

**REAL ESTATE SALES CONTRACT
BRIDGEWATER PARK**

_____ Date

The undersigned Purchaser(s) _____ hereby agrees to purchase and the undersigned Builder _____ hereby agrees to sell the following described real estate (the Property), situated in _____ County, subject to all easements, restrictions, rights-of-way and other matters of record, including recorded declarations of covenants, conditions and restrictions and all amendments thereto (which, together with all amendments thereto, is hereinafter referred to as the "Declaration").

Address _____

_____ and legally described as Lot NO. _____ Map Book _____ Page _____

on the terms stated below:

1. In consideration of the covenants and agreements herein contained, the Purchaser hereby agrees to employ the Builder to construct and erect on said building site a building described as _____ according to plans and specifications which the Purchaser has approved on the following terms and conditions:

Basic price of Property (including building and lot) \$ _____

Purchaser requests the following extras in addition to the basic plan and agrees to pay the following in addition to the basic price stated above.

_____	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

TOTAL EXTRAS

\$ _____

Total of basic price (building and lot) and extras \$ _____

TOTAL PURCHASE PRICE

\$ _____

2. The total purchase price of _____ shall be payable as follows:

Earnest money, (For completed houses only. One percent (1%) of the purchase price.), receipt of which is hereby acknowledge by the Builder (Purchaser's initials _____)

\$ _____

Down payment on construction, (\$3,000 if house is two months or less from completion; otherwise, \$5,000) receipt of which is hereby acknowledged (Purchaser's initials _____ Builder's initials _____)

\$ _____

Additional Earnest Money due upon _____ \$ _____

This contract is subject to the Purchaser being able to obtain a _____ loan in the approximate amount of: \$ _____

Cash on closing this sale (certified funds or cashier's check) (closing costs not included)

\$ _____

3. **EARNEST MONEY & PURCHASER'S DEFAULT:** Purchaser hereby authorizes Builder to hold the Earnest Money in trust for the Builder pending the start of construction of the house. In the event Purchaser fails to carry out and perform the terms of this Contract, the Earnest Money shall be forfeited as liquidated damages at the option of the Builder, provided Builder agrees to the cancellation of this Contract. In the event both Purchaser and Builder claim the Earnest Money, the person or firm holding the Earnest Money may interplead the disputed portion of the Earnest Money into mediation and arbitration, as defined below in paragraph _____, and shall be entitled to reimbursement from the parties for court costs, attorney fees, and other expenses relating to the interpleader.

4. DOWN PAYMENT & PURCHASER'S DEFAULT: The Purchaser hereby authorizes the Builder to utilize and spend the down payment funds shown above toward expenses and costs of the Property. In the event the Purchaser fails to carry out and perform the terms of this Contract, the down payment shall be forfeited to the Builder up to the amount of actual costs incurred. Any excess of down payment over actual costs incurred shall be reimbursed to the Purchaser. Such forfeiture of down payment does not limit the Builder to any other remedies available by law or under this Contract. Purchaser's initials
Builder's initials

5. ALL LOAN CLOSING COSTS, DISCOUNTS AND PREPAID ITEMS are to be paid by Purchaser unless agreed otherwise.

6. CONVEYANCE: Builder agrees to convey the Property to Purchaser by Warranty deed (check here [] if Purchasers desire title as joint tenants with right of survivorship), free of all encumbrances, except as herein set forth, and current and future ad valorem taxes, library district and fire district assessments and Builder and Purchaser agree that any encumbrance not herein excepted or assumed may be cleared at the time of closing from sales proceeds. The Property is sold and is to be conveyed subject to easements, covenants and restrictions of record, mineral and mining rights not owned by the Builder and present zoning classification of **PRD (City of Hoover)**.

7. PROTECTIVE COVENANTS: Purchaser acknowledges that the Property is subject to and shall be conveyed subject to the protective covenants set forth in the Declaration, which includes without limitation building setback requirements, use restrictions limiting the use of the Property to single-family residential purposes only, requirements that all plans and specifications for all improvements be approved by the Architectural Control Committee and that each property owner pay assessments. Purchaser acknowledges receipt of the Declaration and all other documents and instruments referenced therein, and Purchaser agrees to be bound by all the terms and provisions set forth therein.
Purchaser's initials

8. TITLE INSURANCE: Builder agrees to furnish Purchaser a standard form owner's title insurance policy at Builder's expense, issued by a company qualified to insure titles in Alabama, in the amount of the purchase price, insuring Purchaser against loss on account of any defect or encumbrance in the title, subject to exceptions herein, including Paragraph 6 above; otherwise, the Earnest Money shall be refunded. In the event both Owner's and Mortgagee's title policies are obtained at time of closing, the total expense of procuring the two policies will be divided equally between Builder and Purchaser, even if the mortgagee is the Builder. At closing, Purchaser shall execute a consent form acknowledging any title exceptions to the Property and that the Property is subject to the restrictive covenants described in the Declaration.

9. SURVEY: Purchaser does [] does not [] (check one) require a survey by a registered Alabama land surveyor of Purchaser's choosing. Unless otherwise agreed herein, the survey shall be at Purchaser's expense (NOTE: Lender may require a survey.)

10. PRORATIONS: Ad valorem taxes, as determined on the date of closing, hazard insurance transferred, accrued interest on mortgages assumed and fire district dues, if any, are to be prorated between Builder and Purchaser as of the date of delivery of the deed, and any existing advance escrow deposits shall be credited to the Builder. UNLESS OTHERWISE STATED HEREIN, ALL AD VALOREM TAXES EXCEPT MUNICIPAL ARE PRESUMED TO BE PAID IN ARREARS FOR PURPOSES OF PRORATION: MUNICIPAL TAXES, IF ANY, ARE PRESUMED TO BE PAID IN ADVANCE. At closing, Purchaser shall pay Purchaser's share of the assessments due to the homeowner's association which for the current calendar year are estimated to be \$_____ for the entire year.

11. START OF CONSTRUCTION: Builder agrees to commence construction or completion of said building(s) within _____ days after this agreement and/or mortgage, if required, has been executed or escrow established, and after all contingencies are cleared. Said building(s) shall be completed in good workmanlike manner in quality equal to the standard of the industry within _____ work days after date of commencement, except when Builder shall be prevented from completing such building(s) by reason of change in plans or specifications required by Purchaser, by war, fire, Acts of God, governmental regulations or decrees, strikes, acts of Purchaser, inclement weather, or other causes beyond the control of the Builder.

12. ROCK AND OTHER SUBSURFACE CONDITIONS: If initialed by Builder and Purchaser here (Builder's initials _____ Purchaser's initials _____), the price above does not include any costs or contingencies for rock or other abnormal subsurface conditions, and Purchaser shall be responsible for the

abnormal costs of correcting any such conditions. Should such abnormal subsurface conditions be encountered on the building site in connection with foundations and footing excavation, or installation of sewer lines, on-site sewage disposal systems, water lines, or other utility services, Builder shall promptly inform Purchaser of same and estimated costs of additional work. Such costs may include, but are not necessarily limited to, blasting expenses, jack hammer and drill operations. Additional costs shall be billed at cost plus a 15 % management and overhead fee and, at the time that rock and subsurface conditions are encountered, Builder shall provide a maximum cost for written approval by Purchaser prior to proceeding with construction.

13. CLOSING AND POSSESSION DATES: The sale shall be closed and the deed delivered on or before, hereinafter called the Closing Date, except Builder shall have a reasonable length of time within which to complete any items required as a result of the walk-through referred to in Paragraph 21, and to perfect title or cure defects in title to said Property. Possession is to be given upon delivery of the deed.

14. CONDITION OF PROPERTY: Builder is to provide Purchaser with a one-year Limited New Home Warranty, which is attached as Addendum **A**, and Purchaser agrees to accept the terms and conditions of said Warranty as Purchaser's only implied or expressed warranty. In addition to the general exception for mineral and mining rights not owned by Builder, Builder makes no representations regarding the status or condition of the property below the surface or relating to the existence of mining shafts, tunnels or other conditions below or affecting the surface of the Property. Purchaser acknowledges that Purchaser has physically and personally inspected the property prior to executing this contract and that the Builder has not made and does not make any representations or warranties, either expressed or implied, as to the condition of the Property and whether there exists any toxic or hazardous substance or waste (including, but not limited to, radon gas), or other substance of any kind on the Property, and neither Builder nor any Agent has made any such representations or warranties. Furthermore, Purchaser hereby waives and releases Builder, its Agents, Employees, Officers, Directors, Shareholders, Partners, Mortgagees and their respective successors and assigns from any liability of any nature on account of loss, damage or injury to the buildings, improvements, personal property or to Purchaser or any owner, occupants or other person who enters upon any portion of the Property as a result of any past, present or future soil, surface and/or subsurface conditions, known or unknown (including, without limitation, sinkholes, underground mines, tunnels and limestone formations and deposits) under or upon the Property and any property surrounding, adjacent to or in close proximity with the property. The agent makes no representation or warranty and is not authorized by the Builder to make any representation or warranty of any kind as to the condition of the Property. As additional consideration to the Builder, the foregoing provisions shall be included on the deed.

15. BUILDER WARRANTIES that Builder has not received notification from any lawful authority regarding any assessments, pending public improvements, repairs, replacement, or alterations to the Property which remains outstanding except as set forth herein. These warranties shall survive the delivery of the deed.

16. DISCLAIMER: Purchaser acknowledges that, except as set forth herein and in the plans and specifications, Purchaser has not relied on any advice or representation of Builder or agent relative to (i) the legal or tax consequences of this Contract and the sale, purchase or ownership of the property; (ii) except as provided in Builder's Limited New Home Warranty, the structural condition of the Property; (iii) the nature and operating condition of the electrical, heating, air conditioning, plumbing, water heating systems and appliances; (iv) the availability of utilities or sewer service; (v) the character of the neighborhood; (vi) the investment or resale value of the Property; (vii) the use or condition of adjoining or neighborhood property; or (viii) any other matters affecting Purchaser's willingness to purchase the Property on the terms and price herein set forth. Purchaser acknowledges that if such matters are of concern to the Purchaser in the decision to purchase the Property, the Purchaser has sought and obtained independent advice relative thereto.

17. INSULATION: Insulation has been or will be installed in the home as follows:

a. Exterior walls will be insulated with batt insulation or comparable, which, according to the manufacturer, will yield an R-value of 13.

b. Ceilings in all areas (except sloped cathedral ceilings) will be insulated with blown insulation or comparable, which, according to the manufacturer, will yield an R-value of 30. Sloped ceilings will be insulated with insulation yielding an R-value of 19.

c. Some interior walls will be insulated with batt insulation or

comparable, which, according to the manufacturer, will yield a R-value of 13.

d. Exclusions

18. RISK OF LOSS: Builder agrees to keep in force sufficient hazard insurance on the Property to protect all interests until this sale is closed and the deed is delivered. If the Property is destroyed or materially damaged between the date hereof and the Closing, and the Builder is unable or unwilling to restore it to its previous condition prior to closing, Purchaser shall have the option of canceling this Contract and receiving the Earnest Money and down payment back or extending the Closing Date a sufficient time for the Builder to complete construction. If Purchaser elects to extend the Closing Date, this contract shall continue in full force and effect.

19. SELECTION OF ATTORNEY: The parties hereto acknowledge and agree that, if they have agreed to share the fees of closing attorney hereunder, such fee sharing may involve a potential conflict of interest and the parties may be required to execute an affidavit at Closing acknowledging their recognition and acceptance of same. Each of the parties further acknowledges that each has a right to be represented by an attorney of the party's choice at all times in connection with this Contract or the Closing at the party's own expense.

20. NON-ASSIGNMENT: This Contract and any interest which the Purchaser may have herein are non-assignable and non-transferable without the prior written consent of the Builder.

21. ACCEPTANCE: At the time this Contract is signed, Purchaser (notwithstanding any plans, specifications or warranties given Purchaser) accepts the specifications, quality, designs and appearance of the Property as it exists at the time the Contract is signed. Purchaser, after a walk-through of the completed construction with the Builder, further agrees to execute an acceptance statement at Closing similar in content to the one attached as Addendum C.

22. NON-PAYMENT: In the event the Purchaser shall fail to pay any monies due Builder under this Contract, Builder may refuse to perform any further work to the Property pursuant to Builder's warranty or otherwise until Purchaser pays the full sum, plus interest at the legal rate, attorney's fees and court costs. This provision shall survive delivery of the deed.

23. FINANCING DELAY: If this Contract remains subject to the loan contingency set forth herein past Builder reserves the right to revise the contract price to reflect any cost increases not to exceed \$_____ per day resulting from the delay in removing said contingency. Builder shall give Purchaser written notice along with documentation supporting the nature and amount of any such proposed increase within _____ hours after said date and in any event no later than _____ days prior to the scheduled Closing, and Purchaser shall accept or reject the price as revised within _____ days of such notice. If Purchaser rejects the price revision, Builder may, at Builder's option, cancel this Contract and refund the Earnest Money. Down payment will not be refunded under the provisions of this paragraph.
Purchaser's initials

24. UTILITIES: Builder agrees that the water, gas, and electric meters when installed will be in the name of the Builder through Closing Date. Purchaser agrees to reimburse Builder for the use of any and all utilities used by the Purchaser subsequent to occupancy by the Purchaser or Purchaser's agent.

25. CHANGES: No changes in the plans and specifications are to be made except upon written order prior to changes being made. Change orders must be signed by Purchaser and Builder and must provide a detailed description of the change, addition or deletion and show the cost or credit to Purchaser. Any changes, alterations, or extras from the plans or specifications that may be required by any public body or inspector shall constitute an extra and shall be paid by Purchaser, the same as any other extra as provided in this paragraph. Changes under \$500 per item may be agreed upon verbally by authorized representatives of the Builder.

26. SUPERVISION OF WORK: Purchaser agrees that the direction and supervision of the working forces, including subcontractors, rests exclusively with the Builder, and Purchaser agrees not to issue any instructions to or otherwise interfere with same. The Builder shall be the authority for the proper usage, arrangement and placement of fixtures, equipment and materials in accordance with recognized standards. Slight deviations from plans and specifications shall be construed as substantial compliance with this Contract. The Purchaser further agrees not to negotiate for additional work with Builder's subcontractors nor to engage other builders or subcontractors except with the Builder's consent and in such manner as will not interfere with Builder's completion of work under this Contract.

27. AGENCY DISCLOSURE:

The Listing Company is

The Selling Company is

The Listing Company is: (Two blocks may be checked) ___ An agent of the seller. ___ An agent of the buyer. ___ An agent of both the seller and the buyer and is acting as a limited consensual dual agent. ___ Assisting the ___ buyer ___ seller (check one or both) as a transaction broker.

The Selling Company is : (Two blocks may be checked) ___ An agent of the seller. ___ An agent of the buyer. ___ An agent of both the seller and buyer and is acting as a limited consensual dual agent. Assisting the ___ buyer ___ seller (check one or both) as a transaction broker.

Buyer's Initials _____

Seller's Initials _____

In compliance with the Code of Alabama, Title 34, Chapter 27, Article 4, Section 34-27-84(2)(6), (Obligations of Licensees), the Purchaser(s) named herein have been advised, and are aware that, and acknowledge that R. G. Sproul, Jr., (Bob Sproul) of The Sproul Company of Alabama, Inc., and Sproul Building Co., Inc., the developer/builder of Bridgewater Park is married to, and the husband of the: Listing Agent_____, Listing and Selling Agent_____. (Check applicable statement. Mark through inapplicable statement.)

28. The Contract shall be governed by the Law of the State of Alabama.

29. The parties agree that any claim or dispute arising from or related to this agreement shall be settled by biblically based mediation and, if necessary, legally binding arbitration in accordance with the Rules of Procedure for Christian Conciliation of the Institute for Christian Conciliation. Judgement upon an arbitration award may be entered in any court otherwise having jurisdiction. The parties understand that these methods shall be the sole remedy for any controversy or claim arising out of this agreement and expressly waive their right to file a lawsuit in any civil court against one another for such disputes, except to enforce an arbitration decision.

30. ENTIRE AGREEMENT: This contract and addenda attached hereto constitute the sole and entire agreement between the parties hereto and supersedes any and all prior discussions, representations, negotiations and agreements between Purchaser and Builder, whether oral or written. Neither Purchaser, nor Builder, nor Agent shall be bound by any understanding, agreement, promise, or representation concerning the Property, expressed or implied not specified herein. This Contract may not be modified or amended except in writing signed by both parties hereto. Purchaser may not assign, transfer, convey or encumber this Contract or any interest herein, without Builder's prior written consent. This Contract shall be binding upon and shall inure to the benefit of Builder and Purchaser and their respective heirs, successors and assigns. No representations, promises, warranties, understandings or inducements with respect to this Contract or any of the matters contemplated herein which are not set forth in this Contract shall be binding upon the parties hereto. The paragraph headings are used for convenience of reference only and in no way define, limit or describe the scope or intent of this Contract. This Contract has been executed in the State of Alabama and the laws of the State of Alabama shall govern this Contract. If a provision of this Contract should be invalid or unenforceable, then such provision only shall be unenforceable and the validity and enforceability of the remaining provisions hereof shall not be affected thereby.

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT. IF YOU DO NOT UNDERSTAND THE LEGAL IMPLICATIONS OF ANY PART OF THIS CONTRACT, SEEK LEGAL ADVICE BEFORE SIGNING.

WITNESS PURCHASER

WITNESS PURCHASER

WITNESS BUILDER

WITNESS BUILDER

EARNEST MONEY: Receipt is hereby acknowledged of the Earnest Money as herein above set forth.

_____ CASH
CHECK

Builder/Agent

COMMISSION: THE COMMISSION PAYABLE TO THE AGENT IN THIS SALE IS NOT SET BY THE BIRMINGHAM ASSOCIATION OF REALTORS, BUT IS NEGOTIABLE BETWEEN BUILDER AND THE AGENT. Builder agrees to pay as Agent, a commission in the amount of _____ of the total purchase price. In addition, the Agent certifies that the Agent has not made any representations or commitments to Purchaser which have not been made a part of this Contract.

Agent Builder

(H00\forms\SalesCtr-BridgewaterPark-Rev 1)
9/17/06