



## BUILDER ADDENDUM TO PURCHASE AND SALE AGREEMENT

This Builder Addendum to Purchase and Sale Agreement ("Addendum") dated \_\_\_\_\_ between \_\_\_\_\_ ("Buyer"), and Streamline Developers, LLC ("Builder"), regarding property known as \_\_\_\_\_ Lot \_\_\_\_\_ Community \_\_\_\_\_ in or near the city of \_\_\_\_\_ County of \_\_\_\_\_, by reference hereto, is incorporated in and is a part of the Purchase and Sale Agreement ("Agreement"), as follows:

1. **Closing Attorney:** Closing shall be held by one of the Builder preferred attorneys (please refer to Builder Preferred Attorney List):

**Seller's Attorney:**

**Wyatt, Early, Harris and Wheeler, Morehead City- John Harris**

If using above attorney, they shall represent both Buyer and Builder only in such case as the common representation can be managed in the best interest of both the Buyer and Builder. Said attorney shall, on behalf of the Buyer, render an opinion on title, prepare any necessary loan documents for Buyer, explain loan documents to Buyer and disburse loan proceeds. Buyer may independently employ separate counsel; however, all additional and redundant costs shall be the sole obligation of the Buyer. If a conflict develops between Buyer and Builder, Builder's attorney must withdraw from the representation of both parties and will not represent either party any further in the transaction.

In the event Buyer does not agree to use an attorney on the Builder's Preferred Attorney List to handle the closing, and Builder agrees to the requested change, then Buyer understands and acknowledges that Buyer will be responsible for paying a fee of \$475 payable to Builder at closing for transaction coordination services.

\_\_\_\_\_ Buyer chooses to use \_\_\_\_\_, in lieu of one of the builder's preferred attorney. Buyer acknowledges a fee of \$475 will be payable to Builder at closing and will be noted on the closing statement.

Initials \_\_\_\_\_

2. **Transaction Fee:** Buyer acknowledges and agrees that in connection with the purchase of the Home, Buyer shall pay to Builder a contract Transaction Fee, equal to \$649.00 (the "Transaction Fee"). The Transaction Fee is imposed in connection with all home sales in the Community, regardless of whether Buyer finances the purchase of the Property. The Transaction Fee represents additional compensation to Seller and principally is intended to cover various out-of-pocket and internal costs and expenses associated with the development of the Community and the administration of this agreement. This fee is due at Closing. The Transaction Fee is separate from any and all Closing Costs (hereinafter defined) set forth herein. While the Transaction Fee is payable, along with various other fees, costs and amounts at Closing, the Transaction Fee is not a settlement fee associated with any loan that Buyer may obtain to finance the purchase of the property.
3. **Property Owner Association (if applicable):** Buyer has received a copy of the restrictive covenants from his/her agent and acknowledges his/her responsibility to read them for compliance.
4. **Schools:** It is Buyer's responsibility to confirm school assignment and any potential redistricting.
5. **Trade Partners and Suppliers:** Builder builds "pre-assigned, inventory" homes - not custom homes, which means all selections are made from our pre-chosen samples and vendors. We do not accommodate "vendor shopping". All the items that you can choose will be selected with a representative of the Builder at the Selections Center.
- Any pricing (i.e., upgrades, fences, etc.) will be done directly through Builder's Design Center. Pricing done in the field by a trade partner and/or field associate (project manager) will not be honored.
6. **Variations:** Floor plans vary regarding square footage, special features and upgrades; therefore, many of the items viewed in other homes may not be standard. Architectural renderings, floor plans and artist renderings are not to be used for the purposes of buying within the projects they depict as they may not be current or could have changed. Do not base any decision to buy real estate or anything else from these images, renderings, or illustrations. The Buyer shall consult with sales representative to obtain the current building specifications before submitting the Offer to Purchase and Contract.
7. **Buyer Installations:** Builder will not install or allow it to be installed prior to closing any items provided/purchased by the buyer. Buyers may not engage the project manager, or tradesmen/subcontractors to make additions or changes of any kind while under construction and/or prior to closing. Such changes must be coordinated between their agent and the Builder representative.
8. **Modifications to the Included Features:** All upgrades, changes and additions must be submitted on a Change Order Request and no Change Orders are permitted after the Design Center Selections have been finalized. If it is not in writing and paid for, no upgrades, changes or additions will be made. Upgrades, changes, and additions are required to be paid for in advance, are non-refundable, and cannot be rolled into your loan.

9. **Selections:**

- **INVENTORY HOME.** The Buyer has the option to meet with the Builder's representative to review the Builders selections (which cannot be modified), available options and upgrades to the Property, if any, within 5 ("five") days from the date of this Agreement. The value and designation of any options, upgrades or selections chosen after this meeting by the Buyer will be set out in an executed Addendum to this Agreement finalizing the Selection Center process within 10 ("ten") days from the date of this Agreement. The Buyer will be responsible for any Non-refundable deposit/payment required by the Builder for the Buyers choice of any option, upgrade, or selection within three (3) days of ratified Addendum to this Agreement. Once the Selection Center process has been completed, there will be no changes, additions, or deletions to the options, upgrades, and selections made by the Buyer.
- **PRE-SALE:** The Buyer will be required to choose from the provided exterior and interior palette and upgrade options. The Buyer's various options, upgrades, and selections are to be made to the Property within 10 ("ten") days from the date of this Agreement. The value and designation of any options, upgrades or selections chosen by the Buyer will be set out in an executed Addendum to this Agreement finalizing the Selection Center process within 14 ("fourteen") days from the date of this Agreement. The Buyer will be responsible for any Non-refundable deposit/payment required by the Builder for the Buyers choice of any option, upgrade, or selection. Once the Selection Center process has been completed there will be no changes, additions, or deletions, to the options, upgrades, and selections made by the Buyer.

A \$ 500.00 fee plus the cost per accepted change will apply for changes made after the Selection Center Process has been finalized, if Builder agrees to accommodate such changes. The stage of construction at the time of the requested change will determine whether Builder will accommodate the request.

10. **Home Inspections:** Builder will only recognize home inspections performed by a North Carolina Licensed Home Inspector respective to the state of the transaction. Inspections must be scheduled through Builder and performed within 10 to 14 days of the closing date, between 7:00 a.m. and 6:00 p.m. Monday through Friday, excluding holidays. Buyer must give written notice to Builder of any inspections at least 72 hours prior to the requested inspection; provided, however, such inspection 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 Inspector during such inspection or any portion of such inspection as Builder, in Builder's sole discretion, shall deem appropriate. The purpose of such inspection shall be limited to determining whether the work performed or being performed conforms to the Plans and Specifications and the terms of this Agreement. If during construction Inspector reasonably shall determine that such construction is not proceeding in accordance with the Plans and Specifications for 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. Buyers may submit a home inspection in lieu of the initial Buyer orientation walkthrough with the Builder. Builder will determine what items, if any, Builder will address in the Home Inspection. Home Inspections must be received at least seven (7) days before closing for items to be addressed and completed prior to your closing date or itemized on a punch list to be completed as soon as possible. Any Home Inspection received less than seven (7) days before closing will be addressed, however; closing will be pushed twelve (12) days and a \$250 charge will be assessed at closing.

11. **FINANCING:** This Agreement is conditioned upon Buyer providing Builder, proof of cash to close within (3) days of the date of this Agreement if a loan is not going to be used to finance the Property. If Buyer fails to provide to Builder proof of funds to close, Builder may terminate this Agreement at any time thereafter by written notice to Buyer, retaining the Earnest Money Deposit and Builder Deposit as liquidated damages resulting from the breach. Builder and Buyer have agreed that Builder shall have the option of retaining the Earnest Money Deposit and Builder Deposit as liquidated damages under the terms of this paragraph because that sum of money is determined to be a reasonable estimate of the actual damages that Builder would suffer because of Buyer's breach, which actual damages would be difficult to determine.

**FINANCING SOURCE:** \_\_\_\_\_ (i.e. Cash, Conventional Loan, VA Loan, etc.)

**If a loan is going to be used to finance the Property, this Agreement is conditioned upon Buyer to provide a pre-approval letter within (3) days of the date of this Agreement and making loan application (at no charge) within seven (7) days of the date of this Agreement and obtaining and depositing a pre-qualifying loan commitment with the Builder. The Buyer is also required under the terms of this Agreement to obtain and deposit a written conditional approval letter, subject to only an appraisal, clear title report and Buyer provided hazard insurance, from the Buyer's lender and to deliver a copy of it to Builder within thirty (30) days following the date of this Agreement. Time is of the essence for date and deposit of both loan commitments.** If Buyer fails to provide to Builder proof of funds to close, or a copy of the conditional approval letter within thirty (30) days of this Agreement, or if Buyer fails to make loan application within seven (7) days of the date of this Agreement, Builder may terminate this Agreement at any time thereafter by written notice to Buyer. Buyer shall be solely responsible for and shall have final approval as to when interest rate, terms and discount points are locked in, and Builder shall have no responsibility for such decisions. Buyer shall use Buyer's best efforts to obtain a customary conditional approval letter from Buyer's mortgage lender and satisfy all terms and conditions thereof. If Buyer does not cooperate thereafter with Buyer's mortgage lender, such failure on Buyer's part will be a breach of this Agreement, and Builder may terminate this Agreement, retaining the Earnest Money Deposit and Builder Deposit as liquidated damages resulting from the breach. Builder and Buyer have agreed that Builder shall have the option of retaining the Earnest Money Deposit and Builder Deposit as liquidated damages under the terms of this paragraph because that sum of money is determined to be a reasonable estimate of the actual damages that Builder would suffer because of Buyer's breach, which actual damages would be difficult to determine. The Buyer agrees that any interest rate or discount fee lock selected with the mortgage lender shall expire no sooner than fifteen (15) days after the estimated Closing Date to be provided by Builder. Builder is not responsible for interest rate extensions in any circumstance.

- (a) Notwithstanding the foregoing, failure of Buyer to disclose to its lender the ownership of any property which may affect Buyer's ability to obtain the mortgage loan specified in this Agreement, will constitute a default and result in the forfeiture of Buyer's Earnest Money Deposit and/or Builder Deposit and obligate Buyer to reimburse Builder for any and all costs associated with the resale of Property should Buyer be disqualified by Buyer's mortgage lender on the basis of the Buyer's payment obligations related to such property.
- (b) **VA/FHA Clause.** *(When FHA or VA financing applies and the value is known)* Except as provided below, if Buyer is obtaining Federal Housing Authority ("FHA") or Veterans Administration ("VA") guaranteed financing, it is expressly agreed that, notwithstanding any other provisions of this Agreement, Buyer shall not be obligated to complete the purchase of the Property or to incur any penalty by forfeiture of Earnest Money Deposit or otherwise unless Buyer has been given, in accordance with HUD/FHA or VA requirements, a written statement by the Federal Housing Commissioner, VA, or a Direct Endorsement lender setting forth the appraised value of the Property. Buyer shall have the privilege and option of proceeding with consummation of the Agreement without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development ("HUD") will insure. HUD does not guarantee the value nor the condition of the Property. The Buyer should satisfy himself/herself that the price and condition of the Property are acceptable.
  - *Buyer is Obtaining VA Financing.* When the valuation of the Property by VA is unknown, it is expressly agreed that, notwithstanding any other provisions of this Agreement, Buyer shall not incur any penalty by forfeiture of Earnest Money or otherwise or be obligated to complete the purchase of the Property described herein, if the Purchase Price exceeds the reasonable value of the Property established by the Veterans Administration. Buyer shall, however, have the privilege and option of proceeding with the consummation of this Agreement without regard to the amount of reasonable value established by the VA.
  - *Buyer is Obtaining FHA Financing.* By signing this Agreement on the last page, the Builder, Buyer, and Real Estate Brokers/Agents involved in this transaction do hereby certify that the terms of this Agreement are true to the best of their knowledge and belief.

**12. Builder's Contribution:**

- (a) So long as Buyer is in agreement with Paragraph 1 of this Addendum regarding closing being conducted by Builder's preferred attorney, Builder agrees to pay at settlement up to \$\_\_\_\_\_ as a contribution toward Buyer's Closing expenses accrued and payable at closing including any FHA/VA lender and inspection costs that Buyer is not permitted to pay less any portion disapproved by Buyer's lender.
- (b) Buyers may apply this contribution, up to the total amount, toward the loan origination fee, excise tax, appraisal fees, attorney fees, pre-pays, taxes, owners' association dues and/or contributions, and insurance or other usual and customary lender fees. No portion of this amount may be applied as a credit to the Buyer or to other expenses/vendors not previously agreed to as part of the Purchase and Sale Agreement. Builder's contribution to Buyer's Closing Costs is to be applied only after all lender credits have been applied.
- (c) If using a builder approved Preferred Lender, Preferred Lender will also contribute toward closing costs. This amount is typically \$2,000.00 but may vary by the loan program selected and is an agreement between Buyer and Preferred Lender subject to Buyer obtaining a mortgage loan with one of the following mortgage loan providers ("Preferred Lender"): CIMG Residential Mortgage, Guild Mortgage or American Security Mortgage Corp. If the Buyer has indicated they are using a Preferred lender then at any point decides not to use one of the Preferred Lenders after the contract has been signed, they will forfeit \$2,000.00 of closing costs from the Builder.

**13. Landscaping Warranty and Disclosure:**

- (a) Landscaping, including trees, shrubs, grass, and flowers are not covered by any warranty.
- (b) Grading and drainage are not covered by any warranty, nor will they be maintained or modified by the Builder after closing in any way whatsoever UNLESS the grading or drainage is found to exceed the applicable provisions of the Quality Builders Warranty Corporation Limited Warranty Agreement. The Buyer's closing of the sale constitutes an acceptance of the existing drainage and erosion controls of the Property, except for matters noted on a Punch List.
- (c) As of the date and time of the Closing, Builder shall have no further responsibility for soil erosion, soil conditions or the growth or death of grass, trees, or shrubbery. The Builder shall not be liable for trees or shrubs, or damage or destruction to the same. Builder makes no warranty whatsoever as to the type, location or number of trees which will exist on the Property after construction. Builder will plant grass seed or install sod in certain locations at Builder's discretion; however, as part of its construction some areas may be left in their natural state and will not be landscaped in any way. Because the growth of grass seed and the health of sod are dependent on Buyer's care and maintenance, Builder makes no warranty regarding the presence, absence, growth, or death of grass. Because prevention of erosion is dependent on Buyer's care and maintenance of the grass and sod, Builder makes no warranty regarding erosion.

**14. Termination of Agreement:**

- (a) The Buyer agrees not to harass, annoy, abuse, or treat disrespectfully any employee or agent of Builder, or interfere with work of Builder or any employee, contractor, subcontractor, vendor, or supplier of Builder. Builder, in its sole discretion, may elect to treat any such, as a material breach of this Agreement. In the event the Builder elects to terminate this Agreement pursuant to this paragraph, the Builder shall give written notice of such termination by certified mail, return receipt requested, to the Buyer and Buyer shall forfeit all deposits.
- (b) Builder, in its sole discretion, may elect to terminate this Agreement in the event Buyer demonstrates unreasonable expectation, escalating differences, and/or issues that have become irreconcilable. In the event the Builder elects to terminate this Agreement

pursuant to this paragraph, the Builder shall give written notice of such termination by certified mail, return receipt requested, to the Buyer, and Builder shall return the Earnest Money Deposit and Builder Deposit to Buyer. Buyer agrees to sign a release of all claims it may have against Builder in exchange for return of the Earnest Money Deposit and Builder Deposit pursuant to this paragraph. Buyer further agrees that return of the Earnest Money Deposit and Builder Deposit is Buyer's sole remedy against Builder in the event of Builder termination of this Agreement pursuant to this paragraph.

- (c) Buyer understands, acknowledges, and agrees that picketing, posting of negative signs (including signs in or on vehicles), distribution of negative literature, posting on a negative website or negative postings on the internet (including, without limitations, social media) may affect the value of the Residence and/or the value of homes constructed in the community in which the Residence is constructed ("Community") and the residential atmosphere of the Community. Without limiting the generality of anything contained in the Agreement, Buyer agrees not to interfere in any manner whatsoever with the completion, marketing and sale of the Residence or any homes in the Community or other properties in which Builder or its affiliates construct homes. Without limiting the foregoing, Buyer agrees that picketing, posting negative items on social media, posting negative signs, distribution of negative flyers and other literature in, near or around the vicinity of the Community in which the Residence is located, or any other Community in which Builder or its affiliates construct homes, constitutes interference with the completion, marketing and sale of the homes and other homes in applicable Community, and that Buyer agrees not to engage in any such activities. In the event Buyer breaches this Section, in addition to any remedies set forth in this Agreement or at law (including, but not limited to, injunctive relief, damages and attorney's fees and cost), Builder shall have the right to immediately terminate this Agreement and cause the Earnest Money Deposit and/or Builder Deposit to be returned to Buyer. The provisions of this section shall survive the Closing or the termination of the Agreement.
15. **Utilities:** The buyer is responsible for having the utilities turned on in their name within **48 hours** after closing, i.e., electric, water/sewer, gas, etc.
16. **Statements and Agreements Made by Builder:** Builder wants to ensure that Builder and Buyer are in full agreement on all terms and conditions relating to the Agreement. To best ensure that there are no misunderstandings, Buyer should ensure that all terms and conditions (including all statements, representations, or understandings upon which Buyer relies in purchasing the Residence) are set forth in writing in the Agreement. Builder is not responsible for, or bound by, any statement or agreement by any new home consultant, salesperson, broker, agent, employee, or other representative of Builder unless such statement or agreement is in writing and signed by an authorized agent of Builder. If there are any statements, representations, or understandings which are made by a sales staff person or any other representative of Builder which are material to Buyer's decision to purchase, Buyer should insist that any such statement, representation or understanding is put in writing and contained in the Agreement.
17. **Surrounding Areas:** Builder typically has no control over the development or use of the areas adjacent to or in the vicinity of the Community. Buyer acknowledges: (i) that the character, nature, and uses of the areas adjacent to or in the vicinity of the Community may change in the Future and (ii) that future uses of adjacent or nearby property could include transportation, commercial, residential, agricultural, recreational, or any number of other uses. The Builder has not made any representations concerning the development or use of the areas adjacent to or in the vicinity of the Community.
18. **Future, Development, Marketing and Other Changes:** Future development of the Community cannot be predicted with accuracy. Therefore, Builder makes no representations or warranties as to future development of the Community and Buyer (whether or not Builder is the developer of the Community) acknowledges that any of the following may occur:
- (a) Changes in the design, plan, size, materials and/or features of the Community, the amenities in the Community and/or the homes in the Community including, without limitation, the number of homes and the sizes of lots in the Community. Topographical maps in sales office(s), site plans, lot plotting maps, sales literature and brochures and other items showing the Community, the amenities in the Community and/or the homes in the Community do not in any way constitute Builder's promise to complete the same as shown.
- (b) Different methods of marketing to sell homes in the Community, including, without limitation, the use of incentives, concessions, price reductions, lot sales programs, bulk sales or other promotions or techniques, without regard to the price paid by Buyer for his/her Residence, and without any obligation to offer any comparable incentives to Buyer.
- (c) The sale, at any time, of all or any portion of the lots within the Community to any third party, including other developers and/or Builders.
19. **Construction and Sales Activity:** Certain construction and sales activities within and near the vicinity of the Community may occur after Buyer's occupancy of Buyer's Residence. This may result in some inconvenience to Buyer due to increased noise, dust and debris from the construction activities and the operation of the model homes and sales office. Construction hours often begin early (particularly in warmer seasons) and sales activity will likely involve significant traffic and visitors, particularly on weekends before the Community is completely sold out.

Furthermore, Builder has taken steps to adhere to applicable Code requirements, if any, pertaining to sound attenuation between homes, from adjacent uses and between floors of any townhouse buildings. However, meeting Code requirements will not necessarily eliminate noise. Buyer understands and acknowledges that multi-unit and/or attached housing inevitably creates more sound transmission and noise intrusion than detached residences due to shared walls and floor/ceiling construction. Shared walls, floors and ceilings will contain plumbing lines, ventilation ducts and other related devices. These devices can generate and transmit noise from a neighboring home which may be heard in Buyer's Residence. Buyer acknowledges that Builder shall not have any responsibility for any type or level of sound transmission within or between units in a Community building, from street noise within or outside the Community, or otherwise from surrounding properties or uses.

20. **Views:** Buyer acknowledges that Builder has not made any representation, warranty, or covenant of any kind regarding views that may be available from Buyer's Residence. A view may be negatively impacted by a variety of occurrences, including construction of buildings, decks, fences, walls, tree and plant growth, landscaping, or other future developments.
21. **Radon Gas:** Radon is a naturally occurring radioactive gas that, when it has accumulated in a building in sufficient quantities, may present health risks to people who are exposed to it over time. Levels of radon that exceed federal and state guidelines have been detected in some residential structures. Buyer acknowledges that prolonged exposure to high levels of radon gas may result in adverse effects on human health and that Builder has not performed any testing within the Community, or in Buyer's Residence, with respect to radon gas. Additional information regarding radon and radon testing may be obtained from the applicable County public health department. Buyer acknowledges that Builder has made no representations or warranties, express or implied, concerning the presence or absence of radon gas (or any other hazardous environmental condition) in Buyer's Residence or in the Community.
22. **Soil Conditions:** It is possible that certain problems may arise with the Residence due to expansive soils and/or sinkholes. Buyer acknowledges and agrees that Builder makes no representation, warranty or guarantee against the risk of soil changes and/or sinkhole activity.
23. **Mold:** Mold is not necessarily harmful and medical professionals disagree about the effects of exposure to mold and the level of mold exposure that may cause health problems. Mold in elevated airborne concentrations may cause allergic symptoms in people who are sensitive to mold and people with suppressed immune systems or lung disease may be at risk for fungal infections. The best way to control indoor mold growth is to control moisture. In order to minimize moisture, Buyer should, among other things: (i) immediately fix leaky plumbing or other sources of moisture; (ii) properly ventilate kitchens and bathrooms by opening windows and using exhaust fans; (iii) maintain low indoor humidity; (iv) regular vacuuming and cleaning; (v) clean and dry refrigerator, air conditioner and dehumidifier drip pans and filters regularly; (vi) inspect for condensation and leaks in and around the Residence and clean up and repair sources of moisture; (vii) regularly caulk windows, faucets, tubs and showers and maintain the roof in good repair; and (viii) install dehumidifiers.
24. **Photography Release:** Buyer authorizes Builder or any of its affiliates the absolute and irrevocable right to utilize without charge, for any purpose, photographs and/or renderings of the Property, whether taken prior to or after Closing.

\_\_\_\_\_ Initial(s) **BUYER'S ACKNOWLEDGEMENT OF RECEIPT:** I/We acknowledge that we have received, read, and accepted all the provisions of this Builder Addendum to Purchase and Sale Agreement. I/We also realize that it contains important information affecting my/our rights and obligations and I/we have familiarized myself/ourselves with its contents.

**YOUR UTILITIES WILL BE DISCONNECTED IF NOT TRANSFERRED INTO YOUR NAME WITHIN 48 HOURS AFTER CLOSING.**

**BUYER:**

\_\_\_\_\_ Date \_\_\_\_\_  
Buyer Signature

\_\_\_\_\_ Date \_\_\_\_\_  
Co-Buyer Signature

**BUILDER:**

\_\_\_\_\_ Date \_\_\_\_\_  
Builder Signature