

WynLake Subdivision-Phase 4C
Agreement to Purchase Lots and Construct New Residences

(Wholesale to Builder)

Buyer: (name & address) (Dustin Woods)

Buyer's Broker: (name & address)

D&D Construction, LLC

Anita R. Latham - RE/MAX First Choice

P.O. Box 1810

271 Hwy 31 So.

Alabaster, AL 35007

Pelham, AL 35224

Ph. 965-3998 Fx. _____

Ph. 663-4402 Fx. 620-0196

Lot No's: 116, 117, 118, 119 + 121, 122, 123 + 124, + 131, 132, 133 + 134

of WynLake Subdivision-Phase 4C

Dated: 7/26, 2001

THE PARTIES. For and in consideration of Ten and No/100 Dollars, the mutual agreements contained herein (this "Agreement"), and other good and valuable consideration, each party paid to the other, the receipt and sufficiency of which is hereby acknowledged, WynLake Development, LLC (the "Seller") hereby agrees to sell and the undersigned buyer (the "Buyer"), first set forth above, hereby agrees to purchase the following described real estate, together with all structures, easements, rights-of-way, improvements, fixtures and appurtenances, situated on the real estate on the terms and conditions stated herein (the Seller and the Buyer are sometimes referred to herein as "party" or "parties"):

THE PROPERTY is one or more single family residential building lots located in WynLake Subdivision-Phase 4C and situated within the City of Alabaster, Shelby County, Alabama, as represented on the graphic and layout plan attached hereto (Exhibit "B") and incorporated herein by reference, and being further described as the lot number first set forth above.

THE PURCHASE PRICE for the Property shall be \$26,900.00 per Lot for a Total of \$ 322,800.00; payable as follows:

A. **Earnest Money** - The Buyer has delivered to the Seller, simultaneously with the execution of this Agreement, earnest money (the "Earnest Money") in the amount of \$1,000.00 per Lot for a Total of \$ 12,000; to be held by the Seller in escrow pending the Closing of this transaction.

B. **At Closing** - The Buyer shall deliver to the Seller for each Lot either i) the balance of the Purchase Price for each Lot in the amount of \$25,900.00, or ii) subject to the Financing provisions herein, for each Lot the balance of the down payment in the amount of \$4,000.00 along with Buyer's executed note and mortgage in the amount of \$21,900.00.

FINANCING. The Seller agrees to hold the Buyer's note (the "Note") in the amount of \$21,900 for each Lot, bearing interest at the annual rate of 9% with monthly interest only payments, and becoming due and payable on the first anniversary of the Closing. The Note shall be secured by a purchase money mortgage and first security interest against the Property. However, this provision is contingent upon a) the Seller's review of the Buyer's credit and the Seller's willingness to hold the Note based on such review and b) the Buyer furnishing to the Seller such financial and credit information as the Seller may request at least fourteen (14) days prior to the Closing. The Buyer authorizes the Seller to obtain from and release to credit bureaus, credit interchanges and other grantors of credit, such information relating to this transaction and Buyer's creditworthiness, as may be determined pertinent by the Seller.

CLOSING; PRO-RATIONS. The sale shall be closed and deed delivered (the "Closing") within thirty (30) days from the date hereof or within thirty (30) days from the date of recordation of the final subdivision plat for WynLake Subdivision-Phase 4C in the Probate Office of Shelby County, Alabama, whichever should last occur. Possession is to be given on the delivery of the deed. The Seller shall select the closing agent, surveyor and title insurance company. The Closing shall take place in the office of the Seller. The Seller agrees to pay closing cost associated with the sale to include a survey plat drawing, the title insurance and the preparation and recording of the deed, not to exceed \$250.00 per Lot. The Buyer agrees to pay closing cost associated with any financing of the Purchase Price and any other closing cost or prepaid expenses not paid by the

Seller. Any encumbrances not herein excepted or assumed may be cleared at the time of the Closing from the sales proceeds. The Seller shall have a reasonable length of time to perfect title or cure defects in the title to the Property. Any assessments against the Property for homeowner association dues or other assessments, unless otherwise specified herein, are to be paid by the Buyer for the calendar year including the date of the Closing. Ad valorem tax assessments made subsequent to the Closing for periods preceding the Closing shall be paid by the Buyer. Ad valorem tax assessments for the current period shall be prorated as of the Closing and shall be based on the last paid property tax assessment to which the Property was subject.

CONVEYANCE, SURVEY, TITLE INSURANCE. The Seller shall convey its fee interest in the Property to the Buyer through statutory warranty deed, subject to restrictions, on form as attached hereto as Exhibit "A" and incorporated herein by reference. The Property is sold subject to the recordation of any final subdivision plats, any mineral or mining rights not owned by Seller, existing or future zoning ordinances and restrictions, and the Declaration of Protective Covenants for WynLake Subdivision as recorded in Map Book 19 at Page 156 in the Probate Office of Shelby County, Alabama. No survey shall be required under this Agreement except at the Buyer's request and expense, however, the Seller shall furnish a survey plat drawing showing the dimensions of the Property and a standard form title insurance policy, dated subsequent to the date hereof, issued by a company acceptable to the Seller, in the amount of the Purchase Price, insuring the Buyer against loss on account of any defect or encumbrance in the title, unless herein excepted. As a further consideration for the grant of title, the Buyer, and any respective heirs, personal representatives, executors, successors and assigns, agrees to comply with all storm water erosion control and use restrictions, watershed protection regulations and conservation requirements as may be adopted by the Alabama Department of Environmental Management ("ADEM").

RESTRICTIVE COVENANTS; ARCHITECTURAL REVIEW. The Buyer represents to have received a copy of the recorded Declaration of Protective Covenants and waivers issued by the Architectural Review Committee (the "ARC") thereunder regulating the current and future use of the Property and the New Residence to be constructed upon the Property (collectively, the "Restrictive Covenants"). Buyer acknowledges the requirement to submit certain plans and specifications for the New Residence to the ARC at least fourteen (14) days prior to purchasing a building permit. In any event, Buyer covenants not to start construction of the New Residence without first obtaining the written approval of the ARC.

AGREEMENT TO CONSTRUCT NEW RESIDENCE. The Buyer agrees for each Lot to: a) obtain a building permit issued by the City of Alabaster, b) obtain the written plan approval of the ARC, and c) start construct of a new single family detached dwelling on the Property to be offered for re-sale (the "New Residence") within the first year following the Closing. The New Residences shall conform to the Restrictive Covenants, be of good quality and workmanship, and be completed within a one (1) year period.

MARKETING AGREEMENT. The Buyer agrees to keep the Property and the construction site clean and tidy and accessible to sales agents and potential customers. The Buyer agrees to co-op the sale of each New Home to be constructed on the Property with any sales agent working with WynLake Subdivision-Phase 4C. The Buyer agrees to provide a lock box or master keyed locks during construction, so that the property may be shown by sales agents working with WynLake Subdivision. The Buyer agrees to participate in all group marketing and advertising programs and any other promotional endeavors for the benefit of WynLake Subdivision and agrees to pay the Seller a marketing fee of one (1%) of the selling price of each New Residence upon its sale and closing.

AGENCY; BROKERAGE COMMISSION. The Seller has been represented in this transaction by Builder1.com, LLC (the "Seller's Broker") who has acted solely as the agent of the Seller, and the Buyer has been represented in this transaction by the real estate broker first set forth above (the "Buyer's Broker") who has acted solely as the agent of the Buyer. There are no real estate commissions or fees to be paid by either party as a result of this transaction, except that, in lieu of a fee to be paid by the Buyer to the Buyer's Broker, in the amount of ten (10%) percent of the Purchase Price, for locating the Property and negotiating this transaction, the Buyer has agreed to list the Property "for sale" with the Buyer's Broker for a period of one (1) year from the date of the Closing on form as attached. Each party shall be responsible for and pay the fees of their respective agent.

FIRST RIGHT OF REFUSAL; OPTION TO REPURCHASE. The Buyer agrees and, subject to the Closing, hereby grants to the Seller an option to repurchase any Lot subject to this Agreement (provided, the Buyer has not obtained a building permit issued by the City of Alabaster and the written plan approval of the ARC for the New Residence) for the amount of the pro-rata Purchase Price, conditioned as follows: a) for a period of one (1) year first following the Closing, upon the contract for sale of such Lot by the Buyer to a third party, the Buyer hereby covenants to give the Seller a thirty (30) day written notice prior to the closing of such sale during which the Seller may notify the Buyer of its intent to exercise its option to repurchase; or b) for a period of one (1) year from the first anniversary date of the Closing, the Seller may notify the Buyer of its intent to exercise its option to repurchase any Lot subject to this Agreement. In the event the Seller exercises its option to repurchase, the sale shall be closed within thirty (30) days and the Buyer shall grant fee title equal to that received from the Seller.

INSPECTION; ASSUMPTION OF LIABILITY. The Seller agrees that prior to the Closing, the Buyer, personally or through its authorized agents or representatives, shall be entitled to enter upon the Property at all reasonable times, so long as such activities do not interfere with construction or tenants in possession, to make such surveys, soil test, etc., as the Buyer deems necessary to satisfy itself of the suitability of the Property for its intended use. The Seller makes no representation or warranty that the Property is suitable for any intended use. The Buyer agrees to indemnify and hold the Seller harmless of and from any and all liabilities, claims, demands and expenses, of any kind or nature, (except those items by which this Agreement specifically remain the obligation of the Seller), arising or accruing subsequent to the Closing and which are in any way related to the ownership of the Property or the construction of the New Residences and all expenses related thereto; including, without

limitation, court costs and attorney's fees.

REPRESENTATIONS; WARRANTIES AND COVENANTS. The Seller and the Buyer hereby represent, warrant and covenant to the other as follows: a) The Seller has, or will have on the date of the Closing, good and marketable title to the Property, free and clear of all liens and encumbrances except such imperfections of title and encumbrances, if any, which are insubstantial in character, amount or extent, and which do not materially detract from the value of, or interfere with the present or future use of, the Property, or such other exception defined elsewhere herein, otherwise, as the exclusive remedy, the Seller shall refund the Earnest Money and this Agreement shall be cancelled. b) The Seller shall from time to time, whether before, at or after the Closing, at the Buyer's request and without further consideration, execute and deliver such other instruments of transfer, conveyance and assignment and take such other action as the Buyer may require to more effectively transfer, convey and assign to and vest in the Buyer, and to put the Buyer in possession of, the Property. c) The Seller has not received notice of violations of any applicable zoning regulations, ordinances or other laws, or any applicable regulations, laws, ordinances or requirements relating to the Property or the development thereof, and, so far as known to the Seller, there is no such violation. d) The Buyer acknowledges, represents and warrants that the Property is purchased for the purpose of constructing a new single family residence on each Lot to be offered for resale within the twelve (12) month period first following the Closing and to alone have such knowledge and experience in construction, financial and business matters as to be capable of making an informed decision regarding the purchase of the Property for such purpose. e) The Buyer acknowledges and represents to be currently engaged in the business of constructing single family residences, and to be so licensed, in good standing, by the State of Alabama. No representations, promises or warranties, expressed or implied, have been made to the Buyer by the Seller or the Seller's Agent with respect to the Property or improvements sold pursuant to this Agreement, except as otherwise specified in writing.

DEFAULT. The Buyer shall be in default of this Agreement and the Earnest Money forfeited to the Seller if the Closing does not occur within thirty (30) days from the date hereof or within thirty (30) days from the date of recordation of the final subdivision plat for WynLake Subdivision-Phase 4C in the Probate Office of Shelby County, Alabama, whichever should last occur.

MISCELLANEOUS

Reimbursements. Except as specifically provided for herein to the contrary, if any adjustments or calculation pursuant to this Agreement are, subsequent to Closing, found to be erroneous, then either party hereto who is entitled to additional monies shall invoice the other party for such additional amounts as may be owing, and such amount shall be paid within ten (10) days from receipt of the invoice.

Mutual Cooperation. The Buyer and the Seller agree to mutually cooperate in applying to and working with all necessary governmental authorities to accomplish the purposes of this Agreement and the development of adjacent lands by the Seller, such cooperation to include, without limitation, supporting modifications to any zoning classifications, use variances, protective covenants, ADEM Permits or other regulation as may be necessary or convenient.

Notices. Any and all notice, election, demand, request or response, if given to the Buyer, shall be addressed to the Buyer at the address first listed above; and, if given to the Seller, shall be addressed to: WynLake Development, LLC, P.O. Box 679, 106 9th Street NE, Leeds, Alabama 35094, Ph. 205-699-5200, Fax. 205-699-8447. Any party may change the address provided hereinabove by giving written notice of such changes to the other party or parties as herein provided.

No Waiver to Affect Another. No waiver of any right or default hereunder shall extend to or shall affect any other right or any subsequent or any other then existing default or shall impair any rights, powers or remedies consequent thereon.

Successors and Assigns; Parties in Interest. This Agreement shall be binding upon and shall inure to the benefit of the undersigned parties and their respective heirs, personal representatives, executors, successors and assigns. However, the Buyer shall not assign this Agreement without the express written consent of the Seller. Nothing in this Agreement, expressed or implied, confers or is intended to confer, upon any other person, firm or corporation (other than the parties hereto or their respective successors and assigns) any rights or remedies under, or by reason of, this Agreement.


Authority; Governing Law; Gender; Headings; Survival. Each person executing this Agreement warrants and represents that he, she or it as the case may be is fully authorized to do so. This Agreement shall be construed and interpreted in accordance with the laws of the State of Alabama. Where required for proper interpretation, words in the singular shall include the plural; the masculine gender shall include the neuter and the feminine, and vice versa. The terms "heirs, executors, administrators and assigns" shall include "successors, legal representatives and assigns". The descriptive headings of the several paragraphs contained in this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof. This Agreement shall survive the execution and delivery of the conveyance documents. The representations and warranties made shall be true and correct on the date of Closing and shall survive the Closing and continue in full force and effect, and the obligation of the Seller to close this transaction is expressly conditioned upon said representations and warranties being true and correct on the date of Closing.

Merger; Entire Agreement; Amendment; Severance. It is understood and agreed that all undertakings and agreements previously made between the parties and their counsel or other representatives are merged in this Agreement, which alone fully and completely expresses their entire agreement and that the same is entered into after full investigation, no party relying upon any statement or representation, or warranty not embodied in this Agreement, made by or on behalf of the other. Any other agreements not incorporated herein are void and of no force and effect.

No amendment of this Agreement shall be effective unless in writing and signed by the parties hereto. Any provision hereof contrary to, prohibited by or invalid under applicable laws or regulations shall be inapplicable and deemed omitted herefrom, but shall not invalidate the remaining provisions hereof.

Time of the Essence. Time shall be of the essence of this Agreement and the transactions contemplated herein.

IN WITNESS WHEREOF, the Buyer, the Buyer's Broker, and the Seller have caused this Agreement to be signed and sealed effective as of the day and year first set forth above:


Witness

BUYER:

DE D Construction, LLC

LS:

BY: Its Owner (date)

BUYER'S BROKER:

RE/MAX First Choice

LS:

Michael White 7/27/01
(date)

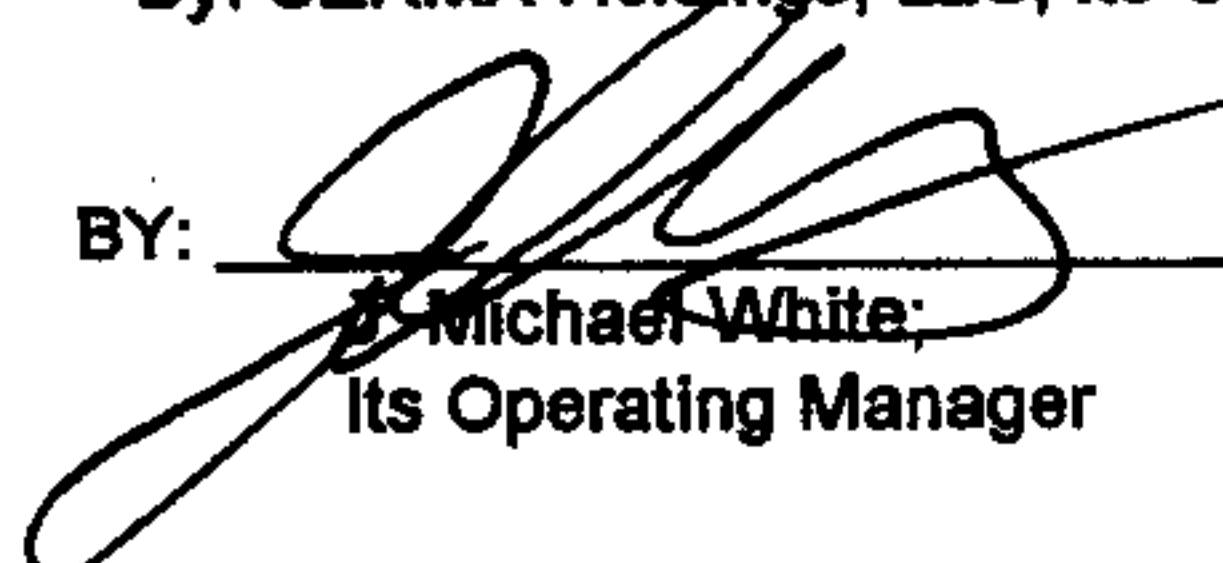
Witness

SELLER:

WynLake Development, LLC

By: SERMA Holdings, LLC; Its Operating Manager

BY:


Michael White;
Its Operating Manager

7/30/01
(date)

Exhibit "A"

Form of Warranty Deed

SOURCE OF TITLE: Inst #: 2001-14246

STATE OF ALABAMA)
SHELBY COUNTY)

THIS INSTRUMENT PREPARED BY:

J. Michael White;
SERMA Holdings, LLC
P.O. Box 679
Leeds, Alabama 35094
Ph. No. 205-699-5200

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that in consideration of the sum of Twenty-Six Thousand Nine Hundred and NO/100 Dollars (\$26,900.00) and other good and valuable consideration, in hand paid by the GRANTEE to the GRANTOR herein, the receipt and sufficiency of which is hereby acknowledged, WynLake Development, LLC, an Alabama limited liability company (herein referred to as "GRANTOR"), does by these presents, grant, bargain, sell and convey unto _____ (herein referred to as "GRANTEE"), the following described real estate situated in Shelby County, Alabama, to-wit:

Lot _____ according to the Survey of Phase 4C of Wynlake Subdivision as recorded in Map Book _____, page _____, in the Probate Office of Shelby County, Alabama.

[A portion of the consideration was paid by a purchase money mortgage of even date in the amount of \$21,900]

RESERVING AND EXCEPTING to the extent of GRANTOR's ownership, however, from this conveyance all of the mineral and non-mineral substances in and under said land.

This conveyance is made upon the covenant and condition that no right of action for damages on account of injuries to the land herein conveyed or to any buildings, improvements, structures, pipelines, or other sources of water supply now or hereafter located upon said land, or to any owners or occupant or other persons in or upon said land, resulting from sinkholes or other defects of the surface or subsurface of any nature affecting said land or resulting from past development operations of GRANTOR, or its assigns, licensees, lessees, or contractors, or resulting from the past filling of soil, blasting, dewatering, or the past removal of soil, minerals and non-mineral substances by GRANTOR, or its assigns, licensees, lessees, or contractors, whether said operations be in said lands or other lands, shall ever accrue to or be asserted by GRANTEE or by GRANTEE's successors in title, this conveyance being made expressly subject to all such injuries, either past or future, and this condition shall constitute a covenant running with the land as against GRANTEE and all successors in title.

As a condition of the conveyance hereunder, GRANTEE acknowledges that the physical and environmental condition of said land conveyed hereunder has been inspected by GRANTEE or its duly authorized agent and that said land is purchased by GRANTEE as a result of such inspection and not upon any agreement, representation, or warranty made by GRANTOR. GRANTEE accepts the physical and environmental condition of said land "AS IS, WHERE IS, WITH ALL FAULTS" and hereby releases GRANTOR, its successors and assigns, from any liability of any nature arising from or in connection with the physical or environmental condition of said land. This condition shall constitute a covenant running with the land as against GRANTEE and all successors in title.

No private right of action shall accrue with respect to the physical or environmental condition of said land to any subsequent purchaser of said land, whether by foreclosure or otherwise, due solely to the taking of title to said land and, by taking such title, any such purchaser does thereby waive any and all right or claim against GRANTOR, GRANTEE, or its successors and assigns or any of them, for any cost, loss, damage, or liability such purchaser or its successors and assigns may incur as a result of the physical or environmental condition of said land or the need or desirability to do any removal, corrective, or remediation work including, but not limited to, in connection with hazardous materials or waste pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, as amended, the Resources Conservation and Recovery Act, as amended, and all regulations thereunder or any similar laws or regulations enacted by the United States of America or the State of Alabama, or any agency or instrumentality of either.

TO HAVE AND TO HOLD to the said GRANTEE, its successors and assigns forever, SUBJECT, however, to the following: (a) any existing leases, licenses, agreements, restrictions, easements, rights-of-way, or encroachments of record; (b) any applicable zoning ordinances and subdivision regulations or other ordinances, laws, and regulations affecting said land; (c) real estate ad valorem taxes due and payable for the current tax year and subsequent years, and any other taxes, charges, or assessments of the levying jurisdictions; (d) all matters of public record affecting said land; and (e) encroachments, overlaps, boundary line disputes, or other matters which would be disclosed by an accurate survey or inspection of said lands. And said GRANTOR does for itself, its successors and assigns, covenant with said GRANTEE, its successors and assigns, that it is lawfully seized in fee simple title of said premises, that it is free from all encumbrances, other than excepted herein, that it has a good right to sell and convey the same as aforesaid, and that it will and its successors and assigns shall warrant and defend the same to the said GRANTEE, its successors and assigns forever, against the lawful claims of all persons claiming by, through or under the GRANTOR.

IN WITNESS WHEREOF, the GRANTOR has caused this conveyance to be executed and sealed this

_____ day of _____, 2001.

GRANTOR:

WynLake Development, LLC
an Alabama limited liability company

BY: SERMA Holdings, LLC
an Alabama limited liability company
Its Senior Manager

BY: _____
J. Michael White; its Operating Manager

STATE OF ALABAMA)
SHELBY COUNTY)

I, _____, a notary public in and for said county in said state, hereby certify that J. Michael White whose name as Operating Manager of SERMA Holdings, LLC, an Alabama limited liability company, in its capacity as Senior Manager of WynLake Development, LLC, an Alabama limited liability company, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, in such capacity and with full authority, executed the same voluntarily for and as the act of said limited liability company.

Given under my hand and seal of office this, the _____ day of _____, 2001.

Notary Public

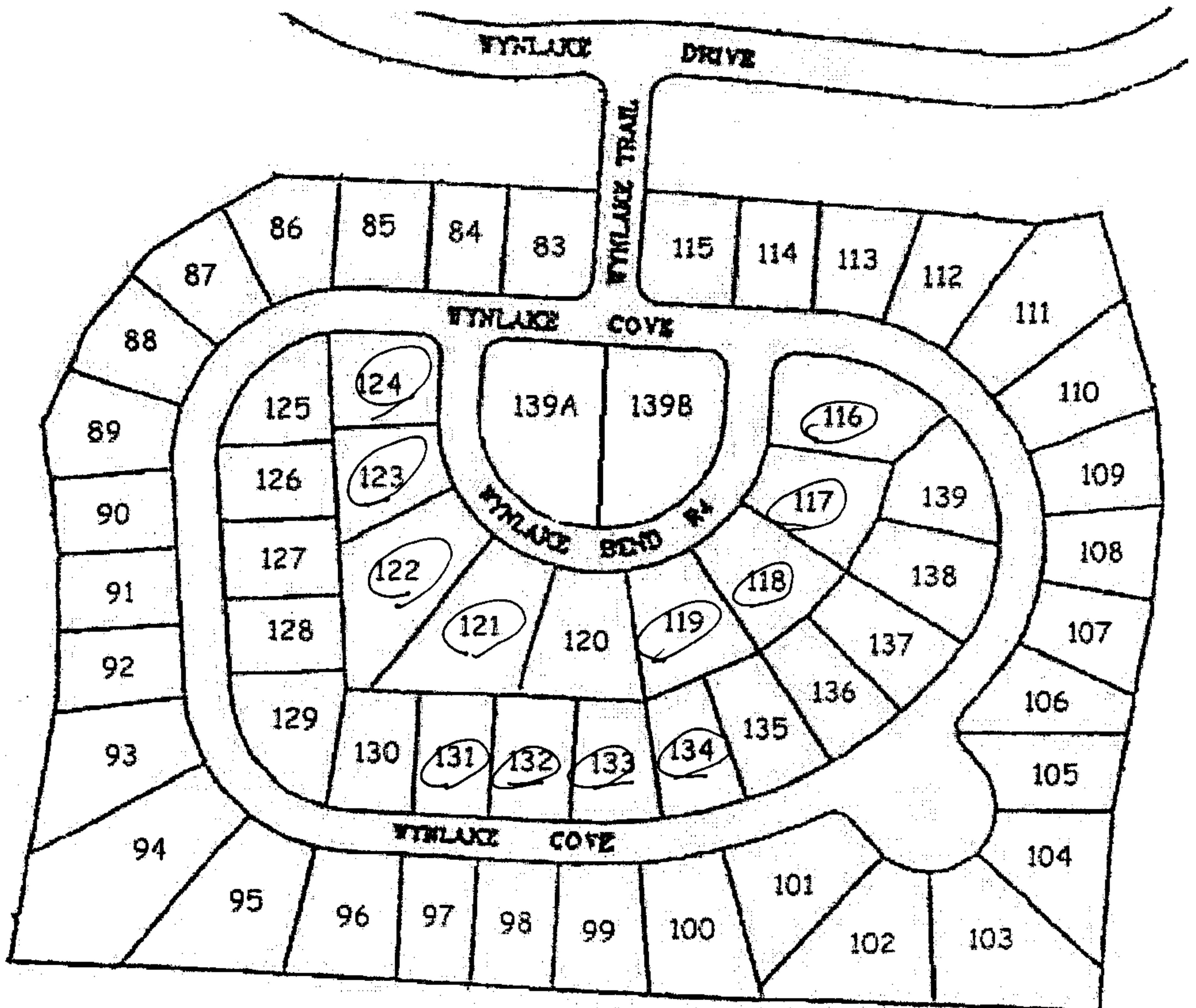
[Notarial Seal]

My Commission Expires: _____

Exhibit "B"

Graphic and Layout Plan

WynLake Subdivision-Phase 4C



(Circle and Initial Lot)

ADDENDUM "A"

This addendum shall become a part of that certain contract dated July 26, 2001, between WynLake Development, LLC, (the "Seller") and D & D Construction LLC (the "Purchaser") related to the sale and purchaser of Property located at Wynlake Subdivision, Phase 4-C.

1. Within Ten (10) days from the date hereof the Seller shall furnish to the Purchaser the following:
 - (a) Copies of all soil reports in its possession from Gallet Engineering related to the compacted fill on certain portions of the Property;
 - (b) Copies of notice from the City of Alabaster, dated subsequent to the date hereof, evidencing the present zoning of the Property and a copy of the Declaration of Protective Covenants affecting the Property; and
 - (c) Copies of a certificate from R. A. Farmer engineering showing if the Property, or any portion thereof, is or is not located in a flood plane.
2. The Purchaser shall not be obligated to perform under this Agreement unless the Seller shall furnish the items listed above and unless the Purchaser shall approve each such item within ten (10) days of the Purchaser's receipt of the last such item. Any item to which the Purchaser does not object by written notice delivered to the Seller within the ten (10) day period shall be deemed to be approved.
3. The Seller agrees that prior to the Closing, the Purchaser, personally or through its authorized agent or representative, shall be entitled to enter upon the Property at all reasonable times, so long as such activities do not interfere with construction or tenants in possession, to make such inspections, surveys, soil test, etc., as the Purchaser deems necessary to satisfy itself of the suitability of the Property for its intended use. The Seller agrees to make available all applicable records relating to the Property and the development thereof. Such records may be examined at all reasonable times. The Seller agrees to furnish to the Purchaser, to the extent available, legible prints or copies of all construction plans and specifications relating to the improvements, which prints or copies shall be returned to the Seller without having been copied, in the event the transaction contemplated hereunder is not closed.
4. The Purchaser shall have ten (10) days from the date hereof within which to make all inspections or investigations desired by the Purchaser. If, within such period, the Purchaser determines that it does not desire to close this Agreement, it may give notice of such fact to the Seller and the Earnest Money shall be refunded to the Purchaser. In any event the Seller shall not be obligated to correct any defects that the Purchaser might find as a result of the inspection.
5. The Seller represents and warrants that water, sewer, electricity, gas and telephone utility service will be available to each lot prior to the Closing.
6. This Agreement is contingent upon the Seller's willingness to hold the note described under the section titled "FINANCING" in the "Agreement to Purchase Lots and Construct New Residences"; should the Seller be so unwilling, then this Agreement shall be cancelled and the Earnest Money refunded to the Purchaser. *at the option of the purchaser this agreement shall be cancelled and the Earnest Money shall be refunded to the purchaser.*
7. The Purchaser's obligation to close the transactions contemplated by this Agreement is further expressly conditioned upon the certifications, statements, representations and warranties called for herein being true and

correct. Further, such certifications, statements, representations and warranties shall survive the Closing and shall continue in full force and effect for a period of one year from the date of the Closing notwithstanding the Closing and consummation of the sale contracted for herein.

8. In the event the seller is unwilling to hold the note described under the section titled "FINANCING" in the "Agreement to Purchase Lots and Construct New Residences" the purchaser reserves the right to secure his own financing. In the event purchaser cannot secure financing, this Agreement shall be canceled and the earnest money refunded to the Purchaser within seven (7) days of written notification.

IN WITNESS WHEREOF, the Buyer and the Seller have caused this Addendum to be signed and sealed effective as of the day and year first set forth above:

BUYER:

Queta R. L. L. L.
Witness

Def Construction, LLC
BY: [Signature] (Date)
Its Owner

SELLER:

WynLake Development, LLC

By: SERMA Holdings, LLLC: Its Operating Manager

BY: [Signature] (Date)
J. Michael White:
Its Operating Manager

Inst # 2001-50557

11/21/2001-50557
01:39 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE

009 MSB 35.00