER WRITTEN NOTICE FROM

CONTRACTOR, SUBCONTRACTOR SHALL NOT COMMENCE THE WORK SET FORTH IN THE CHANGE ORDER.

**12. PAYMENT:** The price for the Work and additional terms for payment shall be set forth in the Work Agreement. Contractor has no obligation to pay Subcontractor for any Work performed prior to execution of a written Work Agreement which specifically covers such Work. No payment shall be due unless Subcontractor has otherwise satisfied all obligations set forth in this Agreement.

12.1 Payment shall be made in accordance with Contractor's standard practices. Payment will only be considered for Work properly performed, and inspected and accepted by Contractor through Supply Pro® as of the date of the payment request. As a condition precedent to any payment, Subcontractor shall (i) submit a notice of completion and request for payment to the Contractor using Supply Pro®, and (ii) deliver executed lien waivers and releases in accordance with Section 5.2, and (iii) submit all other documentation reasonably required by Contractor to establish Subcontractor's entitlement to funds. No payment shall be deemed to constitute acceptance by Contractor of any defective or unacceptable Work.

12.2 All payments to Subcontractor are trust funds and shall first be used for the full payment of all Sub-subcontractors and suppliers. Subcontractor shall ensure that all Sub-subcontractors and suppliers are at all times fully and timely paid all amounts due in connection with the Work. Subcontractor shall immediately notify Contractor of any claims or disputes involving any Sub-subcontractor or supplier. When Contractor learns of any claim or dispute, Contractor may (i) withhold payments otherwise due Subcontractor until the claim or dispute is resolved to Contractor's satisfaction, (ii) issue joint checks to Subcontractor and any claimant, or (iii) deposit any disputed funds into the registry of a court of law. Subcontractor shall reimburse Contractor for any costs incurred by Contractor as a result of such claims or disputes. Should any dispute arise after payment by Contractor, Subcontractor shall immediately deposit any payments made relating to such labor or material into an interest-bearing account and shall only use this money to resolve such claims or disputes.

12.3 Contractor may, but is not required to, withhold retainage from each payment as provided by applicable law, and shall release such retainage when (i) Subcontractor has fully performed its obligations herein (save and except future extended warranty obligations), (ii) Subcontractor has provided final lien releases and waivers (conditioned only upon receipt of the retainage) from itself and all Sub-subcontractors and suppliers, and (iii) the legal time period for holding such retainage has expired. In the absence of any legally required amount, the maximum retainage shall equal ten (10%) percent of each payment.

12.4 Contractor may, at its option, issue, file, and/or record with the appropriate regulating agency, a Notice of Completion. By issuing, filing, and/or recording the notice of completion, Contractor does not release the Subcontractor from any of Subcontractor's obligations under this Agreement and/or any Work Agreement issued hereunder. Without limiting the generality of the foregoing, in no event shall the issuance, filing, and/or recordation of a notice of completion be deemed to commence any warranty obligations with respect to the Work performed by Subcontractor, as such warranty obligations are set forth in this Agreement.

**13. REMEDIES AND TERMINATION:** In addition to and without limiting Contractor's other remedies set forth herein or as otherwise provided by law, Contractor shall have the following rights:

13.1 If Subcontractor shall file for or be adjudged bankrupt, or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, or if Subcontractor should persistently or repeatedly refuse or should fail, in the reasonable opinion of Contractor, to supply enough properly skilled workmen or proper materials or make delivery of materials as required, or if such materialmen or laborers for material supplied or Work performed disregard laws, ordinances, job rules, or instructions, or if Subcontractor fails

to make prompt and proper payment for labor, materials, equipment or services provided by, through or under Subcontractor, or if Subcontractor fails to remedy defective Work or fails to perform warranty services or repairs within the time periods set forth in this Agreement, or should Subcontractor cause damage to the work of another subcontractor and/or Sub-subcontractor, or if Contractor is fined by any governmental agency on account of or arising out of the violation by Subcontractor or any Sub-subcontractor of any law, or should Subcontractor fail in Contractor's sole judgment to prosecute its Work diligently and promptly, or if Subcontractor otherwise breaches any of its obligations in this Agreement or any of its other agreements with the Contractor division for which Subcontractor is performing the Work herein, or if Contractor has a reasonable basis to believe that Subcontractor will not be able to properly perform all of its obligations in this Agreement or under any Work Agreement, Contractor may, without prejudice to any other right or remedy in this Agreement or any law and after giving Subcontractor forty-eight (48) hours' written notice, (i) terminate this Agreement and take possession of Subcontractor's materials, tools, equipment and appliances thereon and finish the Work by whatever method it may deem expedient in its sole discretion, (ii) withhold payment otherwise due Subcontractor until the Work is completed and accepted, or until defective Work is remedied, or until warranty services are properly performed, or until such breach has been remedied, (iii) stop the Work until such breach has been cured to Contractor's satisfaction, and/or (iv) furnish or cause to be furnished additional labor or materials at Subcontractor's expense. If the costs of completing the Work, furnishing additional labor or materials, or remedying Subcontractor's breach do not exceed the unpaid balance under the applicable Work Agreement(s), and if Subcontractor is otherwise entitled to receive payment, Contractor shall pay the difference (less a reasonable sum to ensure Subcontractor's performance of any remaining warranty obligations) to Subcontractor upon completion of the Work. If such expenses of completing the Work or remedying Subcontractor's breach exceed the unpaid balance under the applicable Work Agreement(s), Contractor may offset the difference against any amounts due Subcontractor under this Agreement or other Work Agreement, contract, or other agreement. Upon demand, Subcontractor shall pay the difference to Contractor plus any and all costs, expenses, and attorneys' fees and paraprofessional fees incurred by Contractor in enforcing or performing any of Subcontractor's obligations under this Agreement.

13.2 Contractor shall also have the right to terminate this Agreement or any Work Agreements or portions thereof issued to Subcontractor without cause and for Contractor's convenience. In such event, Subcontractor shall be paid only for that Work actually performed as of the date of termination, and Subcontractor waives recovery for any other costs or damages, direct or consequential including without limitation prospective profits, on Work not performed.

13.3 Should Subcontractor breach any of its obligations in this Agreement, Contractor shall be entitled to recover against Subcontractor any reasonable and necessary attorneys' fees and paraprofessional fees, costs and expenses incurred by Contractor in pursuing claims against Subcontractor.

14. <u>DEFENSE AND INDEMNITY:</u> **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, AND IN CONSIDERATION OF THE SUM OF ONE HUNDRED DOLLARS ($100.00), WHICH SUM IS INCLUDED IN THE PRICE(S) ESTABLISHED UNDER THE WORK AGREEMENT(S), THE ADEQUACY AND RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, SUBCONTRACTOR HEREBY AGREES TO UNCONDITIONALLY DEFEND, INDEMNIFY AND HOLD HARMLESS CONTRACTOR, ITS PARENT, AFFILIATES, SUBSIDIARIES, PARTNERS, JOINT VENTURERS, OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS, EMPLOYEES, INSURERS, SURETIES, ANY OWNER OF REAL PROPERTY IMPROVED OR ALLEGED TO HAVE BEEN IMPROVED BY THE SUBCONTRACTOR, OR ANY OF THEM (COLLECTIVELY "INDEMNITEES") AGAINST ANY AND ALL CIVIL OR CRIMINAL LIABILITIES, COSTS, EXPENSES, CLAIMS, DEMANDS, CAUSES OF ACTION, LIEN CLAIMS, THREATS OF LIENS, STOP NOTICES, FUND TRAPPING NOTICES, BOND CLAIMS, PENALTIES, FINES, CITATIONS, LOSSES, AND DAMAGES (INCLUDING COURT COSTS, ATTORNEYS' FEES AND PARAPROFESSIONAL FEES, AND COSTS OF INVESTIGATION), OF ANY**

NATURE, KIND, OR DESCRIPTION, ARISING OUT OF, IN CONNECTION WITH, CAUSED BY, ALLEGED TO HAVE BEEN CAUSED BY, OR RESULTING FROM, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, (1) THE WORK, LABOR, MATERIALS, EQUIPMENT OR SERVICES PERFORMED OR SUPPLIED OR ALLEGED TO HAVE BEEN PERFORMED OR SUPPLIED BY SUBCONTRACTOR OR ANY OF ITS SUB-SUBCONTRACTORS, (2) ANY ACT OR OMISSION OF SUBCONTRACTOR OR ANY OF ITS SUB-SUBCONTRACTORS, OR (3) ANY ACT OR OMISSION OF CONTRACTOR OR CONTRACTOR'S OTHER SUBCONTRACTORS, SUB-SUBCONTRACTORS, OR SUPPLIERS OR ANY OF THEIR EMPLOYEES, AGENTS, INVITEES OR ANY PERSON ACTING BY, THROUGH OR UNDER CONTRACTOR OR CONTRACTOR'S OTHER SUBCONTRACTORS, SUB-SUBCONTRACTORS, OR SUPPLIERS (COLLECTIVELY "LIABILITIES"). THE OBLIGATIONS OF SUBCONTRACTOR UNDER THIS INDEMNIFICATION SHALL APPLY TO LIABILITIES EVEN IF SUCH LIABILITIES ARISE FROM OR ARE ATTRIBUTED TO THE CONCURRENT NEGLIGENCE OF ANY INDEMNITEE. NOTWITHSTANDING THE FOREGOING, SUBCONTRACTOR SHALL NOT BE OBLIGATED UNDER THIS AGREEMENT TO INDEMNIFY THE INDEMNITEES TO THE EXTENT SUCH LIABILITIES RESULT FROM THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNITEE. SUBCONTRACTOR SHALL, AT ITS EXPENSE, ASSUME THE DEFENSE OF THE INDEMNITEES, OR ANY OF THEM, AND SHALL CONDUCT SUCH DEFENSE WITH DUE DILIGENCE AND IN GOOD FAITH WITH COUNSEL SATISFACTORY TO CONTRACTOR. SHOULD SUBCONTRACTOR BREACH ITS DEFENSE AND INDEMNITY OBLIGATIONS, CONTRACTOR MAY, AND WITHOUT RELIEVING SUBCONTRACTOR OF ITS INDEMNITY OBLIGATIONS, ASSUME ANY DEFENSE OBLIGATION AND TRY OR SETTLE SUCH CLAIM, AND SUBCONTRACTOR (1) SHALL REIMBURSE CONTRACTOR FOR ALL COSTS AND EXPENSES INCURRED OR PAID BY ANY INDEMNITEE IN THE DEFENSE, SETTLEMENT, TRIAL, MEDIATION OR ARBITRATION, AND (2) PAY ANY JUDGMENT OR AWARD OBTAINED AGAINST THE INDEMNITEES OR ANY OF THEM. NEITHER THE INDEMNITY OBLIGATIONS UNDER THIS SECTION, NOR ANY COMMON LAW AND/OR STATUTORY CONTRIBUTION RIGHTS OR OTHER RIGHTS OF CONTRACTOR OR ANY INDEMNITEE, SHALL BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGE, COMPENSATION, OR BENEFITS PAYABLE BY OR FOR THE SUBCONTRACTOR OR CONTRACTOR UNDER INSURANCE POLICIES, WORKERS' COMPENSATION ACTS, DISABILITY BENEFIT ACTS, OR OTHER EMPLOYEE BENEFIT ACTS. THIS PROVISION IS SEPARATE AND DISTINCT FROM, AND IN ADDITION TO, ANY OTHER PROVISION OR SECTION IN THIS AGREEMENT, INCLUDING ANY PROVISION OR SECTION CONCERNING INDEMNIFICATION AND PROCUREMENT OF INSURANCE. IT IS SPECIFICALLY AGREED WITH RESPECT TO ANY LEGAL LIMITATIONS NOW OR HEREAFTER IN EFFECT AND AFFECTING THE VALIDITY OR ENFORCEABILITY OF THE INDEMNIFICATION OBLIGATION UNDER THIS SECTION, THAT SUCH LEGAL LIMITATIONS ARE MADE A PART OF THE INDEMNIFICATION OBLIGATION AND SHALL OPERATE TO AMEND THE INDEMNIFICATION OBLIGATION TO THE MINIMUM EXTENT NECESSARY TO BRING THE PROVISION INTO CONFORMITY WITH THE REQUIREMENTS OF SUCH LIMITATIONS, AND AS SO MODIFIED, THE INDEMNIFICATION OBLIGATION SHALL CONTINUE IN FULL FORCE AND EFFECT, EVEN AFTER COMPLETION OF THE WORK OR TERMINATION OF THIS AGREEMENT. EXCEPT AS EXPRESSLY PROVIDED OTHERWISE, IT IS THE SPECIFIC INTENT OF THIS INDEMNITY THAT THE SUBCONTRACTOR IS INDEMNIFYING THE INDEMNITEES FROM ACTS OF NEGLIGENCE OF INDEMNITEES.

In any and all claims against Contractor hereunder by any employee of Subcontractor or any employee of any other person or entity acting by, through or under Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable, the indemnification obligation under this Paragraph shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Subcontractor or any Sub-subcontractor or supplier under workers' or workmen's compensation acts, disability acts or other employee benefit acts, and Subcontractor expressly waives any right it may have to assert such limitation. Subcontractor expressly waives any right of subrogation that it or its insurers may have against the Indemnitees or any of them. In addition, in no event shall Subcontractor's obligations hereunder be limited to the extent of any insurance available to or provided by Subcontractor. The indemnity obligations in this Agreement shall not be

limited by the insurance required to be provided by Subcontractor pursuant to this Agreement; nor shall the insurance requirements of this Agreement be limited by the indemnity obligations of this Agreement.

15. ARBITRATION: IF ANY CLAIM OR CONTROVERSY THAT ARISES OUT OF OR RELATES TO, DIRECTLY OR INDIRECTLY, THIS AGREEMENT OR ANY DEALINGS BETWEEN THE PARTIES CANNOT BE SETTLED BY THE PARTIES WITHIN SIXTY (60) DAYS AFTER CONTRACTOR IS FIRST PROVIDED WRITTEN NOTICE OF THE CLAIM OR CONTROVERSY BY SUBCONTRACTOR, THE PARTIES AGREE TO FIRST TRY IN GOOD FAITH TO SETTLE THE DISPUTE BY MEDIATION PURSUANT TO THE CONSTRUCTION INDUSTRY MEDIATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. IF THE CLAIM OR CONTROVERSY IS NOT SETTLED BY MEDIATION, THE CLAIM OR CONTROVERSY SHALL BE RESOLVED BY FINAL AND BINDING ARBITRATION PURSUANT TO THE CONSTRUCTION INDUSTRY ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION, AND JUDGMENT UPON THE AWARD RENDERED BY THE ARBITRATOR(S) MAY BE ENTERED IN ANY COURT HAVING JURISDICTION THEREOF. SHOULD A CLAIM OR CONTROVERSY ARISE BETWEEN CONTRACTOR AND A BUYER OF A RESIDENCE REGARDING MATERIALS SUPPLIED OR WORK PERFORMED BY OR THROUGH SUBCONTRACTOR, SUBCONTRACTOR AGREES TO PARTICIPATE AS A PARTY IN, AND BE BOUND BY, ANY MEDIATION AND ARBITRATION PROCEEDINGS BETWEEN CONTRACTOR AND THE BUYER. SUBCONTRACTOR SHALL INCORPORATE PROVISIONS IN ALL AGREEMENTS WITH ITS LOWER TIER SUBCONTRACTORS EXECUTED BY SUBCONTRACTOR WITH RESPECT TO THE WORK REQUIRING ANY AFFECTED LOWER TIER SUBCONTRACTOR TO PARTICIPATE IN, AND BE BOUND BY, SUCH ARBITRATION. NOTWITHSTANDING THE FOREGOING, IN THE EVENT CONTRACTOR IS NAMED IN A LAWSUIT OR OTHER ACTION BROUGHT BY ANY THIRD PARTY (INCLUDING ANY INDIVIDUAL CLAIMING TO BE AN EMPLOYEE OF SUBCONTRACTOR) AND CONTRACTOR IS UNABLE TO COMPEL BINDING ARBITRATION OF SUCH LAWSUIT OR ACTION, THEN CONTRACTOR SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO BRING A THIRD PARTY ACTION AGAINST SUBCONTRACTOR IN WHATEVER FORUM THE UNDERLYING LAWSUIT OR ACTION IS PENDING.

16. INDEPENDENT CONTRACTOR/AUTHORITY: Subcontractor is acting as an independent contractor and not a partner or joint venture of Contractor. Contractor is solely responsible for the employment, acts, errors, omissions, control and direction of its employees, agents, and Sub-subcontractors. Nothing contained in this Agreement shall authorize or empower Subcontractor to assume or create any responsibility whatsoever, express or implied, on behalf of or in the name of Contractor, or to bind Contractor in any manner, or make representation, warranty, or commitment on behalf of Contractor, or purchase materials or otherwise incur debts in Contractor's name.

17. CONTRACTOR REGULATION: To the extent required by law, Subcontractor warrants that it is licensed to perform the Work under the applicable Work Agreement(s). Subcontractor shall maintain all required permits and licenses in good standing at all times.

18. CUSTOMER APPRECIATION GIFTS OR EVENTS: Contractor periodically gives its Subcontractors and Subcontractors' employees customary and nominal tokens of its appreciation, such as logo and non-logo apparel, rounds of golf, spa days, meals, materials and other "customer appreciation" gifts or outings. Subcontractor acknowledges and agrees that this is customary in the industry and does not constitute an attempt to improperly influence Subcontractor or Subcontractor's employees and does not and will not give rise to any claims for civil or criminal misconduct. Contractor fully understands that as a consequence of accepting any tokens of appreciation from Contractor, Subcontractor or Subcontractor's employees will be under no obligation to Contractor other than those contained in this Agreement. In order to ensure that Subcontractor is aware of this practice, Subcontractor expressly agrees that Contractor may, *at Contractor's sole discretion, without any obligation on the part of Contractor and without further notice to Subcontractor*, provide similar tokens of appreciation to Subcontractor or Subcontractor's employees without the need to obtain additional written or verbal consent from Subcontractor.

19. NO GIFTS: Neither Subcontractor nor any partner, director, employee, or agent of Subcontractor shall, without specific written authorization of Contractor, give to or receive from any person or entity, including without limitation, any officer or employee of any governmental or quasi-governmental agency, department, or instrumentality, any commission, fee, rebate, gift or loan of significant cost or value in connection with or as a result of Subcontractor's Work provided hereunder (excluding Gifts from Contractor pursuant to Section 18), to influence any decision, or to gain any other advantage for Contractor or Subcontractor. Subcontractor shall not (a) enter into any business arrangement with any partner or employee of Contractor, or any affiliate of same other than one acting in a capacity as a representative of Contractor or such affiliate in accordance with this Agreement and with the prior written approval of Contractor or (b) engage in any employment or enter into any contract or agreement that conflicts with Subcontractor's obligations under this Agreement. In the event of a violation of this Section, Subcontractor shall pay to Contractor any and all amounts received by Subcontractor or any other individual or entity described above, however, such payment shall not limit, or operate as a waiver of, any other legal or equitable rights which Contractor may have against Subcontractor at law, in equity, or under this Agreement. Due to the nature of this transaction and the potential exposure to various forms of fines, penalties, sanctions and other damages to Contractor's business and reputation, all of which are, at the date of executing this Agreement, impractical and extremely difficult to ascertain in advance, Contractor and Subcontractor agree that if Contractor terminates this Agreement due to the breach of this Section, then, as the monetary remedy for such breach and at Contractor's election and, as liquidated damages and not as a penalty, Subcontractor agrees that Subcontractor shall not be paid any amounts billed but unpaid for Subcontractor's compensation for Work completed prior to the termination date, as provided in Section 13. This provision shall not be construed as a waiver of Contractor's right to obtain temporary or permanent injunctive relief for any breach or threatened breach by Subcontractor of this Section. In addition to the remedies available under this Section, and at Contractor's election, Contractor shall also be entitled to injunctive remedies for breach of this Section, including without limitation, rescission.

20. STANDARDS OF BUSINESS ETHICS: Subcontractor represents that it has not and will not receive or give gifts or gratuities, nor participate in any other conduct in connection with this Agreement or any Work Agreement that violates the Standards of Business Ethics and Conduct of Contractor ("Contractor's Business Ethics") (*see* www.Lennar.com). Should any employee of Contractor or any of its Trade Partners engage in any conduct which Subcontractor believes is in violation of Contractor's Business Ethics, Subcontractor shall immediately notify Contractor's representatives in writing at the address provided herein. Violation of Contractor's Business Ethics by Subcontractor shall be deemed a material breach of this Agreement by Subcontractor.

21. MISCELLANEOUS:

21.1 Contractor and Subcontractor acknowledge that they have read, understand, and have had the opportunity to be advised by legal counsel of their own choosing as to each and every one of the terms, conditions, and restrictions and the effect of all the provisions of this Agreement. Contractor and Subcontractor agree that the provisions shall not be construed more strictly against the party who prepared the document.

21.2 Neither this Agreement nor any Work to be performed under any Work Agreement nor the right to payment under this Agreement shall be assigned by Subcontractor without the written consent of Contractor, which consent may be withheld at Contractor's sole discretion.

21.3 This Agreement may be assigned by Contractor to any mortgagee or subsequent owner of the Project who assumes Contractor's obligations under this Agreement. Subcontractor shall perform the Work and fulfill its obligations hereunder for the benefit of such assignee, so long as the assignee is making proper payment to Subcontractor. In the event of such assignment, Contractor shall be relieved of all liability accruing after such assignment. This Agreement shall be binding on the successors, heirs and permitted assigns of the parties.

21.4 This Agreement, the attached Schedules and the Work Agreement(s) issued by Contractor to Subcontractor embody the entire agreement between Contractor and Subcontractor and supersede any prior understandings or oral or written agreements between the parties. This Agreement, including this provision, cannot be amended except by written instrument executed by Contractor and Subcontractor. Invalidation of any term or condition of this Agreement by judgment, arbitration award or court order or otherwise shall not affect the validity or enforceability of the remaining terms and conditions.

21.5 All notices given under this Agreement shall be in writing personally delivered or mailed certified or registered return receipt requested postage prepaid. Notices to Contractor and Subcontractor will be sent to the addresses noted in this Agreement. Either party may change the address at which it will receive notice by giving written notice in accordance with this provision.

21.6 If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect provided that the economic and legal substance of the transactions contemplated is not affected in any manner materially adverse to any party. In the event of any such determination, the parties agree to negotiate in good faith to modify this Agreement to fulfill as closely as possible the original intent and purposes hereof. To the extent permitted by law, the parties hereby to the same extent waive any provisions of law that renders any provision hereof prohibited or unenforceable in any respect.

21.7 In no event shall either party be entitled to any interest on any sum due hereunder in excess of that permitted by applicable law. Notwithstanding anything to the contrary herein, any reference herein to interest accruing on any sum due hereunder shall be deemed to be the lower of: the interest rate stated herein or the maximum rate allowed by law.

21.8 TIME IS OF THE ESSENCE OF THIS AGREEMENT. Any covenants, terms and conditions of a continuing nature shall survive final payment, completion, and acceptance of the Work under this Agreement and any applicable Work Agreement and any termination or conclusion of this Agreement and Subcontractor has taken into consideration and made allowances for all the hindrances and delays incident to its Work.

21.9 This Agreement shall be deemed entered into in the state where the Project Site or Job Site is located and shall be interpreted and applied in accordance with the laws of the state where the Project Site or Job Site is located.

21.10 Subcontractor agrees to perform all of its obligations in strict accordance with the terms of this Agreement and in strict accordance with any contract and/or agreement between Contractor and any owner of the property being improved, and in complete satisfaction of such contract and/or agreement between Contractor and such owner. Such contract and/or agreement, to the extent applicable to Subcontractor's Work, shall be deemed to be a part of this Agreement.

21.11 The venue for any disputes between Contractor and Subcontractor shall be as follows: (i) Third Party Actions – If Contractor is involved in litigation or arbitration with a third party and Contractor or any other party joins Subcontractor as a party to the litigation or arbitration, Subcontractor consents to be joined in that same venue; and (ii) Other Actions or Disputes – In all other situations, venue shall be in the state court located in the state and county where the Project is located.

21.12 Upon reasonable notice, at reasonable times, and at Contractor's cost, Contractor or a third-party retained by Contractor shall have the right to access and audit Subcontractor's books, records and documentation for the purpose of auditing Subcontractor's performance of its

obligations under this Agreement or Work Agreement. Subcontractor shall cooperate by identifying and gathering documentation relating to Subcontractor's performance of its obligations.

21.13 Subcontractor shall, upon Contractor's request and at Subcontractor's cost, provide training to Contractor and its Trade Partners as to any product or service provided by Subcontractor. Subcontractor and Contractor shall reasonably cooperate in choosing the time, place and frequency of such training.

21.14 To the extent of any conflict or inconsistency between the terms and conditions of the documents set forth below, whether existing or entered into at a later date, the documents shall prevail and take precedence in the order listed below:

a. This Agreement;
b. Any Work Agreement;
c. Any other agreements between Subcontractor and Contractor.

21.15 By signing below, the undersigned certifies that he or she is authorized to execute this Agreement and is taking this action with full authority from the principal.

21.16 This Agreement may be executed in any number of counterparts, a complete set of which shall be deemed to be an original and all of which together shall comprise but a single instrument. Signatures may be given via facsimile transmission and shall be deemed given as of the date of the transmission of this Agreement by facsimile to the other party.

21.17 Subcontractor acknowledges and understands that all information relating in any way to Contractor or its business or affairs, whether written or oral, obtained by Subcontractor in connection with the Work provided as part of this Agreement or otherwise and any information regarding the nature and extent of this Agreement ("Confidential Information"), shall, unless otherwise specified by Contractor in writing be deemed confidential. Subcontractor acknowledges and understands that Subcontractor's unauthorized disclosure of any Confidential Information would be extremely prejudicial to Contractor.

**IN WITNESS WHEREOF,** the parties hereto have executed this Work Agreement as of the day and year first above written.

**Lennar Carolinas, LLC**

"Contractor"

By: V.P.

Name: Sam Sparks

Title: Division President

By:

Name:

Title:

2/26/13

**[-Insert Proper Trade Partner Name-]**

"Subcontractor"

By: A-C+A Concrete Inc.

Print Name: Alex Medina

Title: Owner

By:

Print Name:

Title:

Fed I.D. No 59-2408018

License No. RBS 48097

LENNAR

# SCHEDULE "A"

## Lennar Carolinas LLC

## WORK AGREEMENT _____

## TO MASTER TRADE PARTNER AGREEMENT

CONTRACTOR'S STATE LICENSE G111911

*[NOTE: This exemplar "Schedule A – Work Agreement" and the below listed exhibits, are for demonstration purposes only. In practice, the Work Agreement and exhibits shall be implemented as a separate document(s).]*

DIVISION OFFICE: Coastal Carolinas – Regional Operations Center
PROJECT: All Communities in Coastal Carolinas

This Work Agreement to Master Trade Partner Agreement (the "Work Agreement") is entered into this 25th day of February, 2013, by and between Lennar Carolinas LLC ("Contractor") and *** *** *** A.C.A Concrete Inc *** *** *** a Corporation, ("Subcontractor") whose address is 302 Peters Creek Summerville, SC 29483, telephone number (843) 261-5637

### RECITALS

A. Contractor and Subcontractor entered into that certain Master Trade Partner Agreement on or about 2-26-13, Contract No. 1 (the "Agreement"). As used herein, and except as hereby expressly provided, all capitalized words and phrases shall have the same meanings as defined in the Agreement.

B. Contractor desires to have Subcontractor perform work within the Project referenced above (the "Project") as set forth in Subcontractor's bid package for the Project, which was submitted to Contractor via Buzzsaw and is hereby approved by Contractor and incorporated herein by reference (the "Work").

C. Contractor and Subcontractor desire to amend the Agreement as more particularly set forth herein.

### TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the foregoing recitals, and the covenants and conditions contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Contractor and Subcontractor hereby agree to amend the Agreement as follows:

1. Pricing as approved for construction, is set forth in the "Pricing Schedule," attached hereto as Exhibit "A."

2. Work approved for construction is set forth in Subcontractor's bid package for the Project described above as submitted to Buzzsaw by Subcontractor.

3. Prior to commencing the Work, Subcontractor shall comply with all insurance requirements set forth in Schedule "F" to the Master Trade Partner Agreement which requirements are incorporated herein by this reference as though set forth herein, including, without limitation and if

applicable, the "OCIP Addendum" if attached thereto. If the "Insurance Requirements" are added to or amended by this Work Agreement, they are set forth in the "Insurance Requirements" attached hereto as Exhibit "B".

4. The Price Schedule attached hereto shall be effective on the date set forth thereon. Any changes following such price guaranty period, and any changes to the Work, or the Price Schedule, shall become effective only upon execution by all parties hereto of an amendment to the Work Agreement (the "Amendment'), in substantially the form attached hereto as Exhibit "C."

5. Contractor will, from time to time, issue written Start Orders identifying specific homesites on which the Work is to be performed. Contractor shall have no obligation to issue any Start Orders during the term of this Work Agreement. **THIS WORK AGREEMENT IS NOT AN AUTHORIZATION TO PROCEED WITH WORK, AND SHALL NOT BECOME EFFECTIVE WITH RESPECT TO THE WORK OF SUBCONTRACTOR UNLESS AND UNTIL CONTRACTOR ISSUES START ORDER(S) TO SUBCONTRACTOR AUTHORIZING THE SPECIFIC WORK OF SUBCONTRACTOR TO BE PERFORMED, AND THIS WORK AGREEMENT SHALL BE BINDING ONLY AS TO THE WORK AUTHORIZED BY CONTRACTOR. SUBCONTRACTOR SHALL PERFORM NO WORK WITHOUT RECEIVING CONTRACTOR'S WRITTEN START ORDER FOR SUCH WORK. SUBCONTRACTOR AGREES TO COMMENCE SUCH WORK AS MAY BE AUTHORIZED BY CONTRACTOR BY MEANS OF EACH START ORDER OR AS DIRECTED BY CONTRACTOR'S CONSTRUCTION MANAGER OR FIELD SUPERINTENDENT, AND SUCH START ORDER SHALL BE EFFECTIVE IMMEDIATELY UPON ITS ISSUANCE BY CONTRACTOR WITHOUT NEED FOR FURTHER ACCEPTANCE THEREOF BY SUBCONTRACTOR.** If the Work authorized by a Start Order is not commenced on the date specified in the Start Order, Contractor may, in its sole discretion, declare such Start Order null and void. Contractor may, but shall not be obligated to, furnish Subcontractor with a progress schedule for all or any portion of the Work which, if furnished, may be amended from time to time by Contractor and shall be considered a part of this Work Agreement. Subcontractor acknowledges that neither this Work Agreement nor the issuance by Contractor of a progress schedule constitute any representation by Contractor that a minimum or specified number of Start Orders will be issued. As to that portion of the Work covered thereby, such schedule shall control over any other provision of this Work Agreement regarding time for performance.

Except to the extent the Agreement is supplemented by this Work Agreement or such other Work Agreements that may have been entered into by the parties hereto, the terms and conditions of the Agreement shall remain unmodified and in full force and effect. In the event of conflict between the terms and conditions of the Agreement and the terms and conditions of this Work Agreement, the terms and conditions of the Agreement shall prevail and control. The Agreement, together with this Work Agreement, embodies the entire understanding between Contractor and Subcontractor with respect to the Project and can be changed only by an instrument in writing signed by Contractor and Subcontractor.

**IN WITNESS WHEREOF,** the parties hereto have executed this Work Agreement as of the day and year first above written.

**Lennar Carolinas LLC**

"Contractor"

By: VLP

Name: Sam Sparks

Title: Division President

By:

Name:

Title:

**[-Insert Trade Partner Name-]**

"Subcontractor"

By: A.C. & A Concrete Inc.

Print Name: Alex Medina

Title: Owner

By:

Print Name:

Title:

Fed I.D. No 59-2408018

License No. RBS 48097

*[NOTE: This exemplar "Schedule A – Work Agreement" and the below listed exhibits, are for demonstration purposes only. In practice, the Work Agreement and exhibits shall be implemented as a separate document(s).]*

Exhibit A – Price Schedule
Exhibit B – Insurance Requirements
Exhibit C – (Sample) Amendment to Work Agreement
Schedule A – Price Schedule (Amended)

# EXHIBIT "A"
# PRICE SCHEDULE

Vendor:
Contract:
Rel Cost Center

[Insert IPDU Pricing]

# EXHIBIT "B"
# INSURANCE REQUIREMENTS

*[NOTE: If Insurance Requirements have changed from Master Agreement, retrieve the appropriate Exhibit "B" - Insurance Requirements from the "Legal > Risk Management" tab on the Lennar Portal, or contact Risk Management directly [jessica.rodriguez@lennar.com] for correct form.]*

# EXHIBIT "C"
# AMENDMENT

LENNAR

## Lennar Carolinas LLC

## AMENDMENT NUMBER _____

## TO WORK AGREEMENT _____

CONTRACTOR'S STATE LICENSE G111911

***[NOTE: This exemplar "Exhibit 'C' – Amendment" is for demonstration purposes only. In practice, this Amendment shall be implemented as a separate document.]***

DIVISION OFFICE: Coastal Carolinas
PROJECT: All Communities In Coastal Carolinas

This Amendment Number [# ___] to Work Agreement is entered into this ____ day of _____ 20 ___, by and between Lennar Carolinas LLC ("Contractor") and ** *** *** A. C. & A Concrete Inc *** *** *** a Corporation, whose address is 302 Peters Creek Dr. Summerville, SC 29483 telephone number (843) 761-5637 (herein called "Subcontractor").

## RECITALS

Contractor and Subcontractor entered into that certain Work Agreement on or about ***ENTER WORK AGREEMENT EXECUTION DATE*** for the Project (as referenced above), pursuant to which Subcontractor was to perform certain Work in connection with the Project. As used herein, and except as hereby expressly provided, all capitalized words and phrases shall have the same meanings as defined in the Work Agreement, or the Agreement (as defined in the Work Agreement).

Contractor and Subcontractor desire to amend the Work Agreement as more particularly set forth herein.

## TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the foregoing recitals, and the covenants and conditions contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Contractor and Subcontractor hereby agree to amend the Work Agreement in the following respects:

1. The Price Schedule is amended as set forth in Schedule "A" attached hereto.

WITH RESPECT TO ALL WORK, THIS AMENDMENT IS NOT AN AUTHORIZATION TO PROCEED WITH WORK, AND SHALL NOT BECOME EFFECTIVE UNLESS AND UNTIL CONTRACTOR ISSUES START ORDER(S) TO SUBCONTRACTOR AUTHORIZING THE SPECIFIC WORK OF SUBCONTRACTOR TO BE PERFORMED AND THE CONTRACT SHALL BE BINDING ONLY AS TO THE WORK AUTHORIZED BY CONTRACTOR.

2. (Additional space provided for explanation of Amendment.) _____

The Agreement remains in full force and effect, and the Work Agreement remains in full force and effect as amended hereby. Hereinafter, all references to the Work Agreement shall be deemed to refer to the Work Agreement as amended to date, and as further amended by this Amendment.

# EXHIBIT "C"
# AMENDMENT

**IN WITNESS WHEREOF,** the parties hereto have executed this Agreement as of the day and year first above written.

**Lennar Carolinas LLC**

"Contractor"

By: _____

Name: Sam Sparks

Title: Division President 2/26/13

By: _____

Name: _____

Title: V.P.

**[-Insert Proper Entity Name-]**

"Subcontractor"

By: A C + A Concrete Inc

Print Name: Alex Medina

Title: Owner

By: _____

Print Name: _____

Title: _____

Fed I.D. No 58-2408018

License No. RBS 48097

*[NOTE: This exemplar "Exhibit 'C' – Amendment" is for demonstration purposes only; but in practice, the Amendment shall be implemented as a separate document.]*

# EXHIBIT "C"
# AMENDMENT

## SCHEDULE "A"
## PRICE SCHEDULE

# SCHEDULE "C"
# JOB RULES

1. Notwithstanding any contrary language in any agreement between Subcontractor and any third person, including any labor organization, neither Subcontractor nor any Sub-subcontractor shall allow any person access to the Job Site unless they are directly and actively engaged in the performance of the Work. No unauthorized persons (e.g., members of the general public, off-duty employees, family members, solicitors, visitors, vendors, sales persons, officials of labor organizations, prospective homeowners, etc.) shall be allowed on the Project Site or Job Site without Contractor's written consent. Access by any unauthorized person shall be considered unlawful trespass and a material breach of this Agreement.

2. Hard-hats, eye and hearing protection, proper scaffolding, equipment safety devices, and all other appropriate clothing and safety devices are required at all times and in all locations at the Project Site or Job Site for Subcontractor and any Sub-subcontractor. If Subcontractor observes any other Subcontractor violating this requirement, Subcontractor shall immediately report such violation to Contractor.

3. **CONSUMPTION OF ALCOHOL OR ILLEGAL SUBSTANCES EITHER BEFORE OR DURING PERFORMANCE OF THE WORK IS CAUSE FOR IMMEDIATE SUSPENSION OF WORK AND TERMINATION OF THIS AGREEMENT.** Subcontractor shall not allow any person acting by, through or under Subcontractor to be on the construction site or perform any part of the Work (a) while under the influence of alcohol or any drugs or controlled substances, or (b) if there is (i) any suspicion of alcohol or drug use, possession, or impairment involving such employees, agents, or Sub-subcontractors, or (ii) an incident where drug or alcohol use could have been a contributing factor. Contractor may require Subcontractor to remove any person that Contractor reasonably suspects is in any way impaired and, in such case, such person may only be considered for return to work after Subcontractor certifies as a result of a for-cause test, conducted immediately following removal, that person was in compliance with this Agreement. Subcontractor shall not allow on the Job Site any person that either refuses to take, or tests positive in, any alcohol or drug test. Contractor may, without prior notice, search or require Subcontractor to search the person, possessions, and vehicles of any person acting by, through or under Subcontractor that are on the Job Site or any premises owned, controlled, or managed by Contractor. Any person who refuses to cooperate with such search will be immediately removed from the premises and not allowed to return. Subcontractor will comply with all applicable federal, state, and local drug and alcohol related laws and regulations (e.g., Department of Transportation regulations, Department of Defense Drug-Free Workforce Policy, Drug-Free Workplace Act of 1988). Contractor may perform unannounced audits of Subcontractor's alcohol and drug program to verify that Subcontractor's policy and its enforcement are acceptable to Contractor. In addition, possession of alcohol, drugs, illicit or unprescribed controlled substances, firearms, explosives, weapons, and hazardous substances or articles is not permitted on the Job Site or other premises owned, controlled, or managed by Contractor. Contractor does not warrant or represent that Subcontractor's policy meets the requirements of any applicable law, code, rule or regulation, nor does Contractor warrant that the proper enforcement of Subcontractor's policy will ensure that no accidents or injuries will occur. In addition, any action taken or not taken by Contractor under this Paragraph shall not diminish or affect (i) any of Subcontractor's obligations under applicable law or this Agreement, or (ii) Subcontractor's status as an independent Subcontractor.

4. Subcontractor and its employees, agents, Sub-subcontractors and suppliers shall not speed or otherwise operate their automobiles in a dangerous or offensive manner within the Job Site, and shall otherwise comply with all traffic laws, ordinances, rules or regulations. The speed limit within the Job Site is 5 MPH.

5. No vehicles may be parked on finished lots, finished driveways, or in garages. No vehicles may be left on the Job Site overnight.

6. Contractor will provide portable toilet facilities for the use of Subcontractor's employees. Use of bathroom facilities in model or production homes is prohibited.

7. No eating, drinking or smoking is permitted at any Job Site at any time. Shoes must be removed prior to entering any carpeted home.

8. Subcontractor's personnel shall not set tools, machinery, materials, or trash on any countertops, bathtubs, vinyl or ceramic areas.

9. Subcontractor shall not perform any additional work for any of Contractor's homebuyers or prospective homebuyers without prior written approval from an officer of Contractor at the office address listed in this Agreement. Non-approved work will be removed or replaced at Subcontractor's expense. Continued violation of this rule may result in the termination of this Agreement.

Neither Subcontractor nor any Sub-subcontractor shall, without specific prior written authorization of Contractor's Regional President, give or receive any commission, fee, rebate, gift, loan or anything else of value to (a) any person or entity, including without limitation any agent or employee of a governmental authority, in connection with or as a result of Subcontractor's Work provided hereunder, to influence any decision or gain any other advantage for Contractor or Subcontractor, or (b) any agent or employee of Contractor. Neither Subcontractor nor any Sub-subcontractor shall, without prior written authorization of Contractor's Regional President, enter into any business arrangement with any agent or employee of Contractor, or any affiliate of any agent or employee of Contractor. No agent or employee of Contractor is authorized to engage in any employment or enter into any contract or agreement that conflicts with Subcontractor's obligations under this Agreement. Subcontractor shall immediately notify the Contractor Legal Department in Miami, Florida, if any agent or employee of Contractor requests or suggests that Subcontractor provide anything of value in violation of this Paragraph, or should Subcontractor believe or have reason to believe that an agent or employee of Contractor expects to receive, directly or indirectly, anything of value.

# SCHEDULE "D"
# COST PLUS A FEE WITH GUARANTEED MAXIMUM PRICE

The following terms and conditions shall apply only if Contractor and Subcontractor have agreed that Subcontractor's Work will be done as a Cost Plus a Fee with a Guaranteed Maximum Price. In such event, Contractor and Subcontractor agree as follows:

1. The sum of the Cost of the Work (see Section 2 below) plus the Subcontractor's Fee (see Schedule A) is guaranteed by Subcontractor to not exceed the Guaranteed Maximum Price ("GMP") set forth in Schedule A, subject to additions or deletions by Change Order executed between Contractor and Subcontractor. Subcontractor remains obligated to complete its Work, even if the costs in doing so would be greater than the GMP.

2. The term "Cost of the Work" shall mean costs necessarily incurred by Subcontractor in the proper performance of the Work, and shall not be higher than the standard paid at the place of the Project. The Cost of the Work shall only include the items set forth in this paragraph 2.

   a. Labor Costs:
      i. Wages of Subcontractor's workers directly employed at the Project site.
      ii. Wages or salaries of Subcontractor's supervisory personnel (a) working at the Project site and with Contractor's approval, and (b) when engaged elsewhere in expediting the production of transportation of materials or equipment required for the Work, but only for that portion of their time required for the Work.
      iii. Costs paid or incurred by the Subcontractor for taxes, insurance, contributions, assessments and benefits required by law or collective bargaining agreements and, for personnel not covered by such agreements, customary benefits such as sick leave, medical and health benefits, holidays, vacations and pensions, provided such costs are based on wages and salaries included in the Cost of the Work under Section 2.a.i and 2.a.ii above.

   b. Subcontract Cost: Payments made by Subcontractor to its Sub-subcontractors in accordance with the requirements of the subcontracts.

   c. Costs of Materials/Equipment Incorporated Into The Work: Costs, including transportation and storage, of (a) materials or equipment incorporated or to be incorporated into the completion construction, and (b) reasonable waste and spoilage of such materials or equipment. All salvage value shall inure to Contractor's benefit and shall be a deduction from the Cost of the Work.

   d. Costs of Other Materials/Equipment/Temporary Facilities/Related Items:
      i. Costs, including transportation and storage, installation, maintenance, dismantling and removal of materials, supplies, temporary facilities, machinery, equipment, and hand tools not customarily owned by construction workers. All salvage value shall inure to Contractor's benefit and shall be a deduction from the Cost of the Work.
      ii. Rental charges for temporary facilities, machinery, equipment and hand tools not customarily owned by construction workers. Rental rates shall be reasonable and subject to Contractor's prior approval.
      iii. Costs of debris removal from site.
      iv. Costs of copying, facsimiles, long-distance telephone calls, postage, and telephone service at the Project site.
      v. Reasonable expenses of Subcontractor's personnel when traveling in discharge of Subcontractor's duties under this Agreement.
      vi. Costs of materials or equipment stored offsite and subject to Contractor's prior approval.

   e. Miscellaneous:
      i. The portion of insurance and bonds directly attributable to the Work.
      ii. Sales, use or similar taxes imposed by a governmental authority and directly attributable to

the Work.

iii. Fees and assessments for all required building permits, licenses (excluding any Subcontractor's License) and inspections.

iv. Laboratory tests (excluding any tests of defective or nonconforming Work).

v. Royalties and license fees paid for using a design, process or patent that was required by Contractor; the cost of defending suits or claims for patent infringement for such designs, processes or patents; and costs of any settlement or judgment arising from such suit or claim.

vi. Data processing costs directly related to the Work.

vii. Other costs incurred in the performance of the Work if approved in writing by Contractor prior to the cost being incurred.

viii. Costs due to emergencies incurred by Subcontractor in preventing damage, injury or loss to the Project or persons working at the Project site.

3. The term "Cost of the Work" shall not include the following costs and shall not be reimbursed by Contractor:

a. Unless otherwise provided in Section 2.a.ii, salaries or other compensation of any personnel stationed at offices other than the Project site.

b. Costs associated with Subcontractor's principal office or other offices other than the Project site.

c. Overhead and general expenses, except as specifically included in Section 2.

d. Rental costs of machinery or equipment, except as specifically included in Section 2.

e. Any costs incurred because of the negligence or failure of either Subcontractor or anyone acting by, through or under Subcontractor to perform any obligation in this Agreement or as otherwise required by law.

f. Any costs of any type or nature which would cause the GMP to be exceeded.

4. Applications for Payment:

a. In addition to other requirements and conditions of payment set forth in this Agreement, Subcontractor submit with each application for payment documentation which establishes the Cost of the Work incurred by Subcontractor for the payment period, including without limitation, payroll records, invoices, receipts, checks, vouchers, payment applications from Subcontractor's Sub-subcontractors or suppliers, purchase orders, and other records or documentation.

b. Each application for payment shall be based on the most recent schedule of values (or such other measurement as is mutually agreed to by Contractor and Subcontractor) submitted by Subcontractor pursuant to this Agreement. The schedule of values shall allocate the entire GMP among the various portions of the Work, with Subcontractor's Fee shown as a separate line item. The schedule of values may be rejected by Contractor if Subcontractor fails to provide data to substantiate its accuracy. The schedule of values shall be utilized as the basis for payments to Subcontractor.

c. Each application for payment shall show the percentage completion of each portion of the Work. Should Contractor reject Subcontractor's proposed percentage completion, Subcontractor shall revise its application for payment and resubmit in accordance with Contractor's requirements.

d. Subject to the other provisions of this Agreement, the amount of each progress payment shall be calculated as follows:

i. Take that portion of the GMP properly allocable to completed Work as determined by multiplying the percentage of completion of each portion of the Work by the share of the GMP allocated to that portion of the Work in the approved schedule of values;

ii. Add that portion of the GMP properly allocable to materials and equipment delivered and properly stored at the Project site for ultimate incorporation into the Work;

iii. If approved in writing by Contractor, add that portion of the GMP allocable to materials and equipment properly stored off the Project site;

iv. Add the Subcontractor's Fee earned to date (based on a percentage of the Cost of the Work incurred to date bears to the GMAX);

v. Subtract the retainage amount, if any;

vi. Subtract the total of all previous payments made to Subcontractor; and

vii. Subtract amounts for (i) erroneous or unsubstantiated costs identified from early applications for payment, or (ii) other previous payments or portions of payments that should not have been made under the terms of this Agreement.

5. Accounting Records: Subcontractor shall keep complete and detailed records and documentation to account for all Costs of the Work. Subcontractor's accounting and control systems shall be to Contractor's satisfaction. Contractor and Contractor's accountants may, at any time, inspect or audit the Subcontractor's records and documentation, books, correspondence, instructions, drawings, receipts, subcontracts, purchase orders, vouchers, memoranda and other data relating to Subcontractor's Work. Subcontractor shall keep all of the foregoing and make same available for inspection at no cost to Contractor for a period of three (3) years after final payment or such other longer period as is required by law.

# SCHEDULE "E"
# NOTICE OF COMPLETION OR AFFIDAVIT OF COMPLETION

[If applicable, please refer to state specific addenda for document which is incorporated herein by reference.]

# SCHEDULE "F"
# INSURANCE REQUIREMENTS

*[Retrieve the appropriate Schedule "F" - Insurance Requirements from the "Legal > Risk Management" tab on the Lennar Portal, or contact Risk Management directly*

LENNAR

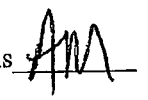
ADDENDUM TO CONTRACTOR BASE AGREEMENT

# SAFETY SURVEY GUIDELINES FOR CONTRACTORS

THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| **PERSONAL PROTECTIVE EQUIPMENT** | |
| HARD HAT | ♦ SHALL BE WORN ON ALL CONSTRUCTION SITES (CURB TO CURB) |
| EYE PROTECTION | ♦ IS REQUIRED WHENEVER THERE ARE FLYING PARTICLES THAT COULD STRIKE THE EYES. SUCH AS PNEUMATIC TOOLS, SAWING, JACK HAMMERING, DRILLING, SANDING, ETC. |
| PROPER FOOTWEAR/CLOTHING | ♦ APPROPRIATE FOR THE JOB BEING DONE SUCH AS CARPENTERS WEARING A SHOE WITH A SOLE THAT WILL RESIST NAIL PENETRATION AND WEARING GLOVES, LONG SLEEVES SHIRTS AND LONG PANTS WHEN APPROPRIATE |
| DUST, MISTS, PAINT, FIBROUS MATERIALS | ♦ DUST MASKS OR APPROPRIATE RESPIRATORY EQUIPMENT WILL BE USED |
| **EXTERIOR FALL PROTECTION IN USE** | |
| ROOFS | ♦ A SLIDE GUARD SHALL BE USED ON ROOFS WITH A PITCH UP TO 8:12 AND EAVE IS 25 FEET OR LESS. OVER 9:12 PITCH CONVENTIONAL FALL PROTECTION SHALL BE USED. |
| LANDINGS | ♦ IF THE LANDING IS OVER 6 FEET ABOVE THE ADJACENT SURFACE THERE MUST BE A STANDARD GUARDRAIL |
| DECKS | ♦ IF THE DECK IS 3 FEET OR OVER ABOVE THE ADJACENT SURFACE THERE MUST BE A STANDARD GUARDRIAL |
| STEPS | ♦ NO POINT OF ACCESS CAN HAVE A STEP GREATER THAN 19 INCHES |
| OPEN SIDED PLATFORMS | ♦ IF THERE ARE 4 OR MORE RISERS OR 30 INCHES OF RISE, (WHICH EVER IS LESS) THEN THERE MUST BE A HANDRAIL<br>♦ ALL PLATFORMS 3 FEET OR MORE ABOVE THE ADJACENT SURFACE MUST BE GUARDED WITH A STANDARD GUARDRAIL |
| SCAFFOLDING | ♦ SET UP ON FIRM SOLID GROUND<br>♦ NO BRICKS, BLOCKS OR SCRAP LUMBER USED TO LEVEL THE SCAFFOLD, ONLY USE PROPER LEVELING APPARATUS<br>♦ SCAFFOLDING OVER 10 FEET HIGH MUST HAVE GUARDRAIL,MID-RAIL AND TOE BOARD ON ALL OPEN SIDES. |



Subcontractors Initials 

LENNAR

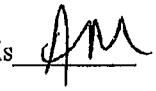
ADDENDUM TO CONTRACTOR BASE AGREEMENT

# SAFETY SURVEY GUIDELINES FOR CONTRACTORS

THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| INTERIOR FALL PROTECTION IN USE | |
| HAND RAILS | ♦ STAIRS WITH MORE THAN 3 RISERS MUST BE EQUIPPED WITH A HANDRAIL LOCATED BETWEEN 30" AND 37" ABOVE THE STAIR TREAD IN-LINE WITH THE RISER<br>♦ HANDRAIL MUST BE CONTINUOUS AND BE LOCATED A MINIMUM OF 3" OUT FROM THE WALL STAIR RAILS |
| STAIR RAILS | ♦ ANY STAIRS WITH AN OPEN SIDE OF 4 OR MORE RISERS MUST BE EQUIPPED WITH A STAIR RAIL ON THE OPEN SIDE<br>♦ STAIR RAIL SHALL BE NOT LESS THAN 36" FROM THE TOP OF THE STAIR RAIL TO THE SURFACE OF THE TREND, IN LINE WITH THE FACE OF THE RISER AT THE FORWARD EDGE OF THE TREAD |
| OPEN SIDED PLATFORMS | ♦ ALL PLATFORMS 6 FEET OR MORE ABOVE THE ADJACENT SURFACE MUST BE GUARDED OR COVERED. |
| FLOOR OPENING | ♦ ANY OPENING IN THE FLOOR GREATER THEN 12"x12" MUST BE PROPERLY GUARDED OR COVERED |
| WALL OPENINGS | ♦ ANY OPENING IN THE WALL THAT IS GREATER THAN 18"x30" IS CONSIDERED TO BE A "WALL OPENING" AND MUST BE GUARDED IF THERE IS GREATER THAN A 4-FOOT FALL TO THE ADJACENT SURFACE |
| WINDOWS | ♦ WHEN THE WINDOW HAS NOT BEEN INSTALLED AND THE DISTANCE FROM THE WINDOW SILL TO THE GROUND IS GREATER THAN 4 FEET, THE WINDOW MUST BE GUARDED AS FOLLOWS:<br>o IF THE SILL HEIGHT IS BETWEEN 12" AND 39" ABOVE THE FLOOR THERE MUST BE A STANDARD GUARDRAIL LOCATED AT 42" HIGH<br>o IF THE SILL HEIGHT IS BETWEEN 4" AND 12" ABOVE THE FLOOR THERE MUST BE A STANDARD GUARDRAIL AT 42" AND A MID-RAIL HALFWAY BETWEEN THE SILL AND THE GUARDRAIL<br>o IF THE SILL HEIGHT IS LESS THEN 4" ABOVE THE FLOOR THERE MUST BE A STANDARD GUARDRAIL, MID-RAIL AND A 4" TOE BOARD |
| SCAFFOLDING | ♦ SET UP ON FIRM SOLID GROUND<br>♦ NO BRICKS, BLOCKS OR SCRAP LUMBER USED TO LEVEL THE SCAFFOLD, ONLY USE PROPER LEVELING APPARATUS |



Subcontractors Initials 

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ADDENDUM TO CONTRACTOR BASE AGREEMENT

# SAFETY SURVEY GUIDELINES FOR CONTRACTORS

THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| | ♦ SCAFFOLDING OVER 10 FEET HIGH MUST HAVE GUARDRAIL, MID-RAIL, AND TOE BOARD ON ALL OPEN SIDES. |
| LADDERS | |
| GOOD CONDITION | ♦ NO JOB BUILT LADDERS |
| | ♦ NO BROKEN SIDE RAILS OR STEPS |
| | ♦ NO HOMEMADE REPAIR |
| | ♦ ALL BRACES INSTALLED BY THE MANUFACTURER ARE IN PLACE AND UNDAMAGED. |
| PROPER USE | ♦ USED ACCORDING TO MANUFACTURERS SAFE USE INSTRUCTIONS. EXAMPLE: STEPLADDERS MUST BE OPENED AND RESTING ON ALL 4 FEET |
| | ♦ EXTENSION LADDERS MUST EXTEND A MINIMUM OF 3' PAST THE WORKING PLATFORM |
| TRENCHING & EXCAVATION | |
| PROTECTIVE SYSTEM | ♦ IF THE EXCAVATION IS 5-FEET OR DEEPER THEN A PROTECTIVE SYSTEM MUST BE USED, PROTECTIVE SYSTEM INCLUDE:<br>o SLOPING<br>o SHORING<br>o BENCHING |
| | ♦ THE PROTECTIVE SYSTEM ALLOWED WILL DEPEND ON THE SOIL CLASSIFICATION (TYPE A, B OR C SOIL) |
| PERIMETER GUARDING | ♦ IF THE EXCAVATION, TRENCH, OR POOL COULD POSE A FALL HAZARD TO WORKERS ON THE JOB, OR THE GENERAL PUBLIC THERE NEEDS TO BE A BARRIER IN PLACE THAT WILL RESTRICT ACCESS ON THE SITE |
| POWER TOOLS | |
| CONDITION | ♦ NO BROKEN HANDLES, SWITCHES OR CASINGS |
| GUARDS | ♦ ALL GUARDS MUST BE IN OPERATIONAL CONDITION AND FUNCTIONING |
| CORDS | ♦ NO BREAKS IN THE INSULATION<br>♦ BE OF THE SIZE AND TYPE SPECIFIED BY THE MANUFACTURE |



Subcontractors Initials 

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ADDENDUM TO CONTRACTOR BASE AGREEMENT

# SAFETY SURVEY GUIDELINES FOR CONTRACTORS

THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| EXTENSION CORDS | |
| CONDITION | ♦ NO BREAKS IN THE INSULATION |
| | ♦ NO SPLICES IN THE CORD |
| | ♦ NO SPLICES IN THE CORD |
| PROPER GROUND | ♦ EQUIPPED WITH GROUND PRONGS |
| GFI PROTECTED | ♦ ALL EXTENSION CORDS MUST BE PROVIDED WITH A GFCI AS CLOSE TO THE POWER SOURCE AS POSSIBLE, OR BE COVERED BY WRITTEN "ASSURED EQUIPMENT GROUNDING" PROGRAM |
| | ♦ MUST HAVE STRAIN RELIEF; ALL CORDS MUST BE PROPERLY TIED OFF TO TEMPORARY POLE OR GENERATOR TO PREVENT PARTIAL DISCONNECTION |
| TANKS | |
| STORED & SECURED | ♦ ALL TANKS MUST BE:<br>o STORED ON A FIRM LEVEL SURFACE<br>o SECURED FROM FALLING OVER<br>o AREA DESIGNATED "NO SMOKING" WITHIN 100 FEET<br>o IN AN AREA THAT PROTECTS THEM FROM BEING STRUCK BY EQUIPMENT AND VEHICLES<br>o IF THERE IS OVER 500 POUNDS IN TOTAL QUANTITY THE STORAGE AREA, CAN NOT BE WITHIN 25 FEET OF ANY BUILDING OR STRUCTURE |
| OUT OF THE HOMES | ♦ NO LP TANKS ARE TO BE STORED IN A HOME |
| GROUND FAULT PROTECTION | |
| GFCI TEMP. POLES | ♦ ALL TEMPORARY POWER POLES MUST PROVIDE GFCI PROTECTION<br>♦ GFCI BREAKERS MUST BE CHECKED BEFORE USING TO INSURE THEY ARE WORKING |



Subcontractors Initials AM

LENNAR

ADDENDUM TO CONTRACTOR BASE AGREEMENT

# SAFETY SURVEY GUIDELINES FOR CONTRACTORS

THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| GENERATOR GFCI PROTECTED | ♦ IF THE GENERATOR IS OVER 5 KW IT MUST BE GROUNDED |
| | ♦ ALL TEMPORARY POWER MUST BE EQUIPPED WITH GFCI PROTECTION |
| GENERATORS, COMPRESSORS AND MIXERS | |
| CONDITIONS | ♦ MUST BE IN GOOD WORKING ORDER |
| GUARDS | ♦ NO BROKEN, MISSING OR MODIFIED COMPONENTS |
| | ♦ ALL MOVING PARTS, ROLLERS BLADED GEARS, PULLEYS, AND PINCH POINTS ARE TO BE GUARDED |
| CORDS & HOSES | ♦ ARE TO BE IN GOOD CONDITION WITH NO BREAKS OR HOMEMADE REPAIRS |
| | ♦ ALL CORDS AND HOSES ARE TO BE OF THE TYPE AND SIZE SPECIFIED BY THE MANUFACTURER |
| HOUSEKEEPING | |
| MATERIAL STORED PROPERLY | ♦ MATERIAL STORED IN A MANNER THAT WOULD NOT POSE A HAZARD<br>♦ DRYWALL, PLYWOOD, OSB AND FLOORING STACKED FLAT |
| | ♦ STACKED IN A MANNER THAT WOULD RESIST FALLING |
| WORK AREAS /PASSAGEWAYS | ♦ CLEARS OF DEBRIS, FORM AND SCRAP LUMBER, LUMBER WITH NAILS |
| COMBUSTIBLES STORAGE | ♦ COMBUSTIBLES AND FLAMMABLES STORED IN AN APPROPRIATE AREA THAT IS IDENTIFIED |
| | ♦ FLAMMABLE AND COMBUSTIBLE LIQUIDS STORED IN AN APPROVED METAL SYSTEM CAN |

Carolina Lee

LENNAR ~~AND US HOME~~ CORPORATION:

BY: _____

Print Name: Sam Sparks

Title: Vice President

SUBCONTRACTOR:

Company Name: A. C + A Concrete Inc

Print Name: Alex Medina

Signature: _____



Subcontractors Initials AM

LENNAR

# Exhibit A/Schedule B
# Model Discount Agreement

1. Upon agreement of this contract a model discount of 10 % on your total invoice will be applicable for each and every model home.

2. Above prices include all taxes, tools, insurance and equipment to either perform labor, deliver materials or both as specified. This discount is above and beyond any Lennar National Program discount on manufacturer materials.

3. This supersedes all previous compensation agreements prior to this on the Exhibit A / Schedule B.

4. Upon signing, this agreement will remain in effect for the duration of this Trade Partners Exhibit A / Schedule B contract agreement.

| | |
|---|---|
| Trade Partner Signature | Alex Medina<br>Print Name |
| A.C. + A Concrete Inc<br>Trade Partner Business Name | 2-25-2013<br>Date Signed |
| Lennar Inc. Representative | 02/26/13<br>Date Signed |

AM

## SCHEDULE "E"
## NOTICE OF COMPLETION OR AFFIDAVIT OF COMPLETION

[If applicable, please refer to state specific addenda for document which is incorporated herein by reference.]

# SCHEDULE "F"
# INSURANCE REQUIREMENTS

*[Retrieve the appropriate Schedule "F" - Insurance Requirements from the "Legal > Risk Management" tab on the Lennar Portal, or contact Risk Management directly*

LENNAR

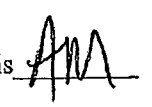
ADDENDUM TO CONTRACTOR BASE AGREEMENT

# SAFETY SURVEY GUIDELINES FOR CONTRACTORS

THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| **PERSONAL PROTECTIVE EQUIPMENT** | |
| HARD HAT | ♦ SHALL BE WORN ON ALL CONSTRUCTION SITES (CURB TO CURB) |
| EYE PROTECTION | ♦ IS REQUIRED WHENEVER THERE ARE FLYING PARTICLES THAT COULD STRIKE THE EYES. SUCH AS PNEUMATIC TOOLS, SAWING, JACK HAMMERING, DRILLING, SANDING, ETC. |
| PROPER FOOTWEAR/CLOTHING | ♦ APPROPRIATE FOR THE JOB BEING DONE SUCH AS CARPENTERS WEARING A SHOE WITH A SOLE THAT WILL RESIST NAIL PENETRATION AND WEARING GLOVES, LONG SLEEVES SHIRTS AND LONG PANTS WHEN APPROPRIATE |
| DUST, MISTS, PAINT, FIBROUS MATERIALS | ♦ DUST MASKS OR APPROPRIATE RESPIRATORY EQUIPMENT WILL BE USED |
| **EXTERIOR FALL PROTECTION IN USE** | |
| ROOFS | ♦ A SLIDE GUARD SHALL BE USED ON ROOFS WITH A PITCH UP TO 8:12 AND EAVE IS 25 FEET OR LESS. OVER 9:12 PITCH CONVENTIONAL FALL PROTECTION SHALL BE USED. |
| LANDINGS | ♦ IF THE LANDING IS OVER 6 FEET ABOVE THE ADJACENT SURFACE THERE MUST BE A STANDARD GUARDRAIL |
| DECKS | ♦ IF THE DECK IS 3 FEET OR OVER ABOVE THE ADJACENT SURFACE THERE MUST BE A STANDARD GUARDRIAL |
| STEPS | ♦ NO POINT OF ACCESS CAN HAVE A STEP GREATER THAN 19 INCHES |
| OPEN SIDED PLATFORMS | ♦ IF THERE ARE 4 OR MORE RISERS OR 30 INCHES OF RISE, (WHICH EVER IS LESS) THEN THERE MUST BE A HANDRAIL<br>♦ ALL PLATFORMS 3 FEET OR MORE ABOVE THE ADJACENT SURFACE MUST BE GUARDED WITH A STANDARD GUARDRAIL |
| SCAFFOLDING | ♦ SET UP ON FIRM SOLID GROUND<br>♦ NO BRICKS, BLOCKS OR SCRAP LUMBER USED TO LEVEL THE SCAFFOLD, ONLY USE PROPER LEVELING APPARATUS<br>♦ SCAFFOLDING OVER 10 FEET HIGH MUST HAVE GUARDRAIL,MID-RAIL AND TOE BOARD ON ALL OPEN SIDES. |



Subcontractors Initials 

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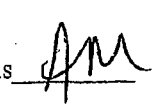
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| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| INTERIOR FALL PROTECTION IN USE | |
| HAND RAILS | ♦ STAIRS WITH MORE THAN 3 RISERS MUST BE EQUIPPED WITH A HANDRAIL LOCATED BETWEEN 30" AND 37" ABOVE THE STAIR TREAD IN-LINE WITH THE RISER<br>♦ HANDRAIL MUST BE CONTINUOUS AND BE LOCATED A MINIMUM OF 3" OUT FROM THE WALL STAIR RAILS |
| STAIR RAILS | ♦ ANY STAIRS WITH AN OPEN SIDE OF 4 OR MORE RISERS MUST BE EQUIPPED WITH A STAIR RAIL ON THE OPEN SIDE<br>♦ STAIR RAIL SHALL BE NOT LESS THAN 36" FROM THE TOP OF THE STAIR RAIL TO THE SURFACE OF THE TREND, IN LINE WITH THE FACE OF THE RISER AT THE FORWARD EDGE OF THE TREAD |
| OPEN SIDED PLATFORMS | ♦ ALL PLATFORMS 6 FEET OR MORE ABOVE THE ADJACENT SURFACE MUST BE GUARDED OR COVERED. |
| FLOOR OPENING | ♦ ANY OPENING IN THE FLOOR GREATER THEN 12"x12" MUST BE PROPERLY GUARDED OR COVERED |
| WALL OPENINGS | ♦ ANY OPENING IN THE WALL THAT IS GREATER THAN 18"x30" IS CONSIDERED TO BE A "WALL OPENING" AND MUST BE GUARDED IF THERE IS GREATER THAN A 4-FOOT FALL TO THE ADJACENT SURFACE |
| WINDOWS | ♦ WHEN THE WINDOW HAS NOT BEEN INSTALLED AND THE DISTANCE FROM THE WINDOW SILL TO THE GROUND IS GREATER THAN 4 FEET, THE WINDOW MUST BE GUARDED AS FOLLOWS:<br>o IF THE SILL HEIGHT IS BETWEEN 12" AND 39" ABOVE THE FLOOR THERE MUST BE A STANDARD GUARDRAIL LOCATED AT 42" HIGH<br>o IF THE SILL HEIGHT IS BETWEEN 4" AND 12" ABOVE THE FLOOR THERE MUST BE A STANDARD GUARDRAIL AT 42" AND A MID-RAIL HALFWAY BETWEEN THE SILL AND THE GUARDRAIL<br>o IF THE SILL HEIGHT IS LESS THEN 4" ABOVE THE FLOOR THERE MUST BE A STANDARD GUARDRAIL, MID-RAIL AND A 4" TOE BOARD |
| SCAFFOLDING | ♦ SET UP ON FIRM SOLID GROUND<br>♦ NO BRICKS, BLOCKS OR SCRAP LUMBER USED TO LEVEL THE SCAFFOLD, ONLY USE PROPER LEVELING APPARATUS |



Subcontractors Initials 

LENNAR

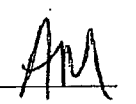
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THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| | ♦ SCAFFOLDING OVER 10 FEET HIGH MUST HAVE GUARDRAIL, MID-RAIL, AND TOE BOARD ON ALL OPEN SIDES. |
| LADDERS | |
| GOOD CONDITION | ♦ NO JOB BUILT LADDERS |
| | ♦ NO BROKEN SIDE RAILS OR STEPS |
| | ♦ NO HOMEMADE REPAIR |
| | ♦ ALL BRACES INSTALLED BY THE MANUFACTURER ARE IN PLACE AND UNDAMAGED. |
| PROPER USE | ♦ USED ACCORDING TO MANUFACTURERS SAFE USE INSTRUCTIONS. EXAMPLE: STEPLADDERS MUST BE OPENED AND RESTING ON ALL 4 FEET |
| | ♦ EXTENSION LADDERS MUST EXTEND A MINIMUM OF 3' PAST THE WORKING PLATFORM |
| TRENCHING & EXCAVATION | |
| PROTECTIVE SYSTEM | ♦ IF THE EXCAVATION IS 5-FEET OR DEEPER THEN A PROTECTIVE SYSTEM MUST BE USED, PROTECTIVE SYSTEM INCLUDE:<br>o SLOPING<br>o SHORING<br>o BENCHING |
| | ♦ THE PROTECTIVE SYSTEM ALLOWED WILL DEPEND ON THE SOIL CLASSIFICATION (TYPE A, B OR C SOIL) |
| PERIMETER GUARDING | ♦ IF THE EXCAVATION, TRENCH, OR POOL COULD POSE A FALL HAZARD TO WORKERS ON THE JOB, OR THE GENERAL PUBLIC THERE NEEDS TO BE A BARRIER IN PLACE THAT WILL RESTRICT ACCESS ON THE SITE |
| POWER TOOLS | |
| CONDITION | ♦ NO BROKEN HANDLES, SWITCHES OR CASINGS |
| GUARDS | ♦ ALL GUARDS MUST BE IN OPERATIONAL CONDITION AND FUNCTIONING |
| CORDS | ♦ NO BREAKS IN THE INSULATION<br>♦ BE OF THE SIZE AND TYPE SPECIFIED BY THE MANUFACTURE |



Subcontractors Initials 

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ADDENDUM TO CONTRACTOR BASE AGREEMENT

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| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| EXTENSION CORDS | |
| CONDITION | ♦ NO BREAKS IN THE INSULATION |
| | ♦ NO SPLICES IN THE CORD |
| | ♦ NO SPLICES IN THE CORD |
| PROPER GROUND | ♦ EQUIPPED WITH GROUND PRONGS |
| GFI PROTECTED | ♦ ALL EXTENSION CORDS MUST BE PROVIDED WITH A GFCI AS CLOSE TO THE POWER SOURCE AS POSSIBLE, OR BE COVERED BY WRITTEN "ASSURED EQUIPMENT GROUNDING" PROGRAM |
| | ♦ MUST HAVE STRAIN RELIEF; ALL CORDS MUST BE PROPERLY TIED OFF TO TEMPORARY POLE OR GENERATOR TO PREVENT PARTIAL DISCONNECTION |
| TANKS | |
| STORED & SECURED | ♦ ALL TANKS MUST BE:<br>o STORED ON A FIRM LEVEL SURFACE<br>o SECURED FROM FALLING OVER<br>o AREA DESIGNATED "NO SMOKING" WITHIN 100 FEET<br>o IN AN AREA THAT PROTECTS THEM FROM BEING STRUCK BY EQUIPMENT AND VEHICLES<br>o IF THERE IS OVER 500 POUNDS IN TOTAL QUANTITY THE STORAGE AREA, CAN NOT BE WITHIN 25 FEET OF ANY BUILDING OR STRUCTURE |
| OUT OF THE HOMES | ♦ NO LP TANKS ARE TO BE STORED IN A HOME |
| GROUND FAULT PROTECTION | |
| GFCI TEMP. POLES | ♦ ALL TEMPORARY POWER POLES MUST PROVIDE GFCI PROTECTION<br>♦ GFCI BREAKERS MUST BE CHECKED BEFORE USING TO INSURE THEY ARE WORKING |



Subcontractors Initials AM

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ADDENDUM TO CONTRACTOR BASE AGREEMENT

# SAFETY SURVEY GUIDELINES FOR CONTRACTORS

THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| GENERATOR GFCI PROTECTED | ♦ IF THE GENERATOR IS OVER 5 KW IT MUST BE GROUNDED |
| | ♦ ALL TEMPORARY POWER MUST BE EQUIPPED WITH GFCI PROTECTION |
| GENERATORS, COMPRESSORS AND MIXERS | |
| CONDITIONS | ♦ MUST BE IN GOOD WORKING ORDER |
| GUARDS | ♦ NO BROKEN, MISSING OR MODIFIED COMPONENTS |
| | ♦ ALL MOVING PARTS, ROLLERS BLADED GEARS, PULLEYS, AND PINCH POINTS ARE TO BE GUARDED |
| CORDS & HOSES | ♦ ARE TO BE IN GOOD CONDITION WITH NO BREAKS OR HOMEMADE REPAIRS |
| | ♦ ALL CORDS AND HOSES ARE TO BE OF THE TYPE AND SIZE SPECIFIED BY THE MANUFACTURER |
| HOUSEKEEPING | |
| MATERIAL STORED PROPERLY | ♦ MATERIAL STORED IN A MANNER THAT WOULD NOT POSE A HAZARD<br>♦ DRYWALL, PLYWOOD, OSB AND FLOORING STACKED FLAT |
| | ♦ STACKED IN A MANNER THAT WOULD RESIST FALLING |
| WORK AREAS /PASSAGEWAYS | ♦ CLEARS OF DEBRIS, FORM AND SCRAP LUMBER, LUMBER WITH NAILS |
| COMBUSTIBLES STORAGE | ♦ COMBUSTIBLES AND FLAMMABLES STORED IN AN APPROPRIATE AREA THAT IS IDENTIFIED |
| | ♦ FLAMMABLE AND COMBUSTIBLE LIQUIDS STORED IN AN APPROVED METAL SYSTEM CAN |

Carolina Lee

LENNAR ~~AND US HOME CORPORATION~~:

BY: _____

Print Name: Sam Sparks

Title: Vice President

SUBCONTRACTOR:

Company Name: A. C. + A Concrete Inc

Print Name: Alex Medina

Signature: _____



Subcontractors Initials AM

LENNAR

# Exhibit A/Schedule B
# Model Discount Agreement

1. Upon agreement of this contract a model discount of 10 % on your total invoice will be applicable for each and every model home.

2. Above prices include all taxes, tools, insurance and equipment to either perform labor, deliver materials or both as specified. This discount is above and beyond any Lennar National Program discount on manufacturer materials.

3. This supersedes all previous compensation agreements prior to this on the Exhibit A / Schedule B.

4. Upon signing, this agreement will remain in effect for the duration of this Trade Partners Exhibit A / Schedule B contract agreement.

| | |
|---|---|
| Trade Partner Signature | Alex Medina<br>Print Name |
| A. C. + A Concrete Inc<br>Trade Partner Business Name | 2-25-2013<br>Date Signed |
| Lennar Inc. Representative | 02/26/13<br>Date Signed |

# EXHIBIT 31

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

**LENNAR** [EAST & CENTRAL REGION HOMEBUILDING]

# MASTER TRADE PARTNER AGREEMENT

## (Labor and Supply)

CONTRACTOR'S STATE LICENSE No: 728102

DIVISION OFFICE: _____-Regional Operations Center
CONTRACT: _____

THIS MASTER TRADE PARTNER AGREEMENT (hereinafter referred to as the "Agreement"), is made and entered into at **Charleston, South Carolina**, on **August 7, 2015** by and between **Lennar Carolinas, LLC** whose address is **1941 Savage Road Suite 100-C Charleston, South Carolina 29407** ("Lennar") and **Alpha Omega Construction Group, Inc.**, a **Corporation**, whose address is **PO Box 3196 Matthews North Carolina 28106,** telephone number **704-821-6510** ("Subcontractor").

1. SCOPE OF WORK/PRICING: Subcontractor shall provide labor, equipment and/or other services, along with the goods, products and materials (the "Goods") in such location(s) and under such terms and conditions as Lennar shall deem necessary (such Goods, along with all services, labor and equipment, constituting the "Work") as described in one or more purchase orders (each hereinafter referred to as "Purchase Order" or a "PO") received by Subcontractor (electronically through Supplypro® or otherwise), upon receipt and acknowledgement by Subcontractor of a notice (through Supplypro® or otherwise) from Lennar that such Work has been scheduled (a "Scheduling Notice"). Subcontractor agrees, and all Work shall be accomplished pursuant to the Price Schedule set forth in Schedule "A" attached hereto and incorporated herein by reference, and any supplemental Price Schedule issued by Lennar to Subcontractor pursuant hereto, when completed and executed by Subcontractor and countersigned by Lennar. Each PO, when issued to the Subcontractor, unless Subcontractor within five (5) days after receipt rejects such PO, shall govern the Work set forth therein. Upon Lennar's issuance of a Scheduling Notice, and Subcontractor's acknowledgement thereof, the PO and Scheduling Notice shall become part of the Agreement. The location(s) ("Job Site" or "Project Site") and scope of the Work to be performed, shall be more fully described in the PO. Without limiting the generality of the foregoing, Subcontractor shall give at least sixty (60) days' notice to Lennar of any proposed increases to the unit pricing set forth in the then-effective Price Schedule, and no proposed increases shall be effective unless and until Lennar has executed a supplemental Price Schedule with respect to such increases.

1.1 SUB-SUBCONTRACTOR: Unless otherwise provided, the term "Sub-subcontractor" shall include all persons or entities of all tiers, whether contracting directly with Subcontractor, or any person acting by, through or under Subcontractor, that are providing labor, materials equipment, supplies and/or supervision to satisfy the requirements of Subcontractor's Work and shall include suppliers providing any materials that are incorporated into the Work. Subcontractor shall keep its Sub-subcontractors informed of and cause its Sub-subcontractors to comply to the extent applicable, with this Agreement.

2. PERFORMANCE.

2.1 PERFORMANCE OF THE WORK. Subcontractor shall furnish all labor, equipment, supervision and all other things necessary to timely and properly perform the Work in accordance with the scope of work executed by Subcontractor and attached hereto as Schedule "C" (the "Scope of Work") (or such portions of such Scope of Work as are applicable to the Work covered by a PO) in accordance with the provisions of Section 15

hereof and in strict accordance with the provisions of this Agreement and Lennar's schedule set forth in the applicable PO and Scheduling Notice (the "Work Schedule"). Subcontractor guarantees the availability of all labor, equipment and Goods necessary to complete the Work in strict accordance with the Work Schedule. Subcontractor shall be solely responsible to pay for all labor, salaries, materials, tools, equipment, supplies, state, federal, local and all other applicable sales, use, income or other taxes of any type or nature, license fees, including intellectual property licenses, transportation, storage facilities, offices, telephones, other overhead, shop drawings, supervision, temporary or permanent facilities and all other things necessary for the full and complete performance of the Work covered by this Agreement and the PO(s). Subcontractor shall secure and pay for all permits and governmental fees, licenses and inspections, to the extent necessary, for the proper execution and completion of Subcontractor's Work. No substitutions or modifications shall be allowed in the performance of the Work unless expressly approved by Lennar in writing.

2.2 PERFORMANCE AS TO GOODS. Subcontractor shall furnish all Goods set forth in each Purchase Order free from defects in workmanship or materials, acceptable to Lennar, and in strict accordance with (i) the plans and specifications, (ii) any applicable manufacturer's specifications, recommendations or requirements, (iii) applicable industry standards, codes, or other rules, laws or regulations, including without limitation patent and other intellectual property laws, and (iv) the requirements of Lennar's overall schedule. Subcontractor shall be solely responsible to pay for all labor, salaries, materials, tools, equipment, supplies, state, federal, local and all other applicable use, income or other taxes of any type or nature, transportation, storage facilities, offices, telephones, other overhead, shop drawings, supervision, temporary or permanent facilities and all other things necessary for the full and complete delivery of the Goods. Lennar shall be responsible for any state sales taxes. Subcontractor shall pay all other state, federal and local taxes and delivery charges in connection with all Purchase Orders, which will be included in the price payable under each applicable Purchase Order. Any increases in taxes, other than state sales taxes, or delivery charges, shall be Subcontractor's responsibility for the term of this Agreement. No substitutions shall be allowed in place of the Goods unless expressly approved by Lennar in writing.

3. DEFECTIVE WORK AND GOODS; REPAIR AND REPLACEMENT OF DEFECTIVE GOODS. Subcontractor is responsible, at its sole cost, for promptly replacing any defective Goods, and repairing or replacing any Work not in compliance with this Agreement, noted by Lennar, any third-party inspectors, or a homebuyer, including the cost of uncovering or removing any Work and/or replacing any Work. The failure of Lennar, a third-party inspector, or a homebuyer to identify any defects in the Goods or Work during any inspection shall not relieve Subcontractor of its responsibility to perform the Work and furnish the Goods in accordance with the requirements of this Agreement. Subcontractor shall correct all items noted as needing correction, including any items noted during homebuyer's orientation before the earlier of (i) close of homebuyer's escrow, or (ii) forty-eight (48) hours of receipt of Lennar's notice.

4. PROGRESS. Subcontractor shall comply with the deadlines and schedules established in each Purchase Order or otherwise instructed by Lennar, and shall prosecute the Work with diligence and with adequate labor and equipment to satisfy Subcontractor's progress requirements and so as to not delay the work of other subcontractors. Subcontractor shall cooperate and coordinate its Work with all other subcontractors so as to avoid any delay or interferences. Subcontractor acknowledges that Lennar utilizes the Supply Pro® scheduling system for issuing PO's and scheduling Work for each homesite and Subcontractor agrees (i) to subscribe to and utilize the Supply Pro® scheduling system to receive and respond to Purchase Orders, delivery and work schedules, notices and changes, and other modifications to the Work and (ii) to utilize Supply Pro® to notify Lennar of (a) Subcontractor's completion of assigned Work and to initiate requests for payment for the Work and (b) to notify Lennar of the delivery of the Goods and to initiate requests for the payment for the Goods delivered. All costs of subscribing to, utilizing, and maintaining

Supply Pro® for the Subcontractor shall be borne by Subcontractor. Subcontractor acknowledges that timely submission of requests for payment is a critical aspect of payment under the terms of this Agreement and is a material consideration on Lennar's part in entering into this Agreement. As requests for payment submitted more than one hundred twenty (120) days after performance of the Work or delivery of the Goods covered by a Purchase Order, as the case may be, would result in additional administrative costs for Lennar and substantial increased project costs, Subcontractor agrees that payment of any and all requests for payment submitted more than one hundred twenty (120) days from the date of performance of the Work or delivery of the Goods covered by a Purchase Order, as the case may be, shall, to the fullest extent permitted by applicable law, be waived. Lennar shall have no obligation to make payment to Subcontractor therefor, and Subcontractor shall have no lien rights for the Work or for the Goods, as the case may be, for which payment is waived under this 120-day provision, to the fullest extent permitted by law. Further, Subcontractor expressly agrees to indemnify and defend Lennar should a lien be filed on any property in connection with such Goods or Work, for which payment was waived under this 120-day provision, to the fullest extent permitted by applicable law.

This provision does not affect Subcontractor's rights, or the rights of any subcontractor providing labor or materials to timely seek full payment; restrict or limit the constitutional or statutory right to file and record liens or stop notices for non-payment; or take all steps reasonably necessary to preserve its lien and bond rights as permitted by law.

Subcontractor shall include notice of this requirement in each contract with its Sub-subcontractors relating to the Work. Unless otherwise provided, the term "Sub-subcontractor" shall include all persons or entities of all tiers, whether contracting directly with Subcontractor, or any person acting by, through or under Subcontractor, that are providing labor, materials, equipment, supplies, and/or supervision to satisfy the requirements of Subcontractor's Work and/or any Purchase Order, and shall include all suppliers providing any materials that are incorporated into the Work and/or Purchase Order. Subcontractor shall keep its Sub-subcontractors informed of the requirements of this Agreement and cause its Sub-subcontractor to comply with the terms hereof.

5. MATERIALS. Unless otherwise specifically stated in this Agreement or any Purchase Order, all Goods are to be shipped F.O.B. Job Site and paid for by Subcontractor.

6. WORK OF OTHERS. Subcontractor shall be responsible for protecting its Work including the Goods and the work of its Sub-subcontractors, and the work of any other subcontractors of Lennar that are impacted by the Work, until final acceptance by Lennar, at which point title to the Work shall vest in Lennar. Such vesting of title shall not commence any warranty periods nor relieve Subcontractor of any liabilities or obligations set forth herein. Subcontractor shall, without limitation, be fully responsible for the protection of all existing structures, materials, equipment, curbs, landscaping, flora, fauna and adjacent property. Subcontractor shall be responsible for inspecting the work of its Sub-subcontractors and other subcontractors that may affect the Work and shall immediately report to Lennar, in writing, any defects, discrepancies or problems which could adversely affect Subcontractor's Work.

7. LABOR AND SUPERVISION. Subcontractor shall maintain competent and sufficient supervision of employees on the Job Site during all times that Subcontractor is performing its Work. Subcontractor's superintendent shall be (i) experienced, fully able to communicate with Lennar, (ii) trained, knowledgeable as to the Work, (iii) shall have full authority to act for and bind Subcontractor, provided, however, that any matters respecting pricing or amendment of a Price Schedule shall require a written and fully executed amendment thereto, (iv) shall be satisfactory to Lennar, and (v) shall not be changed without Lennar's prior written consent. All communications or directions given to the Subcontractor's superintendent shall be binding on Subcontractor. Subcontractor shall enforce strict discipline and good order among its employees and Sub-subcontractors. Subcontractor shall immediately remove and replace any person deemed unfit or unskilled by Lennar. Subcontractor shall (a) maintain a list of all persons performing its Work on the Job Site (including Sub-subcontractors and its employees, as the case may be), (b) produce

such list to Lennar upon request, ~~(c) perform criminal background checks of any person that will perform any portion of its Work (including Sub-subcontractors and its employees, as the case may be), (d) not employ any unfit or unskilled person and (e) not allow any registered sex offender or any person convicted of a felony or a misdemeanor involving theft, larceny, violence, sexual assault or any other crime of moral turpitude to work at the Project Site or Job Site.~~ In performing such background checks, Subcontractor shall comply with all requirements of the Fair Credit Reporting Act and any other applicable laws and regulations.

8. LEGAL COMPLIANCE. Subcontractor and its Sub-subcontractors shall, at all times, comply with all applicable local, state, or federal statutes, ordinances, rules and regulations, and any amendments thereto, as well as those of any other public body having authority concerning the Work, including without limitation, the local and state building codes, FHA Minimum Property requirements, VA building code requirements, the Occupational Safety and Health Act of 1970, 29 U.S.C. §§ 651 et seq., the Immigration Reform and Control Act of 1986 ("IRCA"), the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRAIRA"), the Immigration and Nationality Act ("INA"), all applicable equal employment opportunity laws and requirements promulgated by any governmental authority, including, without limitation, the requirements of Title VII of the 1964 Civil Rights Act, 42 United States Code, Section 1981, Executive Orders 11246, 11375 and 11478, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the Fair Labor Standards Act; all applicable local, state, or federal environmental laws and regulations including, without limitation, the Clean Air Act, 42 USC §§ 7401-7671; the Clean Water Act, 33 USC §§ 1251-1387; the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 USC §§ 9601-9675; the Solid Waste Disposal Act, 42 USC §§ 6901-6992; the Toxic Substances Control Act, 15 USC §§ 2601-2692; and the Endangered Species Act of 1973, 16 USC §§ 1531-544.

8.1 IMMIGRATION. With respect to its obligations herein or in any PO or Scheduling Notice, Subcontractor specifically warrants and agrees it (i) shall not knowingly hire or continue to employ aliens not authorized to work in the United States, (ii) has and shall continue to verify the employment documentation specified in the Immigration Act, and (iii) has and shall properly complete and retain the U.S. Citizenship and Immigration Services' Form I-9 for all its employees covered by the Immigration Act.

8.2 TITLE, PATENT AND COPYRIGHTS. For any Goods or Work provided by Subcontractor, Subcontractor represents and warrants to and agrees with the Warranty Beneficiaries (as defined in Section 15) that: (a) it is the owner, or license holder of the Goods free and clear of any lien, security interest, mortgage, charge, pledge, assignment, equity claim, right of pre-emption, option, covenant, restriction, reservation, decree, order, trust, judgment, title defect, conflicting claim of ownership, or other encumbrance of any nature whatever; (b) it has the legal right and authority to convey or sell any portion of or all of the Goods; (c) neither the Goods nor the manufacture, sale, installation or other use thereof, nor the Work, violates or infringes any trademark, copyright, patent, confidentiality, other intellectual property right (collectively "IP Rights") of any third party; (d) the Warranty Beneficiaries will have the legal right to use the Goods and the Work for the purposes intended without restriction or limitation; and (e) if Subcontractor learns that the Goods, or the Work, or any portion thereof, are in violation of any IP Rights of any third party then Subcontractor will immediately notify Lennar in writing and immediately either (i) take such action as is necessary to modify the Goods or the Work to cure any violation including assuming all liability for all royalties, licenses, patent fees, and any other losses, costs, expenses, damages or other charges made in connection with the Goods and the purchase and use thereof, but without reducing the utility of such Goods or Work to any Warranty Beneficiary or (ii) replace such Goods or Work (including the costs of removal or installation), at Subcontractor's sole expense, with comparable Goods or Work which are not in violation of any IP Rights of any third party.

8.3 ENVIRONMENTAL. Lennar has developed the Lennar Environmental Management System ("LEMS") as a company-wide environmental management system to provide guidance to Lennar's employees, Subcontractors and Sub-subcontractors on how to comply with applicable environmental requirements at Lennar's job sites. By signing this Agreement, Subcontractor acknowledges that it has the knowledge of and is responsible for understanding and complying with the specific environmental requirements applicable to the Goods and to the Work at the Job Site as well as ensuring that the delivery of the Goods or the Work, as the case may be, does not interfere with efforts by Lennar's employees or other Subcontractors and/or Sub-subcontractors to comply with environmental requirements. If requested by Lennar, Subcontractor's superintendent will attend a pre-construction meeting where Lennar will further explain the LEMS and the environmental requirements applicable to the Job Site; however Subcontractor remains independently responsible for understanding and complying with all applicable environmental requirements regardless of whether a pre-construction meeting is held.

Prior to delivery of the Goods or to the initiation of the Work at each Job Site, as the case may be, Subcontractor will (i) inspect the Job Site, (ii) observe the environmental conditions of the Job Site, (iii) review Lennar's environmental plans and specifications, including Lennar's Stormwater Pollution Prevention Plan or equivalent ("SWPPP"), wetlands or endangered species limitations, (iv) applicable Water Quality Requirements (as defined in Section 8.3.3), copies of which will be available at the Job Site or will be made available upon Subcontractor's request, (v) Dust Control Requirements (as defined in Section 8.3.4), copies of which will be available at the Job Site or will be made available upon Subcontractor's request, and (vi) any Spill Prevention and Control Countermeasure Plan, or its equivalent, if applicable. If, during the term of this Agreement, Subcontractor discovers a previously unidentified environmental condition, Subcontractor shall immediately notify Lennar and shall not proceed with any Work or the delivery of the Goods that would disturb such environmental condition without Lennar's approval.

8.3.1 BEST MANAGEMENT PRACTICES. Subcontractor shall take care not to damage any Best Management Practices ("BMPs") or Control Measures, as defined below, by the delivery of the Goods or the perform of Work, and in the event Subcontractor causes such damage it shall immediately report such damage to Lennar and take appropriate measures to remedy such damage. Without limiting any of its other rights or remedies provided elsewhere in this Agreement (including its right to defense and indemnification by Subcontractor), Lennar may offset from any payments due Subcontractor, or otherwise recoverable from Subcontractor: (i) the costs to repair or replace any BMPs or Control Measures damaged by Subcontractor; and (ii) the costs of all fines, fees, expenses and other penalties sought against or incurred by Lennar due to, in whole or in part, (a) Subcontractor's violation of the obligations herein, (b) Subcontractor's violation of the Water Quality Requirements or Air Quality Requirements, as defined below, including violations arising from damage to BMPs or Control Measures caused by Subcontractor, (c) Subcontractor's interference with the implementation of the Water Quality and Dust Control Requirements by Lennar or by any other party responsible for implementing the Water Quality or Dust Control Requirements, (d) spills, releases, or discharges of hazardous, toxic, or other substances caused by Subcontractor, or (e) Subcontractor's failure to comply with the requirements of this Agreement regarding hazardous and toxic substances. Failure to satisfy the obligations in this paragraph shall be deemed a material default of this Agreement, and Lennar may, without prejudice to any other right or remedy, (x) withhold any payments to Subcontractor under this Agreement or otherwise until Subcontractor has remedied its failure, and/or (y) terminate this Agreement, withhold payments otherwise due Subcontractor under this Agreement or otherwise, and retain a separate Subcontractor to complete Subcontractor's obligations at Subcontractor's expense.

8.3.2 HAZARDOUS AND TOXIC SUBSTANCES IN WORK. Prior to commencing the Work at the Job Site, Subcontractor shall identify all hazardous or toxic substances, as those substances are defined in the applicable environmental laws, to be used in performing the Work by Subcontractor. Lennar may hold any payments otherwise due Subcontractor until such documentation is supplied. Subcontractor shall immediately notify Lennar in writing of all hazardous or toxic substances discovered during the performance of the Work or otherwise brought to the Job Site which were omitted from any previous notification(s). Subcontractor shall not allow any hazardous or toxic substances on the Job Site unless (i) necessarily required for the performance of its Work, and (ii) Subcontractor has previously provided Lennar written notice thereof. Subcontractor shall immediately notify Lennar of any spill, release or discharge of any hazardous or toxic substance by itself or any other person. As to any spill, release or discharge of any hazardous or toxic substance which is caused by Subcontractor or any of its employees, agents, Sub-subcontractors, customers, or invitees, Subcontractor shall, at its sole expense, immediately take all reasonable, necessary and legally required actions to (a) prevent the further spread of any spill, release or discharge, and (b) to properly clean up the spill, release or discharge (including without limitation any soil or water contaminated by such spill, release or discharge) in full compliance with all applicable laws and regulations and any directions from Lennar.

8.3.3 WATER QUALITY COMPLIANCE. Subcontractor shall understand and comply, and shall ensure compliance by those acting by, through or under Subcontractor, with all applicable requirements regarding discharges to surface water or groundwater ("Water Quality Requirements") at the Job Site. Water Quality Requirements include, but are not limited to, Lennar's stormwater pollution prevention plans (SWPPPs); stormwater permits, including the state construction general permit or federal construction general permit, whichever is applicable, and local stormwater permits; federal, state, and local stormwater rules, regulations, and ordinances, including requirements imposed by Municipal Separate Storm Sewer System entities; Clean Water Act Section 404 wetlands permits, regulations, and mitigation agreements; and streambed alteration agreements. Subcontractor remains independently responsible for understanding and complying with Water Quality Requirements. If required by the Water Quality Requirements or requested by Lennar, Subcontractor shall sign and/or certify the SWPPP before beginning the Work or delivering the Goods. To the extent applicable to the Work or the Goods, as the case may be, Subcontractor shall fully comply with and implement the SWPPP, including the BMPs described by the SWPPP. Subcontractor will ensure its workforce, including superintendent, leadspersons, and tradespersons and Sub-subcontractors, are trained in stormwater management practices and BMPs that apply to the Work or the Goods, as the case may be. Subcontractor agrees to provide documentation of employee stormwater management training to Lennar upon request or if required in the SWPPP and to participate in Lennar's stormwater "tailgate" meetings and to document attendance on forms provided by Lennar. Subcontractor shall immediately notify Lennar of a regulatory inspection and any corrective action, notice of correction, notice of violation or any other type of regulatory enforcement action or notice related to Water Quality compliance for the Job Site, and with Lennar's approval, correct any violations associated with the Work or the delivery of Goods.

8.3.4 AIR QUALITY COMPLIANCE. Subcontractor shall comply, and shall ensure compliance by those acting by, through or under Subcontractor, with federal, state, and local air quality and dust control rules, regulations, and ordinances and Lennar's site-specific dust control plans and/or permits, if applicable (collectively "Dust Control Requirements"). Subcontractor remains independently responsible

for understanding and complying with Dust Control Requirements. To the extent applicable to its work or the delivery of Goods, Subcontractor shall fully comply with and implement the control measures described by the Dust Control Requirements ("Control Measures"), including work practices such as controlling off-site vehicle track-out and using only designated points of ingress and egress at the Job Site. Subcontractor shall immediately notify Lennar if a regulatory inspection and any corrective action, notice of correction, notice of violation or any other type of regulatory enforcement action or notice whether written or verbal regardless of the nature or severity related to SPCC compliance for the Job Site or Project Site.

8.3.5 SPILL PREVENTION CONTROL AND COUNTERMEASURES. Subcontractor shall comply with all federal, state, and local spill prevention control & countermeasure ("SPCC") statutes, ordinances, rules and regulations, and any amendments thereto, including, but not limited to, the SPCC regulations contained in 40 CFR Part 112 ("SPCC Regulations"), and all amendments thereto; federal, state and local fire codes; federal and state Occupational Health and Safety Acts (O.S.H.A.); the current LEMS SPCC Policy and Guidance Module; applicable Job Site and facility specific SPCC Plans (as defined below); and, SPCC Best Management Practices (BMPs) contained in the Job Site SWPPP, while Subcontractor is mobilized on the Job site or performing Work. Lennar shall make the LEMS SPCC Policy and Guidance Module available for Subcontractors review upon request. In the event there is a conflict between SPCC requirements contained in documents that apply to Subcontractor's Work, e.g., Fire Code, SPCC Plan or SWPPP, Subcontractor shall comply with the most stringent requirements that apply to Subcontractor's Work.

Oil, for the purpose of this section is defined by the SPCC Regulations, and includes, but is not limited to, petroleum, synthetic oils, gasoline, diesel, motor oil, hydraulic oil, waste oil, or grease. Subcontractor shall not mobilize any individual oil storage container with the oil storage capacity of 55 gallons or more onto the Job Site without an express written approval from Lennar. If Lennar has a SPCC Plan in effect for the Job Site, Subcontractor shall comply with Lennar's SPCC Plan in its entirety. Lennar may request information from Subcontractor to include in a Lennar SPCC Plan, and Subcontractor agrees to provide the requested information to Lennar by the end of the fifth (5th) day following Lennar's written request which may include, but is not limited to, any and all information concerning Subcontractors anticipated or actual oil storage capacity, the nature of the oil to be stored, the locations where the oil will be stored; an estimated inventory and oil storage capacity of containers with an oil storage capacity of 55 gallons or more; secondary containment practices for all oil storage containers, spill response and clean up procedures to be implemented by Subcontractor in the event of a spill, and, documentation of training of Subcontractor's workmen with SPCC responsibility. However, Subcontractor remains independently responsible for understanding and complying with the SPCC Regulations. At all times, Subcontractor shall supply workmen trained with the knowledge, expertise and experience to operate Subcontractor's oil storage facility, regardless of size or storage capacity, in accordance with all federal, state, and local regulations; the SWPPP; and the SPCC Plan, if applicable.

Subcontractor shall immediately notify Lennar of a regulatory inspection and any corrective action, notice of correction, notice of violation or any other type of regulatory enforcement action or notice whether written or verbal regardless of the nature or severity related to SPCC compliance for the Job Site and/or Subcontractor's Work.

8.3.6 OTHER ENVIRONMENTAL REQUIREMENTS. The requirements in Sections 8.3.1, 8.3.2, 8.3.3, 8.3.4 and 8.3.5 of this Agreement are not all-inclusive, and Subcontractor is responsible for compliance with any other environmental requirements applicable to the Work or to the delivery of the Goods.

8.4 SAFETY. Subcontractor is an independent contractor and shall be **solely responsible** for ensuring that its Work and/or the delivery of Goods is performed in a safe manner. Nothing herein shall be deemed to be an exercise of control by Lennar of Subcontractor's safety obligations. Subcontractor shall take all reasonable and necessary safety precautions with regard to the Work and the delivery of Goods, shall coordinate its safety precautions with other Subcontractors, Sub-subcontractors, and suppliers, and shall comply with all safety requirements, laws, regulations, rules or ordinances of any authority (governmental or otherwise) responsible for the safety of persons or property. Subcontractor shall notify Lennar, both verbally and in writing, of all injuries to Subcontractor's employees within eight (8) hours of the injury. Subcontractor agrees to comply with all health and safety programs, as well as any rules promulgated by Lennar, in furtherance of Subcontractor duties under the Occupational Safety and Health Act. If in the opinion of Lennar the health and safety of any person or persons is endangered or appropriate safety measures are not being implemented, in addition to its rights under Section 19, Lennar may (but is not required to) take such action as it deems necessary and appropriate, including without limitation, the following: (I) stop Subcontractor's Work or require Subcontractor to immediately remedy any unsafe condition caused by the Subcontractor at its own expense; (ii) remedy any unsafe condition caused by Subcontractor at Subcontractor's sole expense; and/or (iii) Assess safety violation penalties of up to Two Hundred Dollars ($200) for each violation of jobsite safety rules or governmental safety laws, regulations, rules or ordinances. Lennar may backcharge or separately invoice the Subcontractor for such safety violation penalties.

9. JOB RULES. Subcontractor is solely responsible for complying with and ensuring compliance by its employees and its Sub-subcontractors with (i) Lennar's Code of Safe Practices, (ii) other Lennar policies concerning safety, reasonable restrictions on use and access to the Job Site by unauthorized personnel, and (iii) the other rules and policies concerning Subcontractor's work and as set forth in the "Job Rules" (posted at Job Site).

10. LIENS AND BOND CLAIMS. Except and solely to the extent directly related to a failure by Lennar to make payment of undisputed amounts owed subcontractor hereunder, Subcontractor shall keep (1) the Goods and (2) the Work and the real property being improved by Subcontractor, free and clear of any liens, debt, stop notices, fund trapping notices, or bond claims of any kind whatsoever (collectively "Lien or Bond Claims"), to the extent such Lien or Bond Claims (a) relate to Subcontractor's Work or the Goods, or (b) are for any monies due or allegedly due (i) Subcontractor or any Sub-subcontractor, (ii) any factoring company, lender (secured or unsecured), or (iii) any other entity claiming by, through or under Subcontractor or any Sub-subcontractor (collectively the "Lien Claimants"). In the event a Lien or Bond Claim is filed or threatened to be filed by any Lien Claimant, Subcontractor shall, at Lennar's sole election, immediately (I) settle and resolve such claim and obtain a full waiver and release of the Lien or Bond Claim from the Lien Claimant, or (II) provide a statutory bond acceptable to Lennar that will bond around or discharge such Lien or Bond Claim. Should Subcontractor fail to do so, in addition to its rights under Section 19, Lennar may, without additional notice to Subcontractor, (A) settle, bond or discharge the lien or bond claim in any manner Lennar deems appropriate, and charge the costs thereof (including payment of the lien, stop notice or fund trapping notice, or bond claim amount, premiums for bonds, overhead, costs, and reasonable attorneys' fees) to Subcontractor, and/or (B) withhold further payments to Subcontractor under this Agreement or otherwise until Subcontractor has complied with its obligations herein. Nothing contained in the Agreement (except for lien waivers duly signed and acknowledged) shall restrict or limit Subcontractor's statutory right to file and record liens or stop notices for non-payment, and notwithstanding any provision to the contrary, Subcontractor may take all steps reasonably necessary to preserve its lien and bond rights as permitted by law. Subcontractor has not and shall not assign any right or claim for payment from Lennar or any right

to perfect a lien against the Goods, the Work or real property to any third person. Any assignment or attempted assignment shall be unenforceable against Lennar. Subcontractor shall include substantially identical language to this Section 10 in all subcontracts of any Sub-subcontractor, and shall also require that all Sub-subcontractors shall waive and release all liens and claims to liens as a condition to their receiving payment.

10.1 PROOF OF PAYMENT. At Lennar's request, Subcontractor shall provide the following to Lennar: (i) proof of payment for labor, equipment or material or equipment supplied for the Work, including the Goods, or any other obligation for payment arising from the Work; and (ii) an affidavit stating that every Sub-subcontractor has been paid in full up to and including the date of any payment application, along with the names of any such person or entity who has not been paid in full and the amount due each. If Lennar believes that Subcontractor's financial circumstances will affect Subcontractor's performance of its obligations herein, Lennar may take any other precautionary action it deems reasonably necessary to protect its interests including, without limitation, (a) the right to request additional financial assurances from Subcontractor, (b) the right to require Subcontractor to post, at Subcontractor's cost, a payment bond and (c) the right to withhold all or any portion of payments due Subcontractor.

10.2 CONDITIONAL/UNCONDITIONAL LIEN WAIVERS. Subcontractor agrees to provide Lennar with labor, Goods and equipment that is free and clear of any debt or lien. Subcontractor shall include such requirements in each contract with its Sub-subcontractors relating to the Work. As a condition precedent to receiving each and any payment for Work as described in Section 18 hereof, Subcontractor and, if applicable, each Sub-subcontractor shall execute and furnish to Lennar: (i) a conditional lien waiver and release in the form provided to Subcontractor by SupplyPro or otherwise as required by state law for itself and its Sub-subcontractors acknowledging receipt of such payment to the extent payment is actually received, and (ii) an unconditional lien waiver and release in substantially the form provided to Subcontractor by SupplyPro or otherwise as required by state law for itself and its Sub-subcontractors acknowledging receipt of all payments due with respect to such Work other than payment for which the current application for payment is being made. Within ten (10) business days after final payment is made to Subcontractor under any Purchase Order, Subcontractor and each Sub-Subcontractor shall submit an executed unconditional lien waiver and release upon final payment acknowledging receipt of all payments due with respect to such Work and Goods. Subcontractor agrees that, in lieu of preparing or providing lien waivers for each property for which Work was provided and/or materials were supplied, one lien waiver referencing payment for multiple addresses shall have the same force and effect as multiple lien waivers. Subcontractor shall include this one-waiver-for-multiple-addresses agreement in each contract with its Sub-subcontractors relating to the Work. The lien waivers required to be delivered to Lennar by Subcontractor under this Agreement may be photocopies or facsimile copies, and may be electronically signed to the extent allowed within the state in which the Project is located, and Subcontractor hereby acknowledges that should it provide a photocopy, facsimile, or electronically signed lien waiver on behalf of itself or one of its Sub-subcontractors, such photocopy, facsimile or electronic signature shall have the same legal force and effect as an original lien waiver. Subcontractor shall also comply with all procedural requirements of laws of the state that govern this Agreement with respect to the enforceability of such lien waivers. Should Subcontractor fail to provide unconditional lien waivers as required herein, Lennar reserves the right to hold future payments until this requirement is satisfied or issue joint checks without consent of the Subcontractor.

11. LENNAR'S EQUIPMENT. Should Subcontractor or any Sub-subcontractor use equipment, scaffolding or other facilities of Lennar or another subcontractor, Subcontractor and Sub-subcontractors (i) shall fully inspect and become familiar with the proper and safe use of such equipment, scaffolding or facilities, and (ii) shall properly train and supervise their employees, and Sub-subcontractors in the proper and safe use of such equipment, scaffolding and facilities. Use

by Subcontractor and its Sub-subcontractors of such equipment, scaffolding or facilities shall be at the sole risk of Subcontractor and such Sub-subcontractors and each assumes the full risk of operation thereof. Subcontractor waives and will cause its Sub-subcontractors to waive all claims and liability of any type or nature against Lennar and the owners or lessors of such equipment, scaffolding or other facilities.

12. SECURITY. Regardless of whether Lennar provides security at the Project Site, Subcontractor shall be solely responsible for providing security for the Work, tools, equipment, materials or other property and Lennar shall not be responsible for theft, vandalism or loss to any of Subcontractor's or any Sub-subcontractor's work, tools, equipment, materials or other property.

13. CLEAN UP. Subcontractor shall maintain a tidy Job Site and clean up and haul away all debris, rubbish, hazardous or toxic discharges and surplus materials ("Construction Debris") on a daily basis and properly dispose of such Construction Debris in an authorized trash bin or at a licensed or certified landfill. In addition, Subcontractor will leave the Job Site, subject property and, if applicable, the building premise(s) clean and in good order. These obligations are in addition to Subcontractor's obligations under any other section of this Agreement. If, after twenty-four (24) hours' notice by Lennar's representative to Subcontractor's representative, Subcontractor has not diligently proceeded with the clean-up as outlined in this Section 13, then Lennar shall have the right to proceed with the clean-up at Subcontractor's expense.

14. INSURANCE. Before starting the Work (including delivering any Goods), Subcontractor shall procure and maintain at its own expense the insurance set forth in the "Insurance Requirements" attached hereto as Schedule "B", which requirements are incorporated by this reference as though set forth in full herein. To the extent that the "Insurance Requirements" are added to or amended by any Purchase Order, as the case may be, such requirements are incorporated by this reference as though set forth in full herein.

15. EXPRESS WARRANTIES.

15.1 EXPRESS WARRANTIES FOR LABOR. To the extent required by law, Subcontractor warrants that it is licensed to perform all Work under the applicable Purchase Order(s) and shall maintain all required permits and licenses in good standing at all times. Subcontractor expressly warrants to Lennar, Lennar's customers, and any subsequent owner of a structure in which Subcontractor's Work is incorporated (collectively "Warranty Beneficiaries"), that its Work shall be performed in a good and workmanlike manner, free from defects in workmanship or materials, and in strict accordance with (i) the plans and specifications, (ii) any applicable manufacturer's specifications, recommendations or requirements, and (iii) all applicable industry standards, codes, or other rules or regulations applicable to the performance of the Work. This warranty section is in addition to warranties provided by law and shall continue as long as Lennar has legal liability. Any portion of Subcontractor's Work not complying with the foregoing shall be deemed to be in breach of this Section. Subcontractor shall require that each of its Sub-subcontractors give to Lennar the same warranty as to such Sub-subcontractor's portion of the Work. Additionally for a period of four (4) years from the close of escrow of a home as to which work was performed, Subcontractor shall, within two (2) working days of notification by Lennar, repair or replace any defective Work unless the warranty work could not reasonably be performed within such time period, in which event the warranty work shall be performed as quickly as reasonably possible. In the event of an emergency (as determined by Lennar), the Subcontractor shall perform its warranty work within eight (8) hours. In addition, a seven (7) day-a-week and a twenty-four (24) hour on-call emergency service must be provided by Subcontractor and any Sub-subcontractor providing roofing, plumbing, electrical and/or HVAC work.

15.2 EXPRESS WARRANTIES FOR GOODS. Subcontractor expressly warrants Warranty Beneficiaries, that the Goods sold to Lennar, directly or indirectly through its Sub-

subcontractors, (i) shall be free from defects in workmanship, materials or design, (ii) shall comply with Subcontractor's and all applicable manufacturer's published standards, brochures, advertising, instructions, manuals and specifications, (iii) are marketable, (iv) can be utilized for the purposes intended by the Warranty Beneficiaries, (v) otherwise comply with and have been manufactured and shipped in accordance with the highest industry standards and all applicable codes, promulgated standards, or other requirements applicable to the Goods, (v) shall not contain or emit hazardous or toxic substances or materials that are unsafe to human health, that cause damage to or deterioration of the components or contents of the homes in which the Goods are installed, or that negatively impact the habitability or marketability of a home when the Goods are used as intended, and (vi) shall be new and not remanufactured or reconditioned. Any portion of the Goods not complying with the foregoing shall be considered in breach of this Section. This warranty section is in addition to any other warranties provided by law and shall continue as long as Lennar has legal liability. Any defects in the Goods or any damage caused as a result of defective Goods shall be replaced or satisfactorily repaired at the sole expense of Subcontractor. Subcontractor shall also require each of its Sub-subcontractors or suppliers to give to Lennar the same warranty regarding the Sub-subcontractor's work and Goods provided. Subcontractor shall, within two (2) working days of notification by Lennar, repair or replace any defective Goods, at Lennar's election, unless it is not commercially practicable to do so, in which event the warranty work shall be performed as quickly as commercially reasonable. If in the reasonable opinion of Lennar, any of the Goods is defective and such defect is likely to cause an immediate risk of harm to health, safety or property, Lennar in its sole discretion, shall have the right, but not the obligation, to take action to reduce or eliminate such risk at Subcontractor's sole cost and expense. In the event Subcontractor fails to satisfy these warranty requirements to Lennar's satisfaction within such two (2) day period (or as reasonably extended), Lennar shall have the right to have all defects repaired and/or replaced at Subcontractor's expense by charging the repair and/or replacement costs to Subcontractor. Subcontractor's obligations hereunder are not Lennar's exclusive remedy in the event of a breach. Subcontractor's obligations under this section are in addition to and not in lieu of any other obligations under this Agreement or a Purchase Order.

15.2.1 [Intentionally deleted.]

15.2.2 Manufacturer's Warranties. Subcontractor shall provide Lennar with any and all applicable manufacturer's warranties on the Goods. Subcontractor shall fully cooperate with Lennar or any other Warranty Beneficiary in making any claim on any manufacturer's warranty.

15.2.3 Recalls. In the event Subcontractor learns of any defect in the Goods, it shall immediately notify Lennar and cooperate fully in establishing a procedure to correct the issue including providing materials to be sent to Warranty Beneficiaries and, if appropriate in Lennar's reasonable opinion, a dedicated call-in number and website for Warranty Beneficiaries.

15.3 Most Favored Customer.

15.3.1 Best Terms of Sale. Subcontractor represents and warrants to, and covenants with Lennar, that the terms and conditions of this Agreement and any Purchase Order (including, without limitation, pricing, rebates, incentives, payment terms and discounts) for any Goods provided to Lennar, shall be equal to or better than the terms offered by Subcontractor to any of its other customers who purchase comparable quantities of products substantially similar to the Goods, or any substantially similar off-brand or private label products.

15.3.2 Subcontractor to Provide Lennar with Lower Price or Better Terms. If, at any time during the term of this Agreement, Subcontractor or any of its affiliates shall sell any Goods to one or more third parties (i) (a) at a lower gross price or (b) at a lower price, after all allowances, discounts, rebates and other incentives (the "Lower Price") than the price to Lennar under this Agreement ("Lennar's Price") and/or (ii) upon terms more favorable to such third parties (the "Better Terms"),then the Subcontractor shall thereafter either reduce Lennar's Price to the Lower Price or change the terms to the Better Terms, as applicable, in each case, for such period, as was or is available to any such third party; provided, however, that if during such period Lennar has not purchased a quantity of Goods hereunder equal to the quantity of goods sold by Subcontractor to any such third party, then Subcontractor shall reduce Lennar's Price to such Lower Price or the Terms of Sale to the Better Terms for an additional period of time until Lennar, at its option, has purchased at the Lower Price or upon such Better Terms such quantity of Goods hereunder equal to the quantity of goods purchased by such third party at such Lower Price.

15.3.3 Private Labels/Minor Modifications. If Subcontractor is providing a private label product to any third party that is substantially similar to any of the Goods, Lennar's rights under this section shall apply to such private label product as if the private label product was in fact the Goods. Subcontractor shall not attempt to circumvent its obligations under this section by making cosmetic or other modifications to any of the Goods and selling such Goods to, or for resale to a competitor of Lennar at a lower price or on more favorable terms of sale than is available to Lennar.

16. EXTRA WORK/CHANGES. NO EXTRA WORK OR CHANGES TO THE WORK SHALL BE PERFORMED BY SUBCONTRACTOR OR PAID FOR BY LENNAR UNLESS SUCH EXTRA WORK OR CHANGE TO THE WORK HAS BEEN AUTHORIZED IN WRITING BY LENNAR FOR PERFORMANCE THEREOF. ALL EXTRA WORK OR CHANGE TO THE WORK (EACH, A "CHANGE ORDER FOR WORK") SHALL BE REQUESTED AND SCHEDULED BY UTILIZING THE SUPPLY PRO® SCHEDULING SYSTEM. ANY CHANGE ORDER FOR WORK ISSUED BY LENNAR UTILIZING THE SUPPLY PRO® SYSTEM SHALL BE CONSIDERED TO BE APPROVED IN WRITING BY LENNAR. THE SUBCONTRACTOR'S ACKNOWLEDGEMENT OF THE CHANGE ORDER FOR WORK IN SUPPLY PRO® SHALL CONSTITUTE SUBCONTRACTOR'S AGREEMENT TO THE TERMS (INCLUDING, WITHOUT LIMITATION, THE SCHEDULE FOR PERFORMANCE AND COMPENSATION) SET FORTH IN SUCH CHANGE ORDER FOR WORK.

IN ADDITION TO ISSUING CHANGE ORDERS FOR WORK VIA THE SUPPLY PRO® SCHEDULING SYSTEM, LENNAR MAY ISSUE WRITTEN CHANGE ORDERS FOR WORK EXECUTED BY AN OFFICER OF LENNAR TO THE SUBCONTRACTOR VIA FACSIMILE, EMAIL, MAIL, OR BY HAND. SUCH CHANGE ORDERS FOR WORK SHALL NOT BE EFFECTIVE UNTIL EXECUTED BY THE SUBCONTRACTOR AND RETURNED TO LENNAR. UPON EXECUTION OF SUCH CHANGE ORDERS FOR WORK BY LENNAR AND SUBCONTRACTOR, LENNAR SHALL ISSUE A SCHEDULING NOTICE FOR THE WORK INCLUDED WITHIN SUCH CHANGE ORDER FOR WORK. FAILURE OF SUBCONTRACTOR TO EXECUTE AND RETURN TO LENNAR ANY SUCH CHANGE ORDER FOR WORK BY CLOSE OF THE BUSINESS DAY AFTER RECEIPT THEREOF SHALL CONSTITUTE SUBCONTRACTOR'S DISAPPROVAL OF SUCH CHANGE ORDER FOR WORK, AND, IN SUCH EVENT, WITHOUT FURTHER WRITTEN NOTICE FROM LENNAR, SUBCONTRACTOR SHALL NOT COMMENCE THE WORK SET FORTH IN THE CHANGE ORDER FOR WORK.

17. CHANGE ORDERS/CHANGES TO GOODS. ANY CHANGES TO A PURCHASE ORDER FOR GOODS (EACH, A "CHANGE ORDER") MAY BE REQUESTED AND SCHEDULED BY LENNAR UTILIZING THE SUPPLY PRO® SCHEDULING SYSTEM. ANY CHANGE ORDER ISSUED BY LENNAR UTILIZING THE SUPPLY PRO® SYSTEM SHALL BE CONSIDERED APPROVED IN

WRITING BY LENNAR. THE SUBCONTRACTOR'S ACKNOWLEDGEMENT OF THE CHANGE ORDER IN SUPPLY PRO® SHALL CONSTITUTE SUBCONTRACTOR'S AGREEMENT TO THE TERMS (INCLUDING, WITHOUT LIMITATION, THE SCHEDULE FOR DELIVERY AND COMPENSATION) SET FORTH IN SUCH CHANGE ORDER. SUBCONTRACTOR SHALL GIVE NINETY (90) DAYS ADVANCE WRITTEN NOTICE TO LENNAR SHOULD SUBCONTRACTOR CHOOSE TO MAKE ANY MATERIAL CHANGES TO THE GOODS. SUBCONTRACTOR SHALL GIVE LENNAR ONE HUNDRED EIGHTY (180) DAYS ADVANCE WRITTEN NOTICE SHOULD SUBCONTRACTOR CHOOSE TO NO LONGER DISTRIBUTE, SELL OR INSTALL THE GOODS OR ANY COMPONENT OF THE GOODS. NO SUCH CHANGE SHALL HAVE ANY EFFECT ON SUBCONTRACTOR'S OBLIGATIONS UNDER THIS AGREEMENT OR WITH RESPECT TO ANY PURCHASE ORDER ISSUED PRIOR TO SUCH NINETY (90) OR ONE HUNDRED EIGHTY (180) DAY PERIOD, AS APPLICABLE AND MUST BE SUBJECT TO A LENNAR APPROVED CHANGE ORDER AS PROVIDED ABOVE.

18. PAYMENT. The price for the Work and the Goods and additional terms for payment shall be set forth in the Purchase Orders. Lennar has no obligation to pay Subcontractor for any Work performed prior to issuance of a PO and Scheduling Notice which specifically covers such Work or Goods. No payment shall be due unless Subcontractor has otherwise satisfied all obligations set forth in this Agreement. Lennar reserves the right to require Subcontractor to provide a breakdown of all payments owed to Sub-subcontractors for the Work and for the delivery of Goods and to pay such Sub-subcontractors directly or any person claiming monies from Subcontractor or Sub-subcontractors directly or jointly.

18.1 Payment shall be made in accordance with Lennar's standard practices, but in the case of delivery of Goods, (i) not later than thirty (30) days after the Goods have been delivered, inspected and accepted through Supply Pro® and (ii) in no event will payment be due upon delivery, nor will any of the "open payment" provisions of the Uniform Commercial Code apply hereto. Such payment may be by check, ACH transfer, ePayables or such other method as determined by Lennar, and Subcontractor agrees to subscribe to any automated payment system used by Lennar and to pay applicable subscription fees associated therewith. Payment will only be considered for (i) Work properly performed and (ii) deliveries of Goods properly performed, and both inspected and accepted by Lennar through Supply Pro® as of the date of the payment request. As a condition precedent to any payment, Subcontractor shall (i) submit a notice of completion and request for payment to Lennar using Supply Pro®, and (ii) deliver executed lien waivers and releases in accordance with Subsection 10.2, and (iii) submit all other documentation reasonably required by Lennar to establish Subcontractor's entitlement to funds. No payment shall be deemed to constitute acceptance by Lennar of any defective or unacceptable Work or Goods.

18.2 All payments to Subcontractor are trust funds and shall first be used for the full payment of all Sub-subcontractors. Subcontractor shall ensure that all Sub-subcontractors are at all times fully and timely paid all amounts due in connection with the Work and the Goods. Subcontractor shall immediately notify Lennar of any claims or disputes involving any Sub-subcontractor. When Lennar learns of any claim or dispute, Lennar may (i) withhold payments otherwise due Subcontractor until the claim or dispute is resolved to Lennar's satisfaction, (ii) issue joint checks to Subcontractor and any claimant, (iii) make payment to a claimant directly, or (iv) deposit any disputed funds into the registry of a court of law. Subcontractor shall reimburse Lennar for any costs incurred by Lennar as a result of such claims or disputes. Should any dispute arise after payment by Lennar, Subcontractor shall immediately deposit any payments made relating to such labor or material into an interest-bearing account and shall only use this money to resolve such claims or disputes.

18.3 Lennar may, but is not required to, withhold retainage from each payment as provided by applicable law, and shall release such retainage when (i) Subcontractor has fully performed

its obligations herein (save and except future extended warranty obligations), (ii) Subcontractor has provided final lien releases and waivers (conditioned only upon receipt of the retainage) from itself and all Sub-subcontractors, and (iii) the legal time period for holding such retainage has expired. In the absence of any legally required amount, the maximum retainage shall equal ten percent (10%) of each payment.

18.4 Lennar may, at its option, issue, file, and/or record with the appropriate regulating agency, a notice of completion. By issuing, filing, and/or recording the notice of completion, Lennar does not release the Subcontractor from any of Subcontractor's obligations under this Agreement or any Purchase Order issued hereunder. Without limiting the generality of the foregoing, in no event shall the issuance, filing, and/or recordation of a notice of completion be deemed to commence any warranty periods with respect to the Work performed by Subcontractor, as such warranties are set forth in this Agreement.

18.5 At Lennar's election, Subcontractor agrees (and shall cause its Sub-subcontractors to agree, if required by Lennar) to be paid electronically by Lennar, either through its epayables program if Subcontractor (or a Sub-subcontractor) currently has a merchant id, or the ACH credit program. With respect to the epayables program, Subcontractor agrees to enroll (and cause its Sub-subcontractors to enroll, if required) in Lennar's epayables program, a ghost credit card program offered through Bank of America or any other provider selected by Lennar, and to accept payment from Lennar through such program. Subcontractor further agrees that it will not charge back or pass through to Lennar any miscellaneous and/or convenience fees as a result of accepting payments via this method. With respect to the ACH program, Subcontractor agrees to enroll using the ACH credit program offered through Western Union, or any other provider selected by Lennar, and to accept payment from Lennar via ACH credits to the subcontractor's bank account indicated by Subcontractor on the Western Union site.

19. **REMEDIES AND TERMINATION.** In addition to and without limit or prejudice to any of Lennar's other rights or remedies set forth in this Agreement, Purchase Order(s) or otherwise provided by law, Lennar shall have the following rights:

19.1 If Subcontractor shall (a) file for or be adjudged bankrupt, or if it should make a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of its insolvency, (b) persistently or repeatedly refuse or fail, in the reasonable opinion of Lennar, to deliver the Goods, or to supply enough properly skilled workers or laborers, (c) disregard laws, ordinances, job rules, or instructions, (d) fail to make prompt and proper payment for labor, equipment or services provided by, through or under Subcontractor, (e) fail to remedy defective Work or Goods or fail to perform warranty services or repairs within the time periods set forth in this Agreement or by law, (f) cause damage to the work of another subcontractor and/or sub-subcontractor, (g) cause Lennar to be fined or otherwise penalized by any governmental agency on account of or arising out of the violation by Subcontractor or any Sub-subcontractor of any law, (h) fail in Lennar's sole judgment to prosecute its Work or to deliver the Goods diligently and promptly, (i) otherwise breaches any of its obligations in this Agreement any Purchase Order or any of its other agreements with Lennar, (j) in Lennar's reasonable judgment, not be able to properly perform all of its obligations in this Agreement or under any Purchase Order (each a breach by Subcontractor), then:

Lennar may after giving Subcontractor forty-eight (48) hours' written notice, terminate this Agreement and, in addition, take possession of Subcontractor's materials, tools, equipment and appliances located in the Job Site and finish the Work by whatever method it may deem expedient in its sole discretion, and withhold payment otherwise due Subcontractor until (A) the Work is completed and accepted, or until defective Work is remedied, or until warranty services are properly performed, or until such breach has been remedied and/or (B) defective Goods are duly replaced and warranty services are properly performed, and

such breach has been remedied. Lennar may also refuse or delay the delivery of the Goods until such breach has been cured to Lennar's satisfaction, furnish or cause to be furnished substitute Goods at Subcontractor's expense, stop the Work until such breach has been cured to Lennar's satisfaction, recover against Subcontractor all fines and penalties assessed by any authority (Government or otherwise) and caused by or alleged to have been caused by Subcontractor or its Sub-subcontractors, furnish or cause to be furnished additional labor or materials at Subcontractor's expense and/or recover all direct, indirect, consequential, impact, or other costs, expenses, or damages, including but not limited to costs, loss of organization, lost profits, or attorneys' fees and/or paraprofessional fees arising out of or as a result of Subcontractor's breach including the cost of pursuing claims. Lennar may also offset the costs of (i) completing the Work, (ii) furnishing additional labor, (iii) covering the Goods, (iv) securing substitute Goods, and (v) remedying Subcontractor's or Sub-subcontractor's breach (including costs to repair damages caused by Subcontractor and costs of all fines, fees, expenses and other penalties sought against or incurred by Lennar due to, in whole or in part, Subcontractor or its Sub-subcontractors) against any amounts due Subcontractor under this Agreement, any Purchase Order, contract, or other agreement. To the extent such costs to Lennar exceed amounts due Subcontractor, then, upon demand from Lennar, Subcontractor shall pay the difference to Lennar plus any and all damages, costs, expenses and attorneys' fees and paraprofessional fees incurred by Lennar in enforcing or performing any of Subcontractor's obligations under this Agreement.

19.2 To the extent not prohibited by law, Subcontractor hereby waives any security interest or removables rights it may have in Goods supplied hereunder and waives its right to the remedies available for a buyer's breach as provided in the Uniform Commercial Code.

19.3 Lennar shall also have the right to terminate this Agreement or any Purchase Order or portions thereof issued to Subcontractor without cause and for Lennar's convenience. In such event, Subcontractor shall be paid only for that Work actually performed and Goods delivered and accepted by Lennar as of the date of termination, and Subcontractor waives recovery for any other costs or damages, direct or indirect, consequential or otherwise including without limitation prospective profits, on Work not performed or Goods not delivered and accepted.

19.4 In the event of any delay, disruption, interference, stoppage or hindrance in commencement or prosecution of the work caused by any reason whatsoever ("work interruptions"), including any work interruptions caused in whole or in part, or alleged to have been caused in whole or in part, by Lennar or another subcontractor, Subcontractor's sole and exclusive remedy for any work interruptions shall be an extension of time to perform its Work. To the fullest extent permitted by law Subcontractor specifically waives any right to recover direct, indirect, consequential, impact, or other costs, expenses, or damages, including but not limited to delay damages, costs of acceleration, inefficiency, loss of organization, loss of profits, Job Site or home office overhead, labor or material escalation, or deterioration of materials, caused by any work interruption.

20. DEFENSE AND INDEMNITY. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, AND IN CONSIDERATION OF THE SUM OF ONE HUNDRED DOLLARS ($100.00), WHICH SUM IS INCLUDED IN THE PRICE(S) ESTABLISHED UNDER THE PO(S), THE ADEQUACY AND RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED, SUBCONTRACTOR HEREBY AGREES TO UNCONDITIONALLY DEFEND, INDEMNIFY AND HOLD HARMLESS LENNAR, ITS PARENT, AFFILIATES, SUBSIDIARIES, PARTNERS, JOINT VENTURERS, OFFICERS, DIRECTORS, SHAREHOLDERS, AGENTS, EMPLOYEES, INSURERS, SURETIES, AND ANY OWNER OF REAL PROPERTY IMPROVED OR ALLEGED TO HAVE BEEN IMPROVED BY THE SUBCONTRACTOR OR IN WHICH THE GOODS HAVE BEEN OR ARE ALLEGED TO HAVE BEEN INCORPORATED, OR ANY OF THEM (COLLECTIVELY "INDEMNITEES") AGAINST ANY AND ALL CIVIL OR CRIMINAL LIABILITIES, COSTS, EXPENSES, CLAIMS, DEMANDS,

CAUSES OF ACTION, LIEN CLAIMS, THREATS OF LIENS, STOP NOTICES, FUND TRAPPING NOTICES, BOND CLAIMS, PENALTIES, FINES, CITATIONS, LOSSES, AND DAMAGES (INCLUDING COURT COSTS, ATTORNEYS' FEES AND COSTS OF INVESTIGATION), OF ANY NATURE, KIND, OR DESCRIPTION, ARISING OUT OF, IN CONNECTION WITH, CAUSED BY, ALLEGED TO HAVE BEEN CAUSED BY, OR RESULTING FROM, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, (1) THE GOODS, (2) THE WORK, LABOR, EQUIPMENT OR SERVICES PERFORMED OR SUPPLIED OR ALLEGED TO HAVE BEEN PERFORMED OR SUPPLIED BY SUBCONTRACTOR OR ANY OF ITS SUB-SUBCONTRACTORS (INCLUDING WITHOUT LIMITATION, A BREACH HEREOF) (3) ANY ACT OR OMISSION OF SUBCONTRACTOR OR ANY OF ITS SUB-SUBCONTRACTORS, OR (4) ANY ACT OR OMISSION OF LENNAR OR LENNAR'S OTHER SUBCONTRACTORS, SUB-SUBCONTRACTORS, OR SUPPLIERS OR ANY OF THEIR EMPLOYEES, AGENTS, INVITEES OR ANY PERSON ACTING BY, THROUGH OR UNDER LENNAR OR LENNAR'S OTHER SUBCONTRACTORS, SUB-SUBCONTRACTORS, OR SUPPLIERS (COLLECTIVELY "LIABILITIES"). THE OBLIGATIONS OF SUBCONTRACTOR UNDER THIS INDEMNIFICATION SHALL APPLY TO LIABILITIES EVEN IF SUCH LIABILITIES ARISE FROM OR ARE ATTRIBUTED TO THE CONCURRENT NEGLIGENCE OF ANY INDEMNITEE. NOTWITHSTANDING THE FOREGOING, SUBCONTRACTOR SHALL NOT BE OBLIGATED UNDER THIS AGREEMENT TO INDEMNIFY THE INDEMNITEES TO THE EXTENT SUCH LIABILITIES RESULT FROM THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNITEE.

SUBCONTRACTOR SHALL, AT ITS EXPENSE, ASSUME THE DEFENSE OF THE INDEMNITEES, OR ANY OF THEM, AND SHALL CONDUCT SUCH DEFENSE WITH DUE DILIGENCE AND IN GOOD FAITH WITH COUNSEL SATISFACTORY TO LENNAR. SHOULD SUBCONTRACTOR BREACH ITS DEFENSE AND INDEMNITY OBLIGATIONS, LENNAR MAY, WITHOUT RELIEVING SUBCONTRACTOR OF ITS INDEMNITY OBLIGATIONS, ASSUME ANY DEFENSE OBLIGATION AND TRY OR SETTLE SUCH CLAIM, AND SUBCONTRACTOR (1) SHALL REIMBURSE LENNAR FOR ALL COSTS AND EXPENSES INCURRED OR PAID BY ANY INDEMNITEE IN THE DEFENSE, SETTLEMENT, TRIAL, MEDIATION AND/OR ARBITRATION, AND (2) PAY ANY JUDGMENT OR AWARD OBTAINED AGAINST THE INDEMNITEES OR ANY OF THEM.

NEITHER THE INDEMNITY OBLIGATIONS UNDER THIS SECTION, NOR ANY COMMON LAW AND/OR STATUTORY CONTRIBUTION RIGHTS OR OTHER RIGHTS OF LENNAR OR ANY INDEMNITEE, SHALL BE LIMITED IN ANY WAY BY ANY LIMITATION ON THE AMOUNT OR TYPE OF DAMAGE, COMPENSATION, OR BENEFITS PAYABLE BY OR FOR THE SUBCONTRACTOR OR LENNAR UNDER INSURANCE POLICIES, WORKERS' COMPENSATION ACTS, DISABILITY BENEFIT ACTS, OR OTHER EMPLOYEE BENEFIT ACTS AND SUBCONTRACTOR EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO ASSERT ANY SUCH LIMITATION. THIS PROVISION IS SEPARATE AND DISTINCT FROM, AND IN ADDITION TO, ANY OTHER PROVISION OR SECTION IN THIS AGREEMENT, INCLUDING ANY PROVISION OR SECTION CONCERNING INDEMNIFICATION OR PROCUREMENT OF INSURANCE. IT IS SPECIFICALLY AGREED WITH RESPECT TO ANY LEGAL LIMITATIONS NOW OR HEREAFTER IN EFFECT AND AFFECTING THE VALIDITY OR ENFORCEABILITY OF THE INDEMNIFICATION OBLIGATION UNDER THIS SECTION, THAT SUCH LEGAL LIMITATIONS ARE MADE A PART OF THE INDEMNIFICATION OBLIGATION AND SHALL OPERATE TO AMEND THE INDEMNIFICATION OBLIGATION TO THE MINIMUM EXTENT NECESSARY TO BRING THE PROVISION INTO CONFORMITY WITH THE REQUIREMENTS OF SUCH LIMITATIONS, AND AS SO MODIFIED, THE INDEMNIFICATION OBLIGATION SHALL SURVIVE AND CONTINUE IN FULL FORCE AND EFFECT AFTER EXPIRATION ORTERMINATION OF THIS AGREEMENT.

EXCEPT AS EXPRESSLY PROVIDED OTHERWISE, IT IS THE SPECIFIC INTENT OF THIS INDEMNITY THAT THE SUBCONTRACTOR IS INDEMNIFYING THE INDEMNITEES FROM ACTS OF NEGLIGENCE OF INDEMNITEES. SUBCONTRACTOR ON BEHALF OF ITSELF AND ANY OF ITS INSURERS, EXPRESSLY WAIVES ANY RIGHT OF SUBROGATION THAT IT OR

ITS INSUREDS MAY HAVE AGAINST THE INDEMNITEES OR ANY OR THEM. ADDITIONALLY, ALL POLICIES PROCURED BY SUBCONTRACTOR AND ITS SUB-SUBCONTRACTORS PURSUANT TO THIS AGREEMENT OR ANY PURCHASE ORDER, SHALL BE PRIMARY (AS TO ANY INSURANCE POLICY OR POLICIES OF LENNAR IN WHATEVER FORM OR NATURE) AND SHALL EXPRESSLY STATE THAT THE INSURER WAIVES ALL RIGHTS OF SUBROGATION AGAINST LENNAR AND ANY OF THE OTHER INDEMNITEES. FURTHER, SUBCONTRACTOR SHALL DEFEND AND INDEMNIFY ANY OF THE INDEMNITEES AGAINST ANY CLAIMS OR ACTIONS FOR SUBROGATION BY ANY INSURER PROVIDING COVERAGE TO SUBCONTRACTOR.

In any and all claims against Lennar hereunder by any employee of Subcontractor or any employee of any Sub-subcontractor or other person or entity acting by, through or on behalf of Subcontractor or its Sub-subcontractors, the indemnification obligation under this section shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable by or for Subcontractor or any Sub-subcontractor under workers' or workmen's compensation acts, disability acts or other employee benefit acts, and Subcontractor expressly waives any right it may have to assert such limitation. In addition, in no event shall Subcontractor's obligations hereunder be limited to the extent of any insurance available to or provided by Subcontractor or its Sub-subcontractors. The indemnity obligations in this Agreement shall not be limited by the insurance required to be provided by Subcontractor pursuant to this Agreement, nor shall the insurance requirements of this Agreement be limited by the indemnity obligations of this Agreement.

21. DISPUTE RESOLUTION. If Lennar is involved in or becomes involved in litigation, arbitration, judicial reference or other alternative dispute resolution procedure ("ADR") with a third party and Lennar or any other party joins Subcontractor as a party to such ADR, then the disputes between Lennar and Subcontractor relative to the claims involved in the ADR proceeding shall be resolved in such proceeding. In the event that Lennar is required, by law or by contract, to resolve a dispute with a third party in an ADR forum, Subcontractor agrees to participate in and be bound by such procedure.

21.1 **In all other circumstances, except in California, North Carolina and Georgia, Lennar and Subcontractor agree to resolve their disputes in a court of law located in the county in which the Project Site is located. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF LENNAR AND SUBCONTRACTOR IRREVOCABLY, UNCONDITIONALLY, KNOWINGLY AND INTENTIONALLY WAIVES ITS RIGHT TO TRIAL BY JURY.**

21.2 **In all other circumstances, in California, North Carolina and Georgia only, Lennar and Subcontractor agree to resolve their disputes in arbitration, and that the arbitration shall be governed by the applicable state's arbitration act, except that references to such state law made herein shall not be construed as a waiver of any rights under the Federal Arbitration Act, or any rights to have this agreement interpreted and enforced under the Federal Arbitration Act. Further, the dispute shall be administered in accordance with procedures established by the American Arbitration Association ("AAA"), except to the extent there is any conflict with the provisions herein, which shall have precedence. The arbitrator shall not have the power to commit (a) errors of law or legal reasoning, (b) errors of fact, (c) errors with regard to mixed questions of law and fact. In addition, the arbitrator shall not have the power to render an award (d) not based on substantial evidence, (e) based on evidence not presented at the hearing, or (f) not in conformity with the substantive and procedural law of the state in which the Project is located. If the arbitrator exceeds any of the foregoing specific powers, the award may be vacated or corrected by filing a petition pursuant to the Act in the applicable court of competent jurisdiction. In reviewing the award, such court shall sit as if it were an appellate court, in all respects, including but**

not limited to the scope of review; provided however the decision of such court is, itself, subject to review by the appellate courts. The arbitrator shall have no power to allow or preside over any form of class proceedings, representative proceedings or any proceeding on behalf of the general public or similarly situated persons. Further, no finding or stipulation of fact, no conclusion of law and no arbitration award in any other arbitration, judicial or similar proceeding shall be given preclusive collateral estoppel effect in any arbitration hereunder unless there is a mutuality of parties. The Parties further agree that no finding or stipulation of fact, no conclusion of law, and no arbitration award in any arbitration hereunder shall be given preclusive or collateral estoppel effect in any other arbitration, judicial, or similar proceeding unless there is a mutuality of parties. In the event arbitration is not enforced, TO THE FULLEST EXTENT PERMITTED BY LAW, LENNAR AND SUBCONTRACTOR EACH IRREVOCABLY, UNCONDITIONALLY, KNOWINGLY AND INTENTIONALLY WAIVES ITS RIGHT TO TRIAL BY JURY.

21.3 In any litigation, arbitration, judicial reference or other ADR, excluding attorneys' fees and costs that are expressly recoverable by Lennar elsewhere in this Agreement, and notwithstanding any law allowing the award of same, both Lennar and Subcontractor agree that (i) neither party shall be entitled to recover any attorneys' fees, costs or expenses even if one party is found to be the prevailing party; and (ii) both parties expressly waive their right to recover attorneys' fees as the prevailing party.

22. INDEPENDENT CONTRACTOR/AUTHORITY. Subcontractor is acting as an independent contractor and not a partner or joint venturer of Lennar. Subcontractor is solely responsible for the employment, acts, errors, omissions, control and direction of its employees, agents, and Sub-subcontractors. Nothing contained in this Agreement shall authorize or empower Subcontractor to assume or create any responsibility whatsoever, express or implied, on behalf of or in the name of Lennar, or to bind Lennar in any manner, or make representation, warranty, or commitment on behalf of Lennar, or purchase materials or otherwise incur debts in Lennar's name.

23. STANDARDS OF BUSINESS ETHICS. Subcontractor represents that it has not and will not receive or give gifts or gratuities, nor participate in any other conduct in connection with this Agreement or any PO that violates the Code of Business Conduct and Ethics of Lennar ("Lennar's Business Ethics") (see www.Lennar.com). Should any employee of Lennar or any of its Trade Partners engage in any conduct which Subcontractor believes is in violation of Lennar's Business Ethics, Subcontractor shall immediately notify Lennar's representatives in writing at the address provided herein. Violation of Lennar's Business Ethics by Subcontractor shall be deemed a material breach of this Agreement by Subcontractor.

24. DISCOUNTS. Subcontractor agrees to accept a discount of ___% off any amounts due hereunder so long as payment of any accurate and complete request for payment is made by Lennar within seven (7) days of receipt of such request for payment by Lennar via Supply Pro®. Such discount is in consideration of accelerated payments from Lennar.

25. COOPERATION BY SUBCONTRACTOR. While this Agreement is in effect and after termination thereof (whether the Agreement expires on its own terms, is terminated pursuant to Section 19 thereof, or otherwise), Subcontractor agrees to reasonably cooperate with Contractor to resolve any and all disputes and/or to effectuate any and all transactions with third parties, including, without limitation, Sub-subcontractors, regulatory bodies, governmental entities, and home purchasers, related to work performed by Subcontractor pursuant to this Agreement. Subcontractor agrees reasonable cooperation includes, without limitation: (i) promptly responding to Contractor's inquiries related to such dispute or transaction, (ii) promptly providing all due

diligence and/or other documents requested by Contractor that is available to or in the control of Subcontractor, and (iii) promptly executing all documents necessary to resolve such dispute or effectuate such transaction as requested by Contractor. The terms and obligations contained in this Section 25 shall survive the expiration and/or termination of this Agreement.

26. MISCELLANEOUS.

26.1 Lennar and Subcontractor acknowledge that they have read, understand, and have had the opportunity to be advised by legal counsel of their own choosing as to each and every one of the terms, conditions, and restrictions and the effect of all the provisions of this Agreement. Lennar and Subcontractor agree that the provisions shall not be construed more strictly against the party who prepared the document.

26.2 Neither this Agreement nor any Goods or Work to be performed under any PO, nor the right to payment under this Agreement shall be assigned by Subcontractor without the written consent of Lennar, which consent may be withheld at Lennar's sole discretion.

26.3 This Agreement may be assigned by Lennar to any mortgagee or subsequent owner of the Project who assumes Lennar's obligations under this Agreement. Subcontractor shall (i) perform the Work and (ii) deliver the Goods and fulfill its obligations hereunder for the benefit of such assignee, so long as the assignee is making proper payment to Subcontractor. In the event of such assignment, Lennar shall be relieved of all liability accruing after such assignment. This Agreement shall be binding on the successors, heirs and permitted assigns of the parties.

26.4 This Agreement, the attached Schedules, and the PO(s) and Scheduling Notices (s) issued by Lennar to Subcontractor embody the entire agreement between Lennar and Subcontractor and supersede any prior understandings or oral or written agreements between the parties. This Agreement, including this provision, cannot be amended except by written instrument executed by Lennar and Subcontractor. Invalidation of any term or condition of this Agreement by any means shall not affect the validity or enforceability of the remaining terms and conditions.

26.5 All notices given under this Agreement shall be in writing personally delivered sent by reputable overnight business courier and will be deemed effective upon delivery or on the next business day if delivered to the overnight courier prior to their next day delivery deadline. Notices to Lennar and Subcontractor will be sent to the addresses noted in this Agreement. Either party may change the address at which it will receive notice by giving written notice in accordance with this provision.

26.6 If any provision of this Agreement is determined to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect provided that the economic and legal substance of the transactions contemplated is not affected in any manner materially adverse to any party.

26.7 In no event shall either party be entitled to any interest on any sum due hereunder in excess of that permitted by applicable law. Notwithstanding anything to the contrary herein, any reference herein to interest accruing on any sum due hereunder shall be deemed to be the lower of: the interest rate stated herein or the maximum rate allowed by law.

26.8 TIME IS OF THE ESSENCE OF THIS AGREEMENT. Any covenants, terms and conditions of a continuing nature shall survive final payment, completion, and acceptance of the Work or Goods, as the case may be, under this Agreement and any applicable PO and any termination or conclusion of this Agreement and Subcontractor has taken into

consideration and made allowances for all the hindrances and delays incident to its Work or to the delivery of the Goods.

26.9 This Agreement shall be deemed entered into in the state where the Project Site or Job Site is located and shall be interpreted and applied in accordance with the laws of the state where the Project Site or Job Site is located.

26.10 Subcontractor agrees to perform all of its obligations in strict accordance with the terms of this Agreement and in strict accordance with any contract and/or agreement between Lennar and any owner of the property being improved. Such contract and/or agreement, to the extent applicable to Subcontractor's Work, shall be deemed to be a part of this Agreement.

26.11 The venue for any disputes between Lennar and Subcontractor shall be as follows; (i) Third Party Actions – If Lennar is involved in litigation or arbitration with a third party and Lennar or any other party joins Subcontractor as a party to the litigation or arbitration, Subcontractor consents to be joined in that same venue; and (ii) Other Actions or Disputes – In all other situations, venue shall be in the state and county where the Project is located.

26.12 Upon reasonable notice, at reasonable times, and at Lennar's cost, Lennar or a third-party retained by Lennar shall have the right to access and audit Subcontractor's books, records and documentation for the purpose of auditing Subcontractor's performance of its obligations under this Agreement or PO. Subcontractor shall cooperate by identifying and gathering documentation relating to Subcontractor's performance of its obligations.

26.13 Subcontractor shall, upon Lennar's request and at Subcontractor's cost, provide training to Lennar and its Trade Partners as to any product or service provided by Subcontractor. Subcontractor and Lennar shall reasonably cooperate in choosing the time, place and frequency of such training.

26.14 To the extent of any conflict or inconsistency between the terms and conditions of the documents set forth below, whether existing or entered into at a later date, the documents shall prevail and take precedence in the order listed below:

i. This Agreement;
ii. Any PO;
iii. Any other agreements between Subcontractor and Lennar.

26.15 By signing below, the undersigned certifies that he or she is authorized to execute this Agreement and is taking this action with full authority from the principal.

26.16 This Agreement may be executed in any number of counterparts, a complete set of which shall be deemed to be an original and all of which together shall comprise but a single instrument. Signatures may be given via facsimile transmission and shall be deemed given as of the date of the transmission of this Agreement by facsimile to the other party.

26.17 Subcontractor acknowledges and understands that all information relating in any way to Lennar or its business or affairs, whether written or oral, obtained by Subcontractor in connection with the Work or the Goods provided as part of this Agreement or otherwise and any information regarding the nature and extent of this Agreement ("Confidential Information"), shall, unless otherwise specified by Lennar in writing be deemed confidential and Subcontractor covenants and agrees to maintain such information as confidential. Subcontractor acknowledges and understands that Subcontractor's unauthorized disclosure of any Confidential Information would be extremely prejudicial to Lennar, and

further agrees that Lennar shall be entitled to injunctive relief to prevent any breach of this provision without damages or posting any undertaking.

26.18 Subcontractor's obligations contained in Sections 3, 10, 14, 15, 20 and 21 shall expressly survive any termination of this Agreement.

**IN WITNESS WHEREOF,** the parties hereto have executed this Agreement as of the day and year first above written.

**Lennar Carolinas, LLC**

"Lennar"

By: _____

Name: Jason Byham

Title: Division President

By: _____

Name: _____

Title: _____

**Alpha Omega Construction Group, Inc**

"Subcontractor"

By: _____

Print Name: Chris Stafford

Title: Operations Director

By: _____

Print Name: _____

Title: _____

Fed I.D. No 26-3212467

License No. NC: 67752
SC: 6115475

LENNAR

# LENNAR CAROLINAS LLC

## CHANGE ORDER

## AMENDMENT NUMBER 2

## TO MASTER TRADE PARTNER AGREEMENT

CONTRACTOR'S STATE LICENSE G111911

DIVISION OFFICE: **Coastal Carolinas**
PROJECT: **All Projects**

This Amendment Number [# 2] to Master Trade Partner Agreement is entered into this **7th day of August, 2015** by and between **Lennar Carolinas, LLC.** ("Contractor") and **Alpha Omega Construction Group, Inc.** a **Corporation** whose address is **PO BOX 3196 Matthews, North Carolina 28106**, telephone number **(704) 821-6510** (herein called "Subcontractor").

### RECITALS

A. Contractor and Subcontractor entered into that certain Master Trade Partner Agreement on or about **(Enter MTPA Execution date)**, Master Trade Partner Agreement No. [# 2 ] ("MTPA"), pursuant to which Subcontractor was to do certain Work in connection with the Project or Job Site. As used herein, and except as hereby expressly provided, all capitalized words and phrases shall have the same meanings as defined in the MTPA and the Agreement as defined therein.

B. Contractor and Subcontractor desire to amend the MTPA as more particularly set forth herein.

### TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the foregoing recitals, and the covenants and conditions contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Contractor and Subcontractor hereby agree to amend the MTPA in the following respects:

1. Section 3.3.2 is supplemented to add the following thereafter:

   3.3.2.1 SPILL PREVENTION CONTROL AND COUNTERMEASURES. Subcontractor shall comply with all federal, state, and local spill prevention control & countermeasure ("SPCC") statutes, ordinances, rules and regulations, and any amendments thereto, including, but not limited to, the SPCC regulations contained in 40 CFR Part 112 ("SPCC Regulations"), and all amendments thereto; federal, state and local fire codes; federal and state Occupational Health

and Safety Acts (O.S.H.A.); if applicable, the current LEMS SPCC Policy and Guidance Module; applicable Job Site and facility specific SPCC Plans (as defined below); and, SPCC Best Management Practices (BMPs) contained in the Job Site SWPPP, while Subcontractor is mobilized on the Job site or performing Work. Contractor shall make the LEMS SPCC Policy and Guidance Module available for Subcontractors review upon request. In the event there is a conflict between SPCC requirements contained in documents that apply to Subcontractor's Work, e.g. Fire Code, SPCC Plan or SWPPP, Subcontractor shall comply with the most stringent requirements that apply to Subcontractors Work.

Oil, for the purpose of this Section is defined by the SPCC Regulations, and includes, but is not limited to, petroleum, synthetic oils, gasoline, diesel, motor oil, hydraulic oil, waste oil, or grease. Subcontractor shall not mobilize any individual oil storage container with the oil storage capacity of 55 gallons or more onto the Job Site without an express written approval from Contractor. If Contractor has a SPCC Plan in effect for the Job Site, Subcontractor shall comply with Contractor's SPCC Plan in it's entirety. Contractor may request information from Subcontractor to include in a Contractor SPCC Plan, and Subcontractor agrees to provide the requested information to Contractor by the end of the fifth (5th ) day following Contractor's written request which may include, but is not limited to, any and all information concerning Subcontractors anticipated or actual oil storage capacity, the nature of the oil to be stored, the locations where the oil will be stored; an estimated inventory and oil storage capacity of containers with an oil storage capacity of 55 gallons or more; secondary containment practices for all oil storage containers, spill response and clean up procedures to be implemented by Subcontractor in the event of a spill, and, documentation of training of Subcontractor's workmen with SPCC responsibility. However, Subcontractor remains independently responsible for understanding and complying with the SPCC Regulations. At all times, Subcontractor shall supply workmen trained with the knowledge, expertise and experience to operate Subcontractor's oil storage facility, regardless of size or storage capacity, in accordance with all federal, state, and local regulations; the SWPPP; and, the SPCC Plan if applicable.

Subcontractor shall immediately notify Contractor of a regulatory inspection and any corrective action, notice of correction, notice of violation or any other type of regulatory enforcement action or notice whether written or verbal regardless of the nature or severity related to SPCC compliance for the Job Site and/or Subcontractor's Work.

The MTPA shall remain in full force and effect, as amended hereby. Hereinafter, all references to the MTPA shall be deemed to refer to the MTPA as amended to date, and as further amended by this Amendment No. [# _2_].

**IN WITNESS WHEREOF,** the parties hereto have executed this Amendment to Agreement as of the day and year first above written.

**LENNAR CAROLINAS LLC**

"Contractor"
By: _____
Name: Jason Byham
Title: Division President
By: _____
Name: _____
Title: _____

**Alpha Omega Construction Group, Inc.**
"Subcontractor"
By: _____
Print Name: Chris Stafford
Title: Operations Director
By: _____
Print Name: _____
Title: _____

Fed I.D. No 26-3212467
License No. NC: 67752
SC: 6115475

LENNAR

# LENNAR CAROLINAS LLC

## CHANGE ORDER

## AMENDMENT NUMBER 3

## TO MASTER TRADE PARTNER AGREEMENT

CONTRACTOR'S STATE LICENSE G111911

DIVISION OFFICE: **Coastal Carolinas**
PROJECT: **All Projects**

This Amendment Number [# 3] to Master Trade Partner Agreement is entered into this **7th day of August, 2015** by and between **Lennar Carolinas, LLC**, ("Contractor") and **Alpha Omega Construction Group, Inc.** a **Corporation** whose address is **PO BOX 3196 Matthews, North Carolina 28106**, telephone number **(704) 821-6510** (herein called "Subcontractor").

### RECITALS

A. Contractor and Subcontractor entered into that certain Master Trade Partner Agreement on or about **(Enter MTPA Execution date)**, Master Trade Partner Agreement No. [# 3] ("MTPA"), pursuant to which Subcontractor was to do certain Work in connection with the Project or Job Site. As used herein, and except as hereby expressly provided, all capitalized words and phrases shall have the same meanings as defined in the MTPA and the Agreement as defined therein.

B. Contractor and Subcontractor desire to amend the MTPA as more particularly set forth herein.

### TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the foregoing recitals, and the covenants and conditions contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Contractor and Subcontractor hereby agree to amend the MTPA in the following respects:

1. Section 15 of the Agreement is deleted in its entirety and is replaced with the following:

   **15. ARBITRATION: If any claim or controversy that arises out of or relates to, directly or indirectly, this Agreement or any dealings between the parties cannot be settled by the parties within sixty (60) days after Contractor is first provided written notice of the claim or controversy by Subcontractor, the parties agree to first try in good faith to settle the**

dispute by mediation pursuant to the Construction Industry Mediation Rules of the American Arbitration Association. If the claim or controversy is not settled by mediation, the claim or controversy shall be resolved by final and binding arbitration pursuant to the Construction Industry Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Should a claim or controversy arise between Contractor and a buyer of a residence regarding materials supplied or work performed by or through Subcontractor, Subcontractor agrees to participate as a party in, and be bound by, any mediation and arbitration proceedings between Contractor and the buyer. Subcontractor shall incorporate provisions in all agreements with its lower tier subcontractors executed by Subcontractor with respect to the Work requiring any affected lower tier subcontractor to participate in, and be bound by, such arbitration. Notwithstanding the foregoing, in the event Contractor is named in a lawsuit or other action brought by any third party (including any individual claiming to be an employee of Subcontractor) and Contractor is unable to compel binding arbitration of such lawsuit or action, then Contractor shall have the right, but not the obligation, to bring a third party action against Subcontractor in whatever forum the underlying lawsuit or action is pending.

The MTPA shall remain in full force and effect, as amended hereby. Hereinafter, all references to the MTPA shall be deemed to refer to the MTPA as amended to date, and as further amended by this Amendment No. [# _3_].

**IN WITNESS WHEREOF,** the parties hereto have executed this Amendment to Agreement as of the day and year first above written.

**LENNAR CAROLINAS LLC**

"Contractor"

By: _____

Name: Jason Byham

Title: Division President

By: _____

Name: _____

Title: _____

**Alpha Omega Construction Group, Inc.**

"Subcontractor"

By: _____

Print Name: Chris Stafford

Title: Operations Director

By: _____

Print Name: _____

Title: _____

Fed I.D. No **Alpha Omega Construction Group, Inc.** 26-3212467

License No. NC : 67752

SC : 6116475

LENNAR

# LENNAR CAROLINAS LLC

## CHANGE ORDER

## AMENDMENT NUMBER 4

## TO MASTER TRADE PARTNER AGREEMENT

CONTRACTOR'S STATE LICENSE: G111911

DIVISION OFFICE: **Coastal Carolinas**
PROJECT: **All Projects**

This Amendment Number [# 4] to Master Trade Partner Agreement is entered into this **7th day of August, 2015** by and between **Lennar Carolinas, LLC.** ("Contractor") and **Alpha Omega Construction Group, Inc.** a **Corporation** whose address is **PO BOX 3196 Matthews, North Carolina 28106**, telephone number **(704) 821-6510** (herein called "Subcontractor").

### RECITALS

A. Contractor and Subcontractor entered into that certain Master Trade Partner Agreement on or about **(Enter MTPA Execution date)**, Master Trade Partner Agreement No. [#4] ("MTPA"), pursuant to which Subcontractor was to do certain Work in connection with the Project or Job Site. As used herein, and except as hereby expressly provided, all capitalized words and phrases shall have the same meanings as defined in the MTPA and the Agreement as defined therein.

B. Contractor and Subcontractor desire to amend the MTPA as more particularly set forth herein.

### TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the foregoing recitals, and the covenants and conditions contained herein, and for other good and valuable consideration, the receipt of which is hereby acknowledged, Contractor and Subcontractor hereby agree to amend the MTPA in the following respects:

1. Section 5.2 of the Agreement is deleted in its entirety and is replaced with the following:

   5.2 CONDITIONAL/UNCONDITIONAL LIEN WAIVERS. As a condition precedent to receiving each and any payment for Work as described in Section 12 hereof, Subcontractor and, if applicable, each of its Sub-Subcontractors and suppliers shall execute and furnish to Contractor a Conditional Lien Waiver and Release in substantially the form of "Conditional Waiver and Release Upon Final Payment" (attached hereto as Schedule "B-1") acknowledging receipt of such

payment to the extent payment is actually received. Subsequent to receiving payment, Subcontractor and if applicable, each of its Sub-subcontractors and suppliers shall execute and provide to Contractor an Unconditional Lien Waiver and Release in substantially the form of "Unconditional Waiver and Release Upon Final Payment" (attached hereto as Schedule "B-2") acknowledging receipt of all payments due with respect to such Work. Subcontractor agrees that, in lieu of preparing or providing lien waivers for each property for which Work was provided and/or materials were supplied, one lien waiver referencing payment for multiple addresses shall have the same force and effect as multiple lien waivers. Subcontractor shall include this one-waiver-for-multiple-addresses agreement in each contract with its Sub-subcontractors and suppliers relating to the Work. The lien waivers required to be delivered to Contractor by Subcontractor under this Agreement may be photocopies or facsimile copies, and Subcontractor hereby acknowledges that should it provide a photocopy or facsimile of a lien waiver on behalf of itself or one of its Sub-subcontractors or suppliers, such photocopy or facsimile shall have the same legal force and effect as an original lien waiver. Subcontractor shall also comply with all procedural requirements of laws of the state that govern this Agreement with respect to the enforceability of such lien waivers. Regardless of this section, Subcontractor agrees to provide Contractor with labor, materials and supplies that are free and clear of any debt or lien against the labor, materials or supplies and, in addition to any other indemnification obligations under this Agreement, Subcontractor shall indemnify, defend, and hold Contractor harmless from and against any claim, loss, cost or expense relating to any debts or liens against the Property relating to the Work. Subcontractor shall include such requirements in each contract with its Sub-subcontractors and suppliers relating to the Work.

The MTPA shall remain in full force and effect, as amended hereby. Hereinafter, all references to the MTPA shall be deemed to refer to the MTPA as amended to date, and as further amended by this Amendment No. [# 4_].

[Continued on following page.]

**IN WITNESS WHEREOF,** the parties hereto have executed this Amendment to Agreement as of the day and year first above written.

**LENNAR CAROLINAS LLC**

"Contractor"

By: _____

Name: Jason Byham

Title: Division President

By: _____

Name: _____

Title: _____

**Alpha Omega Construction Group, Inc.**

"Subcontractor"

By: _____

Print Name: Chris Stafford

Title: Operations Director

By: _____

Print Name: _____

Title: _____

Fed I.D. No 26-3212467

License No. NC: 67752

SC: 6115475

## SOUTH CAROLINA ADDENDUM TO MASTER TRADE PARTNER AGREEMENT

THIS SOUTH CAROLINA ADDENDUM TO MASTER TRADE PARTNER AGREEMENT is made a part of the Master Trade Partner Agreement, which is dated August 7, 2015, by and between Contractor and Subcontractor ("Agreement"). Terms used herein are as defined in the Agreement.

1. Section 5.2 is amended by substituting the South Carolina state specific Mechanics Lien Release forms attached hereto as Exhibit "A" as a substitute for (i) Schedule "B-1" – Conditional Waiver and Release Upon Final Payment, as referenced in Section 5.2, and (ii) Schedule "B-2" – Unconditional Waiver and Release Upon Final Payment, as referenced in Section 5.2.

2. Section 12.4 is deleted in its entirety.

3. Except as modified by this Addendum, all terms and conditions of the Agreement remain in full force and effect.

Dated this 7th day of August 2015

SUBCONTRACTOR: Alpha Omega Construction Group, Inc.

By: _____

Name: Chris Stafford

Title: Operations Director

Address: 1014 Waxhaw Indian Trail Rd.

Indian Trail NC 28079

Lennar Carolinas LLC

By: _____

Name: Jasen Byham

Title: Division President

Address: 1941 Savage Road suite 100-c Charleston, SC 29407

LENNAR

ADDENDUM TO CONTRACTOR BASE AGREEMENT

# SAFETY SURVEY GUIDELINES FOR CONTRACTORS

THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| **PERSONAL PROTECTIVE EQUIPMENT** | |
| HARD HAT | ♦ SHALL BE WORN ON ALL CONSTRUCTION SITES (CURB TO CURB) |
| EYE PROTECTION | ♦ IS REQUIRED WHENEVER THERE ARE FLYING PARTICLES THAT COULD STRIKE THE EYES. SUCH AS PNEUMATIC TOOLS, SAWING, JACK HAMMERING, DRILLING, SANDING, ETC. |
| PROPER FOOTWEAR/CLOTHING | ♦ APPROPRIATE FOR THE JOB BEING DONE SUCH AS CARPENTERS WEARING A SHOE WITH A SOLE THAT WILL RESIST NAIL PENETRATION AND WEARING GLOVES, LONG SLEEVES SHIRTS AND LONG PANTS WHEN APPROPRIATE |
| DUST, MISTS, PAINT, FIBROUS MATERIALS | ♦ DUST MASKS OR APPROPRIATE RESPIRATORY EQUIPMENT WILL BE USED |
| **EXTERIOR FALL PROTECTION IN USE** | |
| ROOFS | ♦ A SLIDE GUARD SHALL BE USED ON ROOFS WITH A PITCH UP TO 8:12 AND EAVE IS 25 FEET OR LESS. OVER 9:12 PITCH CONVENTIONAL FALL PROTECTION SHALL BE USED. |
| LANDINGS | ♦ IF THE LANDING IS OVER 6 FEET ABOVE THE ADJACENT SURFACE THERE MUST BE A STANDARD GUARDRAIL |
| DECKS | ♦ IF THE DECK IS 3 FEET OR OVER ABOVE THE ADJACENT SURFACE THERE MUST BE A STANDARD GUARDRIAL |
| STEPS | ♦ NO POINT OF ACCESS CAN HAVE A STEP GREATER THAN 19 INCHES |
| OPEN SIDED PLATFORMS | ♦ IF THERE ARE 4 OR MORE RISERS OR 30 INCHES OF RISE, (WHICH EVER IS LESS) THEN THERE MUST BE A HANDRAIL<br>♦ ALL PLATFORMS 3 FEET OR MORE ABOVE THE ADJACENT SURFACE MUST BE GUARDED WITH A STANDARD GUARDRAIL |
| SCAFFOLDING | ♦ SET UP ON FIRM SOLID GROUND<br>♦ NO BRICKS, BLOCKS OR SCRAP LUMBER USED TO LEVEL THE SCAFFOLD, ONLY USE PROPER LEVELING APPARATUS<br>♦ SCAFFOLDING OVER 10 FEET HIGH MUST HAVE GUARDRAIL, MID-RAIL AND TOE BOARD ON ALL OPEN SIDES. |



Subcontractors Initials CA

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ADDENDUM TO CONTRACTOR BASE AGREEMENT

# SAFETY SURVEY GUIDELINES FOR CONTRACTORS

THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| INTERIOR FALL PROTECTION IN USE | |
| HAND RAILS | ♦ STAIRS WITH MORE THAN 3 RISERS MUST BE EQUIPPED WITH A HANDRAIL LOCATED BETWEEN 30" AND 37" ABOVE THE STAIR TREAD IN-LINE WITH THE RISER<br>♦ HANDRAIL MUST BE CONTINUOUS AND BE LOCATED A MINIMUM OF 3" OUT FROM THE WALL STAIR RAILS |
| STAIR RAILS | ♦ ANY STAIRS WITH AN OPEN SIDE OF 4 OR MORE RISERS MUST BE EQUIPPED WITH A STAIR RAIL ON THE OPEN SIDE<br>♦ STAIR RAIL SHALL BE NOT LESS THAN 36" FROM THE TOP OF THE STAIR RAIL TO THE SURFACE OF THE TREND, IN LINE WITH THE FACE OF THE RISER AT THE FORWARD EDGE OF THE TREAD |
| OPEN SIDED PLATFORMS | ♦ ALL PLATFORMS 6 FEET OR MORE ABOVE THE ADJACENT SURFACE MUST BE GUARDED OR COVERED. |
| FLOOR OPENING | ♦ ANY OPENING IN THE FLOOR GREATER THEN 12"x12" MUST BE PROPERLY GUARDED OR COVERED |
| WALL OPENINGS | ♦ ANY OPENING IN THE WALL THAT IS GREATER THAN 18"x30" IS CONSIDERED TO BE A "WALL OPENING" AND MUST BE GUARDED IF THERE IS GREATER THAN A 4-FOOT FALL TO THE ADJACENT SURFACE |
| WINDOWS | ♦ WHEN THE WINDOW HAS NOT BEEN INSTALLED AND THE DISTANCE FROM THE WINDOW SILL TO THE GROUND IS GREATER THAN 4 FEET, THE WINDOW MUST BE GUARDED AS FOLLOWS:<br>o IF THE SILL HEIGHT IS BETWEEN 12" AND 39" ABOVE THE FLOOR THERE MUST BE A STANDARD GUARDRAIL LOCATED AT 42" HIGH<br>o IF THE SILL HEIGHT IS BETWEEN 4" AND 12" ABOVE THE FLOOR THERE MUST BE A STANDARD GUARDRAIL AT 42" AND A MID-RAIL HALFWAY BETWEEN THE SILL AND THE GUARDRAIL<br>o IF THE SILL HEIGHT IS LESS THEN 4" ABOVE THE FLOOR THERE MUST BE A STANDARD GUARDRAIL, MID-RAIL AND A 4" TOE BOARD |
| SCAFFOLDING | ♦ SET UP ON FIRM SOLID GROUND<br>♦ NO BRICKS, BLOCKS OR SCRAP LUMBER USED TO LEVEL THE SCAFFOLD, ONLY USE PROPER LEVELING APPARATUS |



Subcontractors Initials

LENNAR

ADDENDUM TO CONTRACTOR BASE AGREEMENT

# SAFETY SURVEY GUIDELINES FOR CONTRACTORS

THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| | ♦ SCAFFOLDING OVER 10 FEET HIGH MUST HAVE GUARDRAIL, MID-RAIL, AND TOE BOARD ON ALL OPEN SIDES. |
| LADDERS | |
| GOOD CONDITION | ♦ NO JOB BUILT LADDERS |
| | ♦ NO BROKEN SIDE RAILS OR STEPS |
| | ♦ NO HOMEMADE REPAIR |
| | ♦ ALL BRACES INSTALLED BY THE MANUFACTURER ARE IN PLACE AND UNDAMAGED. |
| PROPER USE | ♦ USED ACCORDING TO MANUFACTURERS SAFE USE INSTRUCTIONS. EXAMPLE: STEPLADDERS MUST BE OPENED AND RESTING ON ALL 4 FEET |
| | ♦ EXTENSION LADDERS MUST EXTEND A MINIMUM OF 3' PAST THE WORKING PLATFORM |
| TRENCHING & EXCAVATION | |
| PROTECTIVE SYSTEM | ♦ IF THE EXCAVATION IS 5-FEET OR DEEPER THEN A PROTECTIVE SYSTEM MUST BE USED, PROTECTIVE SYSTEM INCLUDE: |
| | o SLOPING |
| | o SHORING |
| | o BENCHING |
| | ♦ THE PROTECTIVE SYSTEM ALLOWED WILL DEPEND ON THE SOIL CLASSIFICATION (TYPE A, B OR C SOIL) |
| PERIMETER GUARDING | ♦ IF THE EXCAVATION, TRENCH, OR POOL COULD POSE A FALL HAZARD TO WORKERS ON THE JOB, OR THE GENERAL PUBLIC THERE NEEDS TO BE A BARRIER IN PLACE THAT WILL RESTRICT ACCESS ON THE SITE |
| POWER TOOLS | |
| CONDITION | ♦ NO BROKEN HANDLES, SWITCHES OR CASINGS |
| GUARDS | ♦ ALL GUARDS MUST BE IN OPERATIONAL CONDITION AND FUNCTIONING |
| CORDS | ♦ NO BREAKS IN THE INSULATION<br>♦ BE OF THE SIZE AND TYPE SPECIFIED BY THE MANUFACTURE |



Subcontractors Initials _____

LENNAR

ADDENDUM TO CONTRACTOR BASE AGREEMENT

# SAFETY SURVEY GUIDELINES FOR CONTRACTORS

THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| EXTENSION CORDS | |
| CONDITION | ♦ NO BREAKS IN THE INSULATION |
| | ♦ NO SPLICES IN THE CORD |
| | ♦ NO SPLICES IN THE CORD |
| PROPER GROUND | ♦ EQUIPPED WITH GROUND PRONGS |
| GFI PROTECTED | ♦ ALL EXTENSION CORDS MUST BE PROVIDED WITH A GFCI AS CLOSE TO THE POWER SOURCE AS POSSIBLE, OR BE COVERED BY WRITTEN "ASSURED EQUIPMENT GROUNDING" PROGRAM |
| | ♦ MUST HAVE STRAIN RELIEF; ALL CORDS MUST BE PROPERLY TIED OFF TO TEMPORARY POLE OR GENERATOR TO PREVENT PARTIAL DISCONNECTION |
| TANKS | |
| STORED & SECURED | ♦ ALL TANKS MUST BE:<br>o STORED ON A FIRM LEVEL SURFACE<br>o SECURED FROM FALLING OVER<br>o AREA DESIGNATED "NO SMOKING" WITHIN 100 FEET<br>o IN AN AREA THAT PROTECTS THEM FROM BEING STRUCK BY EQUIPMENT AND VEHICLES<br>o IF THERE IS OVER 500 POUNDS IN TOTAL QUANTITY THE STORAGE AREA, CAN NOT BE WITHIN 25 FEET OF ANY BUILDING OR STRUCTURE |
| OUT OF THE HOMES | ♦ NO LP TANKS ARE TO BE STORED IN A HOME |
| GROUND FAULT PROTECTION | |
| GFCI TEMP. POLES | ♦ ALL TEMPORARY POWER POLES MUST PROVIDE GFCI PROTECTION<br>♦ GFCI BREAKERS MUST BE CHECKED BEFORE USING TO INSURE THEY ARE WORKING |



Subcontractors Initials MA

LENNAR

ADDENDUM TO CONTRACTOR BASE AGREEMENT

## SAFETY SURVEY GUIDELINES FOR CONTRACTORS

THE CONTRACTORS AGREES TO COMPLY WITH THE REQUIREMENTS OF THE OCCUPATION SAFETY AND HEALTH ACT, TO INCLUDE BUT NOT LIMITED TO THE FOLLOWING CRITERIA:

| OSHA STANDARD | GENERAL GUIDELINES |
|---|---|
| GENERATOR GFCI PROTECTED | ♦ IF THE GENERATOR IS OVER 5 KW IT MUST BE GROUNDED |
| | ♦ ALL TEMPORARY POWER MUST BE EQUIPPED WITH GFCI PROTECTION |
| GENERATORS, COMPRESSORS AND MIXERS | |
| CONDITIONS | ♦ MUST BE IN GOOD WORKING ORDER |
| GUARDS | ♦ NO BROKEN, MISSING OR MODIFIED COMPONENTS |
| | ♦ ALL MOVING PARTS, ROLLERS BLADED GEARS, PULLEYS, AND PINCH POINTS ARE TO BE GUARDED |
| CORDS & HOSES | ♦ ARE TO BE IN GOOD CONDITION WITH NO BREAKS OR HOMEMADE REPAIRS |
| | ♦ ALL CORDS AND HOSES ARE TO BE OF THE TYPE AND SIZE SPECIFIED BY THE MANUFACTURER |
| HOUSEKEEPING | |
| MATERIAL STORED PROPERLY | ♦ MATERIAL STORED IN A MANNER THAT WOULD NOT POSE A HAZARD<br>♦ DRYWALL, PLYWOOD, OSB AND FLOORING STACKED FLAT |
| | ♦ STACKED IN A MANNER THAT WOULD RESIST FALLING |
| WORK AREAS /PASSAGEWAYS | ♦ CLEARS OF DEBRIS, FORM AND SCRAP LUMBER, LUMBER WITH NAILS |
| COMBUSTIBLES STORAGE | ♦ COMBUSTIBLES AND FLAMMABLES STORED IN AN APPROPRIATE AREA THAT IS IDENTIFIED |
| | ♦ FLAMMABLE AND COMBUSTIBLE LIQUIDS STORED IN AN APPROVED METAL SYSTEM CAN |

LENNAR Carolinas LLC :

BY: _____

Print Name: Jason Byham

Title: Division President

SUBCONTRACTOR:

Company Name: Alpha Omega Construction Group Inc.

Print Name: Chris Stafford

Signature: _____



Subcontractors Initials_____

Initials : [redacted]
Trade Partner Lennar

LENNAR®

**Schedule A**
**Scope of Work for**
**GENERAL REQUIREMENTS**

Subcontractor or supplier, (hereinafter referred to as Trade Partner, without differentiation of being an individual or an entity), will adhere to all City, County, State and Federal building codes, regulations, and licensing in all areas work is to be performed as it pertains to trade partner's classification.

The Trade Partner acknowledges that the Scopes of Work, in combination with other documents are an integral part of the Master Trade Partner Agreement (The Agreement) and agrees that should conflict between the requirements contained within said documents occur, that the most stringent of requirements shall be followed and further, such requirements shall be considered the minimum standard by which services are performed or material supplied.

Lennar Carolinas, LLC reserves the right to modify the specifications at any time. In the event that this occurs, the trade partner will be notified prior to implementation of said change.

## GENERAL REQUIREMENTS

### CAPABILITY

1. Trade Partner agrees that they are capable of performing the tasks to which they will enter into a contract for, they are experienced in such manner of work and services and have the capability of performing to the standard set forth by Lennar, State and Local code requirements, and those set forth by manufactures of the materials or products used in performing their contracted work.
2. Trade Partner acknowledges that conflicts regarding the requirements of the entities above may exist and, further, agrees to perform to the most stringent of the requirements as a normal course of their business.
3. Trade Partner agrees to establish and maintain administrative support to adequately, effectively and efficiently support the requirements of a Trade Partner for Lennar. Some, but not all, requirements are:
   a. Internet access and ability to obtain information from Lennar or their assigns
   b. Telephone communication with field crews, supervision, administrative support and management.
   c. Administrative support adequate for the contracted services provided.
   d. Financial control to support the billing and payment process established by Lennar.
   e. Field supervision which is readily available, accessible and able to communicate with Lennar personnel.
   f. Customer service & emergency staff and procedures that support the Lennar minimum requirements.
   g. Material estimating and take off capability that support the Lennar minimum requirements;
4. Trade Partner acknowledges that they have financial capability required to consistently perform services and/or supply materials to meet the requirements of the Lennar construction schedule, customer service schedule and quality requirements.
5. Trade Partner acknowledges that service work of any kind is a critical element of the Agreement and agrees to perform and complete required service as scheduled.

Initials : _____ _____
Trade Partner Lennar

6. Trade Partner acknowledges and agrees that they are capable of, willing to and shall, adjust to meet requirements of unforeseen events that may affect the construction schedule, customer service schedule or quality requirements.
7. Trade partner agrees that he is acquainted with and will instruct his employees on the Construction Safety Requirements of the Occupational Safety and Health Act of 1970. That all current requirements pertaining to OSHA will be adhered as it pertains to trade partner's classification. When requested, the Trade partner is required to furnish Lennar Carolinas, LLC with a written copy of trade partner's safety program. Further, The Trade Partner agrees that their employees or trade partners will comply with the provisions of these acts. Trade Partner agrees to be financially liable for any fines imposed on Lennar for violations of these provisions due to unsafe acts by the Trade Partners employees. The Trade Partner agrees that these same conditions shall apply to work sublet by said Trade Partner, its agents, and material men.
8. Trade Partner shall maintain, and produce upon request any documents required to confirm compliance with OSHA and Material Safety Data Sheets, (MSDS) relating to any materials used on the job site.
9. Trade Partner is current with Environmental Protection Agency requirements and shall act in accordance of these requirements while on any Lennar owned or controlled site.
10. The Trade Partner agrees to cooperate with ongoing quality control of materials, plans, specifications and general work practices.

**PERFORMANCE**

1. Trade Partner agrees that Time is of the Essence and shall diligently and efficiently perform their contracted tasks to adhere to both the Lennar construction schedule and customer service schedule. Trade Partner acknowledges that in doing so specific performance is agreed to.
2. All work will be performed in accordance to Lennar Carolinas, LLC plans, specifications, design standards and home selections. No changes will be allowed without written consent and signed authorization from Lennar on a Lennar Change Order or Purchase Order.
3. Trade Partner acknowledges that the Lennar Specifications, Trade Partner specific Scope of Work, Color Selections, Options Descriptions and The Lennar 1-2-10 Warranty are inherent parts of the Agreement and agrees to perform services and supply materials to these requirements.
4. A new set of plans is required for each home. Plans are subject to changes and modifications. It is the responsibility of the Trade Partner to have the construction plans before beginning work. Trade Partner shall access plans through Buzzsaw and/or Box.com. The Trade Partner, at no cost to Lennar Carolinas, LLC, will correct any errors that occur from using an incorrect set of plans.
5. No work will be performed over previous trade partner work that is of inferior quality, incorrectly built or at a variance to Lennar Carolinas, LLC plans. Trade Partner agrees to immediately notify a Lennar Construction Manager of any such occurrences.
6. The Trade Partner shall accept the work of prior Trade Partners before proceeding. In the event the prior work was done in a defective manner, this Trade Partner shall promptly notify the Lennar Construction Manager of alleged defective work verbally and then in writing before proceeding. In the event that Trade Partner proceeds before the defective work is corrected, this Trade Partner shall bear full responsibility if the work in place is not acceptable.
7. The trade partner acknowledges and agrees that work must be completed per Lennar Carolinas, LLC construction and customer service schedule.
8. The Trade Partner agrees to provide competent supervision at all times.
9. The Trade Partner will inspect the quality of materials and shall inspect materials for correct quantities.
10. The Trade Partner shall conduct regular quality inspections that support the written Scopes of Work and the spirit in which those documents were forged.
11. No substitution of materials shall be allowed. Trade Partner is required to contact the Lennar

Construction Manager and Lennar Carolinas, LLC purchasing department immediately if any product should become unavailable which may cause a delay in performing to the construction or customer service schedule.

12. The Trade Partners work must pass all inspections pertaining to the installation provided by trade partner. Corrections required by third party inspectors or during quality inspections will be at the expense of the trade partner. Any items found during the final inspection that need correction shall be corrected before payment is made.
13. The trade partner shall ensure that the work environment is kept clean and free from hazards. Excess materials from each house shall be removed from the site, stored at a Lennar approved location, or stacked neatly in garage.
14. Trade Partner agrees to repair any damages to his work not of his doing and will be paid at a fair and predetermined rate. Trade Partner will be required to pay for any damages to existing work if it is determined that said Trade Partner and/or their employees were the cause of such damage.
15. Trade Partner is responsible for contacting utility companies or utility locating company prior to commencement of work. Trade Partner is responsible to determine locations of all other subsurface utility lines and meters, which may be present on any home site. Any damage done by the Trade Partner will be the responsibility of the partner.
16. The Trade Partner shall keep the waste of materials to a minimum. Wasted or damaged materials will be at the expense of the trade partner.
17. Trade Partner will communicate to Lennar Purchasing regarding material overages or shortages,
18. The Trade Partner shall protect the streets, curb and gutters from damages during the process of performing their contracted services, including the delivery or removal or materials which they supply or manage.
19. No materials will be stockpiled in the street. Materials delivered or dropped in the street will be moved immediately.
20. All streets and flatwork will be broom-swept by Trade Partner responsible for mud, or other surface staining caused by their vehicle and/or equipment. If streets and flatwork are heavily stained or soiled, Trade Partner will be responsible for the cost incurred by Lennar Carolinas, LLC for a wash truck and/or pressure washing of the affected areas.
21. Posted speeds, parking and conduct requirements shall be followed at all times.
22. Smoking is prohibited on Lennar Jobsites.

## INCLUSIONS

1. All services rendered and material supplied includes all applicable taxes.
2. All services performed and material supplied shall be based on a per unit basis.
3. Trade partner is required to provide an itemized material take-off list. Therefore, any items necessary to complete the work, but not shown or implied on the drawings or in the specifications, but necessary to complete the systems depicted in order to meet all codes, shall be included in this contract.
4. Trade Partner shall supply all tools, labor, and equipment required to perform the work as contracted. Trade partner shall supply all equipment (i.e. forklifts, cranes, ladders, scaffolding), as required, for the contracted work.
5. Trade Partner shall supply fuel and temporary power, compressors and all associated devices as and when required.
6. Trade partner is required to provide all fasteners (nails, staples, button caps, etc.) required to assemble the materials in accordance to the best practices of industry standards and adhere to all local, national codes, and/or governing codes and requirements.
7. All materials supplied by the Trade Partner shall be new materials of guaranteed quality.

## CLEAN UP AND JOB MAINTENANCE

1. The Trade Partner shall clean their work area and surrounding site at the completion of each work day.

Initials : [redacted]
Trade Partner Lennar

2. When complete, the Trade partner shall broom clean the home, garage and exterior porches and patio's etc. The yard shall be cleaned completely of any Trade Partner generated trash, material or other items.
3. When required, the Trade Partner shall remove their waste, trash and excess material from the Lennar site.
4. Trash shall be placed in the Lennar approved location or container. Excess material shall be neatly stacked in a location designated by the Lennar Construction Manager.

## WARRANTY AND CUSTOMER SERVICE

1. Trade Partner will provide phone number and contact response for emergency service.
2. Service response and completion to these requests will not exceed 72 hours after notification.
3. Trade Partner agrees to material and labor warranty, from date of closing on the home as per the Lennar 1-2-10 Warranty. This warranty includes but is not limited to: defect in workmanship, improper installation, and/or defective new materials supplied by trade partner to fasten or assemble materials provided by Lennar Carolinas, LLC.
4. Trade Partner shall be responsible for all customer service/walk through items pertaining to this contract. Failure to comply with customer service or walk through request within (3) days of notification will result in Lennar Carolinas, LLC, finishing the work and back-charging the costs to Trade Partner. The Trade Partner shall have 24 hours (in an emergency) in which to correct any Warranty problem. If the problem is not corrected within the time frames established above then Lennar Carolinas, LLC shall correct the problem and will back-charge the trade partner at the rate of $25.00 per hour, with a minimum charge of $100.00 plus the cost of any materials.

## BACK CHARGES AND ASSESMENT OF PERFORMANCE FINES

1. Trade Partner acknowledges and agrees that Lennar may at times, due to lack of performance by the Trade Partner or due to lack of quality in material and/or workmanship, assess a back charge or performance fine.

This Scope of Work executed this 27 day of August, 2015

Trade Partner: Alpha Omega Construction Group Inc. (704)821-6510
Company Name Phone Number

1014 Workhaus Indian Trail Rd.
Address

Indian Trail NC 28079
City, State, and Zip Code

By: Chris Stafford Operations Director
Print Name Title

Signature

Contractor: Lennar Carolinas, LLC

By: [signature] Director of Purchasing
Title

# LENNAR Address Book Revision Form

Email Address: eraddressbook@lennar.com All Fields Required

## GENERAL

W-9 Received Y ◉ N ○ Insurance Compliant Y ○ N ○

**Action Code:**

| | | |
|---|---|---|
| Add/ Reactivate | ◉ | New Vendors only. "NEW TRADE VENDORS PACKAGE TO BE SUBMITTED TO THE REGIONAL OPERATING CENTER (ROC). All others, to be submitted to Corporate ABR team. |
| Change | ○ | Existing active vendors only |
| Inactivate | ○ | To inactivate, vendor must not have open payables or open contracts. |
| Reason for changes/ inactivation | ○ | Explanation Required (See guideline for more information) |
| Type of business | ○ | |

**Type of Support Provided:**

- ○ Check Request/Invoice
- ○ Homeowner Cancellation Form
- ○ Change of Address Notice
- ○ Remittance portion of signed contract
- ○ Other

## Section 1 JD Edwards Menu G01 # 3

Address Book Number 7699379 (System will assign an address book number for all new additions) Resp. Business Unit/Div Code 1818000 Including all trailing zeros

Alpha Name Alpha Omega Construction Group, Inc. Search Name (Place The or A after vendor name)

Verified ☑ Verify if vendor exist Model Leaseback ☐ (Requires 1099 Classification of A1) Serengeti Vendor ☐

Search Type: G&A (G) Gen & Admin ○ Vendor (V) ◉ Tax Authority (TA) ○ Government Agency (GOV) ○ Utility (U) ○

National Vendor (NV) ○ Inactive (IN) ○ Homeowner (H) ○ Lawyer (L) ○ Other ○

If Other (Explanation Required)

Payables Y ◉ N ○ Telephone (704) 821-6510

Fax (704) 821-7058 Lien Fax (704) 821-7058

Mailing Name Alpha Omega Construction Group, Inc. Name on Check (Must match name on invoice/contract)

Legal Name (Who's Who) If different from Mailing Name

E-Mail:
Electronic Payment acrotts@alpha-omegainc.com
Liens

Address Line One PO Box 3196

Address Line Two (Optional)

City Matthews State NC Zip 28106

# LENNAR Address Book Revision Form

Email Address: eraddressbook@lennar.com  All Fields Required

Alpha Name

## Section 2 - JD Edwards Menu G01 #3 F13

TAX ID Number : FEIN 26-3212467 OR SSN

**Person/Corp Code**

P ◯ Requires Social Security Number

C ◯ Requires a FEIN (Corporation box checked)

N ◉ Requires an FEIN. Applies to all legal vendors (Corporation box not checked)

X ◯ Do not need SSN or FEIN/No W-9 required. (Employee expense report; Joint Payee; Homeowner cancellation/damage reimbursement)

**Hold Payment:** Yes ◯ No ◉

## Section 3 - JD Edwards Menu G01 #3 F14

**1099 Classification Code** (Default is non-employee compensation) Rents (A1) ◯ Attorney's Fees (AC) ◯ Other Income (A3) ◯

LIEN WAIVER REQUIRED Yes ☐ No ☐

**Process & Reporting Selection** Build Pro Eligible ☐ Auto Voucher Eligible ☐ OCIP participant ☐ • ☐ %

## Section 4 - JD Edwards Menu G01 #3 F16

**Payment Terms** Net 20 (Modifications of Payment Terms on trade ABR's may require approval from Purchasing Manager)

**Payment Method**

ePayables ◯ ePayables is mandatory for G&A vendors.

ACH Credit ◉ For direct trades and G&A vendors who cannot accept credit cards.

Check ◯ (Joint Payees, JV and municipalities only).

**Purchasing Manager Approval**

Printed Name:

Approved By:

Date:

**Multiple Payments** N ◉ N= one check for all pay items Y ◯ Y=separate check for each pay item

## Section 5 - Signatures

| | Requested By | Division Approval | ROC AP Approval |
|---|---|---|---|
| | Full Signature | Full Signature | Full Signature |
| Printed Name | Marion Sprunkel | Michael Ray | |
| Phone Number | (843) 839-3822 | Title: DOP (Supervisor or above) | |
| Date | 10/5/2012 | 10/5/2012 | |

## Section 6 - (ABR Team Use only)

| | Entered By: | JDE Reviewed By: |
|---|---|---|
| | Full Signature | Full Signature |
| Printed Name | | |
| Date | | |

Form **W-9**
(Rev. December 2011)
Department of the Treasury
Internal Revenue Service

# Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)
Alpha Omega Construction Group Inc

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☑ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☐ Exempt payee

☐ Other (see instructions) ▶

Address (number, street, and apt. or suite no.)
PO Box 3196

Requester's name and address (optional)

City, state, and ZIP code
Matthews, NC 28106

List account number(s) here (optional)

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
[ ][ ][ ] - [ ][ ] - [ ][ ][ ][ ]

Employer identification number
[2][6] - [3][2][1][2][4][6][7]

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign Here** Signature of U.S. person ▶ [signature] Date ▶ 6/26/12

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

## Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

Form **W-9**
(Rev. December 2011)
Department of the Treasury
Internal Revenue Service

# Request for Taxpayer Identification Number and Certification

**Give Form to the requester. Do not send to the IRS.**

Print or type
See Specific Instructions on page 2.

Name (as shown on your income tax return)
Alpha Omega Construction Group Inc

Business name/disregarded entity name, if different from above

Check appropriate box for federal tax classification:
☐ Individual/sole proprietor ☐ C Corporation ☑ S Corporation ☐ Partnership ☐ Trust/estate

☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=partnership) ▶

☐ Other (see instructions) ▶

☐ Exempt payee

Address (number, street, and apt. or suite no.)
PO Box 3196

Requester's name and address (optional)

City, state, and ZIP code
Matthews, NC 28106

List account number(s) here (optional)

## Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on the "Name" line to avoid backup withholding. For individuals, this is your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions on page 3. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN* on page 3.

**Note.** If the account is in more than one name, see the chart on page 4 for guidelines on whose number to enter.

Social security number
[ ][ ][ ] - [ ][ ] - [ ][ ][ ][ ]

Employer identification number
2 6 - 3 2 1 2 4 6 7

## Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and
3. I am a U.S. citizen or other U.S. person (defined below).

**Certification instructions.** You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions on page 4.

**Sign Here** | Signature of U.S. person ▶ [signature] | Date ▶ 4/26/12

## General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

## Purpose of Form

A person who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

**Note.** If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

**Definition of a U.S. person.** For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States,
- An estate (other than a foreign estate), or
- A domestic trust (as defined in Regulations section 301.7701-7).

**Special rules for partnerships.** Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain cases where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

LENNAR®

**Schedule A**
**Scope of Work for**
**ROOFING SPECIFICATIONS**

## SECTION 1: MATERIALS

1. Trade partner shall supply, at a minimum, the following material:
   a. All tools, fasteners, flashings, sealants, asphalt roofing products, ridge vents, roof vents, metal roofing, deck/balcony waterproofing, aluminum drip cap, roofing underlayment and similar material as required to install a complete roofing system whether listed in this document or not.
   b. Roofing shingles per specification.
   c. Starter strips.
   d. 15 (fifteen) pound felt.
   e. Roofing underlayment – 36" (thirty six inches) wide.
   f. 1-1/2" x 2" (one and one-half inch by two inch) white aluminum drip edge.
   g. Ridge ventilations.
   h. Roof ventilation.
   i. 7"x10" step flash metal - .019 inch/5 mm/no. 26 galvanized.
   j. 5"x6" counter flashing metal - .019 inch/5 mm/no. 26 galvanized.
   k. Roof rain diverter.
   l. Kick out flashing - 019 inch/5 mm/no. 26 galvanized.
   m. Colored metal roofing – 24 to 29 gauge dependent upon product specified.
   n. 12 (twelve) gauge galvanized roofing nails.
   o. Black spray paint.
   p. Sealoflex waterproofing system.

## SECTION 2: INSTALLATION

1. Roofing underlayment (i.e. ice & water shield) shall be installed in all valleys for the entire run of the valley.
2. Individual trips may be required for the installation of roof felt/Ice water shield and, roofing shingles/metal roofing.
3. Roofing underlayment (i.e. ice & water shield) shall be installed centered in the valley.
4. Roofing felt shall be installed over the entire roof deck surface.
5. Roofing felt shall be installed "shingle fashion" starting at the eve of the roof and progressing to the ridge.
6. Roofing felt shall overlap as follows:
   a. 2 (two) inches horizontally.
   b. 19 (nineteen) inches vertically.
   c. Offset of vertical joints shall be a minimum of 6 (six) feet.
   d. Roofing felt shall overlap drip edge at the rakes and shall be covered by drip edge at the eves. RAKES CA EAVES CA
7. Roofing felt shall not cover openings in the roof deck intended for ventilation.
8. Felt that has been damaged shall be replaced before shingles are installed.
9. Aluminum drip edge shall be installed at the entire perimeter of the roof.
10. At an intersection of rake and eve, vertical legs of drip edge shall on the rake shall be cut to fold across the vertical leg of drip edge on the eve.
11. Drip edge shall be fastened every 8 to 10 (eight to ten) inches on center.

12. Starter strip shall be installed at the perimeter of roof area that will receive asphalt shingles.
13. Starter strips shall be fastened with nails installed 12 (twelve) inches on center.
14. Shingles shall be installed from the eve toward the ridge. Shingles shall be installed straight and true, a chalk line shall be used to ensure coursing is straight. Tabbed shingles shall be installed to be straight and aligned.
15. Shingles shall not be installed before exterior paint prime is complete, and always before vinyl siding being started, unless directed otherwise by a Lennar Construction Manager.
16. Shingles shall be installed from matching lot numbers.
17. Shingles (full length) shall be installed with a minimum of 4 (four) nails, sequentially less as the installed shingle length is shortened.
18. Shingles shall overhang the fascia from ½ (one half) to ¾ (three quarters) of one (1) inch.
19. Nails shall be located 1 to 1-1/2 inch (one to one and one half inch) from the edge of shingles and starter strips.
20. Nails shall be located no less than ½ (one half) inch above the shingle tab and shall never be visible except at the ridge.
21. Nails used to fasten shingles and starter strips shall penetrate through the roof sheathing by a minimum of ¾ (three quarters) of one inch.
22. Ridge vent shall be installed and fastened per the manufacturers installation instructions.
23. Ridge cap shingles shall be centered on the ridge and fastened with a minimum of 2 (two) nails.
24. Exposed nail heads shall be sealed with roofing sealant.
25. Plumbing vent pipes shall be painted black prior to installing vent flashings.
26. Vent flashings shall be installed, shingle style, as shingles are being installed.
27. Rain collars, where required, shall be installed with the vent flashing.
28. Shingles shall cover the upper and side edges of vent flashings.
29. Metal flashing shall be properly and completely installed anywhere required in order to create a watertight finished product. Chimneys, fireplaces, dormers, vents, pipes, skylights, party walls and any walls extending above the roof must be flashed.
30. Proper installation procedure for any and all flashing shall require: a full bed of asphalt cement prior to mechanically fastening flashing material to ensure a watertight seal. All fasteners used to secure the flashing material will be coated and sealed with asphalt cement before installation of flashing material will be considered completed.
31. Step flashing shall be installed at intersections of side walls and roof rake.
32. Counter flashing shall be installed where roofs intersect with side walls.
33. Where roofing adjoins masonry veneer flashing, masonry veneer shall be saw cut and counter flashed.
34. When cutting masonry veneer, cut lines shall be straight and a minimum of 1 (one) inch deep.
35. Sealant shall be installed at:
    a. Visible nail heads.
    b. Where step flashing overlaps.
    c. At masonry veneer saw cut.
36. Kick out flashing shall be installed to divert roof drainage from side walls of the structure.
37. Rain diverters shall be installed above exterior doors and passage ways.
38. Any area where a roof valley directs water over any opening (ex: doors, windows), trade partner shall install kick-out flashing to direct flow away from exterior wall and openings.
39. Metal roofing panels shall be installed per the manufacturer's installation requirements when installed over OSB roof sheathing.
40. Install Sealoflex waterproofing on second or third floor exterior decks surfaces per manufacturer instructions. Installation shall, in general, include the following:
    a. Preparation of joints in wood decking.
    b. Sealoflex Pink base coat.
    c. Sealoflex fabric.
    d. Sealoflex Pink saturation coat.
    e. Two coats of Sealoflex finish
    f. Two coats of Wearcoat Clear.
41. Installation of Sealoflex shall only occur over ¾" (three quarters on one inch) exterior grade tongue and groove plywood.

Initials [redacted]
Trade Partner Lennar

## SECTION 3: MATERIAL MANAGEMENT and PERFORMANCE

1. All shingles will be roof loaded only.
2. Shingle materials will not be stocked within 2 (two) feet from the edge of any roof.
3. Load will not be concentrated in any one area. Disperse shingles accordingly with stacks no higher than 3 (three) bundles in any one stack.
4. Delivery supplier will be responsible for any and all damages. Notify Lennar Carolinas, LLC immediately of any damages before starting work.
5. Should more than one bundle be left over, notification submitted to Lennar Superintendent/ Lennar Carolinas, LLC office shall be made for take-off corrections.
6. Shingles shall not buckle at edges more than ¼" (one quarter of one inch).
7. Shingles shall not blow off from wind gust of less than 3 (three) seconds at a wind speed of 85 (eighty five) miles per hour.
8. Holes made in the roofing from the installation of toe boards or other devices used in the installation of roofing shall be completely sealed.
9. Shingles that are scuffed, torn or damaged in any way during installation shall be replaced before installers leave the premises.
10. Roof surface shall be cleaned of all trash and debris created during installation.
11. All waste and debris shall be removed from the Lennar site at completion of the roof installation.
12. Trade partner shall furnish Lennar Carolinas, LLC with literature and pamphlets associated with manufacturer warranties and product care for all products and materials offered.

### WARRANTY SERVICE

1. Lennar Carolinas, LLC places high importance on warranty service.
2. Trade partner will provide phone number and contact response for emergency service.
3. Emergency service response and completion to these requests will not exceed 72 hours after notification.
4. Trade partner agrees to one (1) year material and labor warranty, from date of closing on the home. This warranty includes but is not limited to: defect in workmanship, improper installation, and/or defective new materials supplied by trade partner to fasten or assemble materials provided by Lennar Carolinas, LLC.
5. If trade partner performs work over previous trade partner work that is of inferior quality, incorrectly built, or at a variance to Lennar Carolinas, LLC plans; trade partner that worked over the inferiority/incorrectly built/variance, will be financially liable for costs incurred to correct and reinstall all material and labor specific to his original installation.
6. Trade partner shall be responsible for all customer service/walk through items pertaining to this contract. Failure to comply with customer service or walk through request within (3) days of notification will result in Lennar Carolinas, LLC, finishing the work and back-charging the costs to trade partner. The trade partner shall have 24 hours (in an emergency) and 3 days (in a non-emergency) in which to correct any Warranty problem. If the problem is not corrected within 3 days then Lennar Carolinas, LLC shall correct the problem and will back-charge the trade partner at the rate of $25.00 per hour, with a minimum charge of $100.00 plus the cost of any materials.

**Trade partner shall remain responsible for daily clean up and removal of debris and trash from his respective work area to a designated area by the Project Manager. If for any reason trade partner fails to perform daily clean up, contractor may elect to perform necessary clean up and deduct sufficient monies to cover the cost from monies due the trade partner.**

Prior to commencement of work on site, trade partner shall submit to contractor a Certificate of Insurance demonstrating coverage for Workman's Compensation and General Liability as required by Lennar Carolinas, LLC.

Initials: _____ _____
Trade Partner Lennar

The scope of work defined above shall be considered as an integral part of the subcontract agreement referenced to above. Lennar Carolinas, LLC reserves the right to modify and/or amend the above scope of work anytime. Any changes to the scope of work must be approved in writing (adjusting purchase order) prior to work being performed.

**This Scope of Work executed this** 12 **day of** SEPTEMBER, **20** 15

**Trade Partner:** Hernan Omega Construction Group Inc 843 818-4569
**Company Name** **Phone Number**

PO Box 3291
**Address**

Matthews NC 28106
**City, State, and Zip Code**

**By:** Chris Stafford **Operations Director**
**Print Name** **Title**

**Signature**

**Contractor:** Lennar Carolinas, LLC

**By:** _____ **Director of Purchasing**
James Davenport **Title**

# EXHIBIT 32

# TO EXHIBIT A – AFFIDAVIT OF ROBERT MAUCH

Division Office: Myrtle Beach
Contract Number: _____
Cost Center: _____

CONTRACTOR BASE AGREEMENT

THIS CONTRACTOR BASE AGREEMENT (the "Agreement") made and entered into this _____ day of _____, 2007, by and Lennar Carolinas, LLC (hereinafter "Lennar") and Builders First Source - Southeast Group, LLC (hereinafter "Contractor").

1. SCOPE OF WORK: Contractor shall provide labor, material, equipment or other services in such location(s) and under such terms and conditions as Lennar shall deem necessary (the "Work") upon receipt of a Purchase Order from Lennar. When issued, the Purchase Order (see Schedule A) shall become part of this Agreement. The location(s) where the Work is to be performed shall be known as the job site or Project site, and may be more fully described in Exhibit "A" to the Purchase Order. Unless otherwise provided, the term "Subcontractor" shall include all persons or entities of all tiers, whether contracting directly with Contractor, or any person acting by, through or under Contractor, that are providing labor, materials, equipment, supplies, and/or supervision to satisfy the requirements of Contractor's Work.

1.1 PERFORMANCE OF THE WORK. Contractor shall furnish all labor, materials, equipment, supplies, supervision and all other things necessary to timely and properly perform the Work in a good and workmanlike manner, free from defects in workmanship or materials, acceptable to Lennar, and in strict accordance with (i) the plans and specifications, (ii) any applicable manufacturer's specifications, recommendations or requirements, (iii) applicable industry standards, codes, or other rules or regulations, and (iv) the requirements of Lennar's overall schedule. Contractor guarantees the availability of all labor, equipment and materials necessary to complete the Work in strict accordance with Lennar's schedule. Contractor shall be solely responsible to pay for all labor, salaries, materials, tools, equipment, supplies, state, federal, local and all other applicable sales, use, income or other taxes of any type or nature, transportation, storage facilities, offices, telephones, other overhead, shop drawings, supervision, temporary or permanent facilities and all other things necessary for the full and complete performance of the Work covered by this Agreement and the Purchase Order(s). Contractor shall secure and pay for all permits and governmental fees, licenses and inspections, to the extent necessary, for the proper execution and completion of Contractor's Work. No substitutions shall be allowed in the performance of the Work unless expressly approved by Lennar in writing.

1.2 INSPECTION AND INVESTIGATION. Contractor shall fully and completely investigate and study (i) the Project site, (ii) the plans and specifications, (iii) any manufacturer's specifications, and (iv) all other conditions that may affect the Work, and shall be solely responsible for verifying that it possesses the most current set of plans and specifications. By executing the Purchase Order, Contractor represents that it has noted no deficiencies or problems with the Project site, the plans and specifications, the manufacturer's specifications, or any other conditions which would impact its ability to perform the Work in accordance with the requirements of this Agreement or any Purchase Order. If Contractor subsequently discovers any discrepancies between the plans, specifications, manufacturer's specifications, physical conditions, or any errors and omissions in the plans or specifications or in the layout as given that might affect the Work, Contractor shall immediately notify Lennar in writing. Any Work performed by Contractor relating to such discrepancy, error or omission shall be done at Contractor's sole risk. Prior to ordering materials or performing the Work, Contractor shall verify (i) that the materials are adequate for the performance of the Work, and (ii) that all measurements or conditions relevant to Contractor's Work are acceptable. No extra charge or compensation shall be allowed on account of differences between actual dimensions or conditions, and the measurements and conditions which may be found as indicated in the plans and specifications. The soils and geology reports, investigations or borings available to Contractor were prepared by third parties and made only for the purpose of study and design. Lennar does not warrant or guarantee, either expressly or impliedly, (i) the sufficiency or accuracy of the reports or investigations or borings which have been made, or (ii) any conditions that exist throughout the Project. Contractor agrees to undertake the Work subject to all site conditions as they now exist or may arise.

1.3 DEFECTIVE WORK. Contractor is responsible, at its sole cost, for promptly repairing or replacing any defective Work noted by Lennar or any third-party inspectors. In the event Contractor's Work involves construction of a residential dwelling, Contractor is also responsible, at its sole cost, for promptly repairing or replacing any defective Work noted by the homebuyer. Contractor shall provide Lennar with an itemized construction inspection checklist in a form approved by Lennar that Contractor will use to verify completion and workmanship of the Work. The failure of Lennar to identify any defects in the Work during any inspection shall not relieve Contractor of its responsibility to perform the Work in accordance with the requirements of this Agreement. Lennar shall be the sole judge of the adequacy of the repairs made to fix defective work. If Contractor covers any Work prior to Lennar's inspection of the Work, then Contractor shall be responsible for the cost of uncovering or removal and replacement of the Work to allow Lennar's inspection. Contractor shall correct all items noted as needing correction within forty-eight (48) hours of receipt of Lennar's notice. In the event Contractor's Work involves construction of a residential dwelling, Contractor shall correct all items noted as needing correction, including any items noted during homebuyer's Orientation before the earlier of (i) close of homeowner's escrow, or (ii) forty-eight (48) hours of receipt of Lennar's notice.

1.4 PROGRESS. Contractor shall comply with the deadlines and schedules established in the Purchase Order and by Lennar, and shall prosecute the Work with diligence and with adequate labor, equipment and materials to satisfy Contractor's progress requirements and so as to not delay the work of other contractors. Contractor shall cooperate and coordinate its Work with all other contractors so as to avoid any delay or interference.

1.5 WORK OF OTHERS. Contractor shall be responsible for protecting its Work, and the work of other contractors or Lennar until final acceptance by Lennar. Contractor shall, without limitation, be fully responsible for the protection of all existing structures, materials, equipment, curbs, landscaping, flora, fauna, and adjacent property. Contractor shall be responsible for inspecting the work of other contractors that may affect its own Work and shall immediately report to Lennar, in writing, any defects, discrepancies or problems which could adversely affect Contractor's work.

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1.6 MATERIALS. Unless otherwise specifically stated in this Agreement or any Purchase Order, all goods or materials (i) are to be shipped F.O.B. job site and paid for by Contractor, and (ii) shall be used within seven (7) days of their receipt. Deliveries to and storage at the Project or job site are the sole risk and responsibility of the Contractor. Contractor shall be responsible for damage or loss to all material and equipment until final payment by Lennar. No materials will be paid for until properly installed. Title to the Work shall vest in Lennar upon performance; provided, however, the vesting of such title shall not impose any obligations on Lennar or relieve Contractor of any of its obligations hereunder. To the extent not prohibited by law, Contractor hereby waives any security interest or removeables rights it may have in goods or material to be supplied hereunder and waives its right to the remedies available for a buyer's breach as provided in the Uniform Commercial Code. On-site storage for materials is not provided unless otherwise set forth in a Purchase Order.

1.7 DELAYS AND DISRUPTIONS/WAIVER OF CONSEQUENTIAL DAMAGES. IN THE EVENT OF ANY DELAY, DISRUPTION, INTERFERENCE, STOPPAGE OR HINDRANCE IN COMMENCEMENT OR PROSECUTION OF THE WORK CAUSED BY ANY REASON WHATSOEVER ("WORK INTERRUPTIONS"), INCLUDING ANY WORK INTERRUPTIONS CAUSED IN WHOLE OR IN PART, OR ALLEGED TO HAVE BEEN CAUSED IN WHOLE OR IN PART, BY LENNAR OR OTHER CONTRACTORS, CONTRACTOR, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY WAIVES ANY DAMAGES CAUSED BY SUCH WORK INTERRUPTIONS. CONTRACTOR'S SOLE AND EXCLUSIVE REMEDY FOR ANY WORK INTERRUPTIONS SHALL BE AN EXTENSION OF TIME TO PERFORM ITS WORK. TO THE FULLEST EXTENT PERMITTED BY LAW CONTRACTOR SPECIFICALLY WAIVES ANY RIGHT TO RECOVER DIRECT, INDIRECT, CONSEQUENTIAL, IMPACT, OR OTHER COSTS, EXPENSES, OR DAMAGES, INCLUDING BUT NOT LIMITED TO DELAY DAMAGES, COSTS OF ACCELERATION, INEFFICIENCY, LOSS OF ORGANIZATION, LOSS OF PROFITS, JOB SITE OR HOME OFFICE OVERHEAD, LABOR OR MATERIAL ESCALATION, OR DETERIORATION OF MATERIALS, CAUSED BY ANY WORK INTERRUPTION. TO THE FULLEST EXTENT PERMITTED BY LAW CONTRACTOR ALSO SPECIFICALLY WAIVES ANY RIGHT TO RECOVER INDIRECT OR CONSEQUENTIAL DAMAGES OF ANY TYPE AND NO MATTER THE CAUSE OF SUCH DAMAGES OR FAULT ON THE PART OF LENNAR OR ANY OTHER PERSON. NOTWITHSTANDING THE FOREGOING, THESE WAIVERS SHALL NOT PRECLUDE RECOVERY OF DAMAGES BY CONTRACTOR FOR WORK INTERRUPTIONS CAUSED SOLELY BY FRAUD, BAD FAITH, OR ACTIVE INTERFERENCE ON THE PART OF LENNAR.

2. LABOR AND SUPERVISION: Contractor shall maintain competent and sufficient supervision and employees on site during all times that Contractor is performing its Work. Contractor's superintendent shall be experienced, fully able to communicate with Lennar, trained, knowledgeable as to the Work, and shall have full authority to act for and bind Contractor. Contractor's superintendent shall be satisfactory to Lennar, and shall not be changed without Lennar's written consent. All communications or directions given to the Contractor's superintendent shall be as binding as if given to Contractor. Contractor shall enforce strict discipline and good order among its employees and Subcontractors, and shall not employ any unfit or unskilled person. Contractor shall immediately remove and replace any person deemed unfit or unskilled by Lennar. Contractor shall maintain a list of all persons performing its Work on the job site and shall produce such list to Lennar upon request. Contractor shall perform criminal background checks of any person that will perform any portion of its Work, and Contractor shall not allow any registered sex offender or any person convicted of a felony or a misdemeanor involving theft, larceny, violence, sexual assault or any other crime of moral turpitude to work at the Project site or job site. In performing such background checks, Contractor shall comply with all requirements of the Fair Credit Reporting Act and any other applicable laws and regulations.

3. LEGAL COMPLIANCE: Contractor and its Subcontractors shall, at all times, comply with all applicable local, state, or federal statutes, ordinances, rules and regulations, and any amendments thereto, as well as those of any other public body having authority concerning the Work, including *without limitation*, the local and state building codes, FHA Minimum Property requirements, VA building code requirements, the Occupational Safety and Health Act of 1970, 29 U.S.C. §§ 651 et seq. the Immigration Reform and Control Act of 1986 ("IRCA"), the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 ("IIRAIRA"), the Immigration and Nationality Act ("INA"), all applicable equal employment opportunity laws and requirements promulgated by any governmental authority, including, without limitation, the requirements of Title VII of the 1964 Civil Rights Act, 42 United States Code, Section 1981, Executive Orders 11246, 11375 and 11478, the Age Discrimination in Employment Act, the Americans with Disabilities Act, and the Fair Labor Standards Act; all applicable local, state, or federal environmental laws and regulations including, without limitation, the Clean Air Act, 42 USC §§ 7401-7671; the Clean Water Act, 33 USC §§ 1251-1387; the Comprehensive Environmental Response Compensation and Liability Act (CERCLA), 42 USC §§ 9601-9675; the Solid Waste Disposal Act, 42 USC §§ 6901-6992, the Toxic Substances Control Act, 15 USC §§ 2601-2692; and the Endangered Species Act of 1973, 16 USC §§ 1531-544. Contractor is solely responsible, for itself and others acting by, through or under Contractor, for compliance with the requirements of this paragraph and the other obligations of this Agreement.

3.1 IMMIGRATION. With respect to its obligations herein or in any Purchase Order, Contractor specifically warrants and agrees it (i) shall not knowingly hire or continue to employ aliens not authorized to work in the United States, (ii) has and shall continue to verify the employment documentation specified in the Immigration Act, and (iii) has and shall properly complete and retain the Immigration and Naturalization Service's Form I-9 for all its employees covered by the Immigration Act. Accordingly and pursuant to the indemnity requirements of this Agreement, Contractor agrees to defend, indemnify and hold Lennar free and harmless from and against any claims or charges asserted or filed against and any judgments, fines, penalties and assessments entered against Lennar arising from or as the result of the employment or engagement of any person inconsistent with the foregoing promises or the laws of the United States. In addition, should Contractor fail to comply with this Section, Lennar shall have the right to rescind this Agreement and/or declare Contractor in default under this Agreement and as a result Lennar will be entitled to all direct, indirect, consequential, impact, or other costs, expenses, or damages, including but not limited to costs, loss of organization, lost profits, or attorneys' fees and/or paraprofessional fees arising out of or as a result of Contractor's breach of this Section. Furthermore, at Lennar's sole discretion and as a monetary remedy for such breach, Lennar may, as liquidated damages and not as a penalty, withhold all or any portion of payments owed to Contractor for any work completed but unpaid prior to Contractor's breach.

3.2 PATENT AND COPYRIGHTS. Contractor shall assume all liability for all royalties, licenses, patent fees, and any other charges made in connection with the use of patented or copyrighted processes in connection with its Work.

3.3 ENVIRONMENTAL. Prior to commencing the Work, Contractor shall identify in writing all hazardous or toxic substances to be used in performing the Work by Contractor, and shall provide Material Safety Data Sheets ("MSDS") to Lennar for those substances. Lennar may hold any payments otherwise due Contractor until such documentation is supplied. Contractor shall immediately notify Lennar in

writing of all hazardous or toxic substances discovered during the performance of the Work or otherwise brought to the job site which were omitted from any previous notification(s) and promptly provide the MSDS on those substances to Lennar. Contractor shall not allow any hazardous or toxic substances on the job site unless (i) necessarily required for the performance of its Work, and (ii) Contractor has previously provided Lennar with MSDS sheets for those substances. Contractor shall immediately notify Lennar of any spill, release or discharge of any chemical or hazardous or toxic substance by itself or any other person. As to any spill, release or discharge of any chemical or hazardous or toxic substance which is caused by Contractor or any of its employees, agents, Subcontractors, customers, or invitees, Contractor shall, at its sole expense, immediately take all reasonable, necessary and legally required actions to (i) prevent the further spread of any spill, release or discharge, and (ii) take immediate action to properly clean up said spill, release or discharge (including without limitation any soil or water contaminated by such spill, release or discharge) in full compliance with all applicable laws and regulations and any directions from Lennar.

It is acknowledged and understood that Contractor has inspected the job site, observed the environmental conditions of the job site, and reviewed and complied with Lennar's plans and specifications, including Lennar's Storm Water Pollution Prevention Plan ("SWPPP") and Dust Control Plan, and that Contractor has notice and knowledge of the environmental conditions of the job site. If, during the course of its performance of the Work, Contractor discovers a previously unidentified environmental condition, then Contractor shall immediately notify Lennar and shall not proceed with any work that would disturb such environmental condition without Lennar's approval.

3.4 STORM WATER COMPLIANCE. Contractor shall comply, and shall ensure compliance by those acting by, through or under Contractor, with Lennar's SWPPP, applicable storm water permit ("Permit"), Dust Control Plan, and Lennar's Storm Water Compliance Guidelines to the extent applicable to Contractor's work ("Guidelines") if such Guidelines have been developed at the time of this Agreement. Before beginning any work at the job site, Contractor shall review the SWPPP, Permit, and applicable Guidelines, copies of which will be available at the job site or will be made available upon Contractor's request. If required, or requested by Lennar, Contractor shall sign the SWPPP before beginning its work. To the extent applicable to its work, Contractor shall fully comply with and implement the SWPPP, including the Best Management Practices ("BMPs") described by the SWPPP and applicable Guidelines. Contractor shall take care not to damage any BMPs, including any storm water, sediment, or erosion controls, by its work, and in the event Contractor causes such damage it shall immediately report such damage to Lennar and take appropriate measures to remedy such damage. Without limiting any of its other rights or remedies provided elsewhere in this Agreement (including its right to defense and indemnification by Contractor), Lennar may offset from any payments due Contractor, or otherwise recoverable from Contractor: (i) the costs to repair or replace any BMPs damaged by Contractor; and (ii) the costs of all fines, fees, expenses and other penalties sought against or incurred by Lennar due to, in whole or in part, (a) Contractor's violation of the obligations herein, (b) Contractor's violation of the SWPPP, including violations arising from damage to BMPs caused by Contractor, or (c) Contractor's interference with the implementation of the SWPPP by Lennar or by any other party responsible for implementing the SWPPP. Failure to satisfy the obligations in this paragraph shall be deemed a material default of this Agreement, and Lennar may, without prejudice to any other right or remedy, (i) withhold any payments to Contractor under this Agreement or otherwise until Contractor has remedied its failure, and/or (ii) terminate this Agreement, withhold payments otherwise due Contractor under this Agreement or otherwise, and retain a separate contractor to complete Contractor's obligations at Contractor's expense.

3.5 DUST CONTROL COMPLIANCE. Contractor shall comply, and shall ensure compliance by those acting by, through or under Contractor, with Lennar's Dust Control Plan and applicable Dust Control Permit. Before beginning work at the job site, Contractor shall review the Dust Control Plan and Dust Control Permit, copies of which will be available at the job site or will be made available upon Contractor's request. To the extent applicable to its work, Contractor shall fully comply with and implement the Dust Control Plan and best management practices ("dust control BMPs"), including any dust control measures, devices or work practices, described by the Dust Control Plan. Contractor shall take care not to damage any dust control BMPs at the job site by its work; in the event Contractor causes such damage it shall immediately report the damage to Lennar and take appropriate measures to remedy such damage. Without limiting any of its other rights or remedies provided elsewhere in this Agreement (including its right to defense and indemnification by Contractor), Lennar may offset from any payments due Contractor, or otherwise recoverable from Contractor: (i) the costs to repair or replace any dust control BMPs damaged by Contractor; and (ii) the costs of all fines, fees, expenses and other penalties sought against or incurred by Lennar due to, in whole or in part, (a) Contractor's violation of the obligations herein, (b) Contractor's violation of the Dust Control Plan, including violations arising from damage to dust control BMPs caused by Contractor, or (c) Contractor's interference with the implementation of the Dust Control Plan by Lennar or by any other party responsible for implementing the Dust Control Plan. Failure to satisfy the obligations in this paragraph shall be deemed a material default of this Agreement, and Lennar may, without prejudice to any other right or remedy, (i) withhold any payments to Contractor under this Agreement or any Purchase Order(s) hereunder or otherwise until Contractor has remedied its failure, and/or (ii) terminate this Agreement, withhold payments otherwise due Contractor under this Agreement or otherwise, and retain a separate contractor to complete Contractor's obligations at Contractor's expense.

3.6 SAFETY. Contractor is an independent contractor and shall be solely responsible for ensuring that its Work is performed in a safe manner. Nothing herein shall be deemed to be an exercise of control by Lennar of Contractor's safety obligations. Contractor shall take all reasonable and necessary safety precautions with regard to the Work, shall coordinate its safety precautions with other contractors, subcontractors, and suppliers, shall comply with all safety requirements, laws, regulations, rules or ordinances of any authority (governmental or otherwise) responsible for the safety of persons or property. Contractor shall notify Lennar, both verbally and in writing, of all injuries to Contractor's employees within eight (8) hours of the injury. Failure to adhere to Lennar's safety policies, the safety requirements of this Agreement, or the job rules shall be deemed a material default of Contractor's obligations. Contractor agrees to comply with all health and safety programs, as well as any rules promulgated by Lennar, in furtherance of Contractor duties under the Occupational Safety and Health Act. If in the opinion of Lennar the health and safety of any person or persons is endangered or appropriate safety measures are not being implemented, Lennar may (but is not required to) take such action as it deems necessary and appropriate, including without limitation, the following: (i) stop Contractor's Work or require Contractor to immediately remedy any unsafe condition caused by the Contractor at its own expense; (ii) shut the Project or job site down, in whole or in part, until any unsafe condition is remedied; (iii) remedy any unsafe condition caused by Contractor at Contractor's sole expense; (iv) terminate this Agreement and hold Contractor fully liable for any losses incurred by Lennar as a result of the Contractor-caused unsafe condition and such termination; and/or (v) recover against Contractor all fines or penalties assessed by any authority (governmental or otherwise) and caused by or alleged to have been caused by Contractor.