

**FOUNDATION HOME BUILDERS LLC
SINGLE FAMILY RESIDENCE PURCHASE AGREEMENT**

THIS PURCHASE AGREEMENT is made and entered into this ____ day of _____, 20____, between FOUNDATION HOME BUILDERS LLC (“Seller”) and

First –Middle – Last (“Buyer”) and

First –Middle – Last (“Buyer”)

For the consideration hereinafter set forth, Seller agrees to sell and Buyer agrees to buy the following described real property and the improvements constructed or to be constructed thereon (collectively “the Residence”), subject to the terms and conditions herein provided.

1. THE RESIDENCE. _____
Street Address

_____, North Carolina, _____
City Zip Code County

more particularly described as Lot _____ of _____
Subdivision Name Phase/Bldg

Plat Book _____, Page _____ of the _____ County Register of Deeds; being specifically Model _____, Elevation _____, View _____. Buyer acknowledges that Buyer has inspected the Residence and represents that the Residence _____ is _____ is not being purchased for use as Buyer’s personal residence.

2. PURCHASE PRICE. The purchase price for the Residence as of the date of execution of this Agreement is \$ _____, SUBJECT TO INCREASES PURSUANT TO SECTION 8(F). The Purchase Price shall be paid by Buyer as follows:

- A. The sum of \$ _____ shall be deposited with Law Firm Carolinas (“Escrow Agent”) with the execution of this Agreement, receipt of which shall be acknowledged below (the “Earnest Money”).
- B. The additional sum of \$ _____ shall be deposited with Law Firm Carolinas (“Escrow Agent”) within three (3) days after Buyer receives loan approval from Buyer’s lending agent, the receipt of which shall be acknowledged below (the “Additional Earnest Money” or, collectively with the sum set forth in Section A above, the “Earnest Money”).
- C. The sum of \$ _____ shall be paid to Foundation Home Builders LLC with the execution of this Agreement as a non-refundable payment, receipt of which shall be

Seller: _____
Initial Date

Buyer: _____
Initial Date

Initial Date

acknowledged below (the “Non-refundable Builder Payment”).

D. The sum of \$_____ shall be paid to Foundation Home Builders LLC with the execution of this Agreement as a non-refundable payment, receipt of which shall be acknowledged below (the “Non-refundable Builder Payment post Drywall”).

E. The remaining balance of the purchase price to be paid by certified check or wired funds at the closing, as hereinafter defined.

3. FINANCING. Buyer will finance the close of the purchase of the residence with one of the following (mark one):

Conventional Loan:_____

FHA Loan:_____

VA Loan:_____

USDA Loan:_____

CASH/No Loan:_____

Other Financing (type to be written in):_____

If Buyer requires financing to close on the purchase of the Residence:

A. Within five (5) business days of acceptance of this Agreement by Seller, Buyer shall provide to Seller a prequalification letter from a lender (“Lender”) reasonably acceptable to Seller, and shall complete, execute and deliver to Lender a mortgage loan application (“the Loan”).

B. Buyer shall provide or shall cause Buyer’s lender to provide Seller with a copy of the loan commitment letter with all conditions indicated, written confirmation of any additional contingencies as they occur, and a copy of the appraisal ordered by Buyer’s lender. Such documents shall be provided to Seller within one (1) day after they are provided to Buyer by Buyer’s lender.

C. Buyer agrees to use Buyer’s best efforts to obtain the Loan, including, if necessary, pursuing the Loan with a second or third lender.

D. Buyer agrees to advise Seller immediately of Lender’s approval or denial of Buyer’s loan application.

E. If Buyer, after exercising best efforts as described in Section 3(B&C) above, is unable to obtain the Loan within fifteen (15) days of the acceptance of this Agreement by

Seller: _____
Initial Date

Buyer: _____
Initial Date

Initial Date

Seller, Buyer shall have the right to terminate this Agreement, in which case the Earnest Money shall be refunded to Buyer. Non-refundable Builder Payment will be retained by the Seller.

F. Seller reserves the right to terminate this Agreement if:

- (1) Lender's commitment for the Loan is subject to contingencies unsatisfactory to Seller, or
- (2) Buyer fails to obtain a commitment for the Loan by the earlier of fifteen (15) days after the acceptance of this Agreement by the Seller or the anticipated completion date of construction of the Residence.

If Seller exercises this right, the Earnest Money shall be refunded to the Buyer. Non-refundable Builder Payment will be retained by the Seller.

G. In the event this Purchase Agreement is for a residence to be built, it is understood and agreed that the Seller will not commence construction of the residence until the Buyer has received preliminary mortgage loan approval and removed any other contingencies.

4. BUYER'S SALE OF CURRENT RESIDENCE. This contract is contingent on Buyer selling or leasing Buyer's current residence. (Yes/No) _____

5. SUBSTANTIAL COMPLETION / CLOSING COSTS / CLOSING DATE.

A. The parties agree to close the conveyance of the Residence from Seller to Buyer ("the Closing") within 14 days of notification by Seller to Buyer of the substantial completion of construction of the Residence. Issuance of the certificate of occupancy will indicate substantial completion. Subject to the foregoing, the parties estimate a substantial completion date of _____; **PROVIDED, HOWEVER, THAT SUCH DATE IS AN ESTIMATE ONLY AND NOT A COMMITMENT** and is subject to Section 3(G) above. VA loan programs may require up to an additional twenty-one (21) business days in order to perform required VA inspections and approvals.

B. The Closing shall not be delayed due to any construction items not fully completed as of the time of Buyer's home orientation review of the Residence with Seller. Any such items shall be completed by Seller after the Closing, and any attempt by Buyer to delay the Closing for such work shall be deemed a default under this Agreement.

C. If, for any reason, the Closing is delayed by or as a result of Buyer, and Seller decides to move forward with the Closing, for each day of such delay Buyer shall pay to Seller an amount equal to the per diem interest which would accrue on the purchase price

Seller: _____
Initial Date

Buyer: _____
Initial Date

Initial Date

applying an annual interest rate equal to the per annum prime lending rate.

- D. Possession of the Residence will be delivered to Buyer at the Closing. The Residence will not be occupied by Buyer prior to the Closing, nor will Buyer attempt to store personal property in the Residence prior to the Closing. Keys will be provided to the Buyer upon completion of recording and receipt of all closing funds by Law Firm Carolinas, or such other attorney as designated by Seller in its sole discretion.
- E. The closing date shall occur on or before 14 days from the issuance of the certificate of occupancy, subject to provisions in Sections 8(C) and 8(D).
- F. Buyer shall pay all charges relating to the Loan or Buyer's financing, except as set forth in this Agreement.
- G. _____ Seller agrees to pay Buyer's closing costs and/or customary pre-paid
Seller Initials
expenses as indicated below:
Buyer Initials
1) _____ Up to a maximum amount of \$_____ or
2) _____ Up to _____% of the final sales price toward closing costs and/or prepaids and tax stamps, or
3) _____ None.
- H. Seller's agreement to pay any portion of Buyer's closing costs or pre-paid expenses is expressly conditioned on Buyer's use of a lender designated and/or approved by Seller.
- I. Buyer agrees Seller's attorney shall be the settlement agent and closing attorney for this transaction. Buyer and Seller both expressly agree Law Firm Carolinas, or such other attorney as designated by Seller in its sole discretion, shall handle and oversee all aspects of the Closing, including but not limited to, title searching, procuring title insurance, handling and disbursing funds, recording documents, coordinating with lenders, and any other tasks customarily associated with a real estate closing. Buyer, at his or her sole option and expense, may choose to retain an attorney to review closing documents on his or her behalf, but said attorney shall not act as settlement agent or close the transaction. Buyer waives any right to select any other attorney as settlement agent, and acknowledges this provision as a material term and condition of this Purchase Agreement.
- J. All real estate taxes and assessments, dues and assessments under the Subdivision Documents, utility charges and other charges against the Property for the year of Closing will be prorated as of the Closing Date. The proration of real estate taxes and assessments will be based on the most recent tax bill issued prior to the Closing Date.

Seller: _____
Initial Date

Buyer: _____
Initial Date

Initial Date

If there is no prior tax bill then the proration of real estate taxes and assessments will be based on the value of the most recent ownership transfer of the property (typically when the builder purchased the lot) prior to the Closing Date. All prorations will be final and not subject to adjustment after Closing.

6. **TIME IS OF THE ESSENCE.** With respect to all obligations to be performed by Buyer or Seller hereunder, time shall be of the essence.

7. **TITLE.**

A. At the Closing, Seller shall furnish a Special Warranty Deed conveying to Buyer merchantable title to the Residence, free and clear of all encumbrances except:

(1) Those items and encumbrances specifically set forth in this Agreement;

(2) All covenants, restrictions, reservations, easements and conditions of record;

(3) Real estate taxes and assessments, both general and special, for the current year not yet due and payable; and

(4) Other encumbrances which do not materially detract from the value of the Residence or interfere with the ordinary use of the Residence.

B. Buyer intends to use the Residence for residential purposes and Seller agrees that such use shall not be prohibited at the time of the Closing by private restriction or governmental regulation.

C. If Seller cannot convey clear title to the Residence as required, Seller may terminate this Agreement whereupon the Earnest Money shall be returned to Buyer and this Agreement shall have no further force or effect.

8. **CONSTRUCTION.**

A. Seller agrees to construct the Residence in substantial compliance with the Plans and Specifications for the Residence on file in the office of Seller.

B. Seller will advise Buyer of the progress of construction as appropriate, and, if applicable, will notify Buyer of the anticipated completion date of construction approximately 30 days before the anticipated completion date. Seller will exercise its best judgment in providing this information, but will not be liable to Buyer in the event the information for any reason proves to be inaccurate or incorrect.

C. The actual completion date of construction may be delayed due to weather conditions,

Seller: _____
Initial Date

Buyer: _____
Initial Date

Initial Date

untimely delivery of materials or material shortages, labor shortages, union strikes, fire, vandalism, inspections or permitting, Acts of God or other circumstances beyond the control of the parties, and Seller shall have no responsibility or liability to Buyer if the completion date of construction is delayed by such circumstances.

D. BUYER SHOULD BE ADVISED NOT TO MAKE FIRM COMMITMENTS, SUCH AS “LOCKING- IN” AN INTEREST RATE, GIVING NOTICE TO A LANDLORD OR SCHEDULING A MOVING VAN, BEFORE SELLER NOTIFIES BUYER OF THE ISSUANCE OF A CERTIFICATE OF OCCUPANCY.

E. With regard to the construction of the Residence:

(1) Variations from Plans. Seller, without notice to Buyer, may substitute materials, appliances or other items of like quality for those identified in the Plans and Specifications. In addition, Seller may make such structural or other modifications in accordance with applicable building codes as Seller may deem necessary or appropriate given the elevation or other characteristics of the Residence. Buyer acknowledges that the dimensions and total square footage shown on the Plans are approximations only and the actual dimensions and total square footage of the Residence may vary.

(2) Variations from Model. The model or models displayed by Seller often vary from the Plans and Specifications and may include upgraded appliances, extra fencing, special landscaping and other special or upgraded items. Buyer acknowledges and agrees that the Residence may differ from the model(s) viewed by Buyer and that all furniture, decorative items, extra fencing, special landscaping and all other special items displayed in the model(s) are not a part of this Agreement.

(3) Selections. Under certain circumstances, Buyer may have the ability to make color, feature and design selections. All such initial selections must be made by Buyer on the date of the execution of this Agreement by Buyer and all final selections shall be made within seven (7) days of acceptance of contract by Seller. All final selections will be incorporated into this Agreement through addenda to the Agreement. Seller reserves the right to approve all color, feature and design selections made by Buyer and/or require additional deposits for some selections. **SELECTIONS MADE BY SELLER WHICH ARE ALREADY PRESENT OR ON ORDER FOR THE RESIDENCE AS OF THE DATE OF THIS AGREEMENT MAY NOT BE CHANGED.**

(4) Home Orientation.

a. Prior to the Closing, Buyer or other designated personnel shall meet with Seller’s Field Manager or Construction Manager or his or her designee to

Seller: _____
Initial Date

Buyer: _____
Initial Date

Initial Date

review the use and care of the Residence and to inspect the condition of the Residence.

- b. During this home orientation, Buyer and Seller will note any incomplete items. Seller will use best efforts to complete the noted items prior to closing or within a reasonable period of time after the Closing.
- c. IN NO EVENT SHALL THE CLOSING BE DELAYED FOR COMPLETION OF THE NOTED ITEMS.

F. It is possible a change in market conditions can affect the final costs of construction. SELLER MAY INCREASE THE PURCHASE PRICE listed in Section 2 to accommodate increased final costs of construction but must first provide notice to Buyer of said increase and advise Buyer of the new Purchase Price on or before fifteen (15) days after the completion of drywall in the Residence. Buyer will then have the right to either terminate this Agreement on or before ten (10) days after receipt of notice of the new Purchase Price or proceed to Closing under the new Purchase Price. If Buyer decides to terminate this Agreement under this Section 8(F), the Buyer will be refunded the Earnest Money. The Non-refundable Builder Payment shall be retained by the Seller under all circumstances.

9. BUYER'S REVIEW OF RESIDENCE DURING CONSTRUCTION. During construction of the Residence, Buyer will not enter the construction area without permission of Seller and without a representative of Seller present. Buyer further agrees to not enter the construction area without wearing appropriate protection. Buyer acknowledges that the requirements of this provision are designed to protect Buyer and to reduce the possibility of any harm coming to Buyer in the construction area.

10. WARRANTY INFORMATION.

A. Seller shall deliver to Buyer on or about the date of the Closing a Limited Warranty Agreement. The Limited Warranty Agreement shall constitute the ONLY Warranty of any kind, express or implied, arising out of this transaction.

B. SELLER DISCLAIMS ANY AND ALL IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE AS TO THE RESIDENCE. IN PLACE OF SUCH WARRANTIES, SELLER PROVIDES THE LIMITED WARRANTY AGREEMENT DESCRIBED ABOVE. UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING WITHOUT LIMITATION ANY DAMAGES BASED ON DIMINUTION OF THE VALUE OF THE RESIDENCE.

Seller: _____
Initial Date

Buyer: _____
Initial Date

Initial Date

C. As to manufactured items such as the air conditioner, microwave, water heater, refrigerator, furnace, washer, dryer, range garbage disposal and/or dishwasher, if applicable, Seller hereby assigns to Buyer the manufacturer's warranty without recourse. Seller makes no warranty on such items.

D. Unless otherwise stated herein, Seller shall provide at Seller's expense a new construction termite guarantee from a licensed pest control operator on a standard form in accordance with the regulations of the North Carolina Structural Pest Control Committee.

11. **DEPOSITS.** Buyer shall pay the Earnest Money owed under this Agreement to Law Firm Carolinas as escrow agent ("Escrow Agent"). All payments of Earnest Money and/or deposits must be made by CERTIFIED CHECK or MONEY ORDER and must include Buyer's Name and Address of Residence in the memo field. Buyer shall pay the Non-refundable Builder Payment owed under this Agreement to Foundation Home Builders LLC. At Closing, any Earnest Money, Non-refundable Builder Payment, Non-refundable Builder Payment post Drywall and/or Deposits paid shall be paid to Seller and credited to Buyer. In the event that Closing does not occur for any reason, the Earnest Money shall be paid either to Seller or to Buyer per the terms of this Agreement. Non-refundable Builder Payment and/or Non-refundable Builder Payment post Drywall shall be retained by the Seller under all circumstances. In the event of a dispute between Buyer and Seller regarding ownership of the Earnest Money and/or deposits, Escrow Agent shall have the option to pay the money in dispute into the court for determination.

12. **DEFAULT.** If Buyer defaults in any of the payments to be made by Buyer or in the performance of any of Buyer's obligations under this Agreement, then Buyer shall lose any and all rights under this Agreement and the Earnest Money will be forfeited to Seller. In the event this Agreement is not accepted by Seller or in the event Seller breaches this Agreement, an amount equal to the Earnest Money will be refunded to Buyer. In addition, Buyer and Seller shall retain all other rights and remedies against each other available under applicable law in the event of a default by Buyer or Seller.

13. **FHA/VA FINANCING ONLY.** If Buyer obtains FHA or VA financing, Seller agrees that the Residence has been or shall be constructed in accordance with plans and specifications approved by FHA or VA, as applicable. Notwithstanding any other provisions of this Agreement, Buyer, if obtaining FHA or VA financing, shall not be obligated to complete the purchase of the Residence or forfeit the Earnest Money if Seller has delivered to Buyer a written statement issued by the Federal Housing Commissioner or the Department of Veterans Affairs (as applicable) setting forth an appraised value of the Residence (exclusive of closing costs) of less than the contract price, which statement Seller hereby agrees to deliver to Buyer promptly after such appraised value statement is made available to Seller. Buyer shall, however, have the option of proceeding with the consummation of this Agreement without regard to the amount of the appraised

Seller: _____
Initial Date

Buyer: _____
Initial Date

Initial Date

valuation made by the Federal Housing Commissioner or the Department of Veterans Affairs. THE APPRAISED VALUATION IS ARRIVED AT TO DETERMINE THE MAXIMUM MORTGAGE THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (“HUD”) WILL INSURE. HUD DOES NOT WARRANT THE VALUE OR THE CONDITION OF THE RESIDENCE. BUYER SHALL SATISFY HIMSELF/HERSELF THAT THE PRICE AND CONDITION OF THE RESIDENCE ARE ACCEPTABLE. VA regulations may require the Residence to be fully completed prior to performing an appraisal for valuation and may delay closing as provided in Section 5.A. and 5.E.

14. INTERSTATE LAND SALES FULL DISCLOSURE ACT. This transaction is exempt from the Interstate Land Sales Full Disclosure Act because, notwithstanding anything to the contrary herein, Seller agrees to complete the Residence within two (2) years from the date of this Agreement; subject only to such circumstances as would constitute impossibility of performance.

15. RADON NOTICE. The United States Environmental Protection Agency (“EPA”) has indicated that a number of homes in the United States experience elevated levels of radon gas. Radon is a naturally occurring gas that is caused by the radioactive decay of the element radium. Since radium is contained in the earth’s crust and dissolves readily in water, radon can be found virtually everywhere. Radon gas can enter a home through a variety of sources, such as through joints or normally occurring cracks in concrete floors or walls, floor drains, or sumps. This phenomenon can occur in any home. Once inside an enclosed space, such as a home, radon can accumulate. The EPA has stated that prolonged exposure to elevated concentrations of radon decay products has been associated with increases in the risk of lung cancer. The EPA recommends that actions be initiated to reduce excessive indoor radon levels. Owners may wish to obtain a test kit that meets the EPA protocol for measuring the level of radon gas in their homes. The EPA publishes information on EPA-approved suppliers of such test kits. The EPA also has publications that identify several methods that may be effective in reducing the level of radon gas in homes. Seller claims no expertise in the measurement or reduction of radon gas levels in homes, nor does Seller provide any advice to Buyer as to acceptable levels or possible health hazards of radon. SELLER DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE AS TO THE RESIDENCE, INCLUDING ANY SUCH WARRANTIES RELATIVE TO THE EXISTENCE OF RADON IN THE RESIDENCE.

16. MOLD NOTICE. Molds are naturally occurring organisms found virtually everywhere. Molds can grow in houses, particularly if moisture above certain levels is allowed to enter and remain in the house. Periodic inspection of the Residence by Buyer, followed by the removal of all visible evidence of mold and the repair of any points of moisture intrusion, should minimize the growth of mold. Also, Buyer should keep the Residence adequately

Seller:

Initial Date

Buyer:

Initial Date

Initial Date

ventilated to allow moisture to leave the Residence. Seller claims no expertise in the measurement or reduction of mold in homes, nor does Seller provide any advice to Buyer as to acceptable levels or possible health hazards of mold. SELLER DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING IMPLIED WARRANTIES OF HABITABILITY, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE AS TO THE RESIDENCE, INCLUDING ANY SUCH WARRANTIES RELATIVE TO THE EXISTENCE OF MOLD IN THE RESIDENCE.

17. INSULATION DISCLOSURE. As required by Federal Trade Commission Regulations, set forth below is information relating to the insulation installed or to be installed in the Residence.

- A. Exterior walls of improved living areas insulated with fiberglass batt insulation to a thickness of 3 1/8" which yields an R-value of 15 or equal.
- B. Walls in other areas of the Residence insulated where required with fiberglass batt insulation to a thickness of 3 1/2" which yields an R-value of 15 or equal.
- C. Ceilings in improved living areas, insulated with fiberglass insulation to a thickness of 13 1/8" blown / 9" batt which yields an R-value of 38 or equal.
- D. Floors of improved living areas not applied to a slab foundation insulated with fiberglass batt insulation to a thickness of 6" which yields an R-value of 19 or equal.
- E. Slab on grade at perimeter insulated with expanded polystyrene bead board insulation to a thickness of 1" which yields an R-value of 4.167 or equal.

All stated R-values are based on information provided by the manufacturer of the insulation. Regardless of materials used, R-value shall be at least those stated herein.

18. ASSIGNMENT. Buyer may not assign to another party his or her rights, duties and obligations under this Agreement without the prior written consent of Seller. Seller may at any time assign to a third party its rights, duties and obligation under this Agreement.

19. PARAGRAPH HEADINGS. The paragraph headings used herein are merely for reference and have no effect on this Agreement or the terms and conditions herein contained.

20. AMENDMENTS AND GOVERNING LAW. This Agreement may not be changed verbally. Any changes or amendments hereto must be agreed upon in writing by the

Seller: _____
Initial Date

Buyer: _____
Initial Date

Initial Date

parties. This Agreement shall be governed and construed in accordance with the laws of the State of North Carolina.

21. **SURVIVAL.** Any provision herein contained which by its nature and effect is required to be observed, kept or performed after the Closing shall survive the Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept or performed.

22. **NON-RECORDATION.** It is expressly agreed and understood that, absent the prior written consent of Seller, this Agreement shall not be recorded in the County in which the Residence is situated or any other County in the State of North Carolina. In the event of any such unauthorized recordation, the same shall not be considered a cloud or burden on Seller's title to the Residence.

23. **SEVERABILITY.** If any term, condition or provision of this Agreement is declared illegal or invalid for any reason by a court of competent jurisdiction, the remaining terms, conditions and provisions shall, nevertheless, remain in full force and effect.

24. **AGENT(S).**

A. Buyer acknowledges and agrees that except as noted below and except for any sales representative of Seller, Buyer has dealt with no other real estate broker, agent or sales person in connection with the sale of the Property:

Buyer's Agent: _____

Buyer's Agent's Firm: _____

Buyer's Agent's Email: _____

Buyer's Agent's Phone: _____

Buyer's Agent's License #: _____

B. If Buyer has entered in to a Buyer's Agency Agreement with a real estate broker or agent in connection with the sale of the Property, as indicated above, Buyer's Agent will be paid a commission at closing, as set forth in the Multiple Listing Service listing.

25. **ENTIRE AGREEMENT.** This Agreement contains the entire agreement between Seller and Buyer with respect to the purchase and sale of the Residence. Buyer and Seller are not bound by any statement, provision, condition or stipulation not specifically set forth in this Agreement. No salesperson of Seller has any authority to make any statements, agreements or representations that modify, add to, or change the terms or conditions of this Agreement.

Seller: _____
Initial Date

Buyer: _____
Initial Date

Initial Date

26. ADDITIONAL PROVISIONS._____.

BUYER ACKNOWLEDGES AND REPRESENTS THAT BUYER HAS READ THIS AGREEMENT AND ALL EXHIBITS AND ADDENDUMS ATTACHED TO IT, THAT BUYER AGREES TO BE BOUND BY ALL OF ITS TERMS AND THAT BUYER IS NOT RELYING ON ANY STATEMENT, PROMISE, CONDITION OR STIPULATION OF SELLER NOT SPECIFICALLY SET FORTH IN THIS AGREEMENT. THIS AGREEMENT SHALL NOT BE BINDING ON SELLER UNTIL IT IS APPROVED BY SELLER AND ACKNOWLEDGED BELOW ON BEHALF OF SELLER.

BUYER:

Date:_____

Date:_____

SELLER:

Foundation Home Builders LLC

BY:_____

Title: MANAGER

Date:_____

Tax ID #: 84-3236202

Buyer Street Address:_____

Buyer City, State, Zip:_____

Buyer Phone:_____

Buyer Email:_____

Seller:

Initial Date

Buyer:

Initial Date

Initial Date

Upon its execution of this Agreement, Escrow Agent acknowledges receipt of the initial Earnest Money and agrees to hold and disburse the same in accordance with the terms herein.

Escrow Agent:

Law Firm Carolinas

BY: _____

Name: _____

Title: _____

Date: _____

**Address: 3623 N. Elm St. Ste. 200
Greensboro, NC 27455**

Phone: 336-378-1899

Seller:

Initial Date

Buyer:

Initial Date

Initial Date

Escrow Agent acknowledges receipt of the Additional Earnest Money required under Paragraph 2, Section B of this Agreement, and agrees to hold and disburse the same in accordance with the terms herein.

Escrow Agent:

Law Firm Carolinas

BY: _____

Name: _____

Title: _____

Date: _____

Seller:

Initial Date

Buyer:

Initial Date

Initial Date

Acknowledgement of receipt of the Non-refundable Builder Payment required under Paragraph 2, Section C of this Agreement, and agrees to hold and disburse the same in accordance with the terms herein.

Foundation Home Builders LLC

BY: _____

Name: _____

Title: _____

Date: _____

Acknowledgement of receipt of the Non-refundable Builder Payment post Drywall required under Paragraph 2, Section C and Paragraph 8, Section F of this Agreement, and agrees to hold and disburse the same in accordance with the terms herein.

Foundation Home Builders LLC

BY: _____

Name: _____

Title: _____

Date: _____

NOTICE, DISCLOSURE and DISCLAIMER AGREEMENT

Mold. Mold is a type of fungus. It occurs naturally in the environment, and it is necessary for the natural decomposition of plant and other organic material. It spreads by means of microscopic spores borne on the wind, and is found everywhere life can be supported. Residential home construction is not, and cannot be, designed to exclude mold spores. If the growing conditions are right, mold can grow in your home. Most homeowners are familiar with mold growth in the form of bread mold and mold that may grow on bathroom tile.

In order to grow, mold requires a food source. This might be supplied by items found in the home, such as fabric, carpet or even wallpaper, or by building materials, such as drywall, wood and insulation, to name a few. Also, mold growth requires a temperate climate. The best growth occurs at temperatures between 40 deg. F and 100 deg. F. Finally, mold growth requires moisture. Moisture is the only mold growth factor that can be controlled in a residential setting. By minimizing moisture, a homeowner can reduce or eliminate mold growth.

Moisture in the home can have many causes. Spills, leaks, overflows, condensation, and high humidity are common sources of home moisture. Good housekeeping and home maintenance practices are essential in the effort to prevent or eliminate mold growth. If moisture is allowed to remain on the growth medium, mold can develop within 24 to 48 hours.

Consequences of Mold. All mold is not necessarily harmful, but certain strains of mold have been shown to have adverse health effects in susceptible persons. The most common effects are allergic reactions, including skin irritation, watery eyes, runny nose, coughing, sneezing, congestion, sore throat and headache. Individuals with suppressed immune systems may risk infections. Some experts contend that mold causes serious symptoms and diseases which may even be life threatening. However, experts disagree about the level of mold exposure that may cause health problems, and about the exact nature and extent of the health problems that may be caused by mold.

What the Homeowner can do. The homeowner can take positive steps to reduce or eliminate the occurrence of mold growth in the home, and thereby minimize any possible adverse effects that may be caused by mold. These steps include the following:

1. Before bringing items into the home, check for signs of mold. Potted plants (roots and soil), furnishings, or stored clothing and bedding material, as well as many other household goods, could already contain mold growth.
2. Regular vacuuming and cleaning will help reduce mold levels. Mild bleach solutions and most tile cleaners are effective in eliminating or preventing mold growth.

3. **Keep the humidity in the home low. Vent clothes dryers to the outdoors. Ventilate kitchens and bathrooms by opening the windows, by using exhaust fans, or by running the air conditioning to remove excess moisture in the air and to facilitate evaporation of water from wet surfaces.**
4. **Promptly clean up spills, condensation and other sources of moisture. Thoroughly dry any wet surfaces or material. Do not let water pool or stand in your home. Promptly replace any materials that cannot be thoroughly dried, such as drywall or insulation.**
5. **Inspect for leaks on a regular basis. Look for discolorations or wet spots. Repair any leaks promptly. Inspect condensation pans (refrigerators and air conditioners) for mold growth. Take notice of musty odors, and any visible signs of mold.**
6. **Should mold develop, thoroughly clean the affected area with a mild solution of bleach. First, test to see if the affected material or surface is color safe. Porous materials, such as fabric, upholstery or carpet should be discarded. Should the mold growth be severe, call on the services of a qualified professional cleaner.**

DISCLAIMER AND WAIVER

Whether or not you as a homeowner experience mold growth depends significantly on how you manage and maintain your home. Our responsibility as a homebuilder must be limited to things that we can control. Our obligations are set forth in the Limited Warranty Agreement provided at the closing. WE, THE BUILDER, WILL NOT BE RESPONSIBLE FOR ANY DAMAGES CAUSED BY MOLD, OR BY SOME OTHER AGENT, THAT MAY BE ASSOCIATED WITH DEFECTS IN OUR CONSTRUCTION, INCLUDING BUT NOT LIMITED TO PROPERTY DAMAGE, PERSONAL INJURY, LOSS OF INCOME, EMOTIONAL DISTRESS, DEATH, LOSS OF USE, LOSS OF VALUE, AND ADVERSE HEALTH EFFECTS, OR ANY OTHER EFFECTS. ANY IMPLIED WARRANTIES, INCLUDING AN IMPLIED WARRANTY OF WORKMANLIKE CONSTRUCTION, AN IMPLIED WARRANTY OF HABITABILITY, OR AN IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR USE, ARE WAIVED AND DISCLAIMED.

This Notice, Disclosure and Disclaimer Agreement is hereby appended to and made a part of the Purchase Agreement. The consideration for this agreement shall be the same consideration as stated in the Purchase Agreement. Should any term or provision of this agreement be ruled invalid or unenforceable by a court of competent jurisdiction, the remainder of this agreement shall nonetheless stand in full force and effect.

I acknowledge receipt of the Notice, Disclosure and Disclaimer Agreement. I have carefully read and reviewed its terms, and I agree to its provisions.

BUYER:

Date: _____

Date: _____

SELLER:

Foundation Home Builders LLC

BY: _____

Title: MANAGER

Date: _____

Tax ID# 84-3236202