



Purchase and Sale Agreement

THIS PURCHASE AND SALE AGREEMENT ("Agreement") made and entered into as of the date of final execution hereof, among **Streamline Developers, LLC**, license number 71006 (herein called "Builder"), and _____ (herein called "Buyer" whether one or more). Builder agrees to construct a Residence (as hereinafter defined) upon the Property as described below and upon completion of construction to sell to Buyer, and Buyer agrees to purchase the Property described below, upon the terms and conditions stated herein.

CONTRACT DOCUMENTS:

- A. Purchase and Sale Agreement
- B. Builder Addendum to Purchase and Sale Agreement
- C. Plans and Specifications for the Residence
- D. Selections
- E. Quality Builders Warranty Corporation Limited Warranty Agreement

1. PROPERTY DESCRIPTION:

- a. Street Address: _____, _____, North Carolina, _____ hereinafter collectively referred to as the "Property."
- b. Lot _____ in the residential community known as _____
- c. Pin Number: _____
- d. Legal Description: _____
- e. Deed Book _____ Deed Page _____
- f. Plat Book _____ Plat Page _____

NOW, THEREFORE, all parties to this Agreement mutually agree: *(check one)*

- COMPLETED INVENTORY HOME.** All changes, upgrades, or available options to be determined at time of Contract. The value and designation of any options, upgrades or selections chosen by the Buyer will be either set out as an Amendment to this Agreement and/or as an Exhibit hereto. The Buyer will be responsible for any Non-refundable deposit required by the Builder for the Buyers choice of any option, upgrade, or selection.
- NEW CONSTRUCTION OR UNDER-CONSTRUCTION HOME.** Builder shall construct or complete construction of the Residence substantially similar to the plan or model identified as Plan Name: _____ on file in the office of Builder (the "Residence"), which Residence Builder will construct on the described Property substantially in accordance with the plans and specifications for the Residence, also on file in Builder's office together with all written amendments made thereto agreed to by the parties (the "Plans and Specifications").

2. PURCHASE PRICE: The base purchase price of the Property is \$ _____ ("Purchase Price") and will be paid as follows:

- a. For substantially completed and finished homes: \$ _____, Due Diligence Fee, a non-refundable deposit in a personal check, wire transfer, cashier's check or money order shall be paid at execution of this Agreement. The Due Diligence Fee is not a part of the Earnest Money Deposit, if one exists. The Due Diligence Fee will be credited to the Buyer at Closing. The Due Diligence Fee shall be refundable ONLY in the event of a material breach of the Contract by the Builder, or if this Contract is terminated under Paragraph 13 of this Agreement. The Due Diligence Period shall end on _____ at 5 p.m. EST.
- b. New construction and under construction homes: \$ _____, non-refundable Building Deposit in a personal check, wire transfer, cashier's check or money order shall be paid at execution of this Agreement. The Building Deposit and any additional building deposits agreed on is not a part of the Earnest Money Deposit, if one exists and may be used by Builder in the construction of special improvements pursuant to the Agreement. The Building Deposit will be credited to the Buyer at Closing. The Building Deposit shall be refundable ONLY in the event of a material breach of the Contract by the Builder, or if this Contract is terminated under Paragraph 13 of this Agreement.
- c. If applicable, \$ _____, Earnest Money Deposit in a personal check, wire transfer, cashier's check or money order shall be paid at execution of this Agreement. The Earnest Money Deposit and additional earnest money will be deposited and held in escrow-by-Escrow Agent, until Closing (hereinafter defined), at which time it will be credited to Buyer, or until this Agreement is otherwise terminated (the "Earnest Money Deposit"). In the event (i) this offer is not accepted; or (ii) any of the conditions to Buyer's obligations hereunder are not satisfied, the Earnest Money Deposit shall be returned to Buyer. In the event of a breach of this Agreement by Builder, upon Buyer's request, the Earnest Money Deposit shall be returned to Buyer. In the event this offer is accepted and Buyer breaches this Agreement, then the Earnest Money Deposit shall be forfeited upon Builder's request, but receipt of such forfeited Earnest Money Deposit shall not affect any other remedies available to Builder for such breach.

3. PROPERTY:

- a. If within six months Builder is unable to take title to the Property, or obtain a building permit for the Property for any reason beyond Builder's reasonable control, including, without limitation, the lack of availability of sanitary sewer, septic permit or any other utility reasonably necessary to the use and occupancy of the intended improvements, or if Builder determines the Residence will not fit on the Property, has excessive costs in preparing the lot to accommodate the Residence, or if the subdivision Architectural Review Board will not approve the Plans and Specifications, then Builder may terminate this Agreement by written notice to Buyer and upon such termination the Earnest Money Deposit and the Building Deposit (if any) shall be returned to Buyer, and thereafter neither of the parties shall have any further duties or obligations hereunder.
- b. The buyer may not enter the Property ("Site Visit") between 7:00 a.m. and 6:00 p.m. Monday through Friday, excluding holidays, unless approved by an authorized agent of the Builder. Site Visits shall be conducted at such time and in such manner so as not to interfere with the progress of the work and construction and shall not be conducted if Builder, in Builder's sole discretion, determines that entry during the relevant stage of construction then existing would be too dangerous or relevant insurance coverage does not allow the conduct of such inspection at the time requested, Builder shall have the right, but not the obligation, to have a representative of Builder accompany Buyer during Site Visit or any portion of Site Visit as Builder, in Builder's sole discretion, shall deem appropriate. Buyer realizes and acknowledges that entry upon the Property during construction can be dangerous and that hazards may exist which are not observable. Buyer's Site Visits shall be solely at Buyer's own risk. Buyer does hereby waive all claims against Builder, its employees, agents, officers, directors, subcontractors or suppliers for injury or loss to persons or property arising out of or in connection with Site Visits by Buyer or any other person accompanying Buyer or otherwise entering the Property at Buyer's direction. Buyer shall indemnify and hold harmless Builder, Builder's agents, employees, officers, directors, suppliers, and subcontractors from and against all loss, cost, injury, claim, suit, judgment, action, or expense of any nature whatsoever including, but not limited to, reasonable attorneys' fees, resulting from any such inspection by Buyer, any other person accompanying Buyer, or Buyer's designated representative. If during Site Visits Buyer reasonably shall determine that such construction is not proceeding in accordance with the Plans and Specifications of this Agreement, Buyer shall give written notice to Builder within 24 hours after Buyer learns of such failure by Builder which notice shall specify the deviation, deficiency or omission. Builder shall correct such deviation, deficiency, or omission, or shall inform Buyer why the claimed deviation, deficiency or omission does not exist or is not material. The buyer may not make alterations, changes, or additions to the Residence while under construction.
- c. Builder will use its discretion in locating the Residence on the Property (including reversing floor plan) to assure that it blends with surrounding homes, is properly sited for drainage, and protects as many trees as practical. The Builder will not remove trees or undergrowth outside the area affected by construction and reserves the right to determine which trees affect construction and drainage. Builder will make reasonable efforts not to damage other trees, bushes, or vegetation during construction, but because of possible damage and disease, and effects of grade alterations, Builder does not guarantee the life of any tree, bush or vegetation, and Builder will not be responsible for damage to such trees, bushes, or vegetation.
- d. If the Residence will not fit on the Property at the minimum setback requirements or cannot be constructed on the Property, as reasonably determined by Builder's surveyor, Builder shall notify Buyer of the problem and this Agreement shall be terminated and the Building Deposit and/or Earnest Money Deposit (if any) will be returned to Buyer. Upon return of these deposits, neither party shall have any further duties or obligations hereunder.

4. ADDITIONAL PROVISIONS: The following are additional provisions of this Agreement:

- a. Buyer authorizes the Buyer's lender(s), the parties' real estate agent(s), closing attorney and Builder (1) to provide this Contract to any appraiser employed by Buyer or by Buyer's lender(s); and (2) to release and disclose any, settlement statement, closing disclosure and/or disbursement summary, or any information therein, to the parties to this transaction, their real estate agent(s), closing attorney and Buyer's lender(s).
- b. Builder authorizes: (1) any attorney presently or previously representing Builder to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Builder's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurers' (or title insurer's agent's) file to Buyer and both Buyer's and Builder's agents and attorneys; (3) the closing attorney to release and disclose any Builder's closing disclosure, settlement statement and/or disbursement summary, or any information therein, to the parties to this transaction, their real estate agent(s), or Buyer's lender(s).
- c. **Builder's failure to receive the settlement statement or closing disclosure 72 hours prior to closing may result in a delay of closing.**

5. CLOSING: "Closing" is defined as the date and time of recording of the Deed.

- a. Anticipated "Closing Date" is _____, Buyer and Builder agree to execute all documents and papers necessary in connection with the Closing and transfer of title to the Property, and the Deed shall be delivered to Buyer on the Closing Date (as hereinafter defined). Buyer and Builder agree the closing shall occur on the date and at a time and place designated by Builder within fourteen (14) days following the date of issuance of the Certificate of Occupancy for the Residence, whichever comes later (the "Closing Date"). If Buyer does not close on the Closing Date, Builder, at Builder's discretion, may terminate this Agreement with written notice to Buyer and Builder will retain all the Earnest Money Deposit and any Non-refundable Deposits, together with any other remedies for failure to close. If Builder elects not to terminate this Agreement, then Parties will agree to a new Closing Date. If Buyer fails to meet the new Closing Date, Buyer agrees to pay to Builder three tenths of one hundredths of one percent (.03%) of the total purchase price per day extension charge from the initial Closing Date, which will be collected at Closing. The parties agree that such extension charge is not a penalty, constitutes a good faith estimate of the costs that will be incurred by Builder solely because of the delay in Closing, and shall not in any way affect any other remedy available to Builder for Buyer's default of Buyer's obligations pursuant to this Agreement. Once the completion and closing date

notices are given by the Builder, time shall be of the essence insofar as the Closing Date is concerned. The Deed is to be made to _____.

- b. At Closing, Builder will convey title to Buyer, free and clear of liens and encumbrances, other than ad valorem property taxes for the current year (prorated to the Closing Date), and the Permitted Exceptions (hereinafter defined). The buyer shall pay the balance of the Purchase Price at Closing in immediately available good funds, by Fedwire transfer, cashier's check, or other form acceptable to Builder's attorney. The buyer will indemnify and hold Builder harmless with respect to all ad valorem property taxes which have been prorated at Closing and credited to the Buyer or which have otherwise not been paid in full at Closing. Possession shall be delivered at Closing, unless the parties have executed a separate written agreement providing otherwise. The Buyer's storage upon or occupancy of the Property pursuant to such agreement shall constitute unqualified acceptance by Buyer of the Property for Closing, in its conditions as of the date of such possession. Notwithstanding anything to the contrary in this Agreement, Builder will use its best efforts to achieve the Closing and transfer of title to the Property to Buyer approximately one (1) year after the date Buyer executes this Agreement except for delays resulting from the matters set forth in Section 9 or 17 hereof.
- c. The Residence shall be considered substantially completed when a Certificate of Occupancy has been issued. Prior to Closing and upon Builder notifying Buyer that a final inspection may be conducted; Buyer shall conduct any desired inspection of the Property. At the time of such inspection, Buyer shall compile and deliver to Builder a written "punch list" of mutually agreed upon items and/or items that are not in accordance with the current edition of the Residential Construction Performance Guidelines, published by the National Association of Homebuilders. Prior to Closing, with respect to each item on the "punch list", Builder shall either (i) complete said "punch list" item, (ii) agree in writing with Buyer that said "punch list" item will be completed within a reasonable time after Closing, or (iii) notify Buyer in writing, that Builder does not consider the "punch list" item to be Builder's responsibility. Closing of the purchase of the Property by Buyer from Builder shall constitute Buyer's acknowledgement and agreement that: (i) Buyer is satisfied with, and accepts Builder's completion of the "punch list" items which Builder agreed to complete prior to Closing; (ii) Buyer is satisfied with, and accepts, Builder's agreement to complete those "punch list" items which Builder has agreed to complete after Closing; (iii) Buyer is satisfied with, and accepts, the fact that Builder shall not be obligated to complete those "punch list" items which Builder has indicated to Buyer in writing are not Builder's responsibility; and (iv) except for the "punch list" items which Builder has agreed to complete after Closing, Buyer accepts the condition of the Property "As Is." The fact that Builder is to complete additional work for items identified on the "punch list" shall not delay or postpone the obligation of Buyer to close the purchase of the Property or to pay the balance of the Purchase Price at Closing. Upon request from Builder, if necessary, Buyer shall provide Builder, or Builder's representatives or contractors, access to the Property after Closing to allow Builder to complete any unfinished items or necessary repairs identified on the "punch list" and such entry shall not constitute a trespass.
- d. In addition to the Purchase Price, Buyer agrees to pay all allowable Closing costs, lender and title related fees, all prepaid items, and to pay or finance as a part of the loan any VA funding fees, other funding fees, FHA or private upfront mortgage insurance fee required as a part of Buyer's loan and the purchase, unless otherwise agreed to by Builder. Any Builder paid closing costs will be noted in the Builder Addendum.

6. PRORATIONS AND ASSESSMENTS:

- a. Real estate taxes, interest and all charges and assessments payable to the Homeowner's Association shall be prorated as of the date of Closing.
- b. Homeowner's Association dues, if applicable, shall be Buyer's responsibility after Closing.
- c. Initial Working Capital Assessment, if applicable, shall be Buyer's responsibility and paid at closing.
- d. Buyer is responsible for any transfer fees charged by the Homeowner's Association, if applicable, or fees associated with a request of proration of dues.
- e. Buyer, as owner of the Property, will be a member of the community or subdivision Homeowner's Association, if applicable, and will be entitled to the rights and privileges (as well as the duties and responsibilities) set forth in the declarations, restrictions, covenants, bylaws, rules, and regulations of such association (as applicable).

7. TITLE:

- a. It is understood that until the recording of the Deed with the Register of Deeds and the receipt by Builder of good funds constituting the Purchase Price in full, the Property, either under construction or completed, and all materials and supplies stored or installed on the Property remain the property of Builder, and no keys shall be given to Buyer.
- b. Builder agrees to convey the Property, which is within the platted community listed in Section 1 hereof, to Buyer by General Warranty Deed (the "Deed"), with the usual covenants of title and free and clear of all encumbrances and subject to ad valorem taxes for the current year, applicable easements and restrictive covenants of record, applicable zoning ordinances, restrictions and covenants relating to the subdivision or community, and bylaws, rules and regulations relating to the subdivision or community and its homeowners association, and any other exceptions not objected to by Buyer (the "Permitted Exceptions"). Builder makes no representation to Buyer regarding the location of any utility company's equipment on any easements. Builder shall pay the expenses of preparing the Deed and buyer shall be responsible for recordation tax. Buyer acknowledges the ability to receive the Plot Plan or copy of the Plat Map, Declaration of Covenants, Conditions and Restrictions of the community, recorded in the Register of Deeds Office of the County of _____, NC and all other applicable covenants and restrictions of record affecting the Property, as they may be amended from time to time; and Buyer agrees to be bound by same. In addition, Buyer hereby acknowledges and agrees that upon conveyance of the Property, Buyer shall be a member of the Homeowner's Association, if applicable, for the community or subdivision (the "Association"), paying all applicable dues and

assessments of the Association and maintaining membership in good standing in accordance with the Association's restrictions, covenants, and bylaws.

- c. If examination of title to the Property by the attorney for Buyer discloses any defect in the title to the Property other than the Permitted Exceptions, Buyer immediately shall notify Builder in writing of the specific title defect and Builder shall have the option to provide Buyer a title insurance binder or commitment from a title insurance company licensed to do business in the State of NC committing said title insurance company to issue to Buyer an owner's policy of title insurance in the face amount of the purchase price without exception for the defect noticed by the attorney for the Buyer or Buyer, and thereafter such defect shall be deemed cured for the purposes of this Agreement and the conveyance hereunder.

8. MODEL HOME: Any model home is displayed for illustrative purposes only, and such display shall not constitute an agreement or commitment on the part of the Builder to deliver the Property purchased in exact accordance with any model. None of the items or furnishings shown in any model are included in this Agreement unless Builder specifically agrees in writing to deliver same as part of the Purchase Price.

9. CONSTRUCTION OBLIGATIONS:

- a. Builder diligently shall pursue the construction of the Residence and shall complete construction of the Residence on the Property on or before the Date of Closing, which Builder will use its best efforts to achieve approximately one (1) year after the date this Agreement is executed by Buyer except as provided in this Section in accordance with the Interstate Lands Sales Act. If Builder is delayed in the performance of the work as a result of any neglect of Buyer or of any employee, agent, or representative of Buyer, or by Change Order Request (hereinafter defined), delays in completion of selections by Buyer, or by the combined action of workmen (either those employed in the work on the Property or any industry essential to the conduct of the work), or by strikes, lockouts, embargos, fire, casualties, delay in transportation, shortage of materials, shortage of labor, national emergency, weather, litigation, governmental moratoriums or acts of governmental agencies, appraisals, acts of lenders, acts of God, delays in the issuance of permits from any applicable governmental permitting authority which delays are not the result of any action or inaction of Builder, or by any other causes beyond the control of Builder, then the time for performance by Builder shall be extended for such reasonable time as is necessary due to such delay. Builder shall not be obligated to provide or compensate Buyer for any special damages or make accommodations as a result of such construction delays associated with completion of the Residence or the Closing of the sale thereof, including but not limited to housing, hotel, meals, or moving company fees. Further, Builder shall not have any responsibility for loss of the loan commitment or increased loan costs, including, but not limited to, additional appraisal or reappraisal fees, inspection or re-inspection fees, origination and/or discount fees, or increased interest rates arising out of or associated with delays in final construction of the Residence or the Closing of the sale thereof. Buyer agrees to hold harmless Builder for any damage to Builder's work and construction on the Property arising out of that work whether completed by Builder or on behalf of Builder by others when such damage is covered by property insurance purchased by Buyer, to the extent permitted by Buyer's insurance. The Builder shall have the right to substitute materials of similar quality, pattern, and design. It is also understood that dimensions may vary somewhat as a result of field conditions.
- b. It is understood that the Purchase Price includes the cost of construction of the Residence to be built on the Property and the standard selections as provided in the Plans and Specifications. Subject to the sole discretion of the Builder, Buyer may request nonmaterial changes to the Plans and Specifications, if such changes are within the general scope of the Plans and Specifications. Such changes may consist of additions, deletions, and other revisions to the Plans and Specifications. If Builder agrees to such changes, Buyer shall reimburse Builder for any and all expenses incurred by Builder as a result of such changes including, but not limited to, (i) the cost of materials ordered but not used as a result of such change; and (ii) a construction, management, and administrative fee to be paid to Builder to compensate Builder for Builder's administrative cost to process the change order, which fee shall be an amount determined by Builder in Builder's sole discretion. Additional time needed to complete changes requested by the Buyer and approved by Builder shall be taken into consideration in the Residence completion date and date of Closing. All such changes shall be made only by a change order which shall be in writing and signed by both Buyer and Builder (herein referred to as a "Change Order"). Any Change Orders must be detailed and priced on a written Change Order Request submitted for approval and are subject to Builder's written acceptance and a non-refundable payment to Builder in an amount determined by Builder in accordance with the Change Order Request. Change Orders will not be effective in the absence of such payment. Change Order fees and other fees for non-standard options are deemed to be earned and non-refundable under any circumstances and are not included toward any liquidated damages, Building Deposit, or the Earnest Money Deposit. Any additional costs for engineering, surveying, sitework, fill, tree removal, retaining walls and/or other necessary work because of a Change Order or non-standard option will be the sole responsibility of Buyer.
- c. It is further understood and agreed that Builder has the right not to commence construction of the improvements on the Property until all contingencies contained in this Agreement are satisfied, including without limitation, depositing a conditional approval letter from the Buyer's lender with Builder, and sale of Buyer's existing residence, if applicable.

10. OWNERSHIP OF PLANS AND SPECIFICATIONS: Buyer acknowledges that Buyer has no ownership rights in any of the Plans and Specifications used in connection with this Agreement, and that Buyer will be liable to Builder or other owner of the Plans and Specifications in the amount of any lost profits, consequential damages, and other applicable damages for any re-use, sale, or dissemination of such Plans and Specifications.

11. ENVIRONMENTAL DISCLOSURE: The use and development opportunities of a property may be limited and health risks may be associated with certain properties if those properties, in their past or present condition, are or were covered by the Clean Water Act, the Comprehensive Environmental Response, Compensation and Liability Act, or any other federal, state, or local law, regulation or ordinance concerning health, safety or the environment, including but not limited to those laws, regulations and ordinances concerned with (1) radon gas; (2) underground or aboveground storage tanks; (3) electromagnetic fields; and (4) glass wool substances.

12. DAMAGE FROM LATENT DEFECTS: It is expressly understood that Builder shall not be liable for damage to personal property resulting from latent defects not known to Builder at the time of Closing or at time of occupancy, whichever first occurred.

13. DEFAULT:

- a. In the event Buyer defaults under any terms of this Agreement, Builder may pursue, in Builder's discretion, one or more of the following remedies: (i) require specific performance by Buyer; (ii) terminate this Agreement and all rights of Buyer shall cease; and/or (iii) seek any other remedy available at law or in equity. All monies paid by Buyer to Builder, as well as the Earnest Money Deposit, shall be retained by Builder to apply to damages sustained by Builder, but the retention of such monies shall not constitute satisfaction of the amounts owed to Builder by Buyer arising from such default. Builder shall also have the right to recover, and Buyer shall be liable for, actual damages and such other sums, if any, as are necessary to restore Builder to the position Builder was in prior to the date this Agreement was entered into, including (by way of illustration and not limitation) the actual cost of installation and removing any modifications, extras, custom orders or other additional work contracted for by Buyer so that Builder may, in its sole discretion, restore the Property to a condition to facilitate the resale of the Property. Additionally, if Buyer defaults under this Agreement, Buyer shall be liable for the cash brokerage fee due to listing firm, selling firm and for any other damages and expenses, including reasonable attorneys' fees incurred by the listing firm and selling firm and Builder in connection with this transaction or with the enforcement of this Agreement. The Indemnity obligation of Buyer pursuant to Section 3(b) of this Agreement shall survive termination.
- b. In the event Builder materially defaults under the terms of this Agreement, the Earnest Money Deposit and Building Deposit shall be returned to Buyer by Builder. The indemnity obligation of Buyer pursuant to Section 3(b) of this Agreement shall survive termination.

14. LIMITED WARRANTY, DISPUTE RESOLUTION and ARBITRATION:

Builder is a member of the Quality Builders Warranty Corporation Warranty Program ("QBW"), and Buyer will be provided with a QBW Ten Year Limited Warranty Agreement ("LWA") in connection with the purchase of the Property. Builder's sole warranty responsibility shall be limited to the terms and conditions set forth in the LWA. Buyer and Builder agree to submit to and be bound by the dispute settlement procedures under the LWA, which includes binding arbitration.

Buyer acknowledges that Buyer has read, understands, and agrees to the terms of the LWA. Buyer expressly acknowledges and agrees that Buyer accepts the LWA as a fair, complete, and clear warranty of the obligations of the Builder for the construction of the Residence in accordance with the terms and conditions of this Agreement and the LWA.

EXCEPT AS EXPRESSLY SET FORTH HEREIN, BUILDER MAKES NO WARRANTY, EXPRESS OR IMPLIED. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, BUILDER HEREBY DISCLAIMS ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, WARRANTIES AS TO THE PHYSICAL CONDITION OF THE PROPERTY OR AS TO THE CONDITION OR EXISTENCE OF IMPROVEMENTS, SERVICES, APPLIANCES, OR SYSTEMS SERVING THE PROPERTY. BUILDER MAKES NO WARRANTIES IN CONNECTION WITH THE EXACTNESS OF THE SQUARE FOOTAGE OF THE RESIDENCE. WHILE SUCH INFORMATION IS ONLY APPROXIMATED AND IS BELIEVED TO BE ACCURATE, IT IS SUBJECT TO VERIFICATION BY THE BUYER BASED UPON THE RECEIPT OF SUCH APPRAISAL REPORTS AND SURVEYS AS THE BUYER MAY CHOOSE TO HAVE PERFORMED PRIOR TO CLOSING. BUYER AGREES TO ACCEPT THE LWA SPECIFIED HEREIN IN LIEU OF ALL OTHER REPRESENTATIONS AND/OR WARRANTIES, WHETHER EXPRESSED OR IMPLIED.

In the event that Buyer asserts any claim or complaint arising out of or relating to this Agreement which Builder and Buyer do not resolve by mutual agreement, and either: (i) the claim or complaint does not fall within the scope and jurisdiction of the LWA for the Property (claims or complaints that are determined to be expired or excluded under the LWA are considered to be within the scope and jurisdiction of the LWA); or (ii) the Property for some reason is determined to not be enrolled in the QBW Program, then the claim or complaint shall be settled as follows:

- a. Mediation:
 - i. Mediation is agreed to be the first step and is a condition precedent to arbitration. Requests for mediation shall be made in writing and delivered as required by Section 16(a) herein. The parties shall select a local, qualified person to serve as mediator by mutual consent.
 - ii. The parties shall share the mediator's fee and any filing fees equally. The mediation shall be held in Carteret County, North Carolina, unless another location is mutually agreed upon by the parties. Agreements reached in mediation shall be enforceable as settlement agreements in any court having jurisdiction thereof.
- b. Arbitration:
 - i. Claims, disputes, and other matters in question between the parties that are not resolved by mediation shall be subject to binding arbitration which, unless the parties mutually agree otherwise, shall be in accordance with the operative Sections of Article 45C of Chapter 1 of the North Carolina General Statutes. Arbitration shall be commenced when either Builder or Buyer delivers written notice of a demand for arbitration to the other party in a writing delivered as required by Section 16(a) herein.
 - ii. A demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in question has arisen and shall describe the nature of the controversy and the remedy sought. In no event shall the demand for arbitration be made after the date when the institution of legal or equitable proceedings based on such a claim, dispute or other matter in question would be barred by the applicable statute of limitations or statute of repose.
 - iii. Notwithstanding any other provisions of this Agreement, in any arbitration proceeding between Builder and Buyer related to the Residence or Property, either party shall have the right to include, by consolidation, joinder, or in any other manner, any person or entity whom either party believes to be substantially involved in a common question of fact or law with respect to such arbitration proceeding. Within fifteen (15) days after the receipt of written notice of demand for arbitration, each party shall identify, by providing the name, address, and telephone number to the other party, an arbitrator selected by each party for purposes of resolving the matter

which is the subject of the demand, and each party shall notify the arbitrator selected by such party that the arbitrator has been identified and that such arbitrator, acting jointly with the arbitrator selected by the other party, if one is so selected, shall be required to select a third arbitrator within thirty (30) days after their selection as arbitrators; provided, however, in the event either party does not identify an arbitrator within the aforesaid fifteen (15) day period, the arbitration proceeding shall be conducted solely by the arbitrator named by the other party. If the two arbitrators selected by the parties fail to select a third arbitrator within the aforesaid thirty (30) day period, either party may petition any Carteret County, North Carolina Superior Court Judge to appoint a third arbitrator, and the third arbitrator so appointed shall serve with the two arbitrators selected by the parties. The Parties agree that arbitration proceedings shall be heard and resolved in Carteret County, North Carolina.

- iv. The award rendered by the arbitrator or arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

SOLE AND EXCLUSIVE REMEDY. Buyer's sole and exclusive remedy against Builder is final and binding arbitration as described herein, and Buyer hereby waives any rights it may have to litigate any matters pertaining to the Agreement or in any way arising out of the purchase or construction of the Property. Builder consents to binding arbitration of any claims Builder may have against Buyer to the same extent as provided in this section in relation to Buyer's claims. Accordingly, Buyer and Builder hereby waive court trial or trial by jury as to any and all claims, disputes or other matters arising out of or relating to this Agreement, whether sounding in contract or otherwise. This Paragraph shall survive closing and execution and delivery of the deed of conveyance.

ANY CLAIMS OF DISPUTE MUST BE HANDLED AS STATED ABOVE AND BUYER UNDERSTANDS LITIGATION IS NOT AN OPTION IN RESOLVING A DISPUTE AND WAIVES THE RIGHT TO A TRIAL BY JURY.

Buyer Initials _____ Buyer Initials _____

15. WARRANTY REQUESTS:

Any warranty service requests requested by Buyer must be made IN WRITING (1) through the web portal using <https://www.serviceonlinesolution.com/452>, or (2) by email to **warranty@streamlinedevelopers.com**. All warranty service requests must be submitted prior to the expiration of the applicable warranty period.

1. **Warranty Service Requests in the First Thirty Days**. Defects appearing within the first thirty (30) days after the Closing should be included in one (1) written request delivered to Builder not later than forty (40) days after the Closing. Except for emergencies, only one (1) list should be submitted for that period. Builder will evaluate the list and inform Buyer of whether each item will be addressed within a reasonable time or notify Buyer that Builder does not consider the item to be Builder's responsibility. Arrangements to make appropriate repairs will be made by Builder within **thirty (30)** days after receipt of the written request, weather and labor conditions permitting and emergencies excepted.
2. **Warranty Service Requests Between 30 Days and 11 Months**. Defects appearing after thirty (30) days from the Closing, but prior to the expiration of the applicable warranty period, should be listed in one (1) written request delivered to Builder at the 11th month of the one (1) year Term. Except for emergencies, only one (1) list should be submitted at the 11th month period. Builder will evaluate the list and inform Buyer of whether each item will be addressed within a reasonable time or notify Buyer that Builder does not consider the item to be Builder's responsibility. Appropriate repairs will be made within a reasonable time after receipt of the requests in Builder's sole discretion.
3. **Warranty Complaints**. All Warranty Complaints must be submitted in accordance with the Complaint and Claims Procedure in the LWA.

16. GENERAL:

- a. Any notice given hereunder shall be in writing and mailed by certified mail, return receipt requested, postage prepaid, addressed to the party to whom such notice is given at the address of that party set forth below or at such other address as the person receiving such notice shall have directed in writing or when delivered in person or transmitted by facsimile or email to Buyer or Buyer's Agent, with printed confirmation of sending.
- b. Builder may waive the benefit of any provisions contained herein for its benefit without in any way affecting the obligation of Buyer hereunder.
- c. Whenever the context hereof shall require, the singular shall include the plural, the plural the singular, and references to any gender shall include all genders.
- d. This Agreement, the addenda and any signed written amendments hereto contain the full understanding of the parties, and both parties' knowledge that **neither has relied upon any oral representation**, inducement, or agreement by the other or by any person acting on behalf of the other.
- e. This Agreement may not be modified, except by a writing signed by both Buyer and Builder. If any term or provision of this Agreement is declared illegal or otherwise invalid, the remaining terms and provisions shall remain in full force and effect.

- f. Builder shall furnish to Buyer a termite inspection report or soil treatment guarantee from a licensed termite control company by date of Closing.
- g. This Agreement may not be assigned by Buyer except with prior written consent of Builder and payment of agreed upon transfer fee payable to Builder.
- h. Any amendment to this Agreement, Change Orders and any agreement terminating this Agreement shall be effective only if made in writing and signed by all the parties hereto. If two or more people are identified as Buyer, any one of them shall have the authority to bind the other in all matters relating to this Agreement.
- i. This Agreement shall be performed in the State of North Carolina and Buyer and Builder agree, notwithstanding the principles of conflicts of law, that the laws of the State of North Carolina shall govern and control the validity, interpretation, performance, and enforcement of this Agreement.
- j. This Agreement is for the sole benefit of the parties hereto, and no other person or entity shall be entitled to rely upon or receive any benefit from this Agreement or any term hereof.
- k. Whenever the last day for the performance of any act required by either Builder or Buyer under this Agreement falls upon a day which is not a business day, the date for the performance of such act shall be extended to the next business day. As used herein, a business day shall mean any day which is not a Saturday, Sunday, or federal or North Carolina holiday or a day where a substantial portion of the businesses in the local area are closed due to extraordinary events, such as hurricanes, tornadoes, floods, or similar events.
- l. This Agreement shall be binding upon the parties and inure to the benefit of the parties and their heirs, successors and assigns; provided, however, nothing in this provision shall allow an assignment of this Agreement except in accordance with the other terms and provisions hereof, and upon prior written consent of Builder.
- m. If any provision herein contained which by its nature and effect is required to be observed, kept, or performed after Closing, it shall survive Closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept, or performed.
- n. This Agreement may be signed in multiple counterparts, each of which shall be deemed an original.

17. RISK OF LOSS: The risk of any damage or loss by fire or other casualty prior to Closing shall be upon Builder. In the event a material portion of the Residence is damaged or destroyed by such fire or other casualty prior to Closing, then, in such event, Builder may terminate this Agreement and the Earnest Money Deposit and/or Builder Deposit shall be refunded to Buyer, without interest, and thereafter neither Buyer nor Builder shall have rights or obligations pursuant to this Agreement except that the indemnity obligation of Buyer pursuant to Section 3(b) of this Agreement shall survive such termination.

18. MINERAL AND OIL AND GAS RIGHTS DISCLOSURE STATEMENT:

The Residential Property Disclosure Act (G.S. 47E) ("Disclosure Act") requires owners of certain residential real estate such as single-family homes, individual condominiums, townhouses, and the like, and buildings with up to four dwelling units, to furnish Buyers a Mineral and Oil and Gas Rights Disclosure Statement ("Disclosure Statement"). This form is the only one approved for this purpose.

A disclosure statement is not required for some transactions. For a complete list of exemptions, see G.S. 47E-2(a). **A DISCLOSURE STATEMENT IS REQUIRED FOR THE TRANSFERS IDENTIFIED IN G.S. 47E-2(b)**, including transfers involving the first sale of a dwelling never inhabited, lease with option to purchase contracts where the lessee occupies or intends to occupy the dwelling, and transfers between parties when both parties agree not to provide the Residential Property and Owner's Association Disclosure Statement. You must respond to each of the following by placing a check V in the appropriate box.

MINERAL AND OIL AND GAS RIGHTS DISCLOSURE

Mineral rights and/or oil and gas rights can be severed from the title to real property by conveyance (deed) of the mineral rights and/or oil and gas rights from the owner or by reservation of the mineral rights and/or oil and gas rights by the owner. If mineral rights and/or oil and gas rights are or will be severed from the property, the owner of those rights may have the perpetual right to drill, mine, explore, and remove any of the subsurface mineral and/or oil or gas resources on or from the property either directly from the surface of the property or from a nearby location. Regarding the severance of mineral rights and/or oil and gas rights, Builder makes the following disclosures:

	Yes	No	No Representation
_____ 1. Mineral rights were severed from the property by a previous owner. Buyer Initials _____	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
_____ 2. Builder has severed the mineral rights from the property. Buyer Initials _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
_____ 3. Builder intends to sever the mineral rights from the property prior to transfer of title to the Buyer. Buyer Initials _____	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
_____ 4. Oil and gas rights were severed from the property by a previous owner. Buyer Initials _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

_____ 5. Builder has severed the oil and gas rights from the property.
Buyer Initials

_____ 6. Builder intends to sever the oil and gas rights from the property prior to transfer of title to Buyer.
Buyer Initials

Note to Buyers

If the owner does not give you a Mineral and Oil and Gas Rights Disclosure Statement by the time you make your offer to purchase the property or exercise an option to purchase the property pursuant to a lease with an option to purchase, you may under certain conditions cancel any resulting contract without penalty to you as the Buyer. To cancel the contract, you must personally deliver, or mail written notice of your decision to cancel to the owner or the owner's agent within three calendar days following your receipt of this Disclosure Statement, or three calendar days following the date of the contract, whichever occurs first. However, in no event does the Disclosure Act permit you to cancel a contract after Closing or (in the case of a sale or exchange) after you have occupied the property, whichever occurs first.

19. HOMEOWNERS' ASSOCIATION; COVENANTS, CONDITIONS AND RESTRICTIONS ("CC&Rs"), if applicable:

Upon Closing, Buyer automatically becomes a member of the community's Homeowners Association if applicable (the "Association") which has been or will be established to govern the affairs of the Community; to own, operate and maintain any common areas within the Community; and to enforce the Covenants, Conditions and Restrictions and/or Master Deed ("CC&Rs") which apply to the Community.

As a homeowner and member of the Association, the Buyer may be required to pay dues and assessments to the Association which will be used to operate and otherwise carry out the purposes of the Association. Builder estimates that at the time of Closing, the amount of the annual dues and assessments applicable to Buyer's Property will be \$ _____ per year and that at Closing a one-time capital contribution will be due from Buyer in the amount of \$ _____; provided, however, Builder does not guarantee the actual amount of the dues and assessments, either at the time of Closing or thereafter, and Buyer acknowledges that the actual amount of dues and assessments may vary from time to time.

Buyer is responsible for any transfer fees charged by the Homeowner's Association, if applicable or fees associated with a request of proration of dues.

Pursuant to the CC&Rs, an architectural review board or committee (the "ARC") may have been (or may be) established by the Association to review and approve all plans and specifications for construction of improvements within the Community, which may include parking, outbuildings, decks, antennas and satellite dishes, flagpoles, landscaping, fencing and other items. Buyer acknowledges that prior written approval of the ARC may be required prior to making any improvements or modifications to the Property and Buyer further acknowledges that the CC&Rs may establish additional standards, limitations and/or prohibitions with respect to any improvements or modifications to the Property.

Buyer has carefully reviewed the CC&Rs for the purpose of determining Buyer's rights and responsibilities thereunder and its application to Buyer's Property, the Community, and the use of the Home.

20. ENTIRE AGREEMENT/CHANGES/TERMINATION: This Agreement constitutes the entire agreement between Buyer and Builder and there are no representations, inducements, or other provisions other than those expressed herein. All changes, additions, or deletions to this Agreement must be in writing and signed by both Buyer and Builder. Buyer acknowledges and understands that this Agreement constitutes a binding contract between Buyer and Builder.

BUYER:

Buyer Signature Date _____

Co-Buyer Signature Date _____

BUILDER:

Builder Signature Date _____

BUILDING DEPOSIT

Held by Builder

Acknowledgement of Receipt:

Signed By

Signature

Date

DUE DILIGENCE FEE

Held by Builder

Acknowledgement of Receipt:

Signed By

Signature

Date

EARNEST MONEY DEPOSIT

Held by: _____

Acknowledgement of Receipt:

Signed By

Signature

Date

BUYER'S AGENT IF APPLICABLE:

Firm: _____

Agent: _____

Email: _____

Phone: _____

License Number: _____

Compensation: _____

SELLER'S AGENT IF APPLICABLE:

Firm: _____

Agent: _____

Email: _____

Phone: _____

License Number: _____

Compensation: _____