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**REAL ESTATE PURCHASE AGREEMENT FOR
CONSTRUCTION, PURCHASE AND SALE OF A HOME ON BUILDER'S LOT**

This Construction Agreement ("Agreement") is made this _____ day of _____, 20____, by and between _____, whose mailing address is _____

(hereinafter referred to for simplicity in the singular as "Buyer," even if more than one, and without limiting the joint and several obligations created hereunder), and _____ a homebuilder, and a(n) _____ (insert type of entity if other than an individual) having an office and place of business located at _____

(referred to herein as the "Seller" or alternatively referred to in various documents as "Builder", "Contractor" or "Supplier"). Seller is further defined as a "Home Construction Service Supplier" within the meaning of Ohio Revised Code ("ORC") § 4722 and a "Residential Contractor" under ORC § 1312. Buyer and Seller are referred to hereinafter singularly as "Party" and jointly as "Parties."

BACKGROUND INFORMATION

In consideration of the following mutual promises, Buyer and Seller agree that Seller shall sell and convey to Buyer, and Buyer shall purchase from Seller and pay for the improvements and real property upon which the improvements are constructed located at _____ (insert address, lot number and subdivision name or other similar description of real estate) (the "Premises") upon the following terms and conditions:

1. PERFORMANCE OF THE WORK.

A. The Work. Seller agrees to furnish or cause to be furnished all labor and materials necessary to construct the Home in accordance with the plans prepared by _____ dated _____, and attached hereto as Exhibit A (the "Plans and Specifications"). The construction shall be performed in accordance with the Plans and Specifications (except as to deviations, excess costs, and change orders as defined herein and permitted pursuant to this Agreement) which Plans and Specifications have been examined and approved by Buyer. Buyer acknowledges that the Plans and Specifications may vary from a floor plan, elevation or model which the Buyer may have heretofore reviewed or inspected in conjunction with the preparation of this Agreement, and that the Plans and Specifications will control over the same. The Home shall be generally located as depicted upon the site plan which Buyer has also examined and approved. The construction undertaken as described in this Section is hereinafter sometimes referred to as the "Work."

B. Construction Schedule and Effects of Delay. Seller can neither imply nor guarantee a firm completion and availability date. However, Seller will use commercially reasonable efforts to commence construction Work on or about _____, subject to the conditions described herein, and to complete the construction of the Work within _____ (_____) days after the day excavation or similar site work first commences upon the Premises (the "Scheduled Completion Date"). Seller will not, however, be obligated to commence construction until all conditions precedent to this Agreement including but not limited to the financing conditions described in Section 10 herein have been satisfied or waived.

Buyer acknowledges that Seller's ability to meet the construction schedule described above will be directly affected by any changes to the agreed Plans and Specifications, change order(s) or excess cost(s) requested by Buyer (see Subsection E

of this Section for definition and additional discussion of Change Orders), Buyer's failure to timely select any options not heretofore specified within the Plans and Specifications, and/or Buyer's interference with the construction process itself. Further, Seller shall not be liable for any delay in the completion of construction caused by the above or by weather, fire, or other casualty, or act of God, nor shall Seller be liable for any delay in the completion of the construction caused by governmental control, inability to obtain materials or supplies, or other regulations, restrictions, or conditions over which Seller has no reasonable control. Delays in construction arising as a result of the events described in the preceding paragraphs are hereinafter sometimes collectively referred to as "Excused Construction Delays." In this respect, Seller shall not be obligated to make, provide, or compensate Buyer for any alternative housing accommodations necessary as a result of Excused Construction Delays, nor shall Seller be liable for losses or damages to Buyer arising as a result of the loss of a loan approval or increased loan costs, including but not limited to additional appraisal or reappraisal fees, inspection or reinspection fees, origination and/or discount fees, additional interest carry, or increased interest rates arising or associated with Excused Construction Delays.

The Parties acknowledge the Contract Price as referenced in the Agreement has been calculated by the Seller in part based upon current market prices for materials. Materials may include but not be limited to lumber, drywall, joists, nails, insulation, trim, concrete, framing items, brick, stucco, carpet, tile, doors, steel and all other items whether natural or non-natural that comprise the Work. The Parties acknowledge that costs of such materials may be somewhat volatile and may increase based upon unforeseen and uncontrollable market factors. In the event a cost increase is necessitated by increased materials costs, Seller shall comply with the change order procedure specified in the Agreement.

C. Laws; Regulations. Contractor shall obtain all permits necessary for the performance of the Work, and Contractor shall cause all subcontractors to obtain any permits necessary for the performance of the Work undertaken by such subcontractors (except as provided to the contrary within Section 11 herein). Contractor and all subcontractors employed by Contractor shall comply with all applicable federal, state, city, and local laws, ordinances, codes, and regulations governing the Work and the materials furnished pursuant to this Agreement. Buyer acknowledges that Seller's relationship with the individual building inspectors is important to the timely completion of the Work, and accordingly Buyer agrees not to obstruct such relationships or to otherwise harass the building inspectors reviewing the Work.

D. Construction Representations/Workmanship/ORC Chapter 4722 Requirements. Construction of the Work shall be done in a workmanlike manner as defined by Ohio law and in conformity with the rules promulgated under ORC § 4722 and with all local, state, and national codes having jurisdiction over the Premises, and shall substantially conform to the Plans and Specifications, allowing for minor deviations occasioned by expediency, practicality, and the availability of labor and materials provided Seller agrees not to substantially deviate from the Plans and Specifications without first notifying Buyer of the same. In the event Buyer does not thereafter notify Seller of Buyer's objection to the same in writing within seventy-two (72) hours, Buyer shall be deemed to have agreed to the same. Further, Seller expressly reserves the right to make such modifications, additions, or deletions to the Plans and Specifications as may be required by a mortgagee which holds a mortgage upon the Premises, or as may be necessary in order to meet any applicable federal, state, city, and local building or zoning code requirements. The costs of any changes arising as a result of the requirements of any mortgagee holding a mortgage upon the Premises, or as are necessary to comply with applicable laws, codes and rules as described in this section, shall be governed by section (E) below and paid by Buyer. In the event that a substantial physical modification or deviation from the Plans and Specifications is necessary due to soil or other lot conditions (building setback lines, easements, developer or utility requirements, etc.), Seller may, at its option, elect to terminate this Agreement and refund to Buyer the Deposit, as such term is hereafter defined, subject to the adjustments hereafter described, in which case all parties hereto shall be relieved of any further obligations hereunder.

Notwithstanding the foregoing, should the Buyer and Seller decide a construction standard, specification or tolerance is desired that is equivalent or superior to an item or items addressed in the rules promulgated under ORC § 4722, such

variance shall be documented and agreed to through separate addendum or addenda executed by both parties, attached hereto and incorporated into this Agreement.

In addition, it is noted that Ohio law and the rules promulgated under ORC § 4722, cover a limited number of construction tolerances and items, and the Parties may also agree and define other construction standards or tolerances that are not covered by the ORC § 4722 rules as meeting the “good and workmanlike” or “workmanlike” manner for construction performance on their own terms and through separate addenda.

E. Excess Costs and Written Change Order Procedure. REQUIRED EXCESS COST NOTICE: UNDER OHIO REVISED CODE SECTION 4722.02(B)(2), IF AT THE TIME A HOME CONSTRUCTION SERVICE REQUIRES EXCESS COSTS ABOVE THE COST SPECIFIED OR ESTIMATED IN THIS CONTRACT THAT WERE REASONABLY UNFORESEEN, BUT NECESSARY, AND THE TOTAL OF ALL EXCESS COSTS TO DATE EXCEEDS FIVE THOUSAND DOLLARS (\$5,000.00) OVER THE COURSE OF THE ENTIRE HOME CONSTRUCTION CONTRACT, THE BUYER (YOU) HAS THE RIGHT TO AN ESTIMATE OF THOSE EXCESS COSTS BEFORE THE HOME CONSTRUCTION SERVICE SUPPLIER (SELLER) BEGINS WORK RELATED TO THOSE COSTS. SUCH ESTIMATES SHALL BE IN WRITING AND GOVERNED BY THE PROCEDURE OUTLINED IN THIS SECTION. HOWEVER, OWNER (BUYER) IS HEREBY NOTIFIED THAT IN FAILING TO APPROVE AN EXCESS COST, COMPLETION OF WORK MAY NOT BE POSSIBLE AND A CHARGE MAY BE IMPOSED FOR ANY DISASSEMBLY, REASSEMBLY, OR PARTIALLY COMPLETED WORK, WHICH SHALL BE DIRECTLY RELATED TO THE ACTUAL LABOR OR PARTS INVOLVED.

Change Order Procedure: Prior to completion of the Work and except as permitted pursuant to the operation of Section (D) and (E) above, no alteration shall be made to the Plans and Specifications without the prior written approval of Seller and Buyer. If Buyer requests changes to the Plans and Specifications, Seller shall prior to commencing the alteration, submit to Buyer a written proposal and cost estimate or credit associated with the completion of such alteration. If Buyer approves such proposal, the same shall be documented in writing and constitute a Change Order (the “Excess Cost” or “Change Order”) and the Contract Price, Scheduled Completion Date, and Work to be performed hereunder shall be amended accordingly, and such alterations shall thereafter be completed by Seller in accordance with the requirements of this Agreement. If Buyer does not approve such proposal, Seller shall not be obligated to construct such alterations. Buyer shall pay in full for the cost of any Change Order (if applicable) at the time of approving such proposal unless otherwise mutually agreed by Buyer and Seller; provided, however in no event shall the payment for such Change Order be made later than at the time the next progress payment is made. If more than one Buyer has executed this Agreement, each Buyer specifically authorizes the other Buyer to execute Change Orders, and each Buyer agrees to that he/she is jointly and severally liable for any Change Orders executed by the other Buyer.

2. CONTRACT PRICE.

A. Contract Price. Buyer shall pay Seller for performance of the Work, subject to additions and deletions as herein provided, the sum of _____ Dollars (\$_____) (the “Contract Price”), payable as set forth in Subsections B and C of this Section.

B. Payment of Contract Price.

1. Deposit(s) shall be due and payable in the amount of : _____ Dollars (\$_____). The initial deposit shall be due upon execution of this Agreement (the “Initial Deposit”). Seller retains the right to use the Initial Deposit for construction or other purposes, and Buyer acknowledges that the Initial Deposit shall not be subject to any escrow, trust, or security agreement, nor shall interest accrue thereon. NOTWITHSTANDING THE FOREGOING, PRIOR TO THE COMMENCEMENT OF CONTRACTOR’S PERFORMANCE UNDER THIS CONTRACT, ORC § 4722.04 PROHIBITS THE CONTRACTOR FROM TAKING A DEPOSIT OR DOWNPAYMENT IN EXCESS OF TEN PERCENT (10%) OF THE CONTRACT PRICE. THIS PROVISION DOES NOT APPLY TO SPECIAL ORDER ITEMS THAT ARE NOT RETURNABLE OR USABLE PRIOR

TO THE CONTRACTOR'S PERFORMANCE, IN WHICH CASE A DEPOSIT OF 75% OF THE TOTAL COST OF ITEM IS PERMISSIBLE.

2. Additional Deposits, if applicable, under the same terms and conditions as the Initial Deposit specified above and in the amounts as detailed below, if any:

3. The remainder of the Contract Price shall be _____ Dollars (\$ _____) and shall be paid at closing.

D. Installation, delivery or other costs not included in the above estimated contract price include the following: (Not applicable if not filled in.)

3. INDEPENDENT CONTRACTOR/CONSTRUCTION INTERFERENCE. Buyer and Contractor agree that Contractor is serving as an independent contractor under this Agreement and that all employees, laborers, and subcontractors employed by Contractor in connection with performing the Work shall, except as provided in Section 12 herein, be the employees or agents of and the responsibility of Contractor. Contractor shall be responsible for satisfying all state and federal employment laws and regulations with respect to such laborers and employees hired by Contractor, including without limitation all applicable income tax withholding requirements, social security withholding requirements, unemployment compensation premiums, workers compensation premiums, fair labor standards laws, employment discrimination laws, civil rights laws and occupational safety laws.

In executing this Agreement, the Buyer hereby specifically recognizes and defers to Contractor's knowledge, expertise, qualifications, experience, background, and training in the residential building industry in all building and construction matters relating to this Agreement. This shall include but shall not be limited to matters relating to building code interpretation, manufacturers' recommendations for installation methods, local construction industry standards, and any necessary repair protocols under the Limited Warranty Agreement executed between the Parties, or otherwise.

When entering upon the Premises or into the Home, neither Buyer nor its agents shall unreasonably interfere with, restrict, interrupt, harass, or obstruct construction or its progress in any manner. Buyer shall not communicate any criticisms, changes, or any other matter to any subcontractor or laborer except in the presence of and with the approval of Contractor. This provision shall apply to any remedial or repair work on the Home, performed under the Limited Warranty Agreement or otherwise, in addition to original construction and material supply of the Home. In the event Buyer or its agents cause such interference or obstruction, Contractor shall be entitled to undertake reasonable actions to restrain Buyer or its agents from further entries upon the Premises until after completion of construction of the Work, delivery of the Certificate of Occupancy, and receipt of the final progress payment. Any violation of this provision by Buyer, and/or interference by Buyer's with subcontractors and/or materialmen, shall waive Contractor's responsibility for failing to meet the construction schedule and completion delivery as originally agreed to by the Parties under this Agreement. The Parties agree that only the signatories of this Agreement have rights and responsibilities outlined herein and the Buyer's rights are personal in nature and not transferable or assumable without the express written consent of the Contractor. No other Party shall assert contract rights, interfere, direct work, or assume any other of the Buyer's rights. In the event that such interference occurs, Contractor shall notify Buyer of the same and if Buyer fails to immediately cause the interference to cease, Contractor may, at Contractor's option undertake such action as is necessary to restrain third parties for such interference or declare a breach of this Agreement, in which event the Contractor shall be entitled to such remedies as are set forth herein or are available at law or in equity.

4. INSURANCE. Risk of loss to the Home shall be borne by Seller until closing, provided that if any property covered by this Agreement shall be substantially damaged or destroyed before this transaction is closed, Seller may, at Seller's option, terminate this Agreement and return to Buyer the deposit(s), in which case all parties to this Agreement shall be relieved of any further obligations to each other arising under this Agreement. Seller shall obtain and maintain general liability insurance of not less than Two-Hundred and Fifty Thousand dollars (\$250,000) as required by ORC § 4722.02(A)(8). A copy of the Seller's Certificate of Insurance showing such general liability coverage is attached hereto and made an exhibit to this Agreement.

5. POSSESSION. Possession shall only be given to Buyer at the time of closing, delivery of the deed, and receipt in full by the Seller of all monies due and payable to the Seller, including payments for excess costs and change orders, under the terms of this Agreement. No possession or use of the Home shall be granted, unless through express written agreement by the Seller, prior to closing. Prior to the time of closing, Buyer may visit the Home, provided Buyer is accompanied by Seller or Seller's representative. Further, Buyer acknowledges that if Buyer visits the Home prior to the time of closing, such visit shall be at Buyer's risk. In this respect, by the execution of this Agreement, Buyer further releases and discharges Seller and its employees and agents from any and all claims, liability or damages arising as a result of such visit, including injury to person or property.

6. LIMITED WARRANTY. Upon completion of the Work, and delivery of a Certificate of Occupancy, Seller will provide to Buyer a Limited Warranty Agreement in the form approved by or substantially similar to the BIA of Central Ohio's warranty form. The Limited Warranty Agreement represents an independent contract with separate and sufficient consideration exchanged between the Parties. Buyer approves and accepts the form of such Warranty by the execution of this Agreement and the Limited Warranty Agreement. In so accepting, Buyer acknowledges that in order for Seller to perform warranty service, Buyer must fully cooperate with Seller's Right to Cure as defined in the Limited Warranty Agreement and efforts to resolve alleged defects and warranty service claims, including providing access to the Home during normal business hours and at reasonable times, and allowing ongoing access and service attempts when problems are difficult to pinpoint, diagnose, and finally address. Further, upon receipt of the final payment due hereunder, Seller will deliver, assign, and transfer to Buyer all appropriate manufacturer's warranties on appliances and equipment installed in the Home or other available manufacturer's warranty on any of the materials or supplies incorporated into the Work. Seller's limited warranty referenced above shall not cover those appliances, equipment, or consumer products which have separate warranties provided by manufacturers or suppliers and are assigned to Buyer by Seller on or after the date of closing. Buyer is hereby notified that service or warranty work, if any, performed on items where a manufacturer's warranty is effective shall not be performed by the Seller. **THE WARRANTIES PROVIDED PURSUANT TO THE APPLICATION OF THIS SECTION SHALL BE THE SOLE EXPRESS WARRANTIES PROVIDED BY SELLER TO BUYER RELATIVE TO THE WORK.**

7. RADON, MOLD AND OTHER ENVIRONMENTAL POLLUTANTS. Radon is a naturally occurring phenomenon. According to some experts, exposure to elevated levels of radon for a sufficient period of time can increase the risk of cancer. As a result of natural geological conditions, some areas may pose a greater risk than others. The U.S. Environmental Protection Agency, state and local environmental authorities, and certain private testing laboratories are best equipped to render advice regarding the risk which may exist in a particular area, the risks associated with radon exposure, methods available to detect and measure radon levels, and appropriate measures, if any, which may be taken in the particular circumstance to reduce the possible risk to radon exposure.

Mold, fungi, bacteria, and other similar micro-organisms ("Organisms") commonly exist in homes and may be found in the Home being purchased under this Agreement as a result of rain, humidity, and other moisture in the Home and on materials delivered to the Home site and installed during the course of construction.

Buyer acknowledges that: (i) Certain areas in Central Ohio have a relatively high incident of elevated radon gas levels and that Organisms exist in every environment, indoors and outside; (ii) Buyer has been advised by Seller that it may be in Buyer's best interest that Buyer become informed about radon gas, Organisms, and other environmental pollutants found in homes and the measurement or reduction of radon, Organisms, or other environmental pollutants, or the risks associated with exposure thereto; (iii) there can be no assurance that any system, device, or method incorporated into the Home for the purpose of reducing radon,

Organisms, or other environmental pollutant levels will be effective as such relate to the persons that comprise Buyer and those who may reside at the Home with Buyer, and that accordingly, Seller shall have no responsibility therefore, unless set forth otherwise herein; (iv) Seller makes no warranty, either expressed or implied, regarding the presence of radon gas, Organisms, or other environmental pollutants in or about the Home being purchased hereunder by Buyer, nor does Seller have any knowledge of special health conditions of any persons that comprise Buyer or of those who may reside in the Home with Buyer; (v) in the event of any person that comprises Buyer or any person who may reside with Buyer in the Home shall have special medical conditions which are known to Buyer or become known to Buyer which may adversely affect such person or persons who may reside in the Home, Buyer should consult, at Buyer's cost, with appropriate medical authorities concerning the habitation of the Home being purchased under this Agreement. Any testing, remediation, or system desired or required to be installed by Buyer or pursuant to governmental building code requirements shall be at Buyer's expense and risk, unless specified otherwise herein, or unless Seller asserts Seller's Right to Cure as specified in this Agreement and/or in the Limited Warranty Agreement executed between the parties and Seller specifically agrees in writing to cover such items.

8. REMEDIES IN THE EVENT OF DEFAULT. In the event of a default by Buyer, Seller shall, in addition to all of the rights and remedies at law or in equity available to Seller, at the sole option of Seller, be entitled to elect one of the following rights or remedies:

A. To retain any and all deposits(s) as liquidated damages, it being agreed to by the Parties that the actual damages which would be suffered by the Seller would be difficult or impossible to ascertain as of the date of execution of this Agreement, that the amount of the proposed liquidated damages are reasonable and not so disproportionate as to constitute a penalty, and that the same is the true intention of the parties to this Agreement, in which event all Parties shall be relieved of further liability to each other arising under this Agreement; or

B. To apply any and all deposit(s) on the account of Buyer and proceed with an action at law or in equity for damages for breach of contract or recovery of the balance of the purchase price.

C. Nothing in this Section shall be interpreted as limiting the Seller's or Buyer's specific rights and responsibilities as provided in ORC §4722 and § 1312. For a violation of an act prohibited under ORC §§4722.02, 4722.03, or § 4722.04. Buyer may rescind this Agreement under certain circumstances or recover the Buyer's actual economic damages plus an amount not to exceed Five Thousand Dollars (\$5,000.00) in non-economic damages. Any action for rescission must occur within a reasonable time after Buyer discovers or should have discovered the grounds for it and before any substantial change in condition. A tribunal may award reasonable attorney's fees to the prevailing party if Buyer brought an action that is groundless and in bad faith, or if Seller knowingly committed an act or practice in violation of acts prohibited under ORC § 4722.

9. FINANCING CONDITIONS. All obligations of both parties under this Agreement are expressly contingent upon Buyer obtaining a loan approval in the amount of _____ Dollars (\$_____) on terms and conditions satisfactory to Buyer within _____ (_____) calendar days of the acceptance of this Agreement. In the event Buyer successfully obtains such loan approval, Buyer shall immediately notify Seller of the same in writing, and shall further provide to Seller a copy of the loan approval letter issued by the lending institution confirming such loan approval, or such other evidence as Seller shall deem satisfactory in order to establish that Buyer has, in fact, obtained the same.

If Buyer makes a good faith effort and is not able to obtain the loan approval described above within the time period specified above and so notifies Seller in writing of the same, this Agreement shall be terminated, all parties shall be released from their obligations hereunder, and all deposit(s) shall be returned to Buyer (except Seller may retain that portion of the deposit(s) necessary to reimburse Seller for any out-of-pocket expenses incurred by Seller, including but not limited to, fees paid by Seller to prepare or modify Plans and Specifications, or obtain permits.), unless Buyer and Seller mutually agree in writing to extend

the time period specified above, or otherwise mutually agree in writing to waive the financing condition described within this paragraph.

If Buyer fails to make an application for a loan approval or fails to use good faith efforts to obtain such loan approval, Seller may, at Seller's option, terminate this Agreement and retain any and all deposit(s) as liquidated damages as described in Section Nine (9) herein without waiving any rights Seller may otherwise have at law or in equity, or Seller may, at Seller's option, pursue such other rights and remedies as Seller may have at law or in equity.

10. COSTS OF FINANCING. Buyer agrees that, unless otherwise set forth herein to the contrary, Buyer shall be responsible for any and all costs or fees instituted or charged by Buyer's lender, whether to be paid prior to, at, or after the closing. These charges may include, by way of example, but not by way of limitation, survey expenses and additional title insurance charges such as a mortgage title insurance commitment fee, simultaneous issue fee or other title insurance premiums for mortgage title insurance, Variable Rate Endorsement charge, and/or Environmental Protection Agency Endorsement charges.

11. SELECTION OF SUBCONTRACTORS. In the event Buyer selects and/or requests that Seller use the services or acquire materials from a particular subcontractor and/or materialmen, and in the event Seller consents to the same (provided, however, Seller may withhold its consent to the same in its sole and absolute discretion), then by the use of such subcontractor and/or materialmen Buyer specifically waives any warranties, responsibilities for delays, or liabilities against Seller which may arise as a result of the use of such subcontractor and/or materialmen, and the work and/or materials completed or supplied by such subcontractors and/or materialmen.

In addition, in such event, Buyer shall be responsible for (and shall require each such subcontractor and/or materialmen to be responsible for) obtaining all licenses, permits, and inspections associated with the portion of the Work completed by such subcontractors and/or materialmen, and Buyer shall be responsible for maintaining liability insurance and benefit coverages (i.e., workers compensation coverages, unemployment compensation coverages, etc.) relating to such subcontractor and/or materialmen. To this end, Buyer further releases, discharges, indemnifies and agrees to hold Seller and its employees, subcontractors, and materialmen harmless from any and all claims, costs (including attorney fees and other professional fees), liability or damages arising as a result of the failure of Buyer (or Buyer's subcontractors and/or materialmen) to comply with the obligations of this Section.

Further, during the period such subcontractors and/or materialmen are working at the Premises, and thereafter upon completion of the portion of the Work undertaken by such subcontractor and/or materialmen, Buyer shall be responsible for obtaining and shall require such subcontractor and/or materialmen to provide appropriate lien waivers attesting to the amount of the Work so completed, the number and names of sub-subcontractors, laborers, or other materialmen utilized, and the amount of monies received from the Buyer for such Work to date.

The terms and conditions of this Section are intended to be applicable notwithstanding whether or not the subcontractor and/or materialmen receive the compensation due them directly from Buyer, or indirectly from Buyer by virtue of the payment of the same through Seller.

12. SELLER'S RIGHT TO CURE. Seller hereby provides notice to Buyer that under ORC §1312 Ohio law provides for the Seller's Right to Cure construction defects prior to Buyer's commencement of legal action:

OHIO LAW CONTAINS IMPORTANT REQUIREMENTS YOU (BUYER) MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT OR COMMENCE ARBITRATION PROCEEDINGS FOR DEFECTIVE CONSTRUCTION AGAINST THE RESIDENTIAL CONTRACTOR/SELLER WHO CONSTRUCTED YOUR HOME. AT LEAST SIXTY DAYS BEFORE YOU FILE A LAWSUIT OR COMMENCE ARBITRATION PROCEEDINGS, YOU MUST PROVIDE THE CONTRACTOR/SELLER WITH A WRITTEN NOTICE OF THE CONDITIONS YOU ALLEGE ARE DEFECTIVE. UNDER CHAPTER 1312 OF THE OHIO REVISED CODE THE CONTRACTOR/SELLER HAS AN OPPORTUNITY TO OFFER TO REPAIR OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER THE CONTRACTOR/SELLER MAKES. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER STATE LAW, AND FAILURE TO FOLLOW THEM MAY AFFECT YOUR ABILITY TO FILE A LAWSUIT OR COMMENCE ARBITRATION PROCEEDINGS.

Thus, in consideration of ORC § 1312 governing the Seller's Right to Cure and promises contained in this Agreement, Buyer agrees that Seller has the right to receive notice of and respond in writing to alleged construction defects before Buyer may invoke legal rights, commence a legal action under any legal theory based on an allegation that Seller failed in its duty to construct the Home in a workmanlike manner or in accordance with the rules promulgated under ORC § 4722 or that the Seller was negligent in the construction of improvements.

A. OPPORTUNITY TO INVESTIGATE AND REMEDY. In the event Buyer believes Seller has provided Work which does not conform to workmanlike standards, and/or the rules promulgated under ORC §4722 or does not substantially conform to the Plans and Specifications, or that Seller was negligent in the construction of improvements, Buyer shall promptly provide written notice to Seller of the same specifying with reasonable certainty the nature and effect of such claims in compliance with ORC § 1312.04. Thereafter, Seller shall be afforded a reasonable opportunity to review, investigate, and evaluate such claims, and to the extent necessary to complete such evaluation, Seller may request additional information and/or a meeting with Buyer and/or architect, engineer, or expert (if applicable) at the Premises to discuss the same. After completion of such review and investigation, to the extent Seller agrees with Buyer, Seller shall notify Buyer in writing of the proposed repairs, or alternatively, offer to pay for the cost of repairs that Seller offers to address.

B. SELLER'S DUTY TO DILIGENTLY PROSECUTE REPAIRS AND BUYER'S DUTY TO COOPERATE. Buyer and Seller further agree and recognize that some construction defects or problems are difficult to diagnose and address and/or repair without a process of elimination and/or several repair attempts. Buyer shall allow ongoing access to the Home for inspection and completion of repairs during regular business hours, share any inspection or evaluation reports produced by Buyer's expert and cooperate with Seller's reasonable attempts to identify and remediate any defects. Seller shall use commercially reasonable efforts to diligently diagnose and prosecute repairs and Buyer shall continue to fully cooperate with Seller's ongoing attempts to repair, so long as is necessary to allow good faith attempts to result in successful repairs, taking into account seasonal changes and weather factors.

C. BUYER BARRED FROM CLAIMS FOR FAILURE TO NOTIFY SELLER OF DEFECTS AND/OR BASED ON SELLER'S CURE. Buyer is barred from commencing arbitration or filing civil actions against Seller unless at least 60 days before commencing either action Buyer provides Seller with written notice of an alleged construction defect in compliance with ORC § 1312.04. Should Buyer choose to allow the Seller to cure alleged defects and accept an offer that Seller makes to compromise and settle a claim, or remedy alleged defects by paying for repair costs, and the Seller fulfills the offer in compliance with ORC§1312, the Buyer is barred from suing or bringing an arbitration action for such claim.

D. CURE PROCEDURE FOR ITEMS NOT COVERED BY ORC 4722 RULES. The Parties recognize, that outside of the standards promulgated under ORC §4722 as rules which define "workmanlike" by law, for many components of the Home to be constructed, Ohio law and rules do not specifically define in any quantifiable terms the meaning of the terms "good and workmanlike" or "workmanlike" manner. Because determining whether construction was completed in a "good and workmanlike" or "workmanlike" manner and defining such terms in all cases for residential construction would be difficult, costly, and would necessitate each Party paying experts to provide opinions in each case for those issues not covered or addressed by rules promulgated under ORC §4722, the Parties hereto agree that the Buyer shall provide the Seller a reasonable opportunity to investigate and cure any such alleged construction defects prior to commencing arbitration or legal action. This opportunity to investigate and cure shall be governed by the same procedure as outlined in the Limited Warranty Agreement attached hereto and executed between the Parties and/or include the following: (1) the Buyer's prompt written notice to the Seller of the nature of the alleged defect; (2) the Buyer providing reasonable access to the Home for the Seller's investigation and evaluation of the issue; (3) in the case of Seller's undertaking remedial work, the Buyer's providing ongoing access in order for the Seller to remedy the issue(s) and; (4) the Seller using commercially reasonable efforts to diligently prosecute repairs until completion, taking into account seasonal and weather conditions, and the necessity of trial and error for issues more difficult to diagnose.

13. ARBITRATION IN THE CASE OF DISPUTES. In the event after completion of such investigation and review by Seller, and after the Buyer has fully cooperated and provided Seller with the right to cure and/or elect remedies as required herein or the under the Limited Warranty Agreement, there remains a claim(s), dispute(s) or other matter in question not governed by rules promulgated under ORC § 4722 over which Seller and Buyer cannot agree to a resolution thereof, or in the event Buyer and Seller cannot agree to the resolution of any other dispute arising under the terms of this Agreement, Buyer and Seller agree that a decision as to the disputed item(s) shall be reached through binding arbitration which shall be conducted in a prompt and expeditious manner and in accordance with the BIA Arbitration Rules Addendum (the "Rules") attached hereto and made a part of this Agreement. Buyer and Seller agree that the BIA of Central Ohio shall select an impartial and qualified arbitrator to perform the arbitration and an arbitration hearing under the Rules. To this end, Buyer specifically acknowledges that the BIA of Central will not actually conduct such arbitration. Rather, they will only assist in naming the arbitrator. The decision of the named arbitrator shall be final and binding upon the Parties. Buyer and Seller additionally agree that in the case of such a claim or dispute, time is of the essence and that the most expeditious reasonable method of arbitration consistent with the Rules outlined below may be used.

I _____,
[(homebuyer(s), homeowner(s) or over's signature(s)] have read the binding Arbitration provisions above and acknowledge with my signature my understanding and agreement with same. My signature above constitutes my acceptance that I have read and accept the terms of the Arbitration Rules contained in the Addendum to this Agreement that further detail the binding arbitration procedure referenced herein.

14. INDEMNIFICATION. Buyer represents and warrants that no one other than the Broker/Salesperson described below has been retained and/or contracted by Buyer with respect to the purchase of the Home and the execution of this Agreement, and Buyer agrees to and does indemnify and hold Seller harmless from any claims made by any Broker/Salesperson other than those described below for the payment of commissions arising as a result of the purchase of the Home or the execution of this Agreement and the actions and/or inactions of Buyer relating to the same.

SELLER PAID COMMISSION (If applicable). If this purchase and sale is closed, at closing, Seller shall pay a real estate commission to _____ in the amount of _____ Dollars (\$_____). (not applicable if not filled in.)

15. OHIO CONSUMER SALES PRACTICES ACT NOT APPLICABLE. Under Ohio Law, Home Construction Service Contracts for the construction of single family dwellings, as set forth in this Agreement, are excluded from the definition of "consumer transactions" for purposes of the Consumer Sales Practices Act. Rather, Home Construction Services Contracts are covered by ORC § 4722 and § 1312 respectively.

16. NOTICES. Any notice or communication which must be given or required to be given pursuant to the terms of this Agreement shall be in writing and hand delivered or mailed by United States Registered Mail, return receipt requested, and sent to the respective Party at the address set forth herein.

17. CLOSING. This purchase and sale shall be closed as soon as reasonably possible after the work is substantially complete, but not later than five calendar days after the approval of the final inspection by the appropriate building inspector. The Work shall be deemed to be substantially complete upon the earlier of the approval of the final inspection and issuance of a Certificate of Occupancy of the Home by the appropriate building inspector, or the approval of the Home by the Buyer's lending institution. In the event the closing is delayed at the request or through the fault of Buyer or Buyer's lending institution, the balance of the purchase price shall bear interest at the greater of (i) the Prime Rate as such term is defined in the Wall Street Journal plus four percent (4%); or (ii) eighteen percent (18%) per annum, in either case determined from the date the work is substantially complete as defined herein, and all prorations shall be made to such date without further adjustment.

Within two business days prior to the closing, Buyer and Seller shall walk through the Home and prepare a list of items which may need to be completed after the closing ("Punch List"). Buyer agrees that the failure of Seller to complete any such Punch List items or other minor items not required by the appropriate governmental entity in order to issue a Certificate of Occupancy

(including items such as sod and landscaping) shall not operate to delay the closing, nor shall Seller be required to set up an escrow or to accept less than the full amount required hereunder on the account of such incomplete items, provided that Seller undertakes in writing to complete such items within a reasonable time after closing. In the event an escrow is required by the Buyer's lending institution, or a completion, performance, or similar bond is required by the appropriate governing authority, and the same relates to obligations of the Buyer or the requirements of Buyer's lending institution (i.e. Buyer has agreed to provide certain finish related work such as sod, landscaping, painting, etc. or Buyer's lending institution seeks assurances that the same will be completed), then the funds necessary to establish the escrow or pay for the bond shall be provided by the Buyer.

18. EVIDENCE OF TITLE. Seller shall furnish and pay for Buyer's title insurance commitment and policy in the amount of the purchase price, with a copy of subdivision plat or condominium plat. The title evidence shall be certified to within thirty (30) days prior to closing with an endorsement at 8:00 a.m. on the business day prior to the date of closing, and shall show in Seller marketable title in fee simple free and clear of all liens and encumbrances except: (a) those created by or assumed by Buyer; (b) those specifically set forth in this Agreement; (c) zoning ordinances; (d) legal highways; (e) covenants, restrictions, conditions and easements of record which do not unreasonably interfere with the use of the Home as a residence or otherwise relate to a general plan of development for the subdivision, such as restrictions created for membership inclusion in a homeowners' association, condominium owners association, or master community associations; and (f) any applicable New Community Districts, New Community Authority, Special Assessment Districts, or other forms of financing for infrastructure improvements. As hereinabove set forth, Buyer shall pay any additional costs incurred in connection with mortgagee title insurance issued for the protection of Buyer's lender. If Buyer shall desire a survey, or if Buyer's lender shall require the same, Buyer shall pay the cost thereof.

The New Community District charge, if any, applicable to the premises was created by a covenant in an instrument recorded at (insert county) _____, Vol. _____, Page number _____ or Instrument number _____. **(Notice: If the foregoing blanks are not filled in and a New Community District, New Community Authority charge affects the Premises, this Agreement may not be enforceable by the Seller or binding upon the Buyer pursuant to §349.07 of the Ohio Revised Code.)**

If title to all or part of the real estate is unmarketable, as determined by Ohio law with reference to the Ohio State Bar Association's Standards of Title Examination, or is subject to liens, encumbrances, easements, conditions, restrictions, or encroachments other than those excepted in this contract, Seller shall within thirty (30) days after written notice thereof, remedy or remove any such defect, lien, encumbrance, easement, condition, restriction or encroachment or obtain title insurance without exception therefore. At closing Seller shall sign an affidavit with respect to off-record title matters in accordance with the community custom. For the purpose of the preceding sentence an affidavit substantially similar in form and content to the form prescribed by the Columbus Bar Association (1980) shall be deemed to be in accordance with community custom.

19. DEED. Seller shall convey to Buyer marketable title in fee simple by transferable and recordable general warranty deed, with release of dower, if any, free and clear of all liens and encumbrances not excepted by this contract, and the following (none, if nothing inserted): _____

20. TAXES. At closing, Seller shall pay or credit on the purchase price all delinquent real estate taxes, including penalty and interest, all special assessments which are a lien through the date of closing, and all agricultural use tax recoupments for years through the year of closing. At closing Seller shall also pay or credit on the purchase price all other unpaid real estate taxes and/or community development charges imposed pursuant to ORC § 349 of the Ohio Revised Code which are a lien for years prior to closing and a portion of such real estate taxes and community development charges, if any, for the year of closing prorated through the date of closing and based on a 365-day year and, if undetermined, on the most recently available real estate tax rate and valuation, giving effect to applicable exemptions, recently voted millage, change in valuation, etc., whether or not certified. Such proration shall be final.

In the event the real property upon which the Home is situated is a subdivided lot which is part of a subdivision which has been filed of record recently enough so that the real estate taxes reflect acreage valuations only (i.e. there are no separate valuations

for the newly subdivided lots), then the Seller may, at the Seller's option, provide a letter to the Buyer at closing agreeing to prorate real estate taxes as described herein, at such time as the subdivided lot has been given a separate tax valuation from the acreage (in such case, no proration will be made at closing), or Seller may adjust the real estate taxes at closing based upon the acreage contained in the subdivided lot as compared to the total acreage contained in the parent (master) parcel, and based upon a reasonable determination as to whether Seller or Buyer will ultimately receive the applicable tax bill.

Seller states, to the best of Seller's knowledge, that as of closing no improvements or services (site or area) will have been installed or furnished, or notification received from public authority of future improvements, of which any part of the cost may be assessed against the real estate, except the following: (None, if nothing inserted.)

Buyer agrees to assume the balance of all assessments and reassessments, both special or otherwise, which become a lien on or after the date of closing.

21. UTILITIES SERVICES. Seller shall pay, through the date of closing, all accrued utility charges. Buyer shall pay all charges (whether lump or recurring) for deposits for and use of utilities from and after the date of closing, and Buyer shall take such other action as is necessary to assure that all utilities are in the name of Buyer as of the date of closing.

22. OTHER CONSTRUCTION ISSUES - TREES AND UTILITIES. Buyer agrees that Seller may remove such trees on the Lot it deems necessary to construct the Home and it shall not be responsible for any damage to or destruction of remaining trees during or resulting from the process of construction, whether the tree loss occurs contemporaneous to construction or otherwise. The Buyer further acknowledges and agrees that the Lot may now or hereafter include utility improvements (such as sewers, surface manholes, electric or telephone boxes or lines), the existence or nonexistence of which, or the location or which within easement areas on the Lot, shall be determined by Seller or by relevant utility providers in their sole discretion.

23. CONSTRUCTION CHANGES DRIVEN BY DEVELOPER APPROVAL. Buyer acknowledges that the Home will be built in a community governed by developer restrictions, and requiring developer, or his agent, to approve the Plans and Specifications for the Home prior to the start of construction. Buyer agrees that if the developer requires that certain features must be added or deleted or if certain type(s) of exterior materials must be used to obtain such approval, then the additional expense associated with meeting these requirements will be paid by Buyer. In the event Buyer does not agree to pay such expenses, (i) Seller shall refund to Buyer his initial and/or construction deposits (less any unique costs attributable to Buyer which Seller cannot recoup, % processing fee and any additional previously agreed upon architectural fees), (ii) this Agreement shall be deemed terminated, and (iii) the Buyer and Seller shall be relieved of any and all responsibility hereunder.

24. BUYER'S MEMBERSHIP IN COMMUNITY ASSOCIATIONS. Should the administration of the community be the responsibility of a homeowners' association as established by Seller or otherwise, and if applicable, a master community association, Buyer acknowledges that Buyer shall automatically become a member of the association(s) upon closing, and agrees to be liable for Buyer's proportionate share of the common expenses accruing thereafter and to be subject to and abide by the provisions of the organizational documents of such association(s).

25. MISCELLANEOUS. This Agreement may not be assigned by either Party without the written consent of the other Party. If there is more than one Buyer, all obligations of the Buyer(s) hereunder shall be joint and several. Time shall be of the essence of all provisions hereunder. This Agreement shall be binding upon the respective successors, assigns, heirs, and personal representatives of the parties. In compliance with fair housing laws, no Party shall in any manner discriminate against any purchaser because of race, creed, sex, or national origin. This Agreement contains the entire understanding of the parties hereto, and all agreements heretofore made between the Parties have merged into this Agreement, which fully and completely expresses the Parties' agreements. Neither Party is relying upon any statement or representation not embodied in this Agreement by the other. This Agreement may not be changed or terminated by anything other than a written agreement executed by the Parties hereto. The Agreement shall survive the closing. Words of any gender herein shall include the other gender where appropriate. This Agreement shall not be effective until executed by an authorized representative of the Seller

26. ADDENDUMS. Attached hereto and incorporated herein by reference are the following addendums:

BIA Addendum

BIA Arbitration Rules Addendum

Other Addenda (if applicable)

27. DURATION OF OFFER. This offer shall be open for acceptance to midnight, _____

BUYER:

Name _____

Street Address _____

City / State / Zip _____

Home Phone / Home Fax _____

Work Phone / Work Fax _____

Cell Phone(s) / Pager(s) _____

Buyer Signature _____

Buyer Signature _____

Names on Deed _____

The foregoing offer is accepted this _____ day of _____, 20____.

SELLER:

Name _____

Street Address _____

City / State / Zip _____

Home Phone / Home Fax _____

Work Phone / Work Fax _____

Cell Phone(s) / Pager(s) _____

Tax Payer ID Number _____

Seller Signature: _____

By: _____

Its: _____

THIS FORM HAS BEEN PREPARED BY THE BUILDING INDUSTRY ASSOCIATION OF CENTRAL OHIO, INC., AND IS FOR USE BY ITS MEMBERS ONLY. ANY OTHER USE OF THIS AGREEMENT BY INDIVIDUALS OR ENTITIES WHO ARE NOT MEMBERS OF THE BUILDING INDUSTRY ASSOCIATION OF CENTRAL OHIO, INC., IS STRICTLY PROHIBITED.

This Agreement is designed to be executed in conjunction with a Limited Warranty Agreement between the Seller and the Buyer. It binds and is legally enforceable as to the executing parties only. The Building Industry Association of Central Ohio is not a party to this Agreement. Thus, this Agreement does not represent any agreement by the Building Industry Association of Central Ohio, Inc. and shall not be interpreted or represented as a sales contract, warranty agreement, or promise of any kind to be fulfilled by the Building Industry Association of Central Ohio, Inc.

THE BUILDING INDUSTRY ASSOCIATION OF CENTRAL OHIO, INC. RECOMMENDS THAT ALL PARTIES TO THIS AGREEMENT BE REPRESENTED BY LEGAL COUNSEL.

Deposit Acknowledgement

Seller (or Broker/Salesman where applicable) acknowledges receipt of the sum of

_____ Dollars (\$_____)

cash/check which shall be held, deposited, and disbursed pursuant to Section 3 above. This amount represents Ten Percent (10%) or less of the total contract price prior to commencement of Seller's performance.

Seller (or Broker/Salesman where applicable)

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