



*Horizons East*TM
Building Co.

New Construction Addendum

Property Address: _____

Buyer(s): _____

Buyer 1: Email Address: _____ Phone Number: _____

Buyer 2: Email Address: _____ Phone Number: _____

The Buyer(s) acknowledge and agree to the following:

1. Delayed Start:

Is this job a Delayed Start?

- Yes
- No

Buyer(s) acknowledge they are entering into a contract with Horizons East, LLC, the "Builder/Seller" for the purchase of a new home where construction has not yet begun. Based on the desired closing date, construction will not begin for a longer period of time, as referenced on the Finalized Options Addendum. Buyer should not expect contact from Seller until close to Pre-construction beginning.

2. Representation of Complete Construction:

All photos on the website and MLS listings are of similar model houses. Drawings and floor plans are artist renderings only and are not to be considered 100% representative of the home to be constructed. The actual floorplans, any colors, and the completed structure may vary from the photographs and drawings shown. The buyers should investigate and determine the specific dimension, materials, and finishes to be used in the construction. Certain features and layouts may no longer be available.

3. Representations of Specific Features:

Due to Buyers' requested options, specifications and changes, and the use of multiple vendors, items viewed in similar model homes may not be standard items in the Buyer's home. If the Buyers want specific features, that request should be communicated to the Builder/Seller via the Selling and Listing Agents in writing. Further, the Builder/Seller reserves the right to make changes in architectural details to conform to their standards and standard specifications. The Buyers should investigate which features and details will be included.

4. Features and Specifications Lists:

Features and specification lists are for homes under construction only and are not applicable to completed homes.

5. Builder/Seller Reservations:

Builder/Seller reserves the right to substitute, without notice to Buyers, materials or equipment of comparable quality and may make structural changes which are in accordance with the applicable building codes and may make such modifications in construction of the subject dwelling as elevation and location on the lot may warrant.

Buyer 1: _____ Buyer 2: _____ Seller: _____

Builder/Seller reserves the right to make such changes in the home as are made necessary or desirable in Builder/Seller's opinion by job site conditions, availability of materials and/or of suitable energy sources for heating/cooling.

Buyers acknowledge that the total square footage and individual room square footage on the specifications and plans are approximations only and may vary from house to house. Seller/Builder also reserves the right to make minor adjustments to property lines to meet setbacks, building separation and lot size requirements without compensation or approval from Buyers. Builder/Seller reserves the right to choose all vendors to include appliance vendors and closing attorneys unless otherwise specified in the Contract.

6. Lenders Pre-Approval Letter and Due Diligence Date:

Buyers shall provide to Builder/Seller, within 10 days of contract acceptance, a satisfactory lender's pre-approval letter including matter of credit. If a pre-approval letter, satisfactory to the Builder/Seller is not provided within the 10-day period then Builder/ Seller may, in Builder/Seller discretion, terminate this contract. If pre-approval letter doesn't cover the full purchase price, Buyers shall provide Proof of Funds documents.

If lender or buyer delays extend the home closing by more than 15 days past the contract date, additional due diligence funds will be required in the amount of \$1,500. If the closing is delayed by more than 30 days, an additional \$2,000 will be required, as well as for each subsequent 30-day period, which will not be applied towards the Contract Price.

7. Buyers Authorization to Release Appraisal Information:

Buyers authorize the mortgage company to release a copy of the appraisal to the Builder/Seller and/or the Listing Agent without recourse.

8. Communications with the Builder/Seller:

All Buyer communications (request, concerns, etc.) will be directed through the Selling Agent who will then contact the Listing Agent. Buyer acknowledges that any answers received from workers on the job site are not authorized by the Builder/Seller and will not be acknowledged by the Builder/Seller. If Buyers make a request of the Builder/Seller while on the job site, it is not considered accepted until the request is received in writing and is confirmed and agreed to by the Builder/Seller in writing via the Listing Agent. Any and all costs incurred by the Builder as a result of Buyers' breach of this provision are immediately due to Builder/Seller upon request.

9. Change Orders and Options:

For Spec Homes under construction (defined as Pre-construction (Pre-con) phase has started), any requested change orders (additions, deletions, selections, or options) must be submitted to the Builder/Seller in writing and approved by the Builder/Seller. Builder/Seller makes no guarantee of the availability of selections or options due to the ordering of materials prior to contract. Buyer should request options still available for selection or upgrade and make all selections within ten (10) days of contract execution.

Spec Home Change Order Fees*: A fee of \$250 per change order is applicable to price any requested items after contracting. This fee must be paid in advance and is in addition to any previously provided pricing. Selection Change Fees*: Changes made to zero-dollar selections when materials have not yet been ordered will incur a fee of \$150 per item. (*These fees are not credited towards the Change Order or Contract Price.) If a request is not executed by both parties IN WRITING the requested changes will not be made. Any money paid for options shall be non-refundable. Changes may be requested but cannot be guaranteed.

For Presale Homes (HEBC plans on an HEBC Lot), any requested change orders (additions, deletions, selections, or options) must be submitted to the Builder/Seller in writing, approved by the Builder/Seller, and final selections made by the Buyer during Pre-con Prep. Any delay in the selection process will consequently postpone the start of Pre-con (and therefore the start of construction). Once Pre-con has started, interior and exterior selections are final and cannot be changed without incurring a Change Order Fee. At no time will Pre-con start on a Presale without

Buyer 1: _____ Buyer 2: _____ Seller: _____

final selections in place and paid per contract or addendum. Electrical changes and additions will be made during the Selections Meeting and additional pricing will be included with any charges made for selection upgrades. Pre-Sale Change Order Fees*: A fee of \$250 per change order is applicable to price any requested items beyond Pre-con start. This fee must be paid in advance and is in addition to any previously provided pricing. Selection Change Fees*: Changes made to zero-dollar selections when materials have not yet been ordered will incur a fee of \$150 per item. (*These fees are not credited towards the Change Order or Contract Price.) If a request is not executed by both parties IN WRITING the requested changes will not be made. Any money paid for options shall be non-refundable. Changes may be requested but cannot be guaranteed.

For Custom Homes (custom plans or HEBC plans on the Buyer's lot), any requested change orders (additions, deletions, selections, or options) must be submitted for consideration to the Builder/Seller in writing, approved by the Builder/Seller, and final selections made by the Buyer prior to the start of Pre-con. Any delay in the selection process will consequently postpone the start of Pre-con (and therefore the start of construction). Once Pre-con has started, interior and exterior selections, and all change orders are final and cannot be changed without incurring a Change Order Fee.

Custom Change Order Fees*: A fee of \$350 per change order is applicable to price any requested items beyond Pre-con Prep start. This fee must be paid in advance and is in addition to any previously provided pricing. Selection Change Fees*: Changes made to zero-dollar selections when materials have not yet been ordered will incur a fee of \$250 per item. (*These fees are not credited towards the Change Order or Contract Price.) If a request is not executed by both parties IN WRITING the requested changes will not be made. Any money paid for Change Orders shall be non-refundable.

If the Buyer wishes to have items priced that are not included on our standard options or selections sheets, the Buyer will be charged a Non-standard Change Order Fee of \$500. This fee must be paid in advance and is in addition to any previously provided pricing. This fee is not credited towards the Change Order or Contract Price.

10. **Electrical Plan:**

For Presale Homes, in order to have input on the locations of electrical outlets or lighting, Buyer must submit their Electrical Rendering Package prior to or during the Selections Meeting. If Buyer requests upgrades to the standard Electrical Package, they must return the signed Electrical Package for pricing. This pricing will then be included with any other selection upgrade payment. The seller reserves the right to reject any electrical modification request and reserves the right to modify, add, or remove outlets, lights, connections and/or other electrical features shown on the Electrical Rendering at any given time to comply with Code standards.

For Custom Homes, the Buyer has the option to attend an Electrical Walk with the superintendent to lay out any requests, additions or alterations. The Buyer will then review the Electrical Package for accuracy and return the signed Electrical Package for pricing. This pricing will then be included with any other selection upgrade payment. The seller reserves the right to reject any electrical modification request and reserves the right to modify, add, or remove outlets, lights, connections and/or other electrical features shown on the Electrical Rendering at any given time to comply with Code standards.

11. **Job Site Visitation:**

To assure the flow of work and to comply with the Builder/Seller's insurance policies the Buyer agrees that:

- Buyers will not visit the job site between 6:00 am and 6:00 pm on weekdays UNLESS accompanied the entire duration in a scheduled walk through by the Selling Agent, Listing Agent, Builder/Seller's representative, or the Builder/Seller.
- Any jobsite visits during or after hours, by Buyers' or their requested future subcontractors (fence company, home inspector, cable company, etc.) must be scheduled through the Builder/Seller's Agent and approved by the Builder/Seller for safety and liability purposes.

Buyer 1: _____ Buyer 2: _____ Seller: _____

- No subcontractors other than the ones specifically hired by Horizons East shall be permitted on site during construction hours.
- Buyers understand that they, and anyone who may accompany them, enter the job site at their own risk.
- Buyers may not engage tradesmen to make any changes (additions, deletions, or upgrades) to the house at any time.
- Buyers may not make any alterations to or do any work on the house or lot while the home is under construction.
- Agents are not authorized to divulge lock-box codes to any unauthorized site visitors.

12. Landscaping:

Seller is responsible for grading and seeding of yards to Building Code Standards as applicable and approved by the appropriate inspectors, using HUD or VA Guidelines. Upon sale, the Buyer will be responsible for continuing to nurture the growth of the lawn including, but not limited to, reseeding, watering, fertilizing, repairing washouts, mowing and other maintenance required for healthy vegetative growth. The Buyer agrees that upon closing the Buyer will take responsibility for erosion control and drainage of the property. Any landscaping not noted on punch list at final walkthrough is deemed acceptable. Buyers agree to comply with the rules and regulations of the Division of Land Quality and acknowledges that failure to do so can result in fines being levied upon the seller. Buyer agrees that as requested by the Developer the Buyer will, at Buyer’s cost, comply with any requirement of the Division of Land Quality and pay any fine assessed against the Seller. Buyer further agrees not to fill or add vegetation site in such a manner as to impede the flow of water along any drainage easement located upon the property. Buyer acknowledges BUA (Built-upon Area) may impact future additions.

13. Septic System:

Builder reserves, in their sole discretion, and without notification to buyers, the right to install a pump on the septic system when Builder deems lot is not conducive to a gravity fed system. Septic tank location may vary. Lines will be adjusted based on contours. If there are specific needs for areas of a yard, Buyer must disclose this to the Builder prior to pre-construction in order for location to be determined. (e.g. future swimming pool, extended deck, etc.)

14. Closing Date is Target Date for Completion:

The closing date specified in the Offer to Purchase and Contract is a target date only. The actual closing date may be delayed for any number of reasons, including but not limited to, weather conditions, acts of God, material availability, labor availability, changes requested by the Buyer, and requirements of governmental agencies having jurisdiction over the property and construction.

Builder/Seller will use their best efforts to complete the construction and obtain a Certificate of Occupancy by the closing date. In the event of a delay in completion of the construction, the Buyer agrees neither the Builder/Seller nor any real estate agent shall be liable for any additional cost incurred by the Buyer for loans, temporary lodging expenses, storage expenses, or any other loss the Buyer may occur because of the delay in completion on construction. Buyer agrees to provide all documentation as needed to appropriate parties to ensure an on-time closing. Seller will not be able to provide a firm closing date range until later in the build, no sooner than cabinet installation and no later than when scheduling the Pre-Closing Home Demonstration.

15. Third Party Inspections and Due Diligence Requests:

Third party inspections cannot occur until Buyer is notified the home is CO ready. If Buyer wishes to get a third-party home inspection, the Pre-Closing Home Demonstration will not be scheduled until the seller receives and reviews the home inspection report. In addition, seller will not be able to accommodate a closing any fewer than seven (7) business days from the date of the home demonstration, regardless of whether a home inspection was completed or not. Seller commits to have homes ready for closing on the 7th day. Seller will not execute any Due Diligence Requests as all requested items should be discussed during the Pre-Closing Home Demonstration and included in one place on the punch list.

Buyer 1: _____ Buyer 2: _____ Seller: _____

16. Closing and Closing Attorney:

Closing shall take place and be conducted by the Builder/Seller’s approved attorney’s office or other convenient location selected by the Builder/Seller.

17. Payments and Deposits :

Payments can be made to Horizons East Building Co. using a check, money order, or wire transfer. Please note that Horizons East is not responsible for any fees associated with these payment methods.

18. Substantial Completion:

Buyer and Builder/Seller agree that the construction will be deemed substantially completed upon the issuance of a Certificate of Occupancy.

19. Punch List and Warranty Items:

Buyer and Builder/Seller acknowledge that when the structure is substantially completed there may remain items that need to be corrected or repaired. Builder/Seller will endeavor to correct any list of deficiencies within 90 business days of the closing, provided access is granted to the house during normal business hours and with reasonable notice so that subcontractors can be scheduled. Standard industry practice shall govern. ONE WALK THROUGH (the Pre-Closing Home Demonstration) will be conducted prior to closing with the Buyers’ and/or their representative*, at which time any and all omissions or deficiencies should be identified. In the event Buyer or their representative no-show to the walkthrough, Builder/Seller will conduct a thorough final walkthrough, and the punch list will be generated from that walkthrough. In the event of a no-show at the scheduled walkthrough, Buyer may schedule a home orientation walkthrough post-closing, which will be for informational purposes only and will not include the generation of a second punch list. Buyer hereby agrees that the punch list created at Pre-Closing Home Demonstration is the list from which Builder/Seller will operate. Additional items identified after closing that fall within the scope of warranty will be addressed upon one-year warranty completion. All punch items will be completed as per the Builder Warranty booklet or standard practices, should the warranty booklet not cover the item.

*Please note, only the Buyer(s), buyer’s agent and one additional person may attend the Pre-Closing Home Demonstration. If the Buyer is needing to bring any additional peoples, the agent must contact Horizons East for approval. There will be no non-service animals permitted at the Pre-Closing Home Demonstration.

20. Investment Properties:

Is this an investment property or rental property?

- Yes
- No

If you have selected yes, please select the point of contact through the 1-year warranty process. For Buyers purchasing investment properties, there will be one point of contact throughout the warranty process. This can either be the owner of the property or the property management company, but not both. This includes any items from walkthrough list after closing, any communication with our warranty coordinator, and 1-year warranty walks. Horizons East will not be responsible for coordinating with tenants and it will be the point of contact’s responsibility to communicate with them if there is any reason a trade contractor/Horizons’ East Representative should need to come onto the property to complete an item from walkthrough list, or an emergent item, should it come up.

A 1-year walk-through will be conducted with the designated point of contact prior to the 1-year anniversary of the home closing. To ensure a thorough inspection, we require that tenants vacate the premises for the duration of the walk-through and make the home accessible. This includes putting up any pets that are in the house etc. If for

Buyer 1: _____ Buyer 2: _____ Seller: _____

whatever reason, a tenant leaves the property during the 1- year warranty period, and a new tenant takes their place, we will not accept any new punch lists or walkthrough lists from the new tenant.

Please select below who the point of contact will be for this rental property:

N/A - This is not a rental property.

HOMEOWNER

PROPERTY MANAGEMENT:

COMPANY NAME: _____

CONTACT NAME: _____

EMAIL: _____ PHONE: _____

21. Contract Terms:

Builder represents that executed contract pricing is firm and non-negotiable for any reason. By execution of this addendum, Buyer agrees to pay full purchase price as indicated in the purchase price line on executed contract. Buyer understands that under no circumstances will Builder re-negotiate the price if Buyer's appraisal comes in under the contracted purchase price. The Buyer has the option to terminate the contract and forfeit their due diligence, as provided in contract terms.

22. Parties:

This addendum shall be binding upon and shall inure to the benefit of the parties. As used herein words in the singular include the plural and masculine includes the feminine and neuter genders, as appropriate.

23. Severability:

If any term, covenants, condition, or provision of this addendum of the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions, or provisions of this Addendum, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby.

24. Disputes:

Should any dispute arise relative to the performance of this Contract that the parties cannot resolve, the dispute shall be referred to a single arbitrator acceptable to the Contractor and the Owner with the American Arbitration Association. Owner hereby agrees to BINDING ARBITRATION to resolve any and all disputes arising out of this Contract, including any warranty issues, punch list issues, contract issues, or issues related to the lot. All attorney fees that shall be incurred in the resolution of disputes shall be the responsibility of the party not prevailing in the dispute.

25. Survival:

If any provision herein contained which by its nature and effect is required to be observed, kept, or performed after the Closing, it shall survive the Closing and remain binding upon and for the benefit of the parties here to until fully observed, kept, or performed.

26. Agreement:

This addendum contains the entire agreement of the parties and there are no representations, inducement, or other provisions other than those expressed herein. All changed, additions, or deletions hereto must be in writing and signed by all parties.

27. Applicable Law:

This agreement shall be governed by the laws of the State of North Carolina.

Buyer 1: _____ Buyer 2: _____ Seller: _____

28. Offer to Purchase and Conflicts:

Except as amended herein, all other terms of the original Offer to Purchase shall remain the same. In the event of a conflict between the terms and provisions set forth in the Offer to Purchase and this Addendum, the terms and provisions of this Addendum shall control.

29. HOA Fees:

Any fees charged by HOA management company in connection with, or to obtain information for this closing will be paid by buyer at settlement. This includes fees such as working capital, COA/statement, service/delivery, closing demand, document preparation, prorated dues, etc.

***NOTICE:**

Any changes to floor plans, buyer incentives, features or specifications, or any other special conditions pertaining to this contract have been submitted with this Offer to Purchase. The Seller accepts no responsibility for communications during the negotiation process, or items listed on the MLS unless stated in the Offer to Purchase.

IN WITNESS WHEREOF, the parties have here unto set their hands and seals, the day and year first above written.

Buyer(s):

Signature: _____ Date: _____

Print Name: _____

Signature: _____ Date: _____

Print Name: _____

Builder/Seller:

Horizons East Building Co., LLC, a North Carolina Limited Liability Company NCLBGC #70819

Signature: _____ Date: _____

Print Name: _____

Buyer 1: _____ Buyer 2: _____ Seller: _____