

ATTACHED TO AND PART OF
THE BAREFOOT RESORT & SPA CONTRACT OF SALE

YOU ARE HEREBY NOTIFIED THAT THE CONTRACT INCLUDING THIS LIMITED WARRANTY, LIMITATION OF REMEDIES AND DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES IS SUBJECT TO ARBITRATION PURSUANT TO THE SOUTH CAROLINA VERSION OF THE UNIFORM ARBITRATION ACT, S.C. CODE ANN. SECTION 15-48-10 ET SEQ.

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

Unit 107 (the "Purchased Villa")

Preface

This document provides a **LIMITED WARRANTY**, a **LIMITATION OF REMEDIES**, and a **DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES**. NOTE: THIS DOCUMENT IS CONTRACTUAL IN NATURE AND LIMITS YOUR RIGHTS IN SIGNIFICANT RESPECTS.

The **Limited Warranty** identifies the sole limited warranty provided to the Buyer by the Seller pertaining to the Unit.

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 Unit.

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.

Limited Warranty

Drake Development BF 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 Paragraph 3.5 and its subparagraphs the Project Manual for The Barefoot Resort & Spa, South Carolina, prepared by Jenkins Hancock and Sides Architecture Interiors Engineering dated November 6, 2000. This warranty is limited to the Work performed by the Contractor pursuant to the Plans and does not apply to any portion of the Unit 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**.

Limitation of Remedies

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 constructed pursuant to the Plans, is sold "AS IS" without warranty.

Disclaimer and Exclusion of All Other Remedies

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 NONTRANSFERABLE AND IS PERSONAL ONLY TO THE PURCHASER WHO HAS SIGNED AND APPROVED THIS LIMITED WARRANTY.

AS TO ANY PERSONAL PROPERTY (INCLUDING WITHOUT LIMITATION, FAN COIL UNIT(S), MOTORIZED DAMPERS, AND HEATING, VENTILATING AND COOLING CONTROLS) CONVEYED ALONG WITH THE UNIT 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 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 UNIT, 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 preoccupancy inspection of the Purchased Unit to be made prior to the scheduled Closing Date. This inspection is to be made by Purchaser 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 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, 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 door frame adjustments, floor and wall tile grouting are covered for a period of one (1) year after Closing. Thereafter, any repairs or corrections become the sole responsibility of 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. 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 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 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.

(h) The LIMITED WARRANTY obligations set forth above specifically exclude any and all secondary, incidental or consequential damages caused by any defect or breach hereof.

(i) No steps taken by Seller to correct defects shall act to extend the scope of duration of this Limited Warranty beyond the Warranty Period.

(j) 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.

(k) All requests for correction pursuant to the LIMITED WARRANTY obligations set forth above must be in written form.

(l) Seller assumes no responsibility for claims arising out of use of the Purchased Villa when Purchaser is not present.

(m) LIMITED WARRANTY obligations set forth above are not assignable and any attempted assignment shall be null and void.

(n) Damages arising out of the existing structure not meeting current building codes, current energy codes (particularly as such codes relate to insulation, heat loss and heat gain, current seismic design criteria).

(o) Leaks, drafts, loose brick, moisture, air infiltration from the existing structure or recaulked windows and doors.

3. **ARBITRATION AGREEMENT.** The Seller and Purchaser agree disputes that the Purchaser may have with the Seller, the construction company, Jenkins Hancock and Sides, or any of them, or any of their successors or assigns, agents, employees or subcontractors regarding the sale, design, condition, or construction of or renovation of The Barefoot Resort & Spa or the Purchased Villa, the **LIMITED WARRANTY**, the **LIMITATION OF REMEDIES**, or the **DISCLAIMER AND EXCLUSION OF ALL OTHER WARRANTIES**, or any provision of any of them shall, at the Seller's option, be subject to arbitration in the State of South Carolina pursuant to the South Carolina Arbitration Act.

4. **WAIVER OF JURY TRIAL.** The Seller and Purchaser expressly 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.

DATED: _____

Villa 107 North Tower of Barefoot Resort

PURCHASER(S):

Ervin Pruitt

SELLER: Drake Development BF LLC

By: _____
W. Russell Drake, Manager