

PURCHASE AND ESCROW AGREEMENT FOR  
COTTAGES AT ROMAR, A SUBDIVISION

This Purchase and Escrow Agreement (this "Agreement") is made to be effective as of the Effective Date (as defined in this Agreement) by and between the Purchaser identified on the signature page of this Agreement (the "Purchaser") and LAK at Romar, L.L.C., an Alabama Limited Liability Company (the "Seller").

R E C I T A L S:

A. Approval has been obtained from the City of Orange Beach, Alabama to develop Cottages at Romar, a Subdivision, in accordance with a Planned Unit approval (the "PUD Approval"), a copy of which is on record in the office of the City of Orange Beach, Alabama.

B. The Cottages at Romar, LLP (the "Developer") did develop and subdivide certain real property located in Baldwin County, Alabama, which is known as Cottages at Romar, a Subdivision, as per Plat (the "Plat") which has been recorded in Slide 2478-A and Slide 2478-C ("Cottages at Romar").

C. The Developer subjected Cottages at Romar to the terms and conditions of the Declaration of Restrictions and Covenants of Cottages at Romar dated December 28, 2012 and recorded December 28, 2012 as Instrument Number 1375722, Pages 1 through 12, as amended by the Amended and Restated Declaration of Restrictions and Covenants of Cottages at Romar dated January 4, 2013 and recorded January 22, 2013 as Instrument Number 1378954, Pages 1 through 30 (collectively the "Declaration"). The terms used in this Agreement shall have the same meaning for each stated in the Declaration, or as the context otherwise requires.

D. An association of Owners for the operation of the Common Areas and facilities of Cottages at Romar, a Subdivision has been formed as a nonprofit corporation under the laws of the State of Alabama, pursuant to the Articles of Incorporation for the Association dated December 28, 2012 and recorded December 28, 2012 as Instrument Number 1375720, Pages 1 through 8 (the "Articles of Incorporation") known as Cottages at Romar Property Owners Association, Inc. (the "Association") and the Association may adopt or has adopted certain Rules and Regulations applicable to Cottages at Romar, a Subdivision (the "Rules and Regulations").

E. The Articles of Incorporation were amended by Articles of Amendment of Articles of Incorporation of Cottages at Romar Property Owners Association, Inc. dated May 16, 2013 and recorded May 20, 2013 as Instrument Number 1399382, Pages 1 through 10.

F. The Bylaws of Cottages at Romar Properties Owners Association, Inc. were recorded on December 28, 2012 as Instrument Number 1375721, Pages 1 through 7 (the "Bylaws").

G. The Bylaws were amended by Amended and Restated ByLaws of Cottages at Romar Property Owners Association, Inc. dated May 16, 2013 and recorded May 20, 2013 as Instrument Number 1399384, Pages 1 through 16.

H. The Association has adopted a Budget.

Unless expressly provided, the recording references in this Agreement are to the Office of the Judge of Probate of Baldwin County, Alabama.

IT IS, THEREFORE, AGREED AS FOLLOWS:

1. Agreement of Purchase and Sale. Subject to the terms and conditions set forth in this Agreement, the Seller agrees to sell to the Purchaser and Purchaser agrees to purchase from the Seller Lot \_\_\_\_\_, Cottages at Romar, a Subdivision, located in Baldwin County, Alabama. The Lot is referred to in this Agreement as the "Lot".

2. Price and Terms of Payment. The Purchaser agrees to pay the following Purchase Price for the Lot (the "Purchase Price") and in the following manner:

- A. Purchase Price for the Lot \$ \_\_\_\_\_
- B. Cash Deposit \$ \_\_\_\_\_
- C. Balance of the Purchase Price at the Closing (as defined in this Agreement), in cash or other bankable funds approved by the Seller \$ \_\_\_\_\_

3. Delivery of Comfort Letter or Funds Letter:

<<Check either A. or B., whichever is applicable, with B. deemed to apply if neither are checked>>

A. Loan by the Purchaser. (If the Purchaser is obtaining a loan in connection with the purchase of the Lot) The Purchaser shall deliver to the Seller a comfort letter from the lender for the Purchaser (the "Comfort Letter") in the form and content acceptable and satisfactory to the Seller, affirmatively stating that the Purchaser is prequalified to secure financing in an amount sufficient to allow the Purchaser to purchase the Lot. Failure by the Purchaser to deliver the Comfort Letter as required by this Paragraph 3.A., if applicable, shall constitute a default under this Agreement.

B. No Loan by the Purchaser. (If the Purchaser is not obtaining a loan in connection with the purchase of the Lot) The Purchaser shall deliver to the Seller a letter (the "Funds Letter") from a financial institution, in the form and content acceptable and satisfactory to the Seller, affirmatively stating that the Purchaser has sufficient liquid funds on deposit to purchase the Lot. Failure by the Purchaser to deliver the Funds Letter as required by this Paragraph 3.B., if applicable, shall constitute a default under this Agreement.

4. Escrow Agent and Deposit(s).

A. Deposit(s) with Escrow Agent. Simultaneously with the execution of this Agreement by the Purchaser, the Purchaser shall deposit the Cash Deposit(s) with Kaiser Real Estate Sales, Inc., as the Escrow Agent (the "Escrow Agent") as provided for in this Agreement. In the event this Agreement is signed by the Seller, the Escrow Agent shall deposit the Cash Deposit(s) in a non-interest-bearing escrow account in escrow in accordance with the terms and conditions of this Agreement. All references in this Agreement to Cash Deposit(s) shall mean and refer to all Cash Deposits made pursuant to this Agreement. All references in this Agreement to Deposit(s) shall mean and include all Cash Deposit(s).

B. Release of Deposit(s). At the Closing, the Deposit(s) shall be released to the Seller, and the Purchaser shall receive a credit for the Deposit(s).

C. Controversy. If any controversy arises between the parties concerning the right to possession or delivery of the Deposit(s) held by the Escrow Agent, said Escrow Agent shall have the right, for its own protection and not by way of any right reserved or to be exercised by any of the other parties, at its option, to tender said Deposit(s) to any court of competent jurisdiction, including, in its sole discretion, the Circuit Court of Baldwin County, Alabama, together with such legal pleadings as it may deem appropriate, and thereupon be discharged from any other duties and liabilities under this Agreement, or to retain possession of the Deposit(s) until it is indemnified to its satisfaction against any claim to be asserted against it by reason of its delivery of the Deposit(s), and no party shall have any claim against the Escrow Agent by reason of its retaining possession pending the resolution of any controversy, and the Escrow Agent shall have a claim against the Deposit(s) for all costs and reasonable attorneys' fees arising out of any proceeding incurred by reason of this Agreement.

5. Acknowledgement of Receipt of Documents and Disclosures.

A. Acknowledgement of Receipt of Documents. The Purchaser acknowledges receipt from the Seller of copies of the documents described in the Recitals above (collectively referred to in this

Agreement as the "Cottages at Romar Documents"). All references to the Cottages at Romar Documents shall mean and include any amendments thereto.

B. Disclosures. The Purchaser acknowledges that:

1. The Purchaser has had adequate opportunity to fully review all of the Cottages at Romar Documents, including, but not limited to, the Declaration and agrees that the Cottages at Romar Documents may be amended from time to time by the Seller without the consent of the Purchaser, Association or any other party. If the Cottages at Romar Documents are amended prior to the Closing as provided for in this Agreement, then, in that event, the Purchaser shall have ten (10) days from the date of receipt of said amendment in which to notify the Seller, in writing, of any objections to the amendment. If the Purchaser gives said objection the Purchaser shall not be obligated to close and both parties shall be released from any obligation hereunder. If the Purchaser closes the transaction contemplated by this Agreement, the Purchaser adopts and ratifies the Cottages at Romar Documents, as amended.

2. The use of Cottages at Romar is: (i) restricted as more particularly provided for in the Cottages at Romar Documents; and (ii) subject to all of the terms, conditions, stipulations, provisions and restrictions contained in the Cottages at Romar Documents.

3. The Purchaser shall be obligated to: (i) comply with the provisions of Cottages at Romar Documents; (ii) be a Member of the Association and comply with the Articles of Incorporation, By-Laws and Rules and Regulations of the Association; (iii) pay Assessments to the Association in accordance with the provisions of the Declaration which imposes a lien on the Lot of the Purchaser; and (iv) pay any special Assessments, utility hookup fees and utility fees imposed by any municipal, county, special district or the Association.

4. The Purchaser is aware of the provisions of the Cottages at Romar Documents that give to the Developer a special right described as a Period of Developer Control (as defined in the Cottages at Romar Documents, as amended). The Cottages at Romar Documents provide that so long as the Period of Developer Control (as defined in the Cottages at Romar Documents, as amended) exist, no Lot Owner shall have any right to appoint the members of the Board of Directors of the Association. The Cottages at Romar Documents grant to the Developer other special rights which special rights have been, or may be, assigned to the Seller. The Developer has, or may, assigned some or all of those rights to the Seller. Reference is made to The Cottages at Romar Documents, as amended, for those rights reserved to the Developer which have been, or may be, assigned to the Seller.

5. The Purchaser acknowledges that the Seller and Board of Directors of the Association have the right to promulgate and amend from time to time Rules and Regulations for the purpose of establishing limitations and regulating and governing the use of the Lots and the Common Areas as more particularly provided for in the Declaration.

6. The Purchaser should not rely on the current property taxes assessed by the Baldwin County Revenue Commissioner's Office. A change of ownership of a Lot triggers reassessments of the Lot that could result in higher property taxes. If the Purchaser has any questions concerning tax assessments or valuation of the Lot, the Purchaser should contact the Baldwin County Revenue Commissioner's Office for information.

7. Cottages at Romar fall within an area that is subject to the City of Orange Beach PUD Approval and a permit issued by the Alabama Department of Environmental Management (the "ADEM Permit"). The PUD Approval and ADEM Permit may be amended. The use of the Cottages at Romar is subject to the terms, conditions and provisions of the PUD Approval and ADEM Permit, as amended.

8. The Developer has provided and completed roads, sewers, water, gas or electric services, and recreational amenities, as shown on the Plat and as specifically stated in the Declaration. The Purchaser acknowledges that the water is not separately metered to the Lot. There is one (1) meter for water to all Lots in Cottages at Romar. The cost of water shall be reimbursed to the Association and be part of the Assessments.

9. The Purchaser and Seller acknowledge that no other representations regarding the provision or completion by the Developer or Seller of roads, sewer, water, gas or electric services, or recreational amenities have been made or relied upon by the Purchaser.

10. The Purchaser is aware that the ingress and egress to and from the Lots in Cottages at Romar is over and across private roads which are part of the Common Area and that access to and from the Lots shall be regulated and restricted as provided for in the Declaration. The Purchaser acknowledges that by acceptance of a Deed or other instrument conveying any interest in the Lot, the Purchaser does waive all rights of uncontrolled or unlimited access, ingress to and egress from the Lot.

11. The Purchaser acknowledges that: (i) the interest of the Purchaser in the Lot was not solicited by the Seller via the use of direct mail or telephone solicitation(s) to make offers of gifts, trips, dinners or other such promotional inducements, and (ii) the Purchaser or the spouse of the Purchaser has made a personal inspection of the Lot and Cottages at Romar before signing this Agreement.

6. Survey. The Purchaser acknowledges that the Seller has not caused a survey of the Lot to be prepared and Seller will not provide Purchaser with any such Lot survey. The Purchaser may, at the expense of the Purchaser, cause a survey of the Lot to be prepared by a licensed surveyor (the "Lot Survey"). The Seller grants to the Purchaser and the surveyor a right, so long as this Agreement is in effect, to reasonably enter upon the Lot prior to Closing for the purposes of preparing a Survey of the Lot. The Seller shall provide to the Purchaser a copy of the recorded Plat of Cottages at Romar.

7. Common Area. The Common Area shown on the Plat of Cottages at Romar is NOT DONATED, DEDICATED NOR GRANTED TO THE PUBLIC, but will be or has been conveyed by the Developer to the Association for use as Common Area of the Association as more particularly described in the Declaration. The terms, conditions and provisions of the Common Area Deed are incorporated into this Agreement as if fully set out. The roads shown on the Plat of Cottages at Romar are Common Areas and shall constitute private roads Not dedicated to the public. The Association shall be responsible for the maintenance of the Common Areas and the private roads. Ingress and egress to and from the Lot and the Common Area in Cottages at Romar shall be regulated and restricted by the Association. The right to use the Common Area is subject to the right reserved or granted to the Developer and others to use the Common Area as described in the Cottages at Romar Documents.

8. Inspection Prior to the Closing. Prior to the Closing, it shall be the duty of the Purchaser to inspect the Lot and Cottages at Romar in the presence of a representative of the Seller. The failure of the Purchaser to inspect the Lot and Cottages at Romar prior to the date of Closing shall not be a ground for deferring the Closing, nor the imposition of any condition upon Closing. The Purchaser shall satisfy the Purchaser, at the expense of the Purchaser, that the Lot and Cottages at Romar meet the requirements of this Agreement. Neither the Seller nor the agents of the Seller make any warranty or representation regarding the condition of Cottages at Romar, the Lot, or the Common Area and facilities.

9. Assessments and Other Obligations.

A. Binding Effect. The Purchaser understands that by purchasing a Lot in Cottages at Romar, that the Purchaser shall automatically become bound to the terms, conditions, covenants and agreements contained in the Cottages at Romar Documents.

B. Liable for Assessments. The Purchaser is obligated to pay fees, dues and the share of the Common Expenses required by the Cottages at Romar Documents and the Association. Common Expenses shall include but shall not necessarily be limited to, expenditures made or liabilities incurred by the Association, together with payments or obligations to reserve accounts.

C. Management by Board of Directors. The management of the Association shall be governed by the Board of Directors of the Association as set for in the Declaration and By-Laws of the Association. The Declaration provides that so long as the Period of Developer Control (as defined in the Cottages at Romar Documents) exist, no Lot Owner shall have any right appoint the members of the Board of Directors of the Association.

D. Responsibility for Payment of Utilities. The Purchaser is responsible for the payment of all utilities individually metered or connected to the Lot of said Owner.

10. Closing.

A. Date and Place. The Closing of the sale and purchase of the Lot shall be held on \_\_\_\_\_, 20\_\_\_\_ (the "Closing Date"), at the offices of \_\_\_\_\_, located at \_\_\_\_\_, or at such other time or such other place as may be designated in writing by the Seller (the "Closing"). The Closing shall take place on the Closing Date. The date and event of the consummation of the transactions contemplated by this Agreement are referred to in this Agreement as the "Closing" or the "Closing Date".

B. Title to be Conveyed and Permitted Exceptions. Upon the Closing, the Seller shall convey the Lot to the Purchaser subject to any outstanding oil, gas, and other minerals; all matters shown on the Plat; existing utility and drainage easements; sand placement easements; the rights of the public and others to use the beach area below the Coastal Construction Setback Line; the exceptions to title set out in the Cottages at Romar Documents; and in the Owner's Title Insurance Commitment (collectively the "Permitted Exceptions"). The Purchaser acknowledges that the Purchaser has had adequate opportunity to fully review the Permitted Exceptions and by the signing of this Agreement, specifically acknowledges receipt of copies of the Permitted Exceptions and approves said Permitted Exceptions.

C. Expenses, Closing Costs, Credits and Prorations. The costs of Closing the transaction contemplated by this Agreement shall be allocated between the Seller and Purchaser as follows:

1. The Seller shall pay the following costs:
  - a. Preparation of the Deed from the Seller to Purchaser.
  - b. Cost of providing the Owner's Title Insurance Commitment and Owner's Title Insurance Policy in the amount of the Purchase Price.
  - c. Fees charged by the Attorney retained by the Seller.
2. The Purchaser shall pay all other costs of the Closing, including but not limited to:
  - a. Recording of the Deed, including all Deed taxes.
  - b. All costs required to be paid in order to finance the purchase of the Lot or required by the Mortgagee if the Lot is to be financed or encumbered by a mortgage by the Purchaser, including the cost of any Mortgagee Title Insurance Policy, if the Purchaser is obtaining a loan.
  - c. Utility deposits apportioned or assigned to the Lot.
  - d. Fees charged by the Attorney representing the Purchaser and the fees for services of any other parties engaged by the Purchaser.
  - e. All expenses charged by the Closing Agent in order to close the transaction contemplated by this Agreement.
  - f. All other costs and expenses incurred by the Purchaser or specified in this Agreement to be paid by the Purchaser.

D. Obligations at the Closing. At the Closing the following will take place:

1. The Purchaser shall execute and deliver to the Seller such documents which may be necessary to give effect to this Agreement.
2. The Deposit(s) shall be applied and credited to the Purchase Price as provided for in this Agreement. The Purchaser shall pay to the Seller the balance of the Purchase Price in immediately available funds.

3. The Purchaser shall pay to the Association the Assessment for the Common Expenses commencing as of the Closing Date, as set by the Seller, whether or not the Closing actually takes place on the Closing Date, provided that the delay in the Closing is due to a failure on the part of the Purchaser, or the agents of the Purchaser, and is not a delay caused by the actions of any party other than the Purchaser, or the agents of the Purchaser. Said Assessments shall be in the amount specified by the Association for the Lot.  
The first payment shall be made at the Closing and be for the remainder of the month during which the Closing takes place. The first payment will be prorated for the period beginning with the date the Seller is ready to close and ending with the next Assessment payment date following the Closing. In addition, the Purchaser will be obligated to pay the Seller, at the Closing, to reimburse the Seller a sum equal to a two (2) month installment for said Assessment fee previously paid by the Seller to the Association as a nonrefundable contribution to the initial working capital of the Association, which shall not be considered an advance on the monthly Assessments due to the Association.
4. The Seller will execute and deliver to the Purchaser a Warranty Deed conveying the Lot, subject to the Permitted Exceptions and the matters and things set forth in this Agreement. The acceptance of said Warranty Deed by the Purchaser shall be deemed to be a full performance and discharge of every agreement and obligation on the part of the Seller to be performed pursuant to the provisions of this Agreement.
5. The Escrow Agent will transfer to the Seller for credit to the Purchaser the Cash Deposit(s) tendered by the Purchaser pursuant to this Agreement and deposited with the Escrow Agent.
6. The Seller will provide from a title insurance company chosen by the Seller a Standard American Land Title Association Owner's Title Insurance Commitment in the usual form listing the Purchaser as proposed insured in the amount of the Purchase Price. The Owner's Title Insurance Commitment will contain the standard exceptions and shall further contain the Permitted Exceptions.
7. If the Lot has been assessed as a separate parcel, ad valorem taxes for the tax year in which the sale occurs shall be prorated at the time of Closing based upon the most recent tax assessment or tax bill. Otherwise, ad valorem taxes for the Lot shall be determined by dividing the amount of the most recent tax assessment or tax bill for all of Cottages at Romar by the following: Each Guest Cottage Lot (as defined in the Declaration) shall be allocated 1.58156%, each Pool Side Lot (as defined in the Declaration) shall be allocated 2.70372%, and each Beach Front Lot (as defined in the Declaration) shall be allocated 5.64844%. The result shall be deemed the amount of taxes assessed for the Lot, which taxes shall be prorated at the Closing. If, for any reason, the ad valorem taxes for the then-current tax year have not been assessed on Cottages at Romar, such proration shall be estimated based upon the property taxes for the immediately preceding tax year. For purposes of such prorations, all ad valorem taxes are presumed to be paid in arrears.
8. The Seller will deliver to the Purchaser the Affidavit (the "Affidavit") executed and acknowledged by the Seller complying with the requirements of Ala. Code 1975, §40-18-86, et al. (Acts of Ala. 2008-504) (the "Act"). The Seller and Purchaser understand that it is a condition of the Closing that the

requirements of the Act be satisfied at the Closing.

11. Limitation of Warranties.

A. No Implied Warranties. The Purchaser acknowledges and affirms that, except as specifically and expressly stated in this Agreement, the Seller has not made, does not make, and shall not be required to make, any representations or warranties to the Purchaser of any kind or any nature whatsoever relating to the Cottages at Romar or the Lot, express or implied, and all such warranties are hereby disclaimed. Without limitation on the foregoing, the Purchaser acknowledges that the Seller has made no representations, warranties, or promises with respect to the value of the Lot, any potential increase in the value of the Lot, any economic benefit of ownership of the Lot or with respect to the Lot as an investment.

B. As Is Condition. The Purchaser acknowledges and agrees with the Seller that the Purchaser has inspected the lot and Cottages at Romar and is thoroughly familiar with the condition thereof and accepts the same in its present condition. The Purchaser acknowledges and agrees that the Seller has not made and does not make any representations, warranties or covenants of any kind or character whatsoever in respect to the condition of the lot and Cottages at Romar, either express or implied. The Purchaser acknowledges and agrees that upon the Closing, the Seller shall sell and convey to the Purchaser and the Purchaser shall accept the lot and the Improvements, if any, "As Is, Where Is" with all faults.

C. Specific Disclaimers: By signing this Agreement, the Purchaser agrees to purchase the Lot subject to the following additional disclaimers and to release the Seller from any liability, and to indemnify the Seller from any liability, with respect to such matters.

1. The location of utility lines, utility Improvements (such as, but not limited to, junction boxes, transformers or pedestals), and sewer taps that may vary from published plans;

2. Walls or fencing may encroach on either side of set back lines or actual Lot lines;

3. Future Improvement by the Purchaser, including fencing, grading, landscaping or excavation work on the Lot could disrupt drainage and/or retention and cause flooding or ponding if not correctly engineered;

4. Any changes in the character, zoning and use of the property surrounding and in the vicinity of Cottages at Romar;

5. The Seller is not responsible for cracking of or other damage to concrete or asphalt on or near the foundation, sidewalk or driveway;

6. Any view from the Lot may change or be eliminated over time due to construction on the properties in the vicinity of the Lot or growth of trees or other vegetation on or off the Lot;

7. The Seller is not responsible for and makes no representations regarding the current or future health of any trees or other natural vegetation on or near the Lot; and

8. No warranties or representations are given by the Seller concerning the landscaping.

D. ENVIRONMENTAL NOTICE: THE SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, ABOUT THE EXISTING OR FUTURE SOIL OR ENVIRONMENTAL CONDITIONS ON OR ADJACENT TO THE LOT OR COTTAGES AT ROMAR, INCLUDING POSSIBLE PRESENT OR FUTURE POLLUTION OF THE AIR, WATER OR SOIL FROM ANY SOURCES, INCLUDING BUT NOT LIMITED TO, RADON GAS OR UNDERGROUND MIGRATION OR SEEPAGE OF HAZARDOUS SUBSTANCES OR OTHER POLLUTANTS. THE SELLER EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY TYPE OF DAMAGE, WHETHER DIRECT, INDIRECT OR CONSEQUENTIAL, WHICH THE LOT OR THE INHABITANTS OF COTTAGES AT ROMAR MAY SUFFER BECAUSE OF ANY EXISTING OR FUTURE ENVIRONMENTAL OR OTHER CONDITIONS (SUCH AS, BUT NOT LIMITED TO, POWER LINES OR

RADON) AFFECTING SUCH INHABITANTS OR COTTAGES AT ROMAR.

12. Default.

A. Default by the Purchaser. In the event that the Purchaser fails to consummate this Agreement for any reason, except default by the Seller or the permitted termination of this Agreement by either the Seller or Purchaser as expressly provided in this Agreement, the Seller shall have the right to pursue any remedy available at law or in equity as a result of such breach, including specifically, without limitation, the right to: (i) retain the Earnest Money and terminate this Agreement and recover damages against the Purchaser for the breach by the Purchaser of this Agreement; and (ii) enforce specific performance of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, if the Purchaser, or any affiliate of the Purchaser, asserts a claim to the Lot or the Cottages at Romar which clouds the title of the Seller, and if such claim is found by a court of competent jurisdiction to be without merit, then the Seller shall have all remedies available at law or in equity against the Purchaser. In the event of default by the Purchaser, Seller shall have the right to recover costs and reasonable attorneys' fees in exercising any default remedies under this Agreement.

B. Waiver of Jury Trial. In the interest of avoiding the delays and expenses associated with jury trials, the Seller and Purchaser mutually, expressly, irrevocably and unconditionally waive trial by jury for any proceedings arising out of or in connection with this Agreement or the transaction contemplated by this Agreement.

13. Miscellaneous.

A. Notice. All notices, statements, demands or other communications ("Notices"), to be given under or pursuant to this Agreement, shall be in writing, and addressed to the parties at their respective addresses, as provided in this Agreement, and shall be delivered in person, or by certified or registered mail, post pre-paid, or by facsimile or electronic transmission. If mailed or forwarded by facsimile or electronic transmission, such Notice shall be deemed to have been given twenty-four hours after the date of mailing, facsimile or electronic transmission.

The address of the Seller is:

Post Office Box 2254  
Gulf Shores, Alabama 36547

The address of the Purchaser is as set out below in this Agreement. Any party may change the address of said party for the purposes of this Agreement by giving the other party written notice of the new address in the manner set forth in this Agreement.

B. Escrow Agreement. This Agreement will also serve as the Escrow Agreement between the parties.

C. No Amendment, Complete Agreement: No Verbal Modifications. This Agreement contains the complete agreement of the parties with respect to the subject matter of this Agreement, and it cannot be amended or modified except by written agreement signed by both parties. There are no collateral understandings, representations, or agreements other than those contained in this Agreement or added (or deleted) by written upgrades or other amendments duly executed by both parties, which shall constitute a part of this Agreement when properly executed.

D. Agreement Not an Encumbrance. No encumbrance shall arise against Cottages at Romar as a result of this Agreement or any monies deposited under this Agreement. In furtherance and not in limitation of the provisions of this Agreement, the provisions of this Agreement are and shall be subject and subordinate to any lien of any mortgage or Mortgage, including, but not limited to, any building loan mortgage or Mortgage, made and any advances on said mortgage or Mortgage and any payments or expenses already made or incurred or which may be made or incurred, pursuant to the terms of this Agreement, or incidental to this Agreement, or to protect the security of said mortgage or Mortgage without the execution of any further



legal documents by the Purchaser. This subordination shall apply whether such advances are voluntary or involuntary and whether made in accordance with any schedule of payments or accelerated by virtue of the right of the lender to make advances before they become due in accordance with the schedule of payments. The Seller shall, at the option of the Seller, either satisfy such mortgage or Mortgage or obtain a release of the Lot from the lien of such mortgage or Mortgage on or prior to the Closing Date. The existence of any mortgage or Mortgage encumbering Cottages at Romar, or portions of Cottages at Romar, other than the Lot, shall not constitute an objection to title or excuse the Purchaser from completing payment of the Purchase Price or performing all of the other obligations contained in this Agreement or be the basis of any claim against, or liability of, the Seller, provided that any such mortgage or Mortgage is subordinated to the Declaration or that the Lot is released from the lien of such mortgage or Mortgage.

E. Obligation of the Purchaser. All obligations of the Purchaser under this Agreement, where there may be more than one Purchaser, shall be joint and several.

F. Binding Effect, Applicable Law and Survival. This Agreement shall be binding upon and shall inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto, and shall be construed in accordance with the laws of the State of Alabama. The terms, covenants, conditions, representations, warranties and agreements contained in this Agreement shall survive and remain enforceable after closing, unless expressly provided otherwise in this Agreement.

G. Assignment. This Agreement is assignable by the Seller, however, this Agreement shall not be assignable by the Purchaser without the prior written consent of the Seller, which written consent by the Seller may be withheld for any reason.

H. Context. When the context permits within this Agreement, use of the plural shall include the singular, use of the singular shall include the plural, and the use of any gender shall be deemed to include all genders. All terms used in this Agreement shall have the meaning given to them in the Declaration and are incorporated by reference and made a part of this Agreement.

I. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, but such counterparts together shall constitute one and the same instrument.

J. Invalidity. If any provision in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in this Agreement.

K. Time of Essence. The Seller and Purchaser agree that time is of the essence of this Agreement.

L. No Third Party Beneficiary. The provisions of this Agreement and of the documents to be executed and delivered at the Closing are and will be for the benefit of the Seller and Purchaser only and are not for the benefit of any third party, and accordingly, no third party shall have the right to enforce the provisions of this Agreement or of the documents to be executed and delivered at the Closing.

M. Captions. The headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent and for any purpose, to limit or define the text of any Article or Section or any subsection of this Agreement.

N. Prohibition on Recording. Neither party to this Agreement may record this Agreement in the records in the Office of the Judge of Probate, Baldwin County, Alabama. IN the event either party does record this Agreement, such party shall be in default under this Agreement.

O. Attorneys' Fees. In the event any arbitration, litigation or other proceeding is initiated by either party to this Agreement with respect to the subject matter of this Agreement, and if the Seller is the prevailing party in such litigation or other proceeding, the Seller shall be entitled to recover, in addition to all

other remedies provided for under this Agreement, its attorneys' fees incurred in such litigation, arbitration or other proceeding.

P. Special Acknowledgment. Before the Purchaser signs this Agreement, the Purchaser should read this Agreement carefully. This is a legally binding agreement and the Purchaser acknowledges that the Purchaser is free to consult an attorney chosen by the Purchaser.

Q. Selling Activities of the Seller. The Purchaser acknowledges that the Seller shall be completing and selling other Lots in Cottages at Romar. The Purchaser hereby waives any claim that the construction and selling activities of the Seller constitute a breach of quiet enjoyment of the premises or interfere with the habitability of the premises. This clause shall survive the Closing.

R. Risk of Loss. All risk of loss of the Lot shall be borne by the Seller until the Closing, thereafter, all risk of loss shall be borne by the Purchaser.

S. Merger. All understandings and agreements made between the parties are merged in this Agreement which expresses the parties entire agreement, and no representations, oral or written, not contained in this Agreement shall be considered a part of this Agreement. This Agreement may not be altered, enlarged, modified or changed except by an instrument in writing executed by the parties to this Agreement, and the Purchaser understands that the authority of the sales representatives of the Seller is limited and confined to securing purchasers for the Lot upon the terms and conditions set out in this Agreement, and that sales representatives have no power or authority to make any change, alteration, modification, stipulation, inducement, promise or representation whatsoever other than those stated in this Agreement and that said sales representatives are acting as special representatives, and all representations of the Seller not set forth in this Agreement are deemed waived by the Purchaser.

T. Offer to Purchase and Effective Date. The Purchaser has executed this Agreement on the date stated opposite the signature line of the Purchaser, has delivered this Agreement to the Seller, and has delivered or will deliver the Deposit(s) in accordance with the terms of this Agreement, all of which constitute an offer to purchase the Lot on the terms set forth in this Agreement. Provided this offer is accepted by the Seller, Seller shall deliver a fully-executed copy of this Agreement and the Deposit(s) to the Escrow Agent, and the Escrow Agent is authorized to deposit the Cash Deposit(s) in the escrow account of the Escrow Agent and hold the Cash Deposit(s) as provided in this Agreement. This Agreement shall be effective as of the date this Agreement is executed and delivered by the Seller (the "Effective Date").

U. Agency Disclosure.

The listing company is: Kaiser Real Estate Sales, Inc.

(Two blocks may be checked)

An agent of the Seller \_\_\_\_\_

An agent of the Purchaser \_\_\_\_\_

An agent of both the Seller and Purchaser and is acting as a limited consensual dual agent \_\_\_\_\_

Assisting the Purchaser/Seller as a transaction broker \_\_\_\_\_

The selling company is: \_\_\_\_\_

(Two blocks may be checked)

An agent of the Seller \_\_\_\_\_

An agent of the Purchaser \_\_\_\_\_

An agent of both the Seller and \_\_\_\_\_  
Purchaser and is acting as a  
limited consensual dual agent

Seller(s) initials \_\_\_\_\_ Purchaser(s) initials \_\_\_\_\_

V. Disclosure. By execution of this Agreement by the Purchaser, the Purchaser acknowledges that Leonard A. Kaiser, the sole member of the Seller, is a licensed real estate broker in the State of Alabama and that Erin Kaiser and Andrea Kaiser Shilston are licensed real estate agents in the State of Alabama.

W. Miscellaneous. When the context permits within this Agreement, use of the plural shall include the singular, use of the singular shall include the plural, and the use of any gender shall be deemed to include all genders.

IN WITNESS WHEREOF, the Purchaser has executed this Agreement to be effective on the Effective Date.

\_\_\_\_\_(Seal)  
Purchaser

\_\_\_\_\_(Seal)  
Purchaser

The Purchaser has executed this Agreement on this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Witnesses:

\_\_\_\_\_  
\_\_\_\_\_

Purchaser. The term "Purchaser" as used in this Agreement shall mean the following person or persons:

Name: \_\_\_\_\_

\_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

Facsimile Number: \_\_\_\_\_

Social Security No.: \_\_\_\_\_  
(if applicable)

Employer ID No.: \_\_\_\_\_  
(if applicable)

Name of Grantee. The Purchaser desires that title to the Lot be taken in the name(s) of \_\_\_\_\_ (if joint ownership: *[mark one]*  
with \_\_\_\_\_ without \_\_\_\_\_ survivorship).

Acceptance by the Seller

The above offer is accepted by the Seller.

IN WITNESS WHEREOF, the Seller has caused this Agreement to be effective on the Effective Date.

LAK at Romar, L.L.C., an Alabama Limited Liability Company

By: \_\_\_\_\_  
Leonard A. Kaiser  
Its: Member

Witnesses:  
\_\_\_\_\_  
\_\_\_\_\_

The Seller has executed this Agreement on this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Acknowledgment by the Escrow Agent

The Escrow Agent joins in the execution of this Agreement solely for the purposes of acknowledging: (a) receipt of the Deposit(s), and (b) its agreement to hold the Deposit(s) in accordance with the terms and conditions of this Agreement and any Escrow Agreement entered into by the Seller and Escrow Agent from time to time.

Kaiser Real Estate Sales, Inc., an Alabama Corporation

By: \_\_\_\_\_  
Leonard A. Kaiser  
Its: President

(Corporate Seal)

Witnesses:  
\_\_\_\_\_  
\_\_\_\_\_

The Escrow Agent has executed this Agreement on this the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

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