

not limited to, a commitment letter satisfactory to the Development construction lender approving the Purchaser for end loan financing and specifically referencing the Unit subscriber and mortgage amount on or before the date set by Seller, Seller may cancel this Contract and return all Earnest Monies. Acceptance of this Contract as a qualified sale by the Development construction lender does not guarantee permanent financing.

2. Purchaser shall deliver the balance of the Purchase Price to Seller at the Closing, in a Bank cashier's check or collected wired funds.

3. **Purchaser shall be solely responsible for obtaining any financing necessary to accomplish the purchase of the Unit and shall pay all costs connected with it. The Purchaser understands that this Contract is not contingent upon obtaining mortgage financing for the purchase and purchaser is obligated to close even though the Development has not received FNMA final project approval.** If Purchaser desires to accept any financing made available by Seller, (hereinafter the "Permanent Lender"), Purchaser shall make all information available to the Permanent Lender, complete, execute and submit all forms or documents which are necessary to process Purchaser's application in a timely manner and obtain the loan commitment not later than thirty (30) days prior to the projected Closing date. If Purchaser elects not to accept financing of the Permanent Lender, Purchaser shall, no later than thirty (30) days prior to the projected Closing provide proof acceptable to Seller that Purchaser has cash or an unconditional loan commitment available to pay the balance of the Purchase Price at the Closing. **Purchaser understands that final FNMA project approval may or may not be obtained at the time of the Closing and that Purchaser is responsible for obtaining a loan that is not conditioned on such approval.**

4. Purchaser understands that for the sale financing of the Unit is not registered with The United States Department of Housing and Urban Development or any state registration office.

5. If the Purchaser applies for financing with the Permanent Lender, and decides after submitting an application to obtain financing from another source, the Purchaser shall be responsible for all costs incurred in processing said application, including, but not limited to, application fees, appraisal fees, credit report charges, attorney's fees and costs, Lender's inspection fee, title insurance commitment fees, and policy premiums; and such charges may be paid by Escrow Agent from the Earnest Money. If the Purchaser is turned down for a loan, the Purchaser will pay costs associated with the loan, including, but not limited to, loan application fee and credit report charges and the Escrow Agent may, at its option, deduct it from the Earnest Money.

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

- I will pay CASH at Closing and will not require financing.
- I am undecided at this time.
- I DO intend to apply for mortgage financing provided by the Permanent Lender.
- I DO NOT intend to apply to Permanent Lender for such mortgage financing, But I will apply for other financing.

7. The Purchaser will, at settlement of the Unit (hereinafter the "Closing") pay all prepaid and closing costs, including, but not limited to: the Unit's share of the cost of the first year's insurance of the Regime; a Working Capital Contribution for the Regime (in the amount equal to two (2) months Regime fees); the Unit's share of the estimated pro-rata real property and personal property taxes for the year of the Closing; deed recording fee for the Unit; title insurance premiums for owner's and loan policies; binder and simultaneous issue fees; and any fees, costs or pre-pays required by lender or closing attorney to close the sale.

8. The fee of the Seller's attorney, Rogers Townsend & Thomas, PC (hereafter "Seller's Attorney") for closing the sale and/or loan from the Purchaser's lender shall be paid by the Seller. Any services rendered by Seller's Attorney for the Purchaser other than basic settlement services shall be at fees agreed to by the Purchaser and Seller's Attorney. **The**

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Seller's Attorney shall be the Settlement Agent and the Purchaser's Title Insurance Agent at Closing. Seller, Seller's Attorney, and real estate agent strongly recommend Purchaser obtain owner's title Insurance.

9. The Seller may not use the Escrow Money at any time prior to the Closing or prior to default by Purchaser. However, the Seller may, subject to the rights of the Purchaser, assign its interest in the Earnest Money to the Development construction lender and the Seller's purchase money lender(s). The Escrow Agent shall place the Earnest Money in an interest bearing account and all interest thereon shall be paid to the Seller. Purchaser agrees to and understands that they have been informed of their right to ownership of the interest earned on the Earnest Money but relinquished to the Seller, by this written Contract, said right of ownership. The Earnest Money shall be applied to the Purchase Price at Closing, but the interest earned thereon shall not be applied to the Purchase Price.

10. The Contract is subordinate to any mortgages for loans, now or hereinafter obtained by the Seller for purchase or development of the Development.

11. Subject to the terms, conditions and exceptions provided for herein and delays due to acts of God or shortages of labor or materials, or other reasons beyond the control of the Seller, the Seller covenants and agrees to complete construction of the Unit and tender title of same to the Purchaser within two (2) years following the date of the first executed contract of sale for a unit in this building of the Development.

12. If the Seller fails to complete construction of the Unit within two (2) years of the date of the first executed Contract of Sale for a Unit in this building of the Development, subject to extensions as provided herein, the Purchaser may bring a specific performance action against the Seller under the laws of the State of South Carolina or Purchaser may elect to terminate the Contract and receive a refund of Earnest Money, without interest or penalty. The right of the Purchaser to terminate this Contract or to bring an action for specific performance shall be the sole remedies of the Purchaser on account of any default in the performance of the obligations of the Seller hereunder, or on account of any other action arising out of this transaction.

13. At Closing, Seller shall deliver to Purchaser a properly executed South Carolina general warranty deed in exchange for Purchaser's payment of the remainder of the Purchase Price, which deed shall convey insurable fee simple title to the property subject to the following: Pro-rata taxes and assessment not yet due and payable; all the terms, provisions, rights, privileges, obligations, easements, assessments and liens set forth and described in the Master Deed, and By-Laws of Tilghman Beach & Golf Resort Horizontal Property Regime. Title shall also be subject to zoning laws, PUD regulations and ordinances, licenses and easements of record, which may affect the property; and all facts, which may be shown by a survey of the property.

14. The Closing shall be conducted at a time, place and date selected by the Seller and the Seller shall give the Purchaser not less than ten (10) days prior written notice thereof. The Seller may, after giving such notice, extend for a reasonable time for Closing, if, due to acts of God, shortages of labor or material, or other reasons beyond the control of the Seller, the Development is not completed prior to the scheduled Closing. **The Closing will not be delayed because FNMA final Development approval has not been obtained if application therefore has been made by Seller, which it is not obligated to do.** The Purchaser must inspect the Unit with the contractor, at a time designated by the Seller, prior to Closing, and immediately notify the Seller and contractor of any items which are not completed in a workmanlike manner so that arrangements can be made with the contractor to correct same. Since the Seller is providing the one (1) year Limited Warranty hereafter mentioned, the failure of the contractor to correct these items prior to the Closing date shall not delay the Closing, so long as the Certificate of Occupancy has been issued for the Unit by the governmental authority having jurisdiction, or, if none, by the Development architect. Acceptance at the Closing by the Purchaser of the Deed from the Seller shall constitute full performance by the Seller in accordance with the Contract, except for items correctable under the terms of the one (1) year Limited Warranty. **Any personal property conveyed along with the Unit, including without limitation furniture and furnishings, is sold AS IS by Seller and no warranties, express or implied, including without**

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limitation the one (1) year Limited Warranty referred to herein, shall apply to said personal property. The Purchaser shall not delay Closing due to any problems or dissatisfaction with the personal property conveyed along with the Unit. The terms and conditions set out in the attached Limited Warranty, Limitation of Remedies & Disclaimer and Exclusion of All Other Warranties (the "Limited Warranty") is attached hereto and incorporated herein by reference. Seller and Purchaser will execute the Limited Warranty at closing and the terms thereof shall be included in the deed from the Seller to the Purchaser. The Purchaser will acknowledge the terms of the Limited Warranty as set out in the deed by signing the deed and the terms of the Limited Warranty shall be binding on the heirs, successors, and assigns of the grantee and run with the title to the Unit.

15. Inspection Procedure for the Unit (excluding any and all personal property):

- A. This inspection shall be made by the Purchaser at a time and date designated by the Seller and in the company of a representative of the Seller. Items to be corrected as mutually agreed are listed in an inspection report ("Inspection Report") which is signed by the Purchaser and representative.
- B. The Seller shall make every reasonable effort to correct all of the items listed in the Inspection Report.
- C. No corrections will be made for defects not recorded on the Seller's Inspection Report or for defects first claimed or discovered after the expiration of the Limited Warranty period. Correction of latent defects as defined above will be made within a reasonable time after the Seller is notified in writing during the Limited Warranty period.

16. Upon written request by the Purchaser, Seller at its option may extend the Closing date under such terms and conditions as Seller may require in its sole discretion, which terms and conditions may include, but not be limited to, the following:

- A. Purchaser paying an additional 5% Earnest Money to Seller.
- B. Purchaser authorizing Escrow Agent to pay the Earnest Money to Seller.
- C. At Closing, Purchaser paying to Seller, interest on the balance of the Purchase Price, at the prime rate set by the construction lender, plus 1.5%, from the original scheduled Closing date to the actual date of Closing.
- D. All pro-rations, as set forth herein, shall be calculated from the original scheduled Closing date.

17. The Unit shall be constructed to conform substantially with the Plans. The Purchaser acknowledges that in the course of construction of the Unit, certain changes, directions or omissions may be necessary because of the requirements of governmental authorities having jurisdiction over the Unit, lender's or particular conditions of the job. Further the Purchaser acknowledges that in the course of construction of the Unit certain changes, deviations or omissions may result in variation of the dimensions of the Unit and the rooms, changes in size, shape and location of doors and window and the Common Elements.

18. Based upon the foregoing, the Purchaser hereby authorizes the Seller to undertake, without the need for specific authorization, any changes, deviations or omissions required by the governmental authorities, lender, or particular conditions of the job and to make changes and substitutions of materials of equal or greater quality than those shown in any model or specified on the Plans. The Purchaser further certifies that it has not relied upon the accuracy of the representations of the Seller with respect to the Plans which are on file with any governmental authority with respect to the square footage of the Unit.

19. The Purchaser understands that certain items and improvements to the Unit may vary and differ from samples shown on the Plans or to the Purchaser. In the event that materials or items to be used in the construction of the Unit or the Development become unavailable, the Seller reserves the right to substitute substantially equivalent materials

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and items for the unavailable materials and items. Certain items in model Units are for display only, and unless such items are shown on the Plans or listed in the Seller's standard selections for the Units per Paragraph 25 of this Contract, such display items are not included in this Contract.

20. A preliminary Master Deed and Exhibits thereto prior shall be posted on the Seller's website. The preliminary Master Deed and Exhibits may be changed during construction by Seller without notice to the Purchaser and such changes shall be posted on the Seller's website from time to time. Such changes shall neither affect the validity or enforceability of the Contract nor entitle the Purchaser to any reduction of the Purchase Price or to terminate the Contract.

21. AT CLOSING, THE SELLER WILL DELIVER THE ATTACHED CERTIFICATE OF "LIMITED WARRANTY, LIMITATION OR REMEDIES, DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES" FORM (hereinafter the "Limited Warranty"). THE LIABILITY OF THE SELLER IS EXPRESSLY LIMITED ONLY TO THE LIMITED WARRANTY CONTAINED THEREIN, IF ANY. SELLER MAKES NO WARRANTY, EXPRESSED OR IMPLIED, FOR THE UNIT OR ANY FURNISHINGS, FURNITURE OR EQUIPMENT PURCHASED ALONG WITH THE UNIT (INCLUDING, BUT NOT LIMITED TO, WARRANTY OF HABITABILITY OR FITNESS FOR PURPOSE, WARRANTY OF MERCHANTABILITY, SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, OR FITNESS), OTHER THAN THE EXPRESS WARRANTY OF TITLE CONTAINED HEREIN.

22. Time is of the essence in this Contract and failure of the Purchaser to close at the scheduled closing time and date shall constitute a breach of the Contract by the Purchaser and shall entitle the Seller to pursue the remedies set out in Section 27 hereof in addition to any other remedies under the common or statutory laws of South Carolina.

23. Any notice shall be in writing and shall be delivered to the Seller at 625 Sea Mountain Highway, North Myrtle Beach, South Carolina 29582, or such other place designated by the Seller in writing, with a copy to Richard M. Unger, Rogers Townsend & Thomas, PC, Post Office Box 100200, Columbia, SC 29201-3200. Any written notice to the Purchaser shall be deemed received if addressed to Primary Purchaser's mailing address as set out herein and deposited in the U.S. Mail, sent via electronic mail (e-mail), or by facsimile.

24. Common party walls between Units will contain a blanket of sound insulation with a thickness of 3 1/2" inches. The outside of the exterior walls will be a combination of poured concrete and CMU with an R-Value of .11 and 2.0 respectively. Attached to the exterior of the exterior walls is EIFS Wall Finish with 1 1/2" of expanded polystyrene with an R-Value of 5.4. The interior side of the exterior walls includes 1/2" of Gypsum Board with an R-Value of .45. The total R-Value of the exterior wall system according to the manufacturer will yield an average R-Value of 7.43. The roof area will be insulated with Iso-Board to a varying thickness, which according to the manufacturer will yield an average R-Value of 20. Characteristics of insulation to be installed are based upon information received from the manufacturer, installer or supplier, and reviewed by the Development's architect. Being a holder of a sales contract on the above Unit, Purchaser understands that the developer and sales agent are required by the Federal Trade Commission to represent to the proposed Purchaser of the above Unit the types and thickness of insulation which are to be installed in the Unit and Purchaser hereby acknowledges receipt of such notice.

25. The carpet, counter-tops, cabinets, and tile, in the Unit shall be those designated by the Seller. A listing of the Seller's standard selections for the Units shall be on file by November 15, 2004 at the offices of the Seller, located at 625 Sea Mountain Highway, North Myrtle Beach, South Carolina. Purchaser must make all selections by January 25, 2005. The Seller's standard selections are subject to change without notice to Purchaser. No alternative selections or other changes shall be allowed. The Limited Warranty does not apply to any personal property conveyed along with the Unit, including without limitation those items listed in the Seller's standard selections referred to herein.

26. The term "Purchaser" as used herein shall be deemed to refer to and include all persons or more than one who execute the Contract as Purchaser. The Contract is binding upon heirs, successors, assigns and personal representatives of the parties and shall be construed and interpreted under the laws of the State of South Carolina. The

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terms of this Contract shall survive the Closing of this sale. **This Contract may not be assigned by Purchaser except with the express written consent of the Seller**, and then only to such person or persons who have complied with all of the terms of the Contract as it relates to obtaining financing or proving to the Seller the ability of such person or persons to purchase the Unit. It is expressly understood that the Purchaser shall remain primarily liable under the provisions of this Contract and the Seller may assign its rights and obligations under this Contract without the Purchaser's consent. The Purchaser hereby consents to personal jurisdiction of the courts of South Carolina and agrees that all actions arising out of or connected to this Contract, shall be in the County of Horry, State of South Carolina.

27. In the event that the Purchaser fails to perform any of the obligations under this Contract, the Seller shall have the following rights and remedies which are not exclusive or in lieu of any remedies that the Seller may have under the statutory or common law of the State in which the Unit is located , or any other paragraph hereof: (1) the Seller shall be released from any further obligation to Purchaser under this Contract; (2) the Seller shall have the right to be paid the Earnest Money and any money deposited at time of any extension as liquidated damages. This provision for liquidated and agreed upon damages is a provision for bona fide damages, such damages are not a penalty. The parties hereto acknowledge and expressly understand that by the execution of the Contract, the Purchaser has induced the Seller to bind itself to the sale of the Unit, thus withdrawing the Unit from the sale to the general public at a time when other parties would be interested in purchasing the Unit. The parties further acknowledge and agree that the damage resulting to the Seller upon a default by Purchaser shall be substantial, but not subject to specific ascertainment and therefore this provision for agreed upon and liquidated damages is incorporated as a benefit to both parties.

28. In order to maintain safety standards, the Purchaser agrees he shall not restrict, interrupt, or in any manner interfere with the construction of the Unit and the Purchaser shall not enter upon the Development until a Certificate of Occupancy is issued by the City of North Myrtle Beach. Failure to comply with this provision may be deemed a default by the Purchaser.

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

30. This Contract contains the entire agreement between the parties hereto. No modifications may be made to the Seller's form Contract of Sale. Both parties must sign all addendums to the Contract of Sale. No changes may be made to the wording of the Seller's form Contract of Sale or form addendums by the Purchaser. The form Contract of Sale and all form addendums thereto are kept on file in the office of Seller's attorney, Rogers Townsend & Thomas, PC, in Columbia, South Carolina. Any changes to this form Contract not set out on Seller's form addendum shall be null and void.

31. The Purchaser will faithfully comply with the provisions of this Contract, the covenants and restrictions contained in the final Master Deed and By-Laws for the Regime and shall pay when due all applicable assessments.

32. Should any provision of this Contract be void or become unenforceable at law or in equity, the remaining provisions shall remain in full force and effect and not in any manner be affected or impaired thereby.

33. This Contract is executed by the Purchaser in South Carolina, entered into in South Carolina, is not valid until accepted by the Seller in South Carolina.

34. This Contract may also be executed by a party signing a facsimile or Internet e-mail copy thereof and transmitting same to the other party by facsimile or e-mail.

35. The law requires that the Purchaser, Seller, and Agent or counterparts sign an Agency Disclosure form. This form defines the relationship between the parties, is required by law and made part of the necessary Closing

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documents. Century 21 Thomas and its agents always represent the Seller (ETW Development Company, LLC). A full disclosure and an explanation of the relationship are included in the Agency Disclosure form that the Purchaser must sign. Should the Purchaser have any questions about this form or the Agency Relationship, they should be directed to the Broker-in-Charge of the Purchaser's Agent, if applicable, or the South Carolina Real Estate Commission. The manager of ETW Development Company, LLC is a licensed real estate broker/agent in South Carolina.

36. NOTICE AS REQUIRED BY § 48-39-330, S.C. CODE ANN., IS HEREBY GIVEN THAT THE PROPERTY WHICH IS THE SUBJECT OF THIS CONTRACT IS OR MAY BE AFFECTED BY BASELINES, SETBACK LINES, JURISDICTION LINES, SEAWARD CORNERS OF ALL HABITABLE STRUCTURES AND EROSION RATES, AS ESTABLISHED BY THE S.C. DHEC OCRM.

37. This Contract supersedes any and all understandings and agreements between the parties and constitutes the sole and entire agreement between the parties. No oral statements or representations in sale material whatsoever shall be considered a part hereof.

38. This Contract has important legal consequences that should be read thoroughly prior to signing. If you have any questions about your rights or responsibilities under this Contract, you may wish to consult an attorney.

39. The Seller's obligation to close hereunder is contingent on the Seller obtaining (1) title to the land comprising the Development from the present owner and (2) the required number of acceptable presale contracts in order to satisfy the Construction Lender. The Seller may cancel this Contract on or before six (6) months from the date of the first contract of sale of a unit in this building of the Development and return Purchaser's Earnest Money if either of these contingencies is not met by such time. The Purchaser acknowledges that the legal description of the Unit contained in this Contract is not legally sufficient to convey title until the proposed Master Deed is both duly recorded in the public records of Horry County, South Carolina, and the Purchaser confirms that this transaction is contingent upon said occurrence and this transaction cannot be closed until such recording has occurred.

40. The Seller and Purchaser agree that any and all disputes which the Purchaser, his, its, or their heirs, successors and assigns may now or in the future have with the Seller, the Seller's sales and marketing company, its agents and broker, the Development's general contractor and its subcontractors, the Development's architect, or any of them, or any of their successors or assigns, agents, employees or subcontractors, each of whom is intended and deemed to be a third party beneficiary hereof, regarding the sale, design, condition, construction or merchantability, habitability, fitness for purpose or any other warranty, or any other claims or rights of action for Condominiums or the purchased Unit, the Limited Warranty, the Limitation of Remedies, and the Disclaimer and Exclusion of all other Warranties, or any provision of any of them (whether based upon contract, tort, statute, common law or otherwise) shall be subject to a mediation administered by the American Arbitration Association (the "AAA") under its commercial mediation rules before resorting to arbitration. The costs and expenses of mediation, other than the respective attorney's fees, shall be shared equally by the participating parties. Thereafter, any unresolved dispute shall be settled by binding arbitration administered by the AAA in accordance with its commercial arbitration rules. Judgment on any award rendered by the Arbitrator shall be final and binding, shall not be appealable, and may be entered in any court having jurisdiction. In the event any indispensable party to such arbitration is not a participant therein, or in the event that the arbitration provision is invalidated by a court of competent jurisdiction, the Seller and Purchaser, as well as the Development's general contractor and its subcontractors, and the Development's architect, and their respective heirs, successors and assigns specifically agreeing hereto, shall, instead, resolve all disputes among themselves that was the subject matter of the proposed arbitration by non-jury trial, each such party and third-party beneficiary of the terms and conditions of this Paragraph 40 agreeing and being deemed to have agreed, as the case may be, to waive all resort to trial-by-jury of any and all issues otherwise so triable. Seller and Purchaser hereby consent to jurisdiction in South Carolina. Any notice or service of process may be made by certified mail return receipt requested and any arbitration shall be held in Horry County, South Carolina before a neutral arbitrator who has substantial experience in the

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subject matter of the dispute. This provision shall survive Closing, shall be binding on the heirs, successors and assigns of the parties, and shall not merge into the deed.

Anything contained herein to the contrary notwithstanding, the election by Seller to terminate this Agreement and retain Purchaser's Deposit as liquidated damages in the event of Purchaser's default shall not be considered a dispute subject to the provisions of this Section 40.

Notwithstanding the foregoing, any such claim or dispute in which an indispensable party thereto is not bound to the provisions of this Section 40 shall be exempt from mandatory dispute resolution, as herein described, unless such indispensable party in their sole discretion agrees to participate in mediation and/or arbitration.

41. Purchaser has three (3) working days from the Closing of the Unit to have Santee Cooper put the account for electricity in his or her name. If at the end of the three (3) working days this has not taken place, the Development's general contractor will notify Santee Cooper to remove the electrical meter for this Unit.

42. BY ACCEPTANCE OF A DEED TO THE UNIT, PURCHASER IS ACCEPTING THE UNIT AND COMMON ELEMENTS THAT ARE IN SUBSTANTIAL COMPLIANCE WITH THE APPLICABLE BUILDING CODES IN EFFECT AT THE TIME THE UNIT AND COMMON ELEMENTS RECEIVED THE CERTIFICATE OF OCCUPANCY FROM THE CITY OF NORTH MYRTLE BEACH.

43. NO OFFICER, MANAGER, MEMBER, AGENT, OR EMPLOYEE OF THE SELLER OR SALES AGENT NOR ANY OTHER PERSON HAS BEEN AUTHORIZED TO MAKE REPRESENTATIONS, PLEDGES, COVENANTS NOR COMMITMENTS REGARDING THE TERMS OF PURCHASER'S PURCHASE, THE DEVELOPMENT OF THE PROJECT, OF THE UNIT OR THE INVESTMENT OR RENTAL INCOME TO BE REALIZED THEREFROM, OTHER THAN THOSE MADE IN THIS CONTRACT, AND IF MADE, MAY NOT BE RELIED UPON BY PURCHASER OR ANY OTHER PERSON AS BEING MADE BY SELLER. PURCHASER MUST WRITE ALL ORAL REPRESENTATIONS OR PROMISES MADE BY ANY PERSON THAT ARE NOT INCLUDED IN WRITING ELSEWHERE IN THIS CONTRACT AND WHICH ARE IMPORTANT TO PURCHASER IN ENTERING INTO THIS CONTRACT IN RELIANCE ON ANY ORAL REPRESENTATIONS OR PROMISES REGARDING THE UNIT, THE DEVELOPMENT, WARRANTY, ADJACENT PROPERTIES, AND FUTURE DEVELOPMENT, OR ANY OTHER STATEMENT OR PROMISE THAT IS NOT MADE A PART OF THIS CONTRACT, AND SUCH STATEMENT (S) MUST BE WRITTEN BY PURCHASER IN THE SPACE BELOW. IF PURCHASER IS SATISFIED THAT ALL OF THE STATEMENTS, REPRESENTATIONS AND PROMISES THEY ARE RELYING ON ARE ADEQUATELY AND CLEARLY SET FORTH IN WRITING ELSEWHERE IN THIS CONTRACT, PURCHASER SHALL WRITE IN THE SPACE PROVIDED BELOW "NO ORAL STATEMENTS OR PROMISES" OR WORDS HAVING THE SAME MEANING. DO NOT WRITE IN THIS SPACE WITHOUT FIRST READING THIS WHOLE PROVISION. (Purchaser must complete this section in his or her handwriting in the space provided below)

The Purchaser acknowledges that the Seller is under no obligation to accept or ratify any oral statements or promises made by any person, including without limitation a sales representative or agent, and the Seller has the right to reject this Contract or any amendment or addendum thereto if the Purchaser alleges that oral statements have been made upon which the Purchaser has relied. If the Seller rejects this Contract due to the Purchaser's reliance on such statements, the Purchaser shall the right to waive such statements and proceed with this Contract.

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Purchaser Seller

Date

MAKE CHECKS PAYABLE TO ETW DEVELOPMENT COMPANY, LLC.

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

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

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

PURCHASER(S):

WITNESS

Purchaser:

Date: _____

WITNESS

Purchaser:

Date: _____

Purchaser:

Date: _____

Purchaser:

Date: _____

(Attach additional pages if necessary)

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

SELLER:

ETW DEVELOPMENT COMPANY, LLC

WITNESS

By: _____

Its: _____

Date: _____

OR

WITNESS

By: _____

AUTHORIZED OFFICER

Date: _____

.....

BUYER'S AGENT (please print)

AGENCY NAME & ADDRESS (please print)

PHONE NUMBER

FAX NUMBER

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YOU ARE HEREBY NOTIFIED THAT THIS LIMITED WARRANTY, LIMITATION OF REMEDIES & DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES IS SUBJECT TO ARBITRATION PURSUANT TO THE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION.

*Attached To and Part of the
Tilghman Beach & Golf Resort Contract of Sale*

**LIMITED WARRANTY,
LIMITATION OF REMEDIES &
DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES**

Dwelling # _____ (the "Dwelling")

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

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

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

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

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

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

ETW Development Company, LLC, a South Carolina limited liability company ("Seller"), assigns to Purchaser all its rights under the LIMITED WARRANTY as received from the "Contractor", and more fully described in the Project Manual for Tilghman Beach & Golf Resort, North Myrtle Beach, South Carolina, prepared by **Timbes Architectural Group of South Carolina, Inc.** (the "Architect"). This warranty is limited to the Work performed by the Contractor pursuant to the Plans and does not apply to any portion of the Dwelling which has not been constructed by the Contractor.

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

Seller's sole obligation and Purchaser's sole remedy under the Limited Warranty described above, to the exclusion of all other remedies, is limited to the repair or replacement, at Seller's option, of the defective condition of the work pursuant to the Plans (the "Work"). Any portion of the buildings or other improvements not included in the Plans is sold "AS IS" without warranty.

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

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

AS TO ANY FURNITURE, FURNISHINGS, OR OTHER PERSONAL PROPERTY (INCLUDING WITHOUT LIMITATION, FAN COIL UNITS (S), MOTORIZED DAMPERS, AND HEATING, VENTILATING AND COOLING CONTROLS) CONVEYED ALONG WITH THE DWELLING BY THE SELLER TO THE PURCHASER, AND AS TO ANY "CONSUMER PRODUCT" (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL LAW OR IMPLEMENTING REGULATIONS, OR AS A TERM OF SIMILAR MEANING MAY BE DEFINED UNDER STATE, OR LOCAL LAWS, OR THEIR IMPLEMENTING

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REGULATIONS), AND AS TO ANY PORTION OF THE CONDOMINIUM AND OTHER IMPROVEMENTS, NOT CONSTRUCTED BY CONTRACTOR PURSUANT TO THE PLANS WHICH MAY BE CONTAINED IN THE PURCHASED DWELLING, OR THE COMMON AREA, SELLER NEITHER MAKES NOR ADOPTS ANY WARRANTY WHATSOEVER AND SPECIFICALLY EXCLUDES, EXPRESS OR IMPLIED, WARRANTIES OF ANY NATURE, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE. ADDITIONALLY, THE SELLER EXCLUDES ALL WARRANTIES OF SOUNDNESS, QUALITY, WORKMANLIKE SERVICE, VALUE, SUITABILITY, FITNESS, OR OF HABITABILITY.

Additional Terms and Conditions:

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

1. Inspection Procedure.
 - (a) The Purchaser has the right to a pre-occupancy inspection of the purchased Dwelling to be made prior to the scheduled Closing. This inspection is to be made by Purchaser in the company of a representative of the Seller. Items to be corrected as mutually agreed upon are listed in an inspection report ("Inspection Report"), which is signed by the Purchaser, Contractor, and Seller's representative.
 - (b) The Seller and Contractor shall make every reasonable effort to correct all of the items listed in the Inspection Report.
 - (c) No corrections will be made for defects in the Work not recorded on Seller's Inspection Report or for defects in the Work first claimed or discovered after the expiration of the Warranty Period. Correction of latent defects as defined above will be made within a reasonable time after Seller is notified in writing during the Warranty Period.
2. Warranty Exclusions. The following exclusions and limitations apply to the Seller's LIMITED WARRANTY obligations set forth above:
 - (a) All chips, scratches or mars on items such as tile, walls, porcelain, glass (including breakage or cracks), plumbing fixtures, plastic laminate counter tops, granite or marble, must be noted on the Inspection Report, or else they will not be covered under the Seller's LIMITED WARRANTY obligations set forth above.
 - (b) Faucet leaks; toilet door and doorframe adjustments, floor and wall tile grouting are covered for a period of one (1) year after Closing. Thereafter, any repairs or corrections become the sole responsibility of the Purchaser.
 - (c) Nail or screw pops or cracks in the walls and ceilings which do not result from faulty workmanship or defective materials but are the result of natural shrinkage and drying of building materials, or of normal settlement of the building, wind loads or other normal movement of the building components are not covered. To the extent that the Seller may elect at its sole discretion to perform repairs for the above conditions, provided that notice of such conditions in writing is received by Seller during the Warranty Period, Seller will not be liable for repainting, wallpapering or refinishing any repaired areas.
 - (d) The LIMITED WARRANTY obligations set forth above do not cover correction of the results of ordinary wear-and-tear, or damage due to misuse or neglect, negligence, or the Purchaser's or Association's failure to provide proper maintenance.
 - (e) The LIMITED WARRANTY obligations set forth above do not cover damage arising from leaks or water infiltration at perimeter walls or ceilings or any defects in the Common Elements.
 - (f) The LIMITED WARRANTY obligations set forth above do not cover the Common Elements.
 - (g) **The LIMITED WARRANTY obligations set forth above do not cover any personal property, including without limitation any and all furniture or furnishings conveyed by Seller to Purchaser along with the Dwelling.**
 - (h) The LIMITED WARRANTY obligations set forth above do not extend to any item, which has been modified or repaired by Purchaser, or any items, which are installed or constructed pursuant to a separate contract or agreement between the Purchaser and any party other than Seller.
 - (i) The LIMITED WARRANTY obligations set forth above specifically exclude any and all secondary, incidental or consequential damages caused by any defect or breach hereof.

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- (j) No steps taken by Seller to correct defects shall act to extend the scope or duration of this LIMITED WARRANTY beyond the Warranty Period.
 - (k) No representative of the Seller has the authority to expand or extend the scope of the LIMITED WARRANTY obligations set forth above or to make verbal agreements with respect thereto.
 - (l) All requests for correction pursuant to the LIMITED WARRANTY obligations set forth above must be in written form and shall be delivered to Seller, ETW DEVELOPMENT COMPANY, LLC, at 625 Sea Mountain Highway, North Myrtle Beach, South Carolina 29582.
 - (m) LIMITED WARRANTY obligations set forth above are not assignable and any attempted assignment shall be null and void without Seller's prior written consent.
3. **Mediation/Arbitration Agreement.** The Seller and Purchaser agree that any and all disputes which the Purchaser, his, its, or their heirs, successors and assigns may now or in the future have with the Seller, the Seller's sales and marketing company, its agents and broker, the Development's general contractor and its subcontractors, the Development's architect, or any of them, or any of their successors or assigns, agents, employees or subcontractors regarding the sale, design, condition, construction or merchantability, habitability, fitness for purpose or any other warranty, or any other claims or rights of action for Condominiums or the purchased Unit, the Limited Warranty, the Limitation of Remedies, and the Disclaimer and Exclusion of all other Warranties, or any provision of any of them shall be subject to dispute resolution in accordance with Section 40 of the **TILGHMAN BEACH & GOLF RESORT CONTRACT OF SALE** to which this instrument is attached.
 4. **Waiver of Jury Trial.** In the event that the arbitration provision contained in Section 40 of the **TILGHMAN BEACH & GOLF RESORT CONTRACT OF SALE** is invalidated by a court of competent jurisdiction, the Seller, the Development's general contractor and its subcontractors, and the Development's architect, and Purchaser, his, its, or their heirs, successors and assigns hereby expressly agree that any and all disputes which would have been subject to the said arbitration provision shall be tried non-jury and further expressly agree that they hereby waive all resort to trial-by-jury of any and all issues otherwise so triable.
 5. **Severability.** The invalidity or ambiguity of any agreement, restriction, condition, reservation, or any other provision of this LIMITED WARRANTY, LIMITATION OF REMEDIES, DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES, shall not impair or affect in any manner the validity or effect of the rest of this document.
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