



Welcome to Deer Park Estates. Attached is a draft of our form Sale and Construction Agreement. This is the agreement that we will each sign after you have made your decision regarding the home you want to purchase.

Please visit the “Pricing” page or the “Overview” page of our website where you will find an outline of our contract signing process.

Very truly yours,

*Carrie Matthies*

Carrie Matthies  
Sales Manager



**TOWNHOME SALE AND CONSTRUCTION AGREEMENT**

SELLER: RSD DEER PARK, LLC, an Illinois limited liability company  
 Address: 425 Huehl Road, Building 18, Northbrook, Illinois 60062  
 PURCHASER: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: Home: \_\_\_\_\_ Home Fax: \_\_\_\_\_  
 Work: \_\_\_\_\_ Work Fax: \_\_\_\_\_

**PROPERTY SOLD:** Lot \_\_\_ (the “Lot”) in the Deer Park Estates Subdivision being a subdivision of part of the Northwest Quarter and part of the Southwest Quarter of Section 34, Township 43 North, Range 10 East of the Third Principal Meridian, in Lake County, Illinois (the “Subdivision”), together with the townhome residence (“Residence”) to be constructed thereon by Seller in accordance with the terms of this Agreement (this “Agreement”). The Lot and Residence are hereinafter together referred to as the “Property”.

**AGREEMENTS:** Purchaser agrees to purchase and Seller agrees to sell the Property in accordance with the following terms and conditions:

1. **PURCHASE PRICE:** Purchaser agrees to pay Seller the purchase price for the Property as set forth below (the “Purchase Price”), which Purchase Price is subject to adjustment as expressly provided in this Agreement and shall be payable as follows:

TOTAL PURCHASE PRICE	_____	\$
a. Non-Refundable Reservation Deposit .....	_____	\$ 500.00
b. Initial Earnest Money Deposit (to be deposited with Seller not later than 3:00 p.m. on _____) .....	_____	\$
c. Additional Earnest Money Deposit to be paid at the time of foundation .....	_____	\$
d. The balance of the Purchase Price, plus or minus prorations, shall be paid on the Closing Date (as defined in Paragraph 7 below) by Cashier’s or Certified Check .....	_____	\$

(The Reservation Deposit, Earnest Money Deposit and the Additional Earnest Money Deposit are together referred to herein as the “Earnest Money”.)

2. **PLANS:** Seller shall improve or has improved the Lot with the Residence as described on the plans and specifications (hereinafter the “Plans”) known as Plan No. DP-\_\_\_-\_\_\_, with \_\_\_\_\_ Basement, with the latest revision date of March 17, 2006, prepared by Balsamo Olson & Lewis, Ltd. (the “Architect”), and the “Description of Materials”, a copy of which is attached hereto as Exhibit “A” and by this reference made a part hereof. Seller shall cause the Residence to be

completed in substantial compliance with the Plans. In the event there is any dispute between Purchaser and Seller regarding any aspect of the construction of the Residence, including substantial completion and/or compliance with the Plans, then the decision of the Architect on any such aspect of construction shall be conclusive and binding on the parties. Purchaser hereby acknowledges that Purchaser has examined the Plans at the office of Seller and is satisfied with said Plans. Purchaser hereby acknowledges that, notwithstanding anything to the contrary contained herein, the exterior features of the Plans (including, but not limited to, materials, colors, massing, garage orientation, and whether the Plan is built 'standard' or 'reversed') shall, in all cases, be subject to the review and approval of the Plan Commission, the Village Board, or the Village Building Department of the Village of Deer Park (the "Village") consistent with the approvals granted by the Village for Deer Park Estates, and Purchaser hereby acknowledges and agrees that the Plans may be modified by Seller in accordance with such review and approvals after the execution of this Agreement.

3. DATE OF COMPLETION: Seller agrees that the Residence will be substantially completed, in a livable condition and ready for occupancy on or before \_\_\_\_\_ or within a reasonable time thereafter (the "Date of Completion"), provided Purchaser has: (i) completed all color correlations; (ii) finalized all change orders; (iii) completed all flooring selections; and (iv) finalized all contractual obligations relating to said flooring selections and change orders by the applicable dates set forth in the "Welcome Letter", a copy of which is attached hereto as Exhibit "B" and by this reference made a part hereof. The Residence will be substantially complete and ready for occupancy on the Date of Completion, unless construction shall be delayed or prevented by Purchaser's failure to make and finalize the above selections by the applicable dates set forth in the Welcome Letter, failure of the Village to approve the Plans or changes made by Purchaser thereto in a timely fashion, unseasonable weather conditions, acts of God, fire, strikes, lockouts, boycotts, war, national emergency, riots, governmental regulation or restriction, material or labor shortages, damage by the elements, delays in the commencement or completion of public improvements through no fault of Seller (including but not limited to, roads, streets, site work and on-site or off-site utilities) or any other cause or casualty beyond the exclusive control of Seller. In the event of any such delay, Seller shall be allowed such additional time as may be caused by such delay to complete the Residence and the Date of Completion shall be extended accordingly. The issuance of a temporary or permanent/final certificate of occupancy for the Residence by the Village shall be conclusive evidence that the Residence has been substantially completed in accordance with the terms of this Paragraph 3.

4. MATERIAL SELECTION: Except as set forth below, construction work on the interior of the Residence will not begin until all information required for the color correlations and other Changes (defined below), cabinet layout and selection, complete material and flooring selections, including contractual obligations, have been completed and executed by Purchaser. Any Change Orders (defined below) associated with these selections must be completed by Purchaser and executed by both Seller and Purchaser at the same time. If Purchaser shall fail to make any of the selections on the dates set forth herein or in the Welcome Letter, the parties agree that each such failure by Purchaser shall cause Seller to be delayed in the completion and delivery of the Residence and will result in damage to Seller in an amount difficult to ascertain exactly. Therefore, if Purchaser fails to complete said selections by the dates set forth herein or in the Welcome Letter, then, at Seller's option: (i) Seller may make, on Purchaser's behalf, those selections which Purchaser failed to make, in accordance with the "Standard Correlations" (a copy of which is attached hereto as Exhibit "B-1" and by this reference made a part hereof); or (ii) Purchaser shall pay to Seller at Closing, as liquidated damages and not as a penalty, an amount equal to: (a) fifteen percent (15%) per annum of the then unpaid balance of the Purchase Price for the number of days it actually takes Purchaser to make all of said selections which are in excess of the number of days that Purchaser is permitted to take in order to make said selections as set forth in the Welcome Letter or herein; or, at Seller's option (b) fifteen percent (15%) per annum of the then unpaid balance of the Purchase Price for the number of days that the Date of Completion is delayed as a result of Purchaser's failure to make any of the selections on the dates set forth herein or in the Welcome Letter.

5. MATERIAL SUBSTITUTION: In the event of the inability of Seller to obtain certain materials required by the Description of Materials, or in the event that the Village, through its building permit process (or any other process) mandates same, Seller shall have the right to substitute other materials or brand names of similar or better quality, utility or color. Seller reserves the right to make any changes in construction (including changes to the Description of Materials and changes to the Plans, including, but not limited to, whether the Plans are standard or reversed) as may, in Seller's judgment, be required by

material shortages, field conditions, emergency situations, final approval requirements of the Village (or any other governmental or quasi-governmental entity with jurisdiction over the Subdivision) or other causes beyond Seller's exclusive control. All dimensions shown in the Plans are approximate and will be reasonably accurate within normal construction tolerances.

6. **CHANGE ORDERS:** Purchaser may be given permission to make changes in the Residence ("Change" or "Changes"), which changes may, to the extent required, be subject to approval by the Village. In such event, a Change Order ("Change Order") shall be prepared and the price agreed upon and signed by Purchaser and Seller. In the event Purchaser desires to change a previously selected item that appeared on a color correlation or prior Change Order, such as a paint color or electric outlet location, there shall be a \$50.00 charge for each change of this nature, but this charge shall be limited to one charge per trade affected on each change order; provided, however, that such change shall not be allowed if the work has already been performed on the Residence or materials have already been ordered. In the event Purchaser decides to omit any items (other than a specified item contained in the Description of Materials) listed on any prior Change Order, the credit given to Purchaser by Seller shall be the amount previously charged less ten percent (10%). Except for changes of a unique or highly custom nature, for which payment shall be made as mutually agreed by Seller and Purchaser, payment for Changes will be as follows: twenty percent (20%) upon signing of Change Order and the balance at Closing. If Closing does not occur for any reason and Seller is not then in default under this Agreement, then Seller shall have the right, at its option, to retain all sums paid by Purchaser for Changes, in accordance with the provisions of this Paragraph 6.

7. **CLOSING DATE:** Purchaser shall acquire and Seller shall sell and convey the Property (the "Closing") on the Date of Completion, or on the date, if any, to which such date is extended by reason of Paragraph 11 below (the "Closing Date"). The Closing shall take place, unless subsequently agreed otherwise, at the office of Chicago Title Insurance Company (the "Title Insurer") or at a location designated by Seller. Purchaser shall complete the closing documents and mortgage papers in preparation for the Closing as and when requested to do so by Seller and Purchaser's mortgage lender, if any. Seller's failure to complete the walks, driveways, open areas, decks, patios, landscaping and other exterior work prior to Closing shall not excuse Purchaser from meeting all obligations required of it hereunder and shall not delay Closing; it being agreed that Seller's obligations to complete the walks, driveways, open areas, decks, patios, landscaping and other exterior work shall survive the Closing.

8. **REAL ESTATE TAXES:** Real estate taxes shall be prorated as of the Closing Date based on the amount of the most recently ascertainable taxes applicable to the Residence, subject to the following provisions:

- a. In the event the most recently issued real estate tax bill(s) applicable to the Property do not cover only the Property (but rather cover the Property and other real estate in the Subdivision) for the year in which the Closing takes place, Seller will receive a proration credit at Closing for Purchaser's estimated prorata share of real estate taxes for the year in which the Closing takes place, computed by: (i) multiplying the aggregate sum of all of the tax bills applicable to the Subdivision by a fraction, the numerator of which is 1 and the denominator of which is the total number of residential lots in the Subdivision and then (ii) prorating said amount for the period commencing with the date of Closing and ending December 31st of the year in which the Closing takes place. The proration credit shall be redetermined (utilizing the above formula for determining the amount(s) attributable to the Property) when the actual bill(s) is/are received and thereupon any deficiency shall be paid to Seller within ten (10) days after notice to Purchaser of the amount due. Any excessive tax proration received by Seller will be promptly refunded to Purchaser. Seller covenants to pay the applicable tax bill(s) prior to the due date therefor;
- b. In the event that as of the date of Closing, one separate tax bill covering only the Property has not been issued, but Seller determines that there will be issued for the year in which the date of Closing occurs one separate real estate tax bill covering only the Property, then Purchaser will receive a proration credit at Closing for Seller's estimated prorata share of real estate taxes for the year in which the Closing takes place, computed by: (i) multiplying the aggregate sum of all of the tax bills applicable to the Subdivision by a fraction, the numerator of which is 1 and the denominator of which is 72 and then (ii) prorating said amount for the period commencing January 1 of the year of the Closing

and ending on the date of Closing. Accordingly, Purchaser shall be responsible for all tax bills relating to the Property for each year for which Purchaser received a proration credit at Closing and for all subsequent years. Upon issuance of the actual final installment tax bill, the proration credit shall be redetermined and any deficiency shall be promptly paid to Purchaser, upon presentation to Seller of a copy of the final installment tax bill and proof of payment of such tax bill by Purchaser.

- c. In the event that as of the date of Closing one or more separate tax bills covering only the Property has been issued, then real estate taxes shall be adjusted ratably based upon such bill. Accordingly, Purchaser shall be responsible for all tax bills relating to the Property for each year for which Purchaser received a proration credit at Closing and for all subsequent years.
- d. Notwithstanding anything to the contrary, all prorations of real estate taxes under this Agreement shall be calculated so that Purchaser will be responsible for taxes computed on both the Lot and any improvements thereon, whether or not assessed as fully completed, and Seller shall be responsible for the portion of the tax bill attributable to the unimproved Lot.
- e. The terms and provisions of this Paragraph 8 shall not merge with the Deed and shall survive Closing.

9. HOMEOWNERS ASSOCIATION: At Closing, Purchaser shall pay (a) an amount equal to two (2) times the first full monthly assessment due with respect to the Property to the Deer Park Estates Homeowners Association (the "Association"), which Association is to be established pursuant to the Declaration of Party Wall Rights, Covenants, Conditions, Restrictions and Easements for the Deer Park Estates Subdivision (the "Declaration"), said amount being for the start-up costs and working capital fund of the Association, and (b) Purchaser's prorata share of the assessments attributable to the Property and due to the Association for the respective assessment period during which the Closing occurs.

10. DECLARATIONS: Purchaser by acceptance of the deed to the Property shall become a member of the Association, a not-for-profit corporation. The Association has been or will be created by the Declarant under the Declaration (the "Declarant"). The Declaration has been, or will, prior to Closing, be, recorded in the Office of the Recorder of Deeds of Lake County, Illinois. Purchaser agrees that upon tender of possession of the Property, Purchaser will personally assume the obligations appurtenant to Purchaser's home ownership under the Declaration and also those obligations appurtenant to Purchaser's membership in the Association. Seller has delivered or will deliver to Purchaser a copy of the Declaration and the preliminary estimated budget for the Association. Purchaser acknowledges that compliance with the terms of the Declaration and the by-laws of the Association (the "By-Laws") will be mandatory and not voluntary. Both the Declaration and the By-Laws are, by their express terms, subject to being amended by the Declarant, at any time and from time to time, provided that such amendment does not materially decrease the value of the Residence. Notwithstanding the foregoing, if the Declaration has not been recorded as of the date hereof, then Purchaser's obligations thereunder are subject to modification to conform with Village (or any other governmental or quasi-governmental entity with jurisdiction over the Subdivision) requirements. Purchaser's execution hereof shall be deemed Purchaser's acceptance of all of the terms and provisions of the Declaration and the By-Laws as amended from time to time and Purchaser's agreement to be bound by all of the terms and provisions thereof.

11. TITLE COMMITMENT: Seller shall deliver or cause to be delivered to Purchaser or Purchaser's agent at least five (5) days prior to the date set forth in Paragraph 7 above as the Closing Date, at Seller's cost and expense, a title commitment for an Owners' ALTA title insurance policy with extended coverage over general exceptions 1 through 5 of Schedule B of said policy, issued by the Title Insurer in the amount of the Purchase Price, covering title to the Property on or after the date hereof, showing title in Seller subject only to (collectively, the "Permitted Exceptions") (a) the title exceptions set forth in Paragraph 12 below and (b) title exceptions pertaining to liens or encumbrances of a definite or ascertainable amount which may be removed by the payment of money at the Closing and which Seller may so remove at that time by using the funds to be paid upon delivery of the deed or by obtaining an endorsement insuring Purchaser against the same. The aforesaid title commitment shall be

conclusive evidence of good title as therein shown as to all matters insured by the policy, subject only to the exceptions as therein stated.

If the title commitment discloses exceptions other than the Permitted Exceptions, Seller shall have thirty (30) days from the date of delivery thereof to have the exceptions removed from the commitment or to have the Title Insurer commit to insure against loss or damage that may be occasioned by such unpermitted exceptions, and, in such event, the time of Closing shall be thirty-five (35) days after delivery of said title commitment. If Seller fails to have the unpermitted exceptions removed, or in the alternative, to obtain the commitment for title insurance specified above as to such unpermitted exceptions within the specified time, Purchaser may terminate this Agreement or may elect, upon notice to Seller within ten (10) days after the expiration of the thirty (60) day period, to take such title as Seller is able to deliver. If Purchaser fails to give any notice within said ten (10) day period or elects to terminate, this Agreement shall become null and void without further action of the parties, all Earnest Money shall be returned to Purchaser and thereupon, neither party shall have any further rights or obligations under this Agreement.

Seller shall pay the amount of any stamp tax imposed by the state law and county law. Transfer tax imposed by local ordinance, if any, shall be paid by the party so designated by said local ordinance. Both parties agree to execute any declarations or any forms required by said transfer taxes. Seller shall pay the title charges customarily charged to a seller by the Title Insurer and Purchaser shall pay any such charges customarily charged to a purchaser, including but not limited to, recording Purchaser's deed and any mortgage and the charge for continuation of title search to cover recordation, as well as any charges attributable to any mortgage of Purchaser.

12. CONVEYANCE OF TITLE: At Closing, Seller shall convey, or cause to be conveyed, to Purchaser title to the Property by Special Warranty Deed subject only to: (1) general and special real estate taxes and assessments not due and payable at the time of Closing; (2) the Declaration, including all amendments and exhibits thereto; (3) easements, building and building line restrictions of record and all applicable development, building, zoning laws, ordinances and agreements (including, without limitation, any and all ordinances, resolutions, agreements, etc. passed by the Village in connection with Seller's development of the Subdivision as residential townhome and single family home community); (4) rights, agreements, covenants, conditions and restrictions of record; (5) the Plat of Subdivision for the Subdivision, together with all easements, covenants, conditions and restrictions shown on said Plat; (6) acts done or suffered by or judgments against Purchaser or anyone claiming by, through or under Purchaser; (7) Purchaser's mortgage, if any, and related documents; (8) leases or licenses affecting the Common Area (as defined in the Declaration); (9) liens and other matters of title over which the Title Insurer is willing to insure without cost to Purchaser; (10) the Permitted Exceptions; (11) terms of Sewer Services Ordinance No. 00-41 recorded February 21, 2001 as document No. 4647617; (12) terms of intergovernmental agreement, as amended, between Village of Palatine and Village of Deer Park relative to water supply for certain property within the Village of Deer Park recorded October 18, 1999 as document No. 4435743; (13) terms of Ordinance No. 95-15 establishing Special Service Area Number One, recorded as document No. 4235977; (14) terms of Restrictive Covenant affecting Lot 76 in the Subdivision; (15) terms of Easement Grant affecting a portion of Lot 74 in the Subdivision, recorded August 20, 1999 as document No. 4407292; (16) terms of easement for sanitary sewer, water main and landscaping granted by the Plat of Dedication recorded as document No. 4893717, affecting a portion of Lot 74 in the Subdivision. If Purchaser is husband and wife, title to the Property shall be conveyed to said persons as tenants by the entirety and neither as joint tenants with right of survivorship nor as tenants in common, unless Purchaser shall otherwise direct Seller in writing within thirty (30) days after Seller's acceptance hereof. If Purchaser intends to hold title to the Property in an Illinois Land Trust, or other title holding entity, then Purchaser shall so notify Seller in writing within thirty (30) days after Seller's acceptance hereof.

13. SURVEY: Not later than the date upon which Seller delivers to Purchaser the title commitment described in Paragraph 11 above, Seller shall furnish Purchaser with a survey of the Property prepared by a licensed registered Illinois Land Surveyor.

14. ASSIGNMENT: Purchaser shall not assign or transfer this Agreement or any of the Purchaser's rights or interests hereunder, without the prior written consent of Seller.

15. AGENCY: Each party designated as "Purchaser" on the front of this Agreement does hereby irrevocably authorize the other for, and in his/her name, or as his/her agent, in dealing with Seller to do, execute and/or perform any act, deed, matter or thing whatsoever with reference hereto, with reference to the Property, or with reference to construction of the Residence or any aspect thereof, and does hereby ratify and confirm all that such agent may do by virtue hereby.

16. REAL ESTATE BROKER: [STRIKE ONE OF THE FOLLOWING]

A. Purchaser represents and warrants to Seller that it has had no dealings with respect to this transaction with any broker or real estate dealer and that the sale was negotiated and made directly between the parties hereto. The terms and provisions of this Paragraph 16 shall not merge with the Deed and shall survive Closing.

B. Purchaser is represented in this transaction by \_\_\_\_\_, \_\_\_\_\_ ("Purchaser's Broker"). Purchaser represents and warrants to Seller that except for Purchaser's Broker, it has had no dealings with respect to this transaction with any other broker or real estate dealer. Seller shall be responsible for the payment to Purchaser's Broker of a commission in such amounts and within such time frames that are in accordance with Seller's standard brokerage policy for the Subdivision.

17. SELLER'S RIGHT TO MAINTAIN SALES AND OTHER OPERATIONS: During construction and prior to Closing, Seller shall have sole control and exclusive possession of the Property. For the purpose of completing the sales promotion of the Subdivision, Seller and its agents and employees are hereby granted full right and authority to maintain within the Subdivision, until the Closing of the sale of the last residence within the Subdivision, advertising signs, models, parking facilities, banners and lighting in connection with said sales promotion, together with the right of ingress to and egress from and within the Subdivision. If Purchaser shall enter the Property prior to Closing, it is understood that Purchaser does so at his own risk and without Seller's consent and Purchaser hereby releases Seller and agrees to hold Seller and its members, managers, employees, agents, servants and partners harmless from any and all claims for injury or damage to Purchaser's person or property and to the person or property of any agent or employee of Purchaser or to the person or property of any person(s) accompanying Purchaser, as a result of any such entry onto the Property prior to Closing. Any delay in completion which arises due to such entry of Purchaser, with or without Seller's consent, shall not be the responsibility of Seller. The terms and provisions of this Paragraph 17 shall not merge with the Deed and shall survive Closing.

18. DEFAULTS AND TERMINATION: If Purchaser shall fail to make any payment herein required (except for: (a) the payment of the balance of the Purchase Price which must be paid at Closing; and (b) the payment of the Initial Earnest Money Deposit, the timing of both of which shall not have any grace period) within ten (10) days after such payment is due, or should fail to make selections within the time periods required herein or in the Welcome Letter, or should fail to give any notice required herein, or should fail or refuse to perform any other obligation of Purchaser under the terms of this Agreement, or should fail to close on the date established by this Agreement as the Closing Date, then, at the option of Seller, this Agreement shall be terminated and Seller may, as its sole and exclusive remedy at law or in equity, retain all monies paid or deposited with Seller or the escrowee hereunder (including the Earnest Money and all payments made to date for extras or Change Orders) as liquidated damages, and not as a penalty or forfeiture, and thereupon this Agreement shall be of no further force and effect and neither party shall have any further rights or obligations hereunder. Notwithstanding the foregoing, if Seller shall fail to receive the Initial Earnest Money Deposit in the full amount by the date and time indicated in Paragraph 1(b) above, then, at Seller's option, in its sole discretion, this Agreement shall be terminated, Seller shall retain the Reservation Deposit, and thereupon this Agreement shall become null and void and no further force or effect, and neither party shall have any further rights or obligations hereunder. Furthermore, in the event Purchaser fails to close on the date established by this Agreement as the Closing Date and Seller elects not to terminate this Agreement, then and in addition to the other amounts which are to be paid by Purchaser at Closing, Purchaser shall pay to Seller interest at the rate of fifteen percent (15%) per annum on the sum of the unpaid balance of the Purchase Price plus the amounts due Seller under Paragraphs 4 and 6 of this Agreement (such as, for Change Orders, delays in selection of materials) from the date established by this Agreement as the Closing Date until payment of the balance of the Purchase Price and said other amounts is made to Seller.

If Seller fails to perform any of Seller's obligations under this Agreement and such failure continues for ten (10) days after Purchaser delivers to Seller written notice of such failure, Purchaser's only remedy shall be to terminate this Agreement by written notice delivered to Seller. Upon such termination resulting from Seller's failure to perform any of its obligations under this Agreement, all payments made by Purchaser to Seller under this Agreement shall be returned to Purchaser and thereupon this Agreement shall be null and void, and of no further force and effect, and neither party shall have any further rights or obligations hereunder.

19. PURCHASER'S LABOR AND MATERIAL: Purchaser agrees that Purchaser shall not cause any labor or material to be delivered to, or incorporated into, the Property prior to Closing.

20. R.E.S.P.A.: Purchaser and Seller hereby agree to make all disclosures and do all things necessary to comply with the applicable provisions of the Real Estate Settlement Procedures Act of 1974. In the event that either party shall fail to make appropriate disclosure when asked, such failure shall be considered a breach on the part of said party.

21. SELLER'S OPTION TO REPURCHASE: In the event of any lawsuit by or on behalf of Purchaser, against Seller or its agents, servants or partners, for any claim or cause of action arising directly or indirectly from this Agreement, the Plans, or any other documents and/or instruments referred to in this Agreement, or in any way related to the Property, which lawsuit is instituted within two (2) years after the Closing Date, then at the option of Seller, within a period of one (1) year from the date of the institution of said lawsuit, and upon not less than sixty (60) days prior written notice thereof (setting forth a "closing/tender date") given to Purchaser, Seller may tender back to Purchaser the Purchase Price plus five percent (5%) per annum of the Purchase Price computed from the Closing Date to the date of said tender, as liquidated damages, for any and all damages of any kind or nature whatsoever incurred or claimed by Purchaser, and in exchange for which Purchaser shall tender a Quit Claim Deed conveying fee simple title to the Unit Ownership to Seller, good and merchantable title evidenced by a title commitment for an 1992 Owners' ALTA Form B title insurance policy issued by the Title Insurer, and possession of the Property in full compliance with the terms of this Agreement and thereupon, the transaction contemplated herein shall be deemed rescinded. The Property tendered hereunder shall be in the same condition as it was on the Closing Date, normal wear and tear excepted and shall contain all fixtures, alterations and additions constructed and installed by Purchaser in the Purchased Unit. The terms and provisions of this Paragraph 21 shall not merge with the Deed and shall survive Closing.

22. NOTICES: All notices, demands or communications required or desired to be given pursuant to the terms of this Agreement shall be in writing and served (a) personally, effective as of the date of receipt (or refusal of receipt); (b) by recognized courier service, effective as of the date of receipt (or refusal of receipt); (c) by certified or registered mail, postage prepaid, return receipt requested, effective as of the date of receipt (or refusal of receipt); or (d) by facsimile transmission, effective as of the date of the facsimile transmission. For purposes of notice by facsimile as aforesaid, Purchaser's notice to Seller's attorney and Seller's notice to Purchaser's attorney shall be deemed sufficient service for all purposes under this Agreement.

23. POSSESSION AND ENTRY: Purchaser shall be entitled to occupancy and possession of the Property from and after the Closing upon the payment in full by Purchaser to Seller of the Purchase Price and other payments as provided hereinabove.

24. MISCELLANEOUS:

- a. This Agreement, together with all Exhibits, Riders and other attachments, constitutes the entire understanding between the parties. No representations, warranties, undertakings or promises, whether written or oral, expressed or implied, have been made by either Seller or Purchaser, or their respective agents, unless expressly stated herein or unless mutually agreed upon in writing by both of the parties.
- b. This Agreement shall not be binding unless signed by both parties.
- c. All amendments, supplements, or riders hereto, if any, shall be in writing and executed by both parties.

- d. The terms and provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, executors, successors and permitted assigns.
- e. The headings and captions contained herein are inserted for convenient reference only and shall not be deemed to construe or limit the paragraphs to which they apply.
- f. Riders or supplements attached hereto are by this reference incorporated herein and made a part hereof.
- g. Purchaser shall not record this Agreement nor any memorandum of this Agreement, any such recording shall constitute a material default of Purchaser hereunder.
- h. The invalidity, illegality, or unenforceability of any agreement, condition, reservation, or other provision of this Agreement, in its entirety or as applied to particular circumstances, shall not impair or affect in any manner the validity, legality, enforceability or effect of the remainder of this Agreement or its application in other circumstances.
- i. This Agreement shall be construed under the laws of the State of Illinois.
- j. Time is of the essence in this Agreement.
- k. Any obligation of Purchaser set forth in the Declaration (which may or may not be referenced herein) shall be subject to modification as required during the final approval process for the Subdivision.

25. PURCHASER'S STATUS: Purchaser represents and warrants to Seller that there is nothing in Purchaser's status which could or might preclude or prevent Purchaser from consummating this transaction as herein set forth.

26. WATER AND SANITARY SEWER SERVICE: Purchaser acknowledges that water and sanitary service will be provided to the Subdivision (and the Property) by public entities other than the Village through various intergovernmental agreements and that Purchaser will incur charges related to: (a) such services being provided; and (b) the maintenance of the infrastructure used to provide such services. Such service and/or charges are documented in the documents listed in Paragraph 12(12), 12(13) and 12(14) above and such charges are separate and aside from any charges that may be set forth as line items on the county property tax bills applicable to the Property.

27. WARRANTY: At Closing, Seller will deliver to Purchaser the Residential Warranty Corporation Warranty, a copy of which is attached hereto as Exhibit "D" and by this reference made a part hereof, plus applicable standards and an appropriate certificate of insurance will be supplied as soon as possible thereafter (collectively, the "Warranty Agreement").

THE FOREGOING EXPRESS WARRANTY (I.E., THE WARRANTIES CONTAINED IN THE WARRANTY AGREEMENT) IS THE ONLY WARRANTY MADE BY SELLER, RED SEAL DEVELOPMENT CORP. ("BUILDER"), OR ANY OTHER PARTY IN CONNECTION WITH THE CONSTRUCTION AND SALE OF THE RESIDENCE. NEITHER SELLER, BUILDER, NOR ANY OTHER PARTY MAKES ANY WARRANTY WHICH IS NOT SET OUT ON THE FACE OF THIS AGREEMENT AND SELLER, BUILDER, AND PURCHASER ACKNOWLEDGE, UNDERSTAND AND AGREE THAT ANY AND ALL IMPLIED WARRANTIES AS TO THE QUALITY OR CONDITION OF THE RESIDENCE ARE HEREBY DISCLAIMED AND WAIVED, INCLUDING ANY IMPLIED WARRANTY THAT THE RESIDENCE WILL BE REASONABLY SUITED FOR ITS INTENDED USE, FREE OF LATENT DEFECTS, ALL AS MORE SPECIFICALLY SET FORTH ON THE RIDER (TITLED "WAIVER AND DISCLAIMER OF IMPLIED WARRANTY OF HABITABILITY") ATTACHED HERETO AS EXHIBIT "C" AND MADE A PART HEREOF.

\_\_\_\_\_  
Purchaser's Initials

\_\_\_\_\_  
Purchaser's Initials

The appliances, air-conditioning system, heating system (and any other separately warranted components) are warranted by their manufacturers in accordance with their individual written warranties. Seller makes no express warranties as to these components and disclaims any implied warranties with respect thereto.

In the event that at the time of Closing, Seller is unable for any reason to deliver the Warranty Agreement or Seller decides, in Seller's sole discretion, to provide a comparable or better warranty from a comparable or better company, as reasonably determined by Seller, Seller shall have the right to so deliver such comparable or better warranty and such substituted warranty shall be deemed the "Warranty Agreement" as such term is used in this Agreement and in the attached Riders.

28. **ATTORNEY APPROVAL:** This Agreement is subject to the review and approval by Seller's attorney and Purchaser's attorney (the "Attorney Approval Contingency"), which Attorney Approval Contingency shall expire at 3:00 p.m. on the date set forth in Paragraph 1.b. above. If written notice of disapproval is not received by either party by the expiration of the Attorney Approval Contingency, then this contingency shall be deemed waived and this Agreement shall remain in full force and effect in accordance with the terms set forth herein. If, by the expiration of the Attorney Approval Contingency, Seller's attorney and Purchaser's attorney are unable to agree on mutually acceptable modifications to this Agreement, then prior to the expiration of the Attorney Approval Contingency, Purchaser (or Purchaser's attorney) shall notify Seller, in writing, which of following two (2) options Purchaser chooses: (i) to terminate this Agreement, whereby Seller shall retain the Reservation Deposit, and thereupon this Agreement shall become null and void and of no further force or effect, and neither party shall have any further rights or obligations hereunder; or (ii) to *not terminate* this Agreement, whereby this Agreement shall remain in full force and effect in accordance with the terms set forth herein. Purchaser's deposit of the Initial Money Deposit shall be deemed to be Purchaser's election of the second option listed above.

IN WITNESS WHEREOF, the parties have executed this **Deer Park Estates Townhome Sale and Construction Agreement** on this \_\_\_\_ day of \_\_\_\_\_, 2006.

**PURCHASER:**

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**SELLER:**

**RSD DEER PARK, LLC**, an Illinois limited liability company

By: **Red Seal Development Corp.**, an Illinois corporation and its sole manager

By: \_\_\_\_\_  
Todd Fishbein, President & CEO

**LIST OF EXHIBITS AND RIDERS ATTACHED HERETO AND MADE A PART HEREOF:**

- 1) Exhibit A – "Description of Materials"
- 2) Exhibit B – "Welcome Letter"
- 3) Exhibit B-1 – Standard Correlation Summary
- 4) Exhibit C – "Waiver and Disclaimer of Implied Warranty of Habitability"
- 5) Exhibit D – Sample RWC Warranty Agreement

**DEER PARK ESTATES  
TOWNHOMES  
DESCRIPTION OF MATERIALS**

1. EXCAVATING AND ROUGH GRADING

Excavation for all footings shall extend to suitable undisturbed ground at least six inches (6") below local frost line. All buildings will be properly backfilled.

2. CONCRETE WORK, FOOTINGS, FOUNDATION WALLS, FLAT CONCRETE

Footings, foundation walls and piers shall be 3000 PSI concrete mix. Exterior basement foundation walls that are higher than the slab shall receive one (1) coat of asphalt tar dampproofing. Basement slab shall be 3000 PSI concrete mix, 4" thick, over 6 mil vapor barrier. Garage slab shall be 3000 PSI concrete mix, 4" thick, with 6 x 6 #10 wire mesh over vapor barrier. Front entry walk shall be 3000 PSI concrete mix, 4" thick and 30" wide. Driveway shall be bituminous asphalt. The depth of the basement in those Residences that are constructed with a "walkout" or "lookout" basement, per Plan, shall be *approximately* nine feet. The depth of the basement in those Residences that are constructed with a "standard", per Plan, shall be *approximately* eight feet.

DUE TO TEMPERATURE CHANGES, SALT, SETTLEMENT OF GROUND, FROST, MATERIAL SHRINKAGES, EXPANSION OR CONTRACTION OF MATERIALS, AND OTHER CAUSES BEYOND SELLER'S CONTROL, CRACKS, CHECKS, SPALLING, COLOR VARIATIONS AND CHIPPING ARE VERY LIKELY TO APPEAR WHICH WILL IN NO WAY AFFECT THE STRUCTURAL STABILITY OF THE CONCRETE OR THE BUILDING. **SELLER DOES NOT GUARANTEE AGAINST THESE OCCURRENCES, AND ALERTS PURCHASER THAT THESE OCCURRENCES ARE VERY LIKELY TO APPEAR.**

3. STRUCTURAL STEEL

Steel lally columns and girders per plan; window areaways with cover per plan. NOTE: WINDOW AREAWAY COVERS ARE LIKELY TO RUST AND PURCHASER HEREBY ACKNOWLEDGES THAT SUCH RUST IS VERY LIKELY TO APPEAR AND DOES NOT REFLECT A PRODUCT NOR INSTALLATION DEFECT OF ANY KIND.

4. DRAIN TILE

Four inch (4") drain tile at exterior footings of all basements as shown on plans.

5. MASONRY

Masonry shall consist of Proline cultured stone, color to be Wisconsin Weather Edge as shown on plan. All masonry will be laid in masonry cement mortar and pointed in place. All face masonry shall be cleaned by mason contractor in accordance with manufacturer's recommendations. **NOTE: PURCHASER ACCEPTS THIS FACT AND ACKNOWLEDGES THAT WHILE MASONRY IS CLEANED, NOT ALL LOOSE MORTAR, AND/OR DIRT OR DUST IS REMOVED DURING THE CLEANING PROCESS.**

6. CARPENTRY

All joists shall be 16" o.c. or floor trusses, 24" o.c. as shown on plan. Roof trusses shall be 24" o.c. First floor sub-flooring shall be glued and nailed 3/4" plywood (tongue and grooved). Second floor sub-flooring shall be glued and nailed 3/4" oriented strand board ("OSB") (tongue and grooved). Roof sheathing shall be 1/2" OSB. Exterior decks shall be cedar per plan. Exterior siding to be Cedar Valley or equal, cedar shingle panels, 7" exposed with open key way, per plan.

7. ROOFING

Roofing shall be 30-year warranted Tamko Heritage Series, laminated asphalt shingle over 15 lb. asphalt saturated felt underlayment, color to be Slatetone Gray. Roof ventilation as required shall be ridge vents, or equal, as per plan. 3' ice and water shield at all eaves per plan.

8. DOORS, TRIM, WINDOWS AND PATIO DOORS

Front Entry Door: Steel 2-panel per plan.

Garage Service Doors: 6-panel metal-clad fire-rated prehung door with weatherstripping and combination threshold as shown on plan.

Interior Doors: Doors to be 1-3/8" solid core 6-panel door with pine jambs and casings. Doors and door trim to be painted semigloss Off White. All interior doors to be 6'8" by width dimensions as shown on plan. Casing and base to be colonial pine on display at Sales Center.

Closets shall receive pre-finished vinyl clad wire shelves/rod as shown on plan.

**INTERIOR DOORS IN YOUR HOME ARE INSTALLED 1-1/2" ABOVE THE SUBFLOOR TO ALLOW FOR NORMAL FINISHED FLOOR MATERIAL. IN THE EVENT THE INTERIOR DOORS HAVE NOT BEEN INSTALLED AT THE TIME OF FLOORING SELECTIONS, WE MAY BE ABLE TO ADJUST THE HEIGHTS OF THESE DOORS WITHOUT AN ADDITIONAL LABOR CHARGE. YOU SHOULD REQUEST FROM THE FLOORING CONTRACTOR THE TOTAL THICKNESS OF ALL FINISHED FLOORING YOU SELECT. THIS WILL SAVE BOTH TIME AND ADDITIONAL LABOR DURING THE CONSTRUCTION OF YOUR HOME.**

Windows to be vinyl double-glazed insulated glass per plan, with removable screen, style per plan. Sliding patio doors to be vinyl, with standard tempered insulated glazing with screen, as shown on plan. Swinging doors to the deck or balconette, per plan, to be wood clad with standard tempered insulated glazing.

9. KITCHEN AND VANITY CABINETS

Kitchen and vanity cabinets to be Merillat or comparable. Cabinets shall be either oak or maple, in a selection of standard styles and finishes on display at the Sales Center. Standard door styles include Spring Valley Oak Square, Spring Valley Oak Arch, Spring Valley Maple Square, and Spring Valley Maple Arch.

10. MEDICINE CABINETS AND MIRRORS

Medicine cabinets and mirrors in baths as shown on plan. Medicine cabinets to be Broan #629, or comparable, mirrored, recessed as per plan.

11. KITCHEN AND VANITY TOPS

Kitchen tops to be 2cm Granite with square edge and a 4"-high backsplash. **NOTE: PURCHASER ACKNOWLEDGES THAT GRANITE IS A NATURAL PRODUCT AND, AS A RESULT, THERE WILL BE VARIATIONS IN COLOR AND PATTERN BETWEEN THE GRANITE SAMPLES THAT ARE DISPLAYED IN OUR OFFICE AND THE ACTUAL GRANITE SLABS THAT ARE INSTALLED IN PURCHASER'S HOME.** Master and secondary vanity tops to be Glacier White Corian with undermount Kohler Caxton #K-2210, sinks in white.

12. FINISHED FLOORING, FIRE PLACE, AND BATH WALL TILE

All rooms except foyer, baths, kitchen, breakfast area, and utility room shall receive carpet. Kitchen, breakfast room, powder room and foyer shall receive 12" x 12" ceramic tile (or comparable) over solid ½" Durock cement boards underlayment set in mastic or thinset, with wood base as shown on plans or standard oak wood flooring, at Purchaser's option. Master Bath floors, Secondary Bath floors, and utility room floors shall receive standard ceramic flooring, 12" x 12", over ½" Durock, set in mastic or thin set, as shown on plan. Shower recess and tub walls (that receive tile) shall receive, over solid ½" Durock, bath grade, 6" x 6", ceramic tile set in mastic or thin set, at locations as shown on plan. All bathroom area floors shall receive wood base. Soaker tub to receive one course of 6" x 6" ceramic tile on adjacent walls. Selections of all "standard" finished flooring on display at the Sales Center and Seller's flooring contractor's show room. All flooring selections will be done directly between Purchaser and Seller's flooring contractor. Any upgrades will be handled on a Change Order between Purchaser and Seller.

Prefabricated fireplace, hearth and surround to be 12" x 12" ceramic tiles. Selections of all "standard" ceramic tiles on display at the Sales Center and Seller's flooring contractor's show room.

13. STAIRCASES

Main staircase shall be mill built with half walls and painted wood caps. Wall rails shall be stained oak, per plan. Stair treads and risers to be unfinished and covered with carpeting. Stringers and trim below wall cap shall be painted pine or comparable.

14. PLUMBING

Kitchen

Sink: Kohler Undertone #K-3350, undermount, 18 gauge stainless steel sink  
Faucet: Kohler Coralais #K-15160-BN with pullout, Brushed Nickel finish  
Garbage Disposal: Insinkerator, Badger V, ½ Horsepower

Powder Room

Pedestal: Kohler Wellworth #K-2293-8  
Toilet: Kohler Wellworth, elongated bowl, #K-3422  
Faucet: Kohler Coralais, 8" c.s. with lever handles, #K-15261-4-G

Secondary Bathroom

Sink: Corian Glacier White Top with Kohler Caxton #K-2210 Undermount White Bowl  
Sink Faucet: Kohler Coralais 4" c.s. with lever handle, K-15182-G  
Toilet: Kohler, Elongated Bowl, #K-3422  
Tub: Kohler #71041110-Sterling Vikrell tub  
Tub/Shower Faucet: Kohler Coralais with lever handle and Master Shower 3-way shower head, #K-T-15603-4S-G/K-304-KS

## Master Bathroom

Sink: Corian Glacier White Top with Kohler Caxton #K-2210 Undermount White Bowls

Sink Faucet: Kohler Coralais 8" c.s. with lever handle, #K-15261-4G

Toilet: Kohler, elongated bowl, #K-3422

Soaker Tub: National Fiberglass, with front skirt, size per plan

Tub Faucet: Kohler Coralais with lever handle, #K-T15290-4-G/K-300-KNA

Shower Base: National fiberglass shower base, size per plan

Shower Faucet: Kohler Coralais with lever handle and Master Shower 3-way shower head, #K-T15613-4G/K-304-KS-NA

White is the standard color for plumbing fixtures and shower bases. Brushed chrome is the standard finish for bath faucets. Kitchen faucet is brushed nickel.

Hot Water heater to be Rheem or comparable, 50 gallon glass-lined, quick recovery, as shown on plan. Water supply to be copper. Waste vent and drains to be cast iron and copper. Soil pipe to be cast iron below grade. One sillcock with vacuum breakers per plan. Sanitary and storm sump pumps per plan. Overhead sewers. **NOTE: LOCATION MAY VARY DUE TO FIELD CONDITIONS.**

Gas lines shall be furnished to furnace, water heater, range; stub only for gas dryer. All above gas lines to have separate shutoff valve.

Laundry rooms to receive in-wall hot and cold water supply with separate drain for washer. Gas piping stub for dryer. NOTE: 220 VOLT OUTLET FOR AN ELECTRIC DRYER IS NOT INCLUDED. IF DESIRED, A CHANGE ORDER FOR PURCHASE IS REQUIRED.

### 15. GUTTERS, DOWNSPOUTS AND SHEET METAL

Gutters and downspouts shall be prefinished aluminum. Sheet metal flashings as shown on plan. Soffit and fascia boards shall be prefinished aluminum, per plans.

### 16. DRYWALL

Sheetrock to be U.S. Gypsum S.W. or comparable. Sheetrock to be nailed, screwed and glued, taped with joint compound and perfatape. Basement ceiling and walls to receive no sheetrock. Garage walls which are in common with house walls and all garage ceilings to receive 5/8" fire code sheetrock. All garage walls and ceilings and basement stair walls are to be finished, taped and sanded. Walls around bathtub and shower to receive 1/2" Durock cement board. Second floor ceilings to receive 5/8" sheetrock. All other walls and ceilings to receive 1/2" sheetrock. All other openings not receiving jambs and/or casings shall be sheetrock returned with metal bead.

### 17. PAINTING AND STAIN FINISHES

Exterior: Front entry door shall be painted. Service door shall be painted with two coats of paint. All prefinished materials receive no painting.

Interior: All interior materials to be finished as follows: all masonite wood doors, casings and base to receive one coat prime (factory or site) and one finish coat of semigloss enamel paint. Garage walls and ceilings and drywall walls and ceilings in basement stair well to receive one coat off-white latex paint. Basement walls and ceiling shall not receive any paint. Wall-rails at staircase to second floor shall be stained from selections in the Sales Center. Basement stairs and railings shall receive one heavy coat of porch and deck enamel. Drywall, other than those excepted above, to receive one coat primer and one coat of flat latex paint. All ceilings to receive one flat coat off-white latex paint over prime. **Interior standard paint color to be off-white.**

18. HEATING AND AIR CONDITIONING

Forced air system (including humidifier), duct material galvanized iron, trunk lines provided with manual dampers; supply and return registers to be baseboard, floor, or wall located, as shown on plan. Furnace and air conditioning to be Carrier or comparable. All laundry rooms shall receive a vent to exterior of home for Purchaser's dryer. **CONNECTION AND FLEXIBLE TUBING NOT INCLUDED.**

Fireplace to be Majestic SR-36, or comparable prefabricated built-in with standard screen, double wall flue and grate included, per plan.

19. ELECTRICAL

All electrical wiring shall be in accordance with Village, or other applicable, code. Service shall be 220V, 200 AMP, underground to building. Lighting fixtures: All recessed lights and other built-in fixtures as shown on plan will be supplied and installed by Seller. Three (3) CAT5 phone jacks and three (3) cable jacks are included. In addition to lighting shown on the plans, there is a standard lighting fixture package. We also provide a two (2) hour consultation with a Lighting Designer to assist you with your electrical layout. Normal hanging of fixtures is included by Seller's electrical contractor. **(Normal means fully assembled, chain cut to length desired, standard thread and part sizes, pre-wired and U/L approved fixtures.)** For special hanging (i.e., ceiling fans or track lighting), an extra charge from electrical contractor will be made prior to hanging. If fixtures are not delivered on time, Seller will install a porcelain fixture. Fan/light combination units when shown on plans shall be Broan or comparable. Electrical wiring shall include a front door chime button and Broan chime or comparable. Standard finish to be white for all receptacles and switches. **NOTE: BULBS ARE NOT INCLUDED WITH HOMEOWNER SUPPLIED FIXTURES.**

20. SPRINKLER SYSTEM

Seller to provide fire protection system per Village of Deer Park code.

21. SHOWER ENCLOSURES AND BATHROOM ACCESSORIES

Seller to provide shower enclosure as shown on plan, frame to be brushed aluminum finish. Doors to be per plan, with tempered glass with clear or obscure glass in shower stall only. No tub enclosures.

Bathroom accessories in brushed chrome finish as shown on plan. All tubs/showers shall receive one (1) ceramic soap dish.

22. GARAGE DOORS

Each Residence shall receive two (2) 8' x 8' overhead wood garage doors. Each door shall have its own automatic garage door opener. Two (2) transmitters shall be provided.

23. APPLIANCES

Range - G.E. 30" gas, self-cleaning range #JGBP28SS  
Microwave/Hood - G.E. #EMO3000SS, vented  
Dishwasher - G.E. #GSD3960SS  
Garbage Disposal - Insinkerator ½ Horsepower  
Refrigerator - G.E. #GSC23LSSS, side-by-side w/dispenser, 23 cu. ft. (cabinet depth)

Standard appliance finish to be stainless steel. All appliances are subject to change with each new year's models or comparable product by other manufacturer.

24. HARDWARE

Front entry doors: Schlage F Series keylock, F51 Accent lever style with B160 deadbolt; finish to be satin nickel #619.

Interior doors: Schlage F Series passage sets F10 and privacy sets F40 on bath and bedroom doors, Accent lever style, finish to be satin nickel #619.

Garage service door: Schlage F Series keylock, F51 Accent lever style with B160 deadbolt, finish to be satin nickel #619.

25. INSULATION OF EXPOSED WALLS AND CEILINGS OF BUILDINGS

Exterior stud walls to receive 3-1/2" (R-13) or 5-1/2" (R-19) full thick fiberglass batts or comparable (batts rated R-13). Accessible attic ceilings to receive R-30 combination batt and blow fiberglass insulation. Garage walls and ceilings that are not common with habitable portions of home do not receive insulation.

26. LANDSCAPING

Seller will furnish and fine grade an average of 4" of top soil over the entire property. Sod trees, bushes and shrubs to be installed per landscape plan.

27. GENERAL NOTES REGARDING MATERIALS AND GENERAL SPECIFICATIONS

**WOOD DOORS ARE SUBJECT TO MOVEMENT BECAUSE OF THE NATURAL CHARACTERISTICS OF WOOD. SELLER'S RESPONSIBILITY FOR MOVEMENT OF WOOD DOORS SHALL BE GOVERNED BY THE STANDARDS OF THE DOOR MANUFACTURER.**

Every building is constantly on the move. On a hot, moist day, a building actually expands. On a cold, dry day, the same building will contract. The reason is that heat and moisture cause some construction materials to expand, while cold and dryness have a contracting effect. In like manner, a building swells during rain and shrinks during a dry spell. **SUCH MOVEMENT CHARACTERIZES ALL BUILDINGS AND IS NORMAL, AND, FURTHER, SHOULD BE EXPECTED.**

Will this movement have an effect on the sheetrock walls, ceilings, floor and the framing system of your home? Yes! It is possible that this movement can cause cracking and nail popping in the drywall surface because the drywall is directly attached to and supported by the wood frame of the building and wood is the material used in a home most subject to the conditions described above. The same condition exists in the floor system of your home. **THEREFORE, WE ARE UNABLE TO GUARANTEE THAT SETTLING, NAIL POPS, CRACKING OF WALLS AND CERAMIC TILE FLOOR WILL NOT APPEAR. IN THE EVENT THAT THESE CONDITIONS DO APPEAR, THEY WILL BE CORRECTED BY THE SELLER ONLY IF MANDATED BY THE TERMS OF THE RWC WARRANTY. FURTHER, ALL SUCH 'CORRECTION PAINTING', IF ANY, BY THE SELLER, WILL BE DONE USING STANDARD OFF-WHITE PAINT.**

All samples for selections are of actual material used in the building of your home. Because of the natural characteristics, production lots, and other circumstances beyond our control, there may be color shade, hue or texture differences between samples displayed and the material supplied or installed in your home.

Purchaser's signature on the Agreement shall constitute approval and acceptance of all work, if any, already completed as of this date. Acceptance of keys to the building by Purchaser shall constitute formal acceptance and approval of the completed building. Specifications and brand names herein shall be adhered to as closely as possible. However, substitutions may be made by Seller on its sole discretion. Such substitutions shall be of comparable quality or of like kind.

## EXHIBIT "B"

Dear Deer Park Estates Homeowner:

### **WELCOME TO DEER PARK ESTATES!**

In order to progress with the construction of your home, there are a few items of information with which we wish to acquaint you. Please read this letter carefully. By following the procedures outlined, you will assist us in successfully completing your home in the most efficient and timely manner. As you will see, your cooperation and timely follow-through are essential in the construction of your home.

1. **SELECTIONS** Now that your contract is signed, your first selection meeting will take place with Julie Whitley the week of \_\_\_\_\_ You will have two additional meetings to review and finalize all of the selections you need to make in your home, as set forth below. Selections include mechanical, finish flooring, appliances, cabinets, counter tops, plumbing, millwork, hardware, and electric wiring.

#### **MEETING PROCESS**

**Meeting #1: 3-hour meeting**, the week of \_\_\_\_\_

- a. Discuss and review all selections as stated above.
- b. Discuss and review interior structural / mechanical changes to your home.

**Outside Appointments:** After your first meeting and before your third meeting, you will need to meet with our flooring and appliance contractors to make selections.

**Meeting #2: 3-hour meeting**, the week of \_\_\_\_\_

- a. Sign interior structural / mechanical change orders.
- b. Review and finalize all interior selections.

**Meeting #3: 3-hour meeting**, the week of \_\_\_\_\_

Sign the change orders related to all of your selections (including appliances, flooring, plumbing, cabinets and final color correlation).

**Outside Appointments:** After our third meeting, you will need to meet with our electrical contractor (as set forth below) and our electrical fixture supplier (as set forth in Paragraph 5).

We are pleased to provide the services of our electrical contractor to assist you with your lighting design. Any electrical revisions (including the locations of telephone and television jacks) you wish to make to the standard plan must be completed with a signed change order by \_\_\_\_\_

**IT IS EXTREMELY IMPORTANT THAT YOUR SELECTIONS BE COMPLETED IN ACCORDANCE WITH THE DATES LISTED ABOVE.** Failure to provide us with this complete information by that time will result in a delay in the completion and delivery of your home, which in turn will result in costs being charged to you, pursuant to the terms of our contract. This is a situation that we do not want for either our valued customer, or ourselves. **IN THE EVENT THAT YOU HAVE NOT SIGNED CHANGE ORDERS RELATED TO ALL OF YOUR SELECTIONS BY THE DATES SET FORTH HEREIN, SELLER RESERVES THE RIGHT TO COMPLETE YOUR HOME IN ACCORDANCE WITH THE SELECTIONS LISTED ON EXHIBIT B-1, ATTACHED HERETO.**

2. **ASSISTANCE WITH SELECTIONS** To assist you in making selections and completing your color correlation, cabinet layout and selection, we have set up a selection room in the Red Seal Development Corporate Office (425 Huehl Road, Building 18, Northbrook, IL). The selection room in our Corporate Office is open Monday thru Friday from 8:00 AM to 4:00 PM. Please call (847) 272-5600 and set-up an appointment with Julie Whitley to begin the selection process.

3. CHANGE ORDERS The contract we have entered into to build your home allows for changes to be made. Our experience dictates that any changes you might wish to make in your new home must be finalized by the dates set forth above. ***This policy of not allowing changes after the time periods set forth above cannot be altered.*** In order for us to be able to build a home within the framework of a schedule, it is vitally important that the responsibility for making changes be promptly met.

**To insure the proper construction of your home, all items discussed verbally should not be construed as accomplished until they are put into an executed, written change order.** This must be adhered to and no exceptions can be made. Seller will not be bound by any verbal discussions until a written change order is signed and processed.

4. FLOORING The flooring selections for your home are to be selected at our flooring contractor's showroom. We recommend that you act promptly on any proposals which may be sent to you from our contractor so that there will be no errors or delays in completing your selections. In making selections for your home, we would like you to be aware of certain important facts related to the flooring in your home. Please be aware that tiles larger than 12" x 12" are more likely to crack and that this is no fault of the floor system. Please consider this fact when selecting the tile for your home. Neither the Builder nor the Seller can take responsibility for such conditions. If you want further information on this point, please feel free to call our office.

Although the upgrading or changing of standard flooring is selected directly with our flooring contractor, any additional charges for upgrades must be done through the change order process directly with Seller.

5. ELECTRICAL FIXTURES

The fixtures for your home should be selected AT LEAST TWELVE (12) WEEKS PRIOR TO THE DATE OF COMPLETION so that they are READY FOR HANGING IN YOUR HOME ON OR AROUND THIRTY (30) DAYS PRIOR TO THE DATE OF COMPLETION.

Prior to that time, you will receive a letter from our office for delivery date of your fixtures. If the fixtures are not available at this time, it will be necessary for our electrician to cap the openings at a cost to us, and you will be responsible for the installation of your fixtures after delivery of possession of your home. Hanging fixtures in the Dining Room and Breakfast Room will be installed at 5'6" to the bottom of the fixture above finish floor.

We invite you to set up an appointment and visit our fixture supplier to review the standard package and select all of the decorative fixtures for your home.

If you do not wish to use our supplier for the purchase of your fixtures, we will hang fixtures from any supplier provided they are delivered by 9:00 a.m. on the fixture hanging date. It is your responsibility to schedule delivery of the fixtures upon receipt of the fixture hanging letter.

The electrical openings installed in ceilings are rated to support fixtures of 35 pounds or less. If you have a fixture to be hung that weighs in excess of 35 pounds, then this should be discussed with the customer relations specialist so that this can be part of your electrical change order. Please note that reinforced openings are required for installations of ceiling fans. The Seller is not responsible for balancing of ceiling fans.

6. DOORS We would also like to call your attention to the fact that the interior doors of your home are installed 1½" above the subfloor to allow for normal finish floor material. In the event the interior doors have not been hung at the time of flooring selection, we may be able to adjust the heights of those doors without an additional labor charge, but if they are installed prior to flooring selection, then there will be an additional labor charge to change the height at which a door is hung.

In any event, if you are changing the material or specification (thickness) of your finished flooring, please notify us immediately. This will save time, aggravation, and perhaps some money.

7. VISITING YOUR HOME (DURING CONSTRUCTION) We have a policy of not allowing customers to visit the home which they have purchased, except when escorted by one of our sales staff. The reason for this policy is to protect you from the hazards of a construction site and because of the liability and security problems that arise when a home under construction is opened and visited by non-construction personnel, or for that matter, anyone without proper authority.

If you would like to visit your home during construction, arrangements can be made by calling a member of our Sales staff and we will make every effort to schedule an appointment at your convenience. Please note that you will not be permitted to visit your home until the construction of the home is complete and we are at the final stage of construction (i.e., we are 'finishing the home'.) Again, we are most concerned about protecting your safety and the safety of the home you have purchased. Please adhere to our policy by calling the Corporate Office if you desire to visit your home.

HOURS: APPOINTMENTS TO VISIT YOUR HOME  
MUST BE DURING NORMAL WEEKDAY  
WORKING HOURS, MONDAY THROUGH FRIDAY,  
7:00 A.M. TO 3:00 P.M. HOMES CANNOT BE OPENED  
ON SATURDAY OR SUNDAY OR EVENINGS.  
PLEASE CALL AT LEAST ONE DAY IN ADVANCE.

DRAFT

## EXHIBIT B-1

<b>MECHANICAL</b>
FURNACE TYPE: <b>CARRIER</b> OPTIONAL HIGH EFFICIENCY FURNACE: <b>No</b>
AIR CONDENSER TYPE/SIZE: <b>CARRIER</b>
FIREPLACE: <b>Yes</b>
AIR CLEANER: <b>No</b>
HUMIDIFIER: <b>Yes</b>
GAS LINE FOR BBQ: <b>No</b>
HOT WATER HEATER: <b>50 Gallon</b>
INSULATION TYPE: <b>Fiberglass</b>

<b>INTERIOR TRIM</b>
INTERIOR HARDWARE STYLE: <b>Schlage Accent Lever</b>
FINISH: <b>#619 Satin Nickel</b>
INT. HINGE FINISH: <b>Satin Nickel</b>
EXTERIOR HINGE FINISH: <b>Blend with Satin Nickel</b>
INTERIOR MILLWORK, DOOR STYLE: <b>6-Panel Solid Core, Smooth</b>
TRIM STYLE: <b>Colonial</b>
FINISH: <b>Painted, Semi-Gloss, Off-White</b>
STANDARD OAK WALL RAIL: <b>Yes</b> STAIN COLOR: <b>Natural</b>
STAIR OPTIONS:
DELETE ½ WALL, ADD BALUSTERS WITH HANDRAIL: <b>No</b>
BALUSTER & HANDRAIL STYLE: <b>No</b>
CUSTOM OAK STEPS: <b>No</b>
STAIR SYSTEM FINISH: <b>No</b>
STAIR SYSTEM CONTRACTOR: <b>N/A</b>

<b>LAUNDRY ROOM OPTIONS</b>	
CABINETSRY TYPE/FINISH: <b>None / N/A</b>	
CABINET HARDWARE: <b>None</b>	
COUNTER TOP TYPE/COLOR: <b>N/A</b>	
COUNTER TOP EDGE TREATMENT: <b>N/A</b>	
SINK/LAUNDRY TUB STYLE: <b>No</b>	COLOR: <b>N/A</b>
FAUCET STYLE: <b>N/A</b>	FINISH: <b>N/A</b>

<b>KITCHEN</b>	
KITCHEN CABINET BRAND & STYLE: <b>Merillat, Spring Valley Maple Square</b>	
KITCHEN CABINET FINISH:	<b>Toffee</b>
CABINET HARDWARE:	<b>None</b>
CABINET LAYOUT DATED:	<b>Per Plan</b>
COUNTER TOP MATERIAL/COLOR:	<b>Granite, 2cm Giallo Veneziano</b>
COUNTER TOP EDGE TREATMENT:	<b>Square</b>
COUNTER TOP BACKSPLASH SIZE:	<b>4"</b>
KITCHEN SINK STYLE:	<b>Kohler Undertone #K-3350 undermount</b> COLOR: <b>Stainless Steel</b>
KITCHEN FAUCET STYLE:	<b>Kohler Coralais #K-15160-BN</b>
KITCHEN FAUCET FINISH:	<b>Brushed Nickel</b>
<b>OPTIONS:</b>	
SOAP DISPENSER TYPE/COLOR:	<b>No</b>
NUMBER OF HOLES REQUIRED FOR FAUCET/ACCESSORIES: <b>One</b>	

<b>APPLIANCES</b>				
<b>APPLIANCE</b>	<b>MECH. REQ.</b>	<b>BRAND</b>	<b>MODEL #</b>	<b>COLOR</b>
RANGE	<b>Gas</b>	<b>GE</b>	<b>#JGBP28SS</b>	<b>STAINLESS STEEL</b>
MICRO/HOOD		<b>GE</b>	<b>#EMO3000SS</b>	<b>STAINLESS STEEL</b>
DISHWASHER		<b>GE</b>	<b>#GSD3960SS</b>	<b>STAINLESS STEEL</b>
REFRIGERATOR		<b>GE</b>	<b>#GSC23LSSS</b>	<b>STAINLESS STEEL</b>
DISPOSAL		<b>INSINKERATOR</b>	<b>BADGER V, 1/2 HP</b>	<b>N/A</b>

**MASTER BATH**

<b>ITEM</b>	<b>MANUFACTURER</b>	<b>MODEL</b>	<b>COLOR/FINISH</b>
SOAKER TUB	National, or comparable		White
<b>SOAKER TUB DIMENSION: Size per plan, with front skirt</b>			
TUB FAUCET	Kohler	Coralais #K-T15290-4-G/K-300-KNA	Brushed Chrome
SHOWER BASE	National, or comparable	Size per Plan, fiberglass or comparable	White
SHOWER FAUCET	Kohler	Coralais #K-T15611-4-G/K-304-4S-NA	Brushed Chrome
SHOWER GLASS	Clear		
SHOWER DOOR TRIM	Brushed Aluminum		
<b>SHOWER/TUB DRAIN FINISH: Polished Chrome</b>			
<b>TUB FAUCET LOCATION: Per manufacturer's recommendation</b>			
WATER CLOSET	Kohler	Wellworth #K-3422	White
TRIP LEVER FINISH	Kohler		Polished Chrome
VANITY FAUCETS	Kohler	Coralais #K-15261-4-G	Brushed Chrome
<b>FAUCET SPREAD: 8", Center-Set</b>			
<b>VANITY TOP TYPE/COLOR: Glacier White Corian</b>			
<b>VANITY TOP EDGE TREATMENT: Half Round</b>			
<b>VANITY BOWL TYPE/COLOR: Kohler Caxton #K-2210, undermount bowl in white</b>			
<b>CABINETS: MANUFACTURER: Merillat</b>			
<b>DOOR STYLE/FINISH: Spring Valley, Maple Square Toffee</b>			
<b>HARDWARE: None</b>			
<b>HEIGHT: 34 1/2" plus top, Kitchen height</b>			
<b>PLANS DATED: Per Plan</b>			
<b>MEDICINE CABINET TYPE/SIZE: Broan #629</b>			
<b>MIRROR DETAIL: Standard, width of vanity; height = from backsplash to 7' (app.) above finished floor</b>			

**BATHROOM #2**

<b>ITEM</b>	<b>MANUFACTURER</b>	<b>MODEL</b>	<b>COLOR/FINISH</b>
TUB	<b>Kohler</b>	<b>Performa #71041110</b>	<b>White</b>
TUB/SHOWER FAUCET	<b>Kohler</b>	<b>Coralais #K-T-15601-4S-G/K-304-KS</b>	<b>Brushed Chrome</b>
WATER CLOSET	<b>Kohler</b>	<b>Wellworth #K-3422</b>	<b>White</b>
TRIP LEVER FINISH	<b>Kohler</b>		<b>Polished Chrome</b>
VANITY FAUCET	<b>Kohler</b>	<b>Coralais #K-15182-G</b>	<b>Brushed Chrome</b>

**FAUCET SPREAD: 4" Center Set**

**VANITY TOP TYPE/COLOR: Glacier White Corian**

**VANITY BOWL TYPE/COLOR: Kohler Caxton, #K-2210, undermount bowl in white**

**VANITY TOP EDGE TREATMENT: Half round**

**CABINETRY:MANUFACTURER: Merillat**

**DOOR STYLE/FINISH: Spring Valley, Maple Square Toffee**

**HARDWARE: None**

**HEIGHT: 34 ½" plus top, (kitchen height)**

**PLANS DATED: Per Plan**

**MEDICINE CABINET TYPE: Broan #629**

**MIRROR DETAIL: Standard, width of vanity; height = from backsplash to 7' (app.) above finished floor**

<b>POWDER ROOM</b>			
<b>ITEM</b>	<b>MANUFACTURER</b>	<b>MODEL</b>	<b>COLOR/FINISH</b>
WATER CLOSET	<b>Kohler</b>	<b>Wellworth #K-3422</b>	<b>White</b>
TRIP LEVER	<b>Kohler</b>		<b>Polished Chrome</b>
PEDESTAL SINK	<b>Kohler</b>	<b>Wellworth #K-2293-8</b>	<b>White</b>
FAUCET	<b>Kohler</b>	<b>Coralais #K-15261-4G</b>	<b>Brushed Chrome</b>
<b>FAUCET SPREAD: 8" Center Set</b>			
<b>MIRROR TYPE: Oval with beveled edge</b>			

<b>FINISH FLOORING</b>		
<b>ROOM</b>	<b>PRODUCT TYPE/COLOR</b>	<b>GROUT COLOR</b>
FOYER	<b>12" x 12" ceramic tile, white</b>	<b>White</b>
KITCHEN/BREAKFAST	<b>12" x 12" ceramic tile, white</b>	<b>White</b>
POWDER ROOM	<b>12" x 12" ceramic tile, white</b>	<b>White</b>
LAUNDRY ROOM/ UTILITY ROOM	<b>12" x 12" ceramic tile, white</b>	<b>White</b>
MASTER BATHROOM WALLS	<b>6" x 6" ceramic tile, brite white, gloss</b>	<b>White</b>
MASTER BATHROOM FLOOR	<b>12" x 12" ceramic tile, brite white, matte</b>	<b>White</b>
BATHROOM #2 WALLS	<b>6" x 6" ceramic tile, brite white, gloss</b>	<b>White</b>
BATHROOM #2 FLOOR	<b>12" x 12" ceramic tile, brite white, matte</b>	<b>White</b>
REMAINING FLOOR AREAS (AS SHOWN ON PLAN)	<b><i>Cream Plush Carpet with standard Pad</i></b>	

\* COLOR AND TEXTURE OF ALL MATERIALS SUBJECT TO SLIGHT VARIATIONS FROM SAMPLES SHOWN.

\*\* ALL MATERIALS, COLORS, ETC. DESCRIBED HEREIN ARE EXPLICITLY SUBJECT TO CHANGE IN ACCORDANCE WITH THE TERMS OF THE AGREEMENT.

## EXHIBIT "C"

### WAIVER AND DISCLAIMER OF IMPLIED WARRANTY OF HABITABILITY

This WAIVER-DISCLAIMER is attached to and made a part of that certain Deer Park Estates Townhome Sale and Construction Agreement for the sale and purchase Lot \_\_\_\_\_ and the residence to be constructed thereon in the Deer Park Estates Subdivision, Lake County, Illinois. All of the terms defined in the Agreement and used herein shall have the same meanings as defined in the Agreement.

1. **IMPLIED WARRANTY OF HABITABILITY:** Illinois law provides that every agreement for the construction of a new home, as here, carries with it a warranty that when completed, the home will be free of latent defects and will be reasonably suited for its intended use as a home. The law further provides that this Implied Warranty does not have to be in writing to be a part of the agreement and it covers not only structural and mechanical defects such as may be found in the foundation, roof, masonry, heating, electrical and plumbing, but also any defect in workmanship which may not easily be seen or discovered upon an inspection or viewing of the property by the PURCHASER. Illinois law, however, also provides that a SELLER and PURCHASER may agree in writing, as here, that this Implied Warranty of Habitability is not included as a part of their particular agreement.

2. **WAIVER-DISCLAIMER:** SELLER AND RED SEAL DEVELOPMENT CORP. ("BUILDER") HEREBY AND FOREVER DISCLAIM, AND PURCHASER HEREBY KNOWINGLY, VOLUNTARILY, FULLY AND FOREVER WAIVES THE IMPLIED WARRANTY OF HABITABILITY DESCRIBED IN PARAGRAPH 1 ABOVE AND THEY ACKNOWLEDGE, UNDERSTAND AND AGREE THAT AS A RESULT OF SUCH DISCLAIMER AND WAIVER, THE IMPLIED WARRANTY OF HABITABILITY DESCRIBED IN PARAGRAPH 1 ABOVE IS NOT A PART OF THE AGREEMENT.

3. **EXPRESS WARRANTIES:** The Agreement does provide that PURCHASER will receive from SELLER the Residential Warranty Corporation of America Warranty, an express written warranty which is described in Paragraph 27 of the Agreement. PURCHASER accepts the express warranty granted therein as a substitute for the Implied Warranty of Habitability hereby waived by PURCHASER and disclaimed by SELLER and BUILDER.

4. **EFFECT AND CONSEQUENCES OF THIS WAIVER-DISCLAIMER:** PURCHASER acknowledges and understands that if a dispute arises with SELLER or BUILDER and the dispute results in a lawsuit, PURCHASER, as a result of the waiver and disclaimer contained herein, will not be able to rely on the Implied Warranty of Habitability described in Paragraph 1 above as a basis for suing SELLER or BUILDER or as the basis of a defense if SELLER or BUILDER sues PURCHASER. PURCHASER may, however, rely on the express written warranties referred to in Paragraph 3 above.

5. This Rider and the Agreement shall be deemed for all purposes to be one instrument. To the extent that any of the terms and conditions of this Rider are inconsistent with any of the terms and conditions of the Agreement, the terms and conditions of this Rider shall govern and control in all instances.

6. The Waiver and Disclaimer of Implied Warranty of Habitability contained herein shall survive the Closing of the Residence and shall be binding upon and inure to the benefit of SELLER, BUILDER, PURCHASER and their respective successors, assigns, subsequent purchasers, heirs, executors, administrators, and legal or personal representatives.

**WE, AS PURCHASER, HAVE READ AND DO UNDERSTAND THIS DOCUMENT AND WE HAVE HAD AN OPPORTUNITY TO SEEK PROFESSIONAL ADVICE CONCERNING ITS CONTENTS AND LEGAL IMPLICATIONS, AND AFTER SO DOING, KNOWINGLY EXECUTE THIS RIDER AS OUR FREE AND VOLUNTARY ACT.**

**PURCHASER:**

\_\_\_\_\_  
Printed Name:

\_\_\_\_\_  
Printed Name: