

EARNEST MONEY CONTRACT

THIS DOCUMENT HAS IMPORTANT LEGAL CONSEQUENCES AND SHOULD BE READ CAREFULLY AND UNDERSTOOD BY YOU PRIOR TO SIGNING. YOU MAY WANT TO CONSULT AN ATTORNEY.

1. Parties/Property Description. As provided by the provisions of this Earnest Money Contract and the accompanying addenda (collectively referred to as the "Contract"), the undersigned _____ (the "Buyer"), agrees to acquire from RIVERWAY BUILDERS, LLC (the "Seller"), that certain tract of land, together with all existing improvements and those to be constructed thereon by Seller (the "Home"), located in Harris County, Texas and comprised of Lot(s) __, Block __, Section __, of _____ Subdivision, and having the following Street Address: _____, Houston, Texas, _____ (the "Property"). The Home has been or will be constructed substantially in accordance with Seller's Plan Name: _____ Plan No. and Elevation: _____ and any accompanying specifications contained in the attached Addendum A (collectively referred to as the "Plans and Specifications"). The Plans and Specifications are to remain the sole and exclusive property of Seller. Construction of the Home is subject to confirmation that the Home can be sited on the Property selected by Buyer, and subject to any changes in plans, specifications, materials, fixtures or methods required by federal, state or local governmental authority and applicable restrictive covenants or architectural controls.

2. Purchase Price/Closing Costs. An initial deposit of \$ _____ (the "Earnest Money"), as well as the sum of \$ _____ representing of the price of any extras, upgrades or special options that have been selected by the Buyer, shall be paid to Seller when the foundation is poured, and will be credited to the Purchase Price as detailed below. The remainder of the Purchase Price (whether paid from Buyer's funds and/or loan proceeds) shall be paid after Substantial Completion, as defined in Section 10, of the Home and concurrent with the transfer of title to the Property to Buyer (that event being referred to as the "Closing"). The Earnest Money and payments for extras, upgrades, and special options are NOT REFUNDABLE except upon cancellation of this Contract by Seller pursuant to Paragraphs 13-A and 16 or pursuant to the provisions of Paragraphs 5.

Base Price: \$ _____

Purchase Price: \$ _____

Buyer is financing purchase from a Mortgage Loan (the "Loan") (specify if Conventional ____ or Cash ____) and obtained such Loan from a bank or other lender (the "Lender") that is acceptable to Seller. Buyer will pay the Lender at Closing all required prepaid items (points, prepaid interest, taxes and insurance) and pay all Closing costs identified in Paragraph 10 below.

3. Special Provisions: If Buyer Uses Seller's Preferred Lender and Loan Officer (Cornerstone Home Lending and Carla Spragg), Lender will Credit Buyer The Owner's Title Policy at Closing.

4. Loan Application and Approval Contingency. Buyer agrees to provide sufficient financial assurance, in a form acceptable to Seller in its sole discretion, of Buyer's ability to acquire the Home and/or apply for the Loan in the amount specified as the Purchase Price in Paragraph 2 on or before the expiration of five (5) days from the Buyer's execution of this Contract. Buyer hereby authorizes Seller to obtain information from the Lender on the status of Buyer's Loan application. The failure of Buyer to provide appropriate financial assurances and/or apply for and to secure satisfactory evidence of Loan approval shall constitute a breach of this Contract. Earnest Money is not refundable if Buyer does not complete the sale due to a failure to secure financing. Buyer's purchase of the Home is not contingent on the sale of Buyer's current residence or other real estate.

5. Title Contingency. BUYER IS ENCOURAGED TO SECURE AND REVIEW A TITLE REPORT ON THE PROPERTY (the "Title Report") and Buyer agrees that Platinum Title Partners 5325 Katy Freeway, Suite 2, Houston, TX 77007 ("Title Company"), is to provide that information and will conduct the Closing of this transaction. Should the Title Report reflect that the Property is subject to exceptions that are not a Permitted Exceptions, as defined in Paragraph 11 of this Contract, Buyer shall, within ten (10) business days from the date the Title Company receives and opens the order notify Seller, who in turn shall have sixty (60) days from the receipt of Buyer's written notification to correct any title matter. Buyer's failure to notify Seller within the required time shall constitute a waiver of any such exceptions to title as reflected in the Title Report. In responding to Buyer's notification of a title exception, Seller shall not be required to incur any expense incident to its curative efforts. If a defect in title cannot be corrected within the time period provided, or Seller chooses not to incur any expense to cure the title matter, the Earnest Money (plus any prepayments for upgrades and options) shall be returned and this Contract canceled, unless Buyer accepts title to the Property subject to the exceptions identified.

6. Appraisal Contingency. Seller and Buyer each agree and acknowledge that the Purchase Price, set forth in Section 2 herein, shall be the sole responsibility of the Buyer. Buyer shall proceed with this Contract at the stated Purchase Price regardless of the appraised valuation of the Property. In the event Buyer financing is adversely affected by an appraisal, Buyer, at its sole expense, shall tender additional funds as required by Lender and Seller to complete the sales transaction at the Purchase Price. Should Buyer elect not to tender said funds to complete the sales transaction, the Earnest Money shall be nonrefundable.

7. Construction Procedures and Schedule. Seller has constructed or shall construct the Home substantially in accordance with the Plans and Specifications, any written amendments to this Contract and pursuant to the applicable building code of the City of Houston, within whose

jurisdiction the Property is located. Neither Buyer nor Buyer's agents shall do or cause to be done any work or alteration to the Home prior to Closing. Buyer also agrees not to interfere or otherwise attempt to direct or otherwise participate in the supervision and scheduling of work and selection of subcontractors or suppliers who are engaged in construction of the Home. Buyer's interference with the construction of the Home shall constitute a material breach and permit Seller to cancel this Contract and retain all Earnest Money and payments for extras, upgrades and options. In constructing the Home, Seller shall employ its normal construction schedule, and Buyer is advised that construction delays may result from inclement weather, inability to obtain building materials, problems with independent contractors, and other causes outside the control of the Seller. SELLER THEREFORE DOES NOT WARRANT THE COMPLETION OF THE HOME ON ANY GIVEN DATE, AND SELLER SHALL HAVE NO LIABILITY TO BUYER FOR ANY DAMAGES, CONSEQUENTIAL OR OTHERWISE (INCLUDING ANY MOVING COSTS OR INTEREST RATE INCREASE), THAT RESULT FROM SELLER'S INABILITY OR FAILURE TO COMPLETE THE HOME WITHIN ANY PRESCRIBED TIME PERIOD.

8. Insulation. The Home will have insulation installed as follows:

A. Exterior walls adjacent to living areas will be insulated with fiberglass/rockwool batts insulation to a minimum thickness of 3.5 inches, which thickness, according to the manufacturer, will yield a minimum R-Value of R-13.

B. Attics over improved living areas will be insulated with fiberglass/rockwool batts insulation having a minimum thickness of 6.75 inches, which according to the manufacturer, will yield a minimum R-Value of R-30, or insulation blown fiber having a minimum thickness of 10.5 inches, which according to the manufacturer, will yield a minimum R-Value of R-30.

The thickness of insulation in certain areas may be less than specified above if the design of the Home or structural elements does not permit greater thicknesses. Examples of where the thickness of the insulation, and therefore R-values, may vary are wall stud locations, corners, windows, where roof rafters attach to outside walls, and locations purposefully not insulated so as to maximize ventilation.

9. Construction Hazards/Indemnity. Because of potential safety and health hazards present during construction of the Home, the Buyer agrees to restrict Buyer's entry onto the Property or into the Home prior to Closing and acknowledges that Seller cannot guarantee Buyer's safety while on the Property. Should Buyer, its agents, licensees or invitees enter onto the Property prior to Closing, **BUYER HEREBY AGREES TO RELEASE AND/OR OTHERWISE INDEMNIFY AND HOLD SELLER HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS OR CAUSES OF ACTION ARISING IN FAVOR OF BUYER, ANY RELATED PARTY, OR THIRD PARTY LICENSEE OR INVITEE OF THE BUYER, DUE TO BODILY INJURY, DEATH OR DAMAGE TO OR LOSS OF PROPERTY IN ANY WAY RESULTING FROM THE CONDITION OF THE PROPERTY AND/OR THE HOME. THIS RELEASE/INDEMNITY IS GIVEN TO SELLER REGARDLESS OF WHETHER THE SELLER, ITS AGENTS OR EMPLOYEES ARE NEGLIGENT IN WHOLE OR IN PART, AND EVEN WHEN THE INJURY, DEATH AND/OR DAMAGE TO BUYER OR BUYER'S LICENSEES AND INVITEES IS CAUSED BY THE SOLE NEGLIGENCE OF SELLER, ITS AGENTS OR EMPLOYEES OR ATTRIBUTABLE TO SELLER'S NEGLIGENCE PER SE OR IMPOSED BY STRICT LIABILITY.**

10. Inspection/Acceptance of the Home. If the Home has reached "Substantial Completion" (*i.e.*, can be occupied and used for its intended purpose, as determined in Seller's sole discretion) at the time this Contract is executed, Buyer acknowledges that the Home has been inspected and Buyer hereby accepts the Home as constructed. If the Home has not reached Substantial Completion at this time, Buyer agrees to conduct a walk-through inspection of the Home when scheduled by the Seller following Substantial Completion of the Home. At that time, Buyer will be requested to certify in writing (the "Certificate of Acceptance") that the Home has been substantially completed in conformity with the Plans and Specifications and this Contract. In performing that inspection, Buyer shall identify any items requiring correction or repair in the Certificate of Acceptance. Buyer may, at its option, secure a third-party inspector to examine the Home, but such inspection (and any report of inspection) must be obtained within **ten (10) days** following Buyer's receipt of Seller's notice of Closing as specified in Paragraph 10, or this right is deemed to be WAIVED.

Seller shall have no obligation to convey the Property to Buyer until an executed Certificate of Acceptance has been delivered to Seller. At its sole option, Seller may delay the Closing until any corrective work has been performed and accepted by Buyer, or proceed to Closing even though minor cosmetic repairs and adjustments remain to be completed. Seller shall complete, repair or otherwise address any items listed on the Certificate of Acceptance (whether before or after Closing), consistent with the Plans and Specifications and this Contract. ***Seller has the right to reject the opinions and suggestions contained in any report of inspection from Buyer's inspector should those conclusions conflict with the Builder's construction standards, the Plans and Specifications or applicable building codes.*** Buyer agrees to cooperate in this process of completing the Home and to confirm in writing on the Certificate of Acceptance (and any appended inspection report) when the repairs and corrective work has been performed and the Home reaches final completion. At that juncture, Seller shall have no further responsibility for further inspections, maintenance or repairs except as may be prescribed in Seller's Limited Warranty set forth in Paragraph 11. Buyer's failure or refusal to inspect the Home or to attend the scheduled Closing shall permit Seller, at its option and in lieu of the remedies provided in Paragraph 10, to cancel this Contract and retain all sums paid by Buyer as liquidated damages.

11. Closing and Conveyance of Title. Following Substantial Completion of the Home, Seller shall provide written notice of the date for conducting the Closing at the Title Company. If Buyer fails or refuses to attend the scheduled Closing (or is prevented from consummating the Closing because of Lender requirements or delays), Seller may at its sole option treat such as a breach of this Contract, or require Buyer to pay for the additional ad valorem taxes, interest costs and fees incurred by Seller as a result of any delay in the scheduled Closing. **Seller's expenses from such a delay are hereby agreed to be \$500.00 per day, and shall be payable by Buyer when Buyer attends the rescheduled Closing.** Seller agrees to convey the Property to Buyer by Special Warranty Deed, free and clear of all liens except those created incident to the funding of

the Loan and free of all other title exceptions except (i) any declaration of covenants, conditions and restrictions of record pertaining to the Property, (ii) future ad valorem taxes and assessments, and/or (iii) all other encumbrances, easements, mineral reservations and/or assignments and other matters of record affecting the Property that are common to the platted subdivision within which the Property is located (the "Permitted Exceptions"). Current year's ad valorem taxes will be prorated to the date of Closing. At the Closing Seller shall furnish a Special Warranty Deed at Buyer's expense that will reflect the limited warranty on the Home as set forth below. Buyer shall be responsible for all remaining Closing costs, including but not limited to, the premium for the Owner's and Mortgagee's Policy of Title Insurance, any appraisal fees, any charges imposed by the Lender, escrow fees, prepaid expenses or reserves, messenger fees and copy costs. If the Buyer refuses to attend the Closing and/or fails or refuses to execute Closing documents reasonably required by the Title Company and/or Lender, Seller may cancel this Contract and retain all sums paid by Buyer, or Seller may at its option seek relief under other available legal remedies for breach of this Contract.

12. Limited Warranty on the Home. Because the parameters of any implied warranty are not readily discernible, the Seller is disclaiming any implied warranties on the workmanship and materials incorporated into the Home, and will instead provide a detailed, written limited new home warranty from StrucSure Home Warranty, L.L.C. (the "Limited Warranty") which Seller shall deliver to Buyer at Closing and upon full payment of all sums due Seller. (A copy of the Limited Warranty is included with this Contract and Buyer is encouraged to review it thoroughly in order to understand the limited scope of the warranty provided). **IT IS UNDERSTOOD AND AGREED THAT SELLER'S LIABILITY FOR THE CONSTRUCTION OF THE HOME IS CONFINED TO THE STATUTORY WARRANTIES AND THE BUILDING AND PERFORMANCE STANDARDS REFERENCED IN CHAPTER 430 OF THE TEXAS PROPERTY CODE, AS WELL AS THE PERFORMANCE STANDARDS AND THE REMEDIES PROVIDED IN THE LIMITED WARRANTY, WHICH SHALL BE THE ONLY EXPRESS WARRANTY APPLICABLE TO THIS PURCHASE. TO THE EXTENT PERMITTED BY LAW, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, WHETHER ARISING UNDER STATE OR FEDERAL LAW, INCLUDING BUT NOT LIMITED TO ALL IMPLIED WARRANTIES OF FITNESS, MERCHANTABILITY, AND THE IMPLIED WARRANTY OF GOOD AND WORKMANLIKE CONSTRUCTION, ARE DISCLAIMED AND EXCLUDED.** As to items not of Seller's manufacture, such as any air conditioner, water heater, refrigerator, range, dishwasher and other appliances, equipment or "consumer products," as defined by the Federal Trade Commission, Seller agrees to assign and to pass along to Buyer the manufacturer's warranty, without recourse. Buyer acknowledges that Buyer has been afforded an opportunity to review the warranties for all consumer products to be included within the Home prior to the signing of this Contract and realizes that **SELLER MAKES NO WARRANTY ON SUCH ITEMS.**

13. Dispute Resolution Procedures. The parties acknowledge the need for and desirability of prompt, inexpensive and efficient dispute resolution procedures and therefore agree that any controversy or claim, or matters in question arising out of or relating to (i) this Contract, and any amendments thereto; (ii) the breach or termination of this Contract; (iii) the sales transaction reflected in the Contract and any acts or omissions by the Seller (or its officers, directors, or agents) affecting the relationship between the parties; (iv) the construction of, or subsequent repairs to the Home performed by Seller, and/or (v) any actual or purported representations or warranties, express or implied, including claims under the Limited Warranty, and which relate in any way to the Property and the Home (herein referred to collectively as a "Dispute") shall be governed by the following:

A. Pre-Closing Disagreements/Stipulated Damages. In the event that Seller and Buyer, prior to Closing, are unable to agree on a detail or matter concerning construction of the Home or the interpretation or implementation of this Contract (except matters arising from the Buyer's breach of the Contract), then Seller shall have the right, upon written notice to the Buyer, to terminate this Contract. In the event of termination of this Contract by the Seller pursuant to this Paragraph, Seller shall return all Earnest Money to Buyer (plus any prepayments for extras, upgrades and options). Seller shall also pay to Buyer the sum of \$500.00, an amount that the parties agree to be a reasonable and foreseeable estimate of the actual damages incurred by the Buyer incident to the cancellation of this Contract, if any (it being difficult if not impossible to ascertain those damages). Upon such termination of this Contract by Seller and payment of the stipulated sum, Buyer waives and releases Seller from any and all claims or potential claims arising from or relating to the Contract, Home and/or the Property, and Seller shall have no further obligations to construct and sell the Home and Buyer shall not be obligated or entitled to acquire the Home. As noted above, the Seller shall have the option not to proceed in accordance with this Paragraph in instances where the Buyer is in breach of this Contract.

B. Repurchase Option. Should the Buyer discover, during the first five (5) years after Closing, one or more defects in the construction of the Home that exceed in the aggregate five percent (5%) of the fair market value of the Home, upon receipt of written notice and an opportunity to inspect the defects, the Seller may elect to purchase the Home. If the Seller elects this option, the Buyer shall be reimbursed the Purchase Price and all Closing costs incurred by the Buyer, plus reimbursement of the cost of any permanent improvements made by the Buyer to the Home and the Property, reasonable moving expenses to vacate the Home, and reasonable and necessary attorney's fees and inspection costs incurred by the Buyer to discover, identify and present the construction defects to the Seller. In return, the Buyer will deliver a Special Warranty Deed conveying the Home and the Property to the Seller, free and clear of all liens and claims and deliver possession of the Home free of any casualty or damage caused by the Buyer, normal wear and tear excepted.

C. MEDIATION-BINDING ARBITRATION/WAIVER OF JURY TRIAL. **THE PARTIES SHALL SUBMIT ANY DISPUTE THAT IS NOT RESOLVED THROUGH THE PROCEDURES SET FORTH IN SUBSECTION A OR B ABOVE TO NON-BINDING MEDIATION. IN THE EVENT A DISPUTE CANNOT BE RESOLVED BY MEDIATION, THE DISPUTE SHALL THEN BE SUBMITTED TO BINDING ARBITRATION. THE PARTIES WILL ENDEAVOR TO COOPERATE IN THE SELECTION AND EMPLOYMENT OF A MUTUALLY ACCEPTABLE AND NEUTRAL ARBITRATOR WHO IS EXPERIENCED IN RESIDENTIAL CONSTRUCTION LAW, AND WHO WILL FOLLOW AND ENFORCE THE CONSTRUCTION INDUSTRY ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA").**

IN THE EVENT AN AGREEMENT CANNOT BE REACHED ON THE SELECTION OF AN ARBITRATOR, THE PARTIES WILL PROCEED TO HAVE THE AAA ADMINISTER THE ARBITRATION PROCEEDING AND SHARE EQUALLY ALL FILING FEES AND ADMINISTRATIVE COSTS OF THE ARBITRATION. IT IS UNDERSTOOD AND AGREED, HOWEVER, THAT ANY AWARD RENDERED BY THE ARBITRATOR MAY EQUITABLY REALLOCATE THOSE COSTS. THE ARBITRATION SHALL BE GOVERNED BY TEXAS LAW AND THE U.S. ARBITRATION ACT, 9 U.S.C. §§ 1-16, TO THE EXCLUSION OF ANY PROVISIONS OF STATE LAW THAT ARE INCONSISTENT WITH APPLICATION OF THE FEDERAL ACT. ANY AWARD RENDERED BY THE ARBITRATOR(S) MAY BE CONFIRMED, ENTERED AND ENFORCED IN ANY COURT HAVING PROPER JURISDICTION. IF SELLER OR BUYER FAILS TO COMPLY WITH ALL ASPECTS OF THE AWARD WITHIN THIRTY (30) DAYS FOLLOWING ISSUANCE OF THE AWARD, THE OTHER PARTY MAY SEEK ENFORCEMENT OF THE AWARD AND SHALL BE ENTITLED TO RECOVER REASONABLE ATTORNEY'S FEES AND COSTS EXPENDED IN ANY SUCH ENFORCEMENT AND RELATED COLLECTION EFFORTS.

D. Attorney's Fees. If either Party employs an attorney in conjunction with a Dispute related to this Contract, a Party who successfully defends or prosecutes any such claim, or portion of a claim is entitled to reimbursement from the other Party for necessary and reasonable attorneys' fees, arbitration fees, court costs, expert witness fees and expenses related to the specific claims successfully defended and/or prosecuted.

14. Limitation of Claims/Remedies. UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES (INCLUDING CLAIMS OF MENTAL ANGUISH) FOR BREACH OF THIS CONTRACT, OR ANY ACT OR OMISSION RELATED TO THE SALES TRANSACTION ASSOCIATED WITH THIS CONTRACT, OR THE CONSTRUCTION OF THE HOME. ANY ACTION OR CLAIM RELATED TO OR ARISING FROM A DISPUTE (defined above) IS BARRED IF NOT BROUGHT OR INITIATED BY BUYER OR SELLER BEFORE THE EXPIRATION OF TWO (2) YEARS AND ONE (1) DAY FROM THE DATE THE CLAIM OR CAUSE OF ACTION ACCRUES.

15. Waiver of Subrogation. THE PARTIES AGREE THAT THE SELLER SHALL CARRY INSURANCE FULLY PROTECTING THE HOME DURING CONSTRUCTION, AND THAT AFTER OCCUPANCY, THE BUYER SHALL SECURE AND MAINTAIN INSURANCE COVERING RISK OF LOSS OR DAMAGE TO THE HOME, HOWEVER CAUSED. THE PARTIES FURTHER AGREE TO WAIVE RIGHTS OF SUBROGATION IN FAVOR OF EACH OTHER WITH RESPECT TO ANY INSURANCE POLICY OBTAINED BY THE PARTIES.

16. Fire and Casualty. Should the Home be partially or wholly destroyed by fire, windstorm, or other casualty prior to Closing, Seller shall have the option to cancel this Contract and return the Earnest Money and any prepayments to Buyer. Seller's decision to rebuild the Home or cancel the Contract shall be communicated to Buyer in writing within **thirty (30) days** of the loss. Buyer acknowledges that it shall have no claim to or interest in any insurance proceeds attributable to the loss.

17. Land Use and Environmental Conditions Disclaimers. Seller has advised Buyer of the following:

A. Membership in Property Owners' Association. As a Buyer of property in the residential community in which the Property is located, the Buyer is obligated to be a member of a property owners' association. The Buyer also acknowledges that the Property is subject to certain restrictive covenants and conditions. The restrictive covenants governing the use and occupancy of the Property and the Home and a dedicatory instrument governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Buyer should secure copies of the restrictive covenants and dedicatory instrument from the county clerk or the Title Company. The Buyer is obligated to pay assessments to the property owners' association. The amount of the assessments is subject to change. The Buyer's failure to pay the assessments could result in a lien on, and the foreclosure of, the Property.

B. Easements Affecting the Property. Seller has no control over and is not responsible for any easements on, adjacent to, or in the vicinity of the Property, and Buyer understands that individuals, corporations, and/or utilities may have specific rights granted by those easements, if any, including but not limited to access and use of the property described by the easements, which easement rights may exist whether or not such easements are being utilized at the present time.

C. Control over Adjacent Property. Seller has no control over land that it does not own and which is located adjacent to or in the vicinity of the Property. Seller therefore makes no representations as to what may or may not be developed on adjacent property or how such property may be used in the future.

D. Future Development in the Subdivision. Seller reserves the right to alter, change, and/or discontinue its prices and building programs on any property, lots, including those located in any subdivision owned or controlled by Seller (subject to any restrictive covenants affecting the Property), which alterations, changes or discontinuances include, but are not limited to, changes from residential land usage to commercial land usage. Buyer also acknowledges that the current development plans for the Subdivision within which the Home is located are subject to change without notice to Buyer and no guarantees are made that any of the components/amenities of the subdivision presently proposed will be a part of the community, or that any or all of the components/amenities presently being constructed or provided will be finished or made available to residents of the subdivision.

E. DISCLAIMER OF ENVIRONMENTAL AND CONTAMINANT RISKS. SELLER MAKES NO WARRANTIES AS TO FUTURE HEALTH HAZARDS OR ENVIRONMENTAL CONDITIONS ON THE PROPERTY, IN THE HOME, OR FROM ADJACENT SOURCES, INCLUDING, BUT NOT LIMITED TO, EXPOSURE TO ELECTRIC AND MAGNETIC FIELDS, SHIFTING OR INSTABILITY OF SOIL CONDITIONS AND POSSIBLE PRESENT OR FUTURE POLLUTION OF THE AIR, WATER OR SOIL (INCLUDING RADON GAS) FROM ANY SOURCES IN ANY MANNER.

BUYER IS ADVISED THAT THE CONTINUED PRESENCE OF MOISTURE ON COMPONENTS OF THE HOME (FROM LEAKS, CONDENSATION, SPILLS, ETC.) CAN CAUSE THE PROPAGATION OF MOLD, WHICH MAY CAUSE ALLERGENIC REACTIONS AND OTHER HEALTH PROBLEMS IN SOME INDIVIDUALS. UPON ASSUMING POSSESSION OF THE HOME, THE BUYER IS RESPONSIBLE FOR IMPLEMENTING AN INSPECTION AND MAINTENANCE PROGRAM FOR THE IDENTIFICATION AND ELIMINATION OF MOISTURE IN THE HOME THAT COULD GIVE RISE TO THE GROWTH OF MOLD OR OTHER CONDITIONS DETRIMENTAL TO FUNCTIONING OF THE HOME OR THE HEALTH OF ITS OCCUPANTS. ANY LEAK OR THE PRESENCE OF MOISTURE THAT IS COVERED BY THE SELLER'S LIMITED WARRANTY WILL BE CORRECTED PURSUANT TO THAT WARRANTY, BUT THE BUYER'S FAILURE TO IMPLEMENT AN EFFECTIVE MAINTENANCE PROGRAM OR THE FAILURE TO PROMPTLY NOTIFY THE SELLER OF WARRANTY CLAIMS WILL NEGATE THE SELLER'S RESPONSIBILITY (IF ANY) FOR ANY PROPERTY DAMAGE, PERSONAL INJURY, OR OTHER LOSS, DAMAGE OR LIABILITY RESULTING DIRECTLY OR INDIRECTLY FROM THE PRESENCE OF MOLD OR OTHER HARMFUL ORGANISMS.

F. Risks to Trees and Vegetation. Buyer recognizes that the construction of the Home imposes an inherent risk to the health of trees and vegetation located on the Property, and acknowledges that Seller will not take steps to avoid or minimize such risks, and therefore, Seller does not guarantee the viability of those trees and vegetation before or after Closing. Buyer acknowledges that upon taking ownership of the Home, Buyer is responsible for implementing a maintenance and care program for landscaping and vegetation on the Property. It is also understood that Seller does not have any responsibility for removing dead or dying trees after Closing.

G. Drainage. The Seller (along with the Developer of the Subdivision) will establish the necessary grades and swales to ensure proper drainage away from the Home. Positive drainage away from the foundation is important for maintaining and ensuring that the foundation performs as designed. Buyer acknowledges that it is Buyer's responsibility to maintain the grades and swales within the Property and that after Closing seller shall have no responsibility or liability for the drainage or foundation of the Home. It is understood that raised beds for plantings in drainage areas or around the foundation may adversely affect the Home, and Buyer should guard against these and other types of drainage problems.

18. Notice of Reliance on Written Information from Third Parties and Government Agencies. SELLER ADVISES BUYER THAT SELLER HAS RELIED UPON WRITTEN INFORMATION FROM VARIOUS THIRD PARTIES AND GOVERNMENTAL AGENCIES CONCERNING THE PROPERTY AND THE MATERIALS AND COMPONENTS INCORPORATED INTO THE HOME. THIS WRITTEN INFORMATION CONCERNS MATTERS ABOUT WHICH THESE THIRD PARTIES AND GOVERNMENTAL AGENCIES HAVE SPECIAL KNOWLEDGE NOT POSSESSED BY SELLER, OR WHICH INFORMATION HAS BEEN PROVIDED TO THE SELLER OR DISSEMINATED TO THE PUBLIC PURSUANT TO SPECIFIC STATUTORY OR REGULATORY REQUIREMENTS. THIS WRITTEN INFORMATION PERTAINS TO THE FLOOD ZONES, DEVELOPMENT OF ADJACENT LAND, THE SUITABILITY OF THE PROPERTY AND THE SURROUNDING SUBDIVISION FOR RESIDENTIAL USE, THE SUITABILITY OF THE SOILS ON THE PROPERTY, STRUCTURAL DESIGN OF THE FOUNDATION AND THE HOME, CALCULATION OF SQUARE FOOTAGE OF LIVING AREAS IN THE HOME, AND THE APPROPRIATENESS OF THE MATERIALS AND COMPONENTS INCORPORATED INTO THE HOME. SELLER'S RELIANCE ON THIRD PARTIES FOR SOILS TESTING, FOUNDATION DESIGN AND INSPECTION SHALL RELIEVE SELLER FROM ALL RESPONSIBILITY FOR OR LIABILITY TO THE BUYER FOR THE RAISING, SHIFTING, HEAVING OR SETTLING OF THE SOIL OR ANY CONSEQUENTIAL DAMAGE TO THE HOME FROM SUCH CAUSES, PROVIDED, THAT SELLER CONSTRUCTS THE FOUNDATION IN SUBSTANTIAL COMPLIANCE WITH THE FOUNDATION PLANS. THIS INFORMATION MAY BE REVIEWED BY BUYER UPON WRITTEN REQUEST PRIOR TO CLOSING.

19. Real Estate Commission. _____ (the "Broker") will earn a real estate brokerage commission of _____% of the final Purchase Price of the Home upon funding of the Loan or full payment of the Purchase Price. The Broker and Buyer acknowledge that Seller shall have no obligation to pay any commission in the event that this sale is not fully funded and closed, even if caused by Seller's default. The Agent identified below hereby certifies that he/she represents the Buyer in the acquisition of the Home and that no other agreement for compensation exists except as herein provided. BUYER REPRESENTS THAT NO OTHER REAL ESTATE BROKER, FINDER OR OTHER PARTY (including Buyer) IS ENTITLED TO PAYMENT OF ANY FEE OR COMPENSATION AS A RESULT OF BUYER'S ACQUISITION OF THE HOME. BUYER AGREES TO INDEMNIFY AND HOLD SELLER HARMLESS FROM ANY LOSS, LIABILITY, COST OR EXPENSE (INCLUDING REASONABLE ATTORNEYS' FEES) THAT ARISE FROM A BREACH OF THIS REPRESENTATION.

Agent's Name: _____ Broker's Address: _____

Signature: _____ Broker's Tax ID No.: _____

20. Service of Notices. All required or permitted notices shall be in writing and may be sent by messenger, facsimile, e-mail, or first class mail to Buyer or Seller at the respective addresses or facsimile numbers indicated below, and will be effective on delivery.

21. Continued and Binding Nature of Agreements and Understandings. All representations, agreements and disclaimers of Seller and Buyer that are contained in this Contract shall remain in full effect after the Closing, and shall not be replaced or limited by any other document or agreement. This Contract is binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

22. Miscellaneous Provisions. Time is of the essence of this Contract and all specified time limits must be met. No waiver of a right provided by this Contract shall be effective unless in writing and signed by the party against whom enforcement of the waiver is sought. No waiver by a party of any breach of any provision of this Contract shall be construed as a waiver of any later breach.

23. Contract Represents Entire Agreement. This Contract, together with all attachments, contains the entire agreement between Seller and Buyer with respect to the purchase of the Property and the construction of the Home. This Contract replaces all prior agreements or understandings, if any. **NO STATEMENT, PROMISE, OR UNDERSTANDING NOT SPECIFICALLY SET FORTH IN THIS CONTRACT SHALL BE BINDING ON SELLER. NO SALESPERSON OR CONSTRUCTION PERSONNEL EMPLOYED BY SELLER HAVE AUTHORITY TO MAKE ANY ORAL OR WRITTEN STATEMENTS, AGREEMENTS OR REPRESENTATIONS THAT MODIFY, ADD TO OR CHANGE THE TERMS AND CONDITIONS OF THIS CONTRACT.**

24. Statutory Notice. THIS CONTRACT IS SUBJECT TO CHAPTER 27 OF THE TEXAS PROPERTY CODE. THE PROVISIONS OF THAT CHAPTER MAY AFFECT THE BUYER'S RIGHT TO RECOVER DAMAGES ARISING FROM THE PERFORMANCE OF THIS CONTRACT. IF THE BUYER HAS A COMPLAINT CONCERNING A CONSTRUCTION DEFECT ARISING FROM THE PERFORMANCE OF THIS CONTRACT AND THAT DEFECT HAS NOT BEEN CORRECTED THROUGH NORMAL WARRANTY SERVICE, THE BUYER MUST PROVIDE NOTICE REQUIRED BY CHAPTER 27 OF THE TEXAS PROPERTY CODE TO THE SELLER BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, NOT LATER THAN THE SIXTIETH (60TH) DAY BEFORE THE DATE THE BUYER INITIATES A CLAIM TO RECOVER DAMAGES IN AN ARBITRATION PROCEEDING. THE NOTICE MUST REFER TO CHAPTER 27 OF THE TEXAS PROPERTY CODE, AND MUST DESCRIBE THE CONSTRUCTION DEFECT. IF REQUESTED BY THE SELLER, THE BUYER MUST PROVIDE THE SELLER AN OPPORTUNITY TO INSPECT AND CURE THE DEFECT AS PROVIDED BY SECTION 27.004 OF THE TEXAS PROPERTY CODE.

BUYER REPRESENTS THAT HE/SHE HAS READ AND UNDERSTANDS THIS ENTIRE CONTRACT, INCLUDING THE AGREEMENT FOR BINDING ARBITRATION OF DISPUTES UNDER THIS CONTRACT. BUYER ALSO REPRESENTS THAT HE/SHE HAS NOT RECEIVED NOR IS HE/SHE RELYING ON ANY VERBAL STATEMENT, PROMISE, CONDITION OR UNDERSTANDING NOT SPECIFICALLY SET FORTH IN THIS CONTRACT OR THE ADDENDA. BUYER IS AWARE OF THE FACT THAT SELLER IS RELYING ON THESE REPRESENTATIONS AND THAT SELLER WOULD NOT AGREE TO SELL THE PROPERTY AND THE HOME TO THE BUYER WITHOUT SUCH REPRESENTATIONS.

The Buyer has executed this Contract this ____ day of _____, 20 ____.

The Seller has executed this Contract this ____ day of _____, 20 ____ (the "Effective Date").

SELLER: **RIVERWAY BUILDERS, LLC**
BY: **RPDC, Inc.**
Its: **Managing Partner**

BUYER:

Name: Date

By: _____

BUYER:

Name/Title: **John Santasiero/President**

Name: Date

Facsimile:

E-Mail: _____

Address: _____

Sales Consultant: _____

City: State: Zip Code:

(H): (W): Cell:

E-Mail: _____

E-Mail: _____

**THIS CONTRACT SHALL NOT BE BINDING UPON SELLER UNLESS SIGNED BY AN
AUTHORIZED REPRESENTATIVE OF RIVERWAY BUILDERS, LLC**

Schedule of Addenda

Attached to and made a part of this Contract are the following specified Addenda:

Yes No

- Addendum A – Feature Sheet
- Addendum B – Copy of Floor Plan
- Addendum C – Riverway Warranty Program
- Addendum D – Homeowner Manual
- Addendum E – StrucSure Warranty Booklet
- Addendum F – Special Provision