



PURCHASE AGREEMENT

1. PARTIES

_____, hereinafter called "Buyer", and TLE Homes, LLC, hereinafter called "Builder" and "Seller", agree as follows:

2. PROPERTY

Builder agrees to sell, and Buyer agrees to purchase from Builder, House Plan/Exterior Elevation _____ Lot No. _____, Phase _____, of _____ Subdivision recorded in Book of Maps _____, Page _____, _____ County Registry, Street Address _____ City _____ of _____, State of North Carolina, together with the improvements thereon or to be built thereon pursuant to this Agreement ("the Property").

NOTE: Governmental authority over taxes, zoning, school districts, utilities, municipal services, and mail delivery may differ from address shown.

Prior to signing this new construction purchase and sales agreement ("**Agreement**"), Buyer is advised to review restrictive covenants, if any, which may limit the use of the Property, and to read the declarations, by-laws, articles of incorporation, rules and regulations and other governing documents of the owners' association and/or the subdivision, if applicable.

3. PURCHASE PRICE AND PAYMENT

The Total Purchase Price for the above-described Property being purchased hereunder shall be \$ _____, which amount is exclusive of any closing costs described herein and as if further defined and set forth on Exhibit A to this Agreement, which is attached hereto and incorporated herein.

Seller paid closing costs, if applicable, shall be: \$ _____

Buyer shall make the following payments:

PAYMENT	DUE DATE (Time is of the Essence)	AMOUNT DUE
Builder Deposit #1 (check, money order or wire)	Upon signing of this Agreement	\$
Builder Deposit #2 (check, money order or wire)	Due:	\$
Builder Deposit #3 (check, money order or wire)	Due:	\$
Builder Deposit #4 (check, money order or wire)	Due:	\$
Total Deposit		\$

THE BALANCE OF THE PURCHASE PRICE LESS ALL DEPOSITS IS DUE BY CASHIER'S CHECK OR FEDERAL WIRE ONLY IN U.S. FUNDS FROM A FINANCIAL INSTITUTION

LOCATED IN THE UNITED STATES (BANK CHECK OR OFFICIAL CHECK WILL NOT BE ACCEPTED) AT CLOSING.

The non-refundable builder deposit ("**Builder Deposit**") shall be paid by Buyer to Builder by personal check or wire from a US Bank and shall be deposited in the general account of Builder by _____ (DATE).

All deposits will be applied to the Purchase Price at closing. The Builder Deposit is refundable if Builder defaults in its obligations or as otherwise set forth in this Agreement. Buyer acknowledges and agrees that Builder shall have the right to use Builder Deposit funds and such Builder Deposit funds will not be segregated or set apart in any manner. Buyer recognizes and accepts this risk of depositing the Builder Deposit with Builder. Time is of the essence for all deposits required to be made under this Agreement.

If this Agreement is NOT subject to or contingent upon Buyer securing financing for the acquisition of the Property, the balance of the purchase price shall be paid in "**ALL CASH**" at closing. No portion of the Purchase Price will be paid by promissory note or assumption of an existing loan.

4. CONDITIONS

(a) **Loan Requirement:** (check if a loan is required)

Type of Loan: Conventional USDA/FHA VA Loan Other: _____

If this condition is checked, then the purchase is subject to the Buyer securing a firm commitment ("**Loan Commitment**") for a loan ("Loan") as follows: Buyer shall provide Builder with a pre-qualification letter ("**Pre-Qualification Letter**") at the time of contract signing. Buyer shall apply for the Loan within five (5) business days of the Agreement Date. The "Agreement Date" is the date the last party to this Agreement executes the Agreement whereby all parties have fully executed the Agreement. Buyer shall secure the Loan Commitment from the lender within thirty (30) business days of the Agreement Date and shall promptly provide Builder a copy of the Loan Commitment. The Loan Commitment must state all conditions of the Loan, including whether Buyer must sell another property to close the Loan. If Buyer must sell and/or close another property as a condition to closing the Loan, then Builder shall have the option of either terminating this Agreement or requiring Buyer to sign a Contingent Sale Addendum. Buyer shall promptly perform all acts necessary to obtain the Loan and Buyer shall not perform any act or omit any act that may interfere with Loan approval. Failure of Buyer to completely and promptly and in good faith perform Buyer's responsibilities under this paragraph or the entire Agreement shall constitute a breach of this Agreement by Buyer. Buyer shall be responsible for all costs with respect to any Loan obtained by Buyer.

(b) **Financial Commitment:** Buyer shall provide evidence reasonably satisfactory to Builder that Buyer has the funds available to pay for the Property ("**Financial Commitment**".) Failure of the Buyer to provide the Financial Commitment shall give the Builder the right to terminate this Agreement. If Paragraph 4(a), above, is applicable to this Agreement, then the deadline for providing the Financial Commitment is the Loan Commitment Deadline. If Paragraph 4(a) is not applicable to this Agreement, then the deadline for providing the Financial Commitment is five (5) business days from the Agreement Date. Time is of the essence with regard to these dates.

(c) **Deed, Excise Taxes:** The deed is to be made to: _____ All taxes assessed for any prior calendar year and remaining unpaid shall be paid by Builder. At the closing between Buyer and Builder, Builder will pay a credit to Buyer for property taxes not yet due and payable for the current calendar year in which closing is to occur. Such credit shall be based on the most recent tax bill available by the county tax department. Buyer understands that the most recent tax bill available will be the

land value unless tax bills for the current closing year have been issued as of the closing date. Buyer assumes and agrees to pay all installments of real property taxes due and payable after the closing date. All Excise Tax/Revenue Stamps are to be paid by Buyer.

(d) **Builder's Right to Terminate:** Builder has the right to terminate this Agreement if the Buyer fails to provide the Pre-Qualification Letter, Loan Commitment or Financial Commitment by the dates set forth above, Buyer acts in bad faith or with unfair dealing that results in damages incurred by Builder and/or delays in the start of construction, or fails to close on the Property as provided herein. If Buyer is in breach of this Agreement as provided herein and Builder does not terminate the Agreement, Buyer understands that the start of construction, completion of the home on the Property and closing may be delayed as a result of Buyer's breach of the conditions of the Agreement. Time is of the essence with regard to these dates.

(e) **Pre-Closing Dispute:** In the event of a dispute or disagreement between Builder and Buyer prior to or at closing, Builder reserves the right to terminate this Agreement upon written notice to Buyer and return all deposits paid by Buyer. Buyer shall have no further rights, remedies, or causes of action arising out of or relating to this Agreement.

(f) **Residential Use:** Buyer intends to use the Property for single family residential purposes. There shall be no private restriction or governmental regulation that prohibits such use of the Property.

(g) **Title Insurance:** An owner's title insurance policy and binder will be furnished at closing subject to the lien of current taxes, restrictions, covenants, rights-of-way, or easements of record. The cost of the title search and the premium shall be paid by Buyer.

5. SETTLEMENT/CLOSING

Buyer understands that the closing date for a preconstruction sale is an estimate only and that the actual closing date may be set only after the home reaches the drywall stage in the construction process. The anticipated closing date shall be on or before _____ (**DATE**), but the parties recognize that adverse weather, unavailability of material, strikes, delays with sub-contractors, vendors or government entities and other conditions beyond the reasonable control of Builder may delay completion and it is therefore agreed by the parties that in the event, and only in the event, that the Property is not substantially completed in accordance with the VA, FHA, or Conventional plans and specifications, minor punch list items excluded, within sixty (60) days after the anticipated date of completion, Buyer shall have the right to declare this Agreement null and void and thereupon Builder shall return to Buyer the sums paid under paragraph 3(a) hereof and Buyer's and Builder's rights shall cease and terminate without further liability on the part of either party. Closing shall be defined as the date and time of recording of the deed. Closing shall constitute acceptance of the Property in its then existing condition unless otherwise provided for in writing.

6. ZONING

Builder warrants that there are no restrictions, zoning, easement, or other governmental regulations that would prevent the reasonable use of the Property for residential purposes.

7. STANDARD PROVISIONS AND CONDITIONS

Additional provisions and conditions of this Agreement are incorporated herein by Exhibit and/or Addendum attached hereto, including (but not limited to) the following:

- Purchase Price/Options Spreadsheet
- Plans/ Specifications / Features
- Lender Election Addendum / List of Approved Lenders and Closing Attorneys
- Receipt of Warranty Manual & Community Documents
- Owners Association Disclosure Addendum

- Notice Information/Agency Confirmation
- Subdivision Street Disclosure
- FHA/VA Contract Addendum
- Mineral and Oil Gas Rights Mandatory Disclosure
- Receipt for Building Deposit/Escrow Acknowledgement
- Contingent Sale Addendum

8. CONSTRUCTION OF PROPERTY

Builder shall complete the Property in accordance with the plans and specifications (collectively the "**Plans**") agreed to by Builder and Buyer in compliance with all laws, regulations, codes, and ordinances applicable to the construction of the Property, and in a good and workmanlike manner with new, good quality materials and components. For a variety of reasons, including, for example, unavailability or discontinuance of certain materials, processing delays and inspections, weather conditions and the availability of materials and qualified trade contractors and other factors outside of Builder's control, we may modify some aspects of your home. Builder specifically retains the right to substitute selected materials with materials of a comparable pattern, design, and quality, to the extent reasonably necessary and available. Notwithstanding anything in this Agreement to the contrary, Builder does, however, agree to complete construction of the home upon the Property within a period of two (2) years from the date Buyer executes this Agreement (the "**Required Completion Date**"), subject only to time extensions caused by any event recognized by the law of the state of NC as a defense to a contract action for non-performance or a delay in performance. If construction is delayed by events recognized by the law of the state NC as a defense to a contract action for non-performance or a delay in performance, then the Required Completion Date shall be extended by the delay period. No notice of default or cure period otherwise required or provided by this Agreement shall extend the time period within which Builder must complete construction of the home. The issuance of a temporary or permanent certificate of occupancy or use from the proper governmental agency authorizing use of the home for the purposes for which it was sold shall be conclusive evidence of the completion of the home. It is the express intent of the parties that the parties' rights and obligations under this Agreement be construed in the manner necessary for Builder's obligation to complete the home within two (2) years to be sufficiently unconditional in nature so as to exempt the transaction from the Interstate Land Sales Full Disclosure Act (15 U.S.C. 1701, et seq.) pursuant to the statutory Improved Lot Exemption, 15 U.S.C. 1702(a)(2). If Builder fails to complete the home by the Required Completion Date (plus any delay-period extension), Buyer shall be entitled to pursue against Builder any and all remedies available to Buyer at law or in equity.

WITHOUT LIMITING THE BUILDER'S OBLIGATION TO COMPLETE THE HOME BY THE REQUIRED COMPLETION DATE, IT IS A CONDITION THAT CLOSING WILL NOT OCCUR UNTIL THE CITY OR COUNTY ISSUES ITS OCCUPANCY CLEARANCE AND ALL SUBDIVISION IMPROVEMENTS ARE COMPLETE OR THERE IS OTHERWISE COMPLIANCE WITH APPLICABLE LAW.

9. PURCHASE PRICE, SELECTIONS, AND UPGRADES

(a) The Purchase Price set forth in paragraph three of this Agreement includes the Purchase Price of the lot, house, and all features standard to the neighborhood.

(b) The cost of all upgrades in Buyer's selections are to be paid by Buyer directly to the Builder; Builder requires a 100% non-refundable deposit ("**Deposit**") for all upgrades or changes to Builder's standard plan and features at the time selections are made. Deposits for upgrades/changes are non-refundable once the Builder has obtained a permit to start construction on the Property. Deposit is to be paid in full outside of closing and at the time of the request and will not be added to the sale price.

10. HOMEOWNER'S DUES

Buyer understands that the Community and the Property may be or are subject to one or more declarations of covenants, conditions, restrictions and one or more homeowner's associations and acknowledges receipt of a copy of the declaration of covenants and restrictions as amended, for the Property. Buyer acknowledges that there may be a one-time Capital Contribution to the homeowner's associations as disclosed in the governing documents which shall be collected at closing along with any administrative fee collected by the property manager at closing and the customary collections and/or prorations for dues which thereafter may be collected monthly, quarterly, or annually. The dues may increase prior to closing pursuant to the Community's declarations of covenants, conditions and restrictions as amended. The declaration of covenants, conditions, and restrictions may be amended at any time in accordance with the terms therein. Buyer hereby expressly acknowledges receipt of the covenants for the subdivision.

Homeowners' Association Information (if applicable):

Name of HOA: _____

Name of HOA Contact Person: _____

Phone Number of HOA Contact Person: _____

Email of HOA Contact Person: _____

HOA Dues: \$ _____ Paid: Annually Quarterly Monthly Other _____

One-Time HOA Capital Contribution: _____

11. OIL AND GAS RIGHTS DISCLOSURE

Oil and gas rights can be severed from the title to real property by conveyance (deed) of the oil and gas rights from the owner or by reservation of the oil and gas rights by the owner (See attached Mineral and Oil Gas Rights Mandatory Disclosure Statement attached). If 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 oil or gas resources on or from the property either directly from the surface of the Property or from a nearby location. With regard to the severance of oil and gas rights, Builder makes the following disclosures: BUILDER DOES NOT, AS A CORPORATE PRACTICE, SEVER OIL AND GAS RIGHTS OR RETAIN OIL AND GAS (OR OTHER SUBSURFACE, MINERAL OR SUBSISTENCE RIGHTS) AT ANY POINT IN THE CONTRACTING PROCESS OR AT TRANSFER OF TITLE.

12. INSULATION DISCLOSURE

Builder hereby discloses that prior to settlement and closing, Builder will hire an independent contractor to install insulation in the Property as follows:

	Floor*	Ceiling (below attic)	Ceiling	Walls
Type	BATT	Loose Fill Fiberglass	BATT	BATT
R-Factor	Per State Code (R19) or Better	Per State Code (R38) or Better	Per State Code (R38) or Better	Per State Code (R15 for 2x4, R19 for 2X6)
*Disclosure does not apply to dwellings constructed on slab.				

13. STREET DISCLOSURE/INVESTIGATION

For all subdivisions outside of Municipal Corporate Limits, Buyer shall have the opportunity to investigate the status of the street(s)/road(s) upon which the home fronts as well as any other street(s)/road(s) used to access the home, including: (1) whether any street(s)/road(s) are public or private, (2) whether any street(s)/road(s) designated as public are currently maintained by the State of North Carolina or any municipality where the home is located, and (3) the existence and terms of any agreement relating to the maintenance of any street(s)/road(s) which are private.

THIS PROVISION OF THE AGREEMENT IS NOT APPLICABLE TO SUBDIVISIONS WITHIN MUNICIPAL CORPORATE LIMITS WHERE THERE IS NO INVESTIGATION PERIOD OR RIGHT OF TERMINATION BY BUYER.

NOTE: North Carolina General Statutes 136-102.6(f) (the "Statute") requires that under circumstances described in the Statute, a purchaser must be provided a subdivision streets disclosure statement prior to entering into an agreement to purchase subdivided property described in the Statute. If Buyer or Seller is uncertain whether the sale of the home described in this Agreement is subject to the Statute, consult a North Carolina real estate attorney.

14. PRORATIONS AND ADJUSTMENTS

Unless otherwise provided, the following items shall be prorated and either adjusted between the parties or paid at closing:

- (a) Ad valorem taxes on real property shall be prorated on a calendar year basis to the date of closing.
- (b) Homeowner's association(s) dues shall be prorated to the date of closing.

15. BUYER ACKNOWLEDGEMENTS:

- (a) Buyer has received a copy of the subdivision Restrictive Covenants via hard copy or digital copy;
- (b) Buyer is responsible to confirm school assignment and/or educate himself/herself regarding any potential redistricting;
- (c) Buyer has received a copy of the recorded Plat for the property/lot or subdivision;
- (d) Buyer is aware that Wetlands, Buffers and Easements are part of every community and there are limiting effects on various home-sites within a project. Buyer has reviewed the Plat and site plan for any such conditions on the lot subject to this Agreement; and
- (e) Buyer is aware that there may be future phases added to the subdivision plans and that Builder makes no representations or warranties about the future or status of any property adjoining the subdivision.

16. FIRE AND OTHER CASUALTY

The risk of loss or damage by fire or other casualty to the Property prior to closing shall be upon the Builder.

17. CONDITIONS

- (a) All deeds of trust, liens and other charges against the Property must be paid and canceled by Builder prior to or at closing.
- (b) Title must be delivered at closing by General Warranty Deed and must be fee simple marketable title, free of all encumbrances except ad valorem taxes for the current year (prorated to the date of closing), utility easements, assessments for homeowner's dues, and unviolated restrictive covenants that do not materially affect the value of the Property and such other encumbrances as may be assumed or specifically approved by Buyer.
- (c) The Property must have legal access to a public right-of-way.

18. LABOR AND MATERIAL

Builder shall furnish at closing an affidavit and indemnification agreement in a form satisfactory to Buyer and Buyer's title insurance company showing that all labor and materials, if any, furnished to the property within 120 days prior to the date of closing have been paid for and agreeing to indemnify Buyer and Buyer's title insurance company against all loss from any cause or claim arising therefrom.

19. NEW LOAN

Buyer shall be responsible for all costs with the respect to any new loan obtained by Buyer. Builder shall have no obligation to pay any closing cost, discount fee or other charges in connection therewith unless specifically set forth in this agreement.

20. WARRANTIES: Home Warranty

Buyer acknowledges that Buyer will receive a Builders Limited Warranty Agreement for the Home as part of the purchase price. The Limited Warranty Agreement offered by Builder is the only warranty on the Home or the Property which Builder is providing, which Buyer will receive, or which will cover Buyer ("**Home Warranty**"). The Builder's Limited Home Warranty is incorporated herein by reference. The actual warranty will be the version in effect at the time of closing and may contain differences in coverage. THE BUILDER'S LIMITED HOME WARRANTY IS PROVIDED TO BUYER IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, BY LAW OR OTHERWISE AND IS PROVIDED IN LIEU OF ANY WARRANTY, EXPRESS OR IMPLIED, OF MERCHANTABILITY, HABITABILITY OR FITNESS FOR A PARTICULAR PURPOSE. EACH OF THOSE WARRANTIES IS NOT PROVIDED TO BUYER AND THE BENEFIT OF ANY SUCH WARRANTY IS EXPRESSLY WAIVED BY BUYER. THE BUILDER'S LIMITED HOME WARRANTY IS NOT TRANSFERRABLE TO NEW BUYERS OF THE HOME.

21. DISCLAIMER OF IMPLIED WARRANTIES

The foregoing expressed warranties, disclaimers and waivers are accepted by the Buyer in lieu of all other warranties expressed and/or implied including but not limited to the applied warranty of workmanlike construction, implied warranty of fitness for a particular purpose, the implied warranty of habitability and including all warranties that could be construed to cover the presence of radon or their environmental pollutants. All other warranties expressed or implied are waived by reason of the promises and agreements herein contained. Buyer also waives the right to recover from Builder all consequential, incidental, punitive, exemplary, emotional distress, pain, suffering, loss of profits, depreciation, or other statutory damages. The only warranties Builder provides to the Buyer are those contained in the limited warranty described above.

Builder makes no warranties in connection with the exactness of the appropriate square footage of the home to be constructed. All of the information provided is only approximated and is believed to be accurate and is subject to verification by the Buyer through the receipt of an appraisal report which can be obtained by Buyer, at Buyer's expense, if Buyer so requests in writing, prior to the closing. Buyer recognizes that by accepting the express Builder warranties for the periods of time provided in the Agreement, Buyer is giving up and waiving the right to any claims or implied warranties that may be greater than the expressed warranties. Implied warranties are unwritten warranties provided by law relating to the reasonable expectations of a homebuyer with regard to the construction of a new home, as those reasonable expectations are defined by the courts on a case-by-case basis.

22. TERMITE GUARANTY

The Builder shall provide a new construction termite guarantee to Buyer at closing.

23. COMPLETION OF CONSTRUCTION

The construction of the Property shall be deemed completed when (a) the Property has been completed substantially in accordance with the plans, minor punch list items excluded, and (b) a final certificate of compliance allowing occupancy has been issued by the appropriate governmental authority having jurisdiction over the construction of the Property.

24. INSPECTIONS

Buyer or Buyer's designated representative may enter and inspect the Property at reasonable times and in such a manner so as not to interfere with the progress of construction for the limited purpose of determining whether the work performed or being performed conforms with the Plans and the terms of this Agreement. In the event that during construction the Buyer shall reasonably determine that such construction is not proceeding in accordance with this Agreement, Buyer shall give written notice to Builder specifying the particular deviation, or omission, and the Builder shall forthwith correct such deviation, deficiency, or omission, unless otherwise agreed by the parties. Buyer's right under this paragraph shall not release Builder from any of Builder's obligations for the construction of the Property substantially in accordance with the Plans and this Agreement.

25. INQUIRIES/COMMUNICATING WITH THE BUILDER

All questions regarding the new home shall be submitted to the Builder through the Builders Representative. Only written responses by Builder, and agreed to in writing by both Buyer and Builder, shall be deemed binding.

26. VISITS/ACCESS TO THE PROPERTY

Buyer acknowledges that the Property belongs to Builder until closing. If Buyer chooses to visit and inspect the home under construction, Buyer agrees to limit the number of visits and the length of those visits to reasonable times during normal business hours. For all such visits, Buyer shall be escorted by a Builder Representative such that the Builder has prior notice of the visit. Buyer further agrees to avoid conversation with workmen or in any way hinder work on the home, unless it has been requested that Buyer be there to assist in some phase of the construction.

27. PLANS

Buyer hereby acknowledges and agrees that previously built dwellings, floor plans, different elevations of the same or similar floor plans, renderings, drawings, site plans, and the like which allege to depict the

Property, or any portion thereof, are merely approximations, and may not necessarily reflect the actual as-built condition of the Property. Floor plans cut sheets and renderings may differ slightly from the actual completed home. Square footage and details may vary slightly. Due to Buyer's requests, options, specifications and change orders, the items viewed in other homes or models may not be standard or otherwise selected for Buyer's home construction.

28. PLACEMENT OF HOUSE

Builder has sole discretion regarding the placement of the home on the Property. Many factors and considerations (including but not limited to grading, site conditions, streetscape, well placement, septic placement etc.) dictate that the Builder has the sole responsibility and authority to make this decision.

29. SITE CONDITION AND LANDSCAPE

Once the home is positioned on the Property, a strong possibility exists that all trees within 15 feet of the home's foundation will be removed in order to position dirt from the excavation and also to permit heavy machinery to operate on the Property. In addition, any trees in the area of the driveway, sewer, water, electric or gas utility lines will be removed. Final clearing and grading for Property is determined solely by Builder. Builder is not required to clear or remove brush or debris from, seed, sod or otherwise landscape any wooded areas located on the Property. Existing vegetation on the Property may be damaged during grading and construction, and Builder has no responsibility or liability for survival of same. Builder does not warrant landscaping or vegetation, including trees, plants, lawns, and shrubs, whether or not installed by Builder. Buyer acknowledges that Buyer will inspect the Property prior to closing and will accept the landscaping as it exists on the date of closing and further agrees to take full responsibility for the landscaping after closing. Buyer accepts full responsibility for watering and maintaining vegetation and for preventing erosion, settlement, and other similar problems after taking possession of the Property. Buyer and Builder agree, however, that Builder shall be responsible for those landscape items reasonably identified in writing by Buyer at closing and accepted by Builder at closing.

30. WELL AND SEPTIC SYSTEMS

All septic system costs are based on a gravity fed system. If the Builder or county determines that a different type of septic system is required, due to the soil, the price of the septic system will increase, dependent upon the type needed. This determination may not be made before the signing of this contract, and therefore Buyer may have an increased cost for the different type of septic system required. Buyer agrees that they will accept the change in cost.

Buyers are given a **\$5,000.00 allowance** for the well. If the cost of the well exceed that allowance, Buyer is responsible for the additional cost.

31. ESCALATION CLAUSE FOR SPECIFIED BUILDING MATERIALS

The contract price for this project has been calculated based on the current prices for the component building materials. However, the market for the building materials that are hereafter specified is considered to be volatile, and sudden price increases could occur. Builder agrees to use his best efforts to obtain the lowest possible prices from available building material suppliers, but should there be an increase in the prices of these specified materials that are purchased after execution of contract for use in this residential construction project, the Buyer agrees to pay that cost increase to the Builder. Any claim by the Builder for payment of a cost increase, as provided above, shall require written notice delivered by the Builder to the Buyer stating the increased cost, the building material or materials in question, and the source of supply, supported by invoices or bills of sale.

SPECIAL CIRCUMSTANCES – RIGHT OF TERMINATION Should there be a rise in the cost of any specified building material or materials, exclusive of any other price changes, that would cause the total building cost to increase by more than ten percent (10%), the Builder shall, before making any additional purchases of specified material or materials, provide to the Buyer a written statement expressing the percentage increase of the contract price, the building material or materials in question, and the dollar amount of the price increase to be incurred. The Buyer may then, at his option, terminate the contract by providing within five (5) business days both written notice of termination to the Builder, and payment to the Builder for all costs expended in performance of the contract to the date of termination, plus payment of a prorated percentage of the Builder's profits based on the percent of completion. Should both notice of termination and full payment not be forthcoming within ten (10) business days, as provided herein, the Builder shall have the option to terminate the contract, or to proceed with the contract and purchase the specified building materials at the increased price. If termination is elected, the Builder shall provide to the Buyer a written notice of termination, and the Buyer shall be required to pay the Builder for all his costs expended in performance of the contract to the date of termination, plus payment of a prorated percentage of the Builder's profits based on the percent of completion. If the Builder elects to proceed on the contract, he may then purchase the specified material or materials at the increased price, and the Buyer shall be required to pay the increased cost incurred.

32. CONTRACTORS AND/OR SUPPLIERS

All work and materials to be performed or supplied under this Agreement shall be performed and supplied by Builder's own contractors, subcontractors, employees, agents, and suppliers. Buyer shall not have the right to have any work performed or supplies delivered to the Property at Buyer's own direction prior to closing unless agreed to in writing by Builder.

33. FHA/VA REASONABLE VALUE

If Buyer is purchasing using FHA or VA financing, Buyer understands that Builder Deposits are non-refundable due to the fact that they are for options or upgrades of the Buyer's choice. Builder is not obligated to return the Builder Deposit for any reason (other than Builder default as further described herein) if Buyer fails to close on the home constructed on the property.

34. NATURAL STONE

Due to the nature of any stone the piece that is installed may look different than the sample the Buyer saw during the selection process. Darker or lighter tones may exist in the same piece and/or dull spots may appear on the surface that cannot be polished or buffed out. Spots or veins may occur that resemble cracks. Seams will be visible and can be up to 1/16" in width. To protect the installed stone, all tops are sealed during the installation process and covered with a special film that should only be removed by cleaning personnel. Buyer understands and agrees not to hold Builder or their vendor(s)/supplier(s) responsible for natural imperfections and/or problems associated with negligent care on the part of the Buyer.

35. CHANGE ORDERS

Any request for changes or alterations to the home will result in a **\$500.00 change order fee in addition to the change order cost. The fee shall be paid at the time of the agreement between the Parties.** All monies paid for any upgrade, change order fee or the like will be non-refundable. Any requested change order must be submitted in writing only and signed by Buyer and Builder. No agent, subcontractor, workman, or material man has authority to agree on or time to schedule the change orders into the normal building sequence. **BUILDER HAS THE RIGHT TO REFUSE TO MAKE CHANGES/ALTERATIONS**

THAT ARE REQUESTED. BUYER AGREES TO PAY BUILDER UPON DEMAND FOR THE COSTS OF LABOR AND MATERIALS FOR WORK NECESSITATED BY AGREED CHANGE ORDERS AND FURTHER UNDERSTANDS THAT THERE WILL BE NO REFUNDS, UNDER ANY CIRCUMSTANCES, OF PAYMENT MADE BY BUYER FOR CHANGE ORDERS. Builder in its sole discretion may elect to accept any change order request within 30 days of closing. Buyer further acknowledges that any work done on the home pursuant to change orders or additions may not increase the appraised value of the Property. Builder shall not be responsible if increases in the price of the Property due to change orders or additions are not reflected in the appraised value of (and resulting available loan for) the Property. Buyer acknowledges that change orders may delay the completion of the home upon the Property and the closing.

36. HOMEOWNER ORIENTATION

Buyer agrees to attend the Home Orientation conducted by the Builder, or Builder's Representative, in order to introduce the fundamentals of the home, including mechanical systems, general maintenance, functionality of appliances, utilities, completion and finish of the home and the warranty process at a time scheduled by Builder. Any items needing repair or completion will be noted in a written report and will be completed or repaired according to Builder's published warranty procedures. If, on the closing date, a CO has been issued, closing shall proceed on the closing date even if there are incomplete items on the pre-closing written report and Builder will complete such items as soon as is practicable after closing. In no event may Buyer delay closing or refuse to close because an item on the preclosing inspection report has not been completed and in no event shall Builder be required to escrow for any incomplete items.

The Homeowner Orientation is meant to be with the Buyer and the Builder and will be scheduled approximately one (1) week to ten (10) days prior to closing. A "Final Acceptance" will take place the day before or the day of closing. All meetings will take place Monday through Friday between the hours of 9:00 am and 3:00 pm. If Buyer chooses to forego Builder's standard orientation procedures, Buyer waives the right to demand certain items be completed at the time of closing and any items agreed to by both Buyer and Builder will be addressed within the Buyer's 12-month warranty period.

37. WHOLE HOME INSPECTIONS

Buyer may, between the time of the Builder's quality walk of their new home and the Buyer's Home Orientation and walk-through, at Buyer's expense and at reasonable times during normal business hours, have the right to schedule a private home inspection and accompany said inspector to the Property for the purpose of making a diligent, prudent, and competent inspection by examining and surveying the Property. Buyer agrees to assume all responsibility for the acts of himself and his private home inspector and agrees to hold Builder, Broker, and Broker's affiliated licensees harmless for any damages or injuries resulting therefrom. It is the Buyer's responsibility to schedule the inspection with the Builder with at least a 72-hour notice unless otherwise agreed upon.

Following the inspection and prior to closing, Buyer shall either (A) accept the Property in its present condition by written notice to Builder, or (B) furnish to Builder a copy of the Inspection Report with a proposed written amendment setting forth those items in the inspection report which have not been completed in material compliance with this Agreement. If Buyer does neither (A) or (B), this paragraph shall be deemed waived by the Buyer. If Buyer submits the written amendment, then the Builder shall correct and/or complete any work not performed in substantial and material compliance with the Agreement prior to the scheduled closing or provide documentation that the work is completed according to code and is in accordance with the Agreement.

38. NOTICE

Any notice or communication to be given to a party herein may be given to the party or to such party's agent. Any written notice or communication in connection with the transaction contemplated by this Agreement may be given to a party or a party's agent by sending or transmitting the notice to any mailing address, e-mail address or fax number set forth in the "Notice Information" section of this Agreement. Builder and Buyer agree that the "Notice Information" and "escrow acknowledgement" sections of this Agreement shall not constitute a material part of this Agreement, and that the addition or modification of any information therein shall not constitute a rejection of an offer or the creation of a counteroffer.

39. DELAYS

Builder shall have no liability for any delays in construction caused by Buyer's change orders, upgrades, special orders, or selection of materials. In the event of such delays, the closing date may be extended by the Builder. If Buyer delays the closing more than seven (7) days from the closing date, or any extension of the closing date agreed upon in writing, then **Buyer shall pay Builder at closing \$100.00 per day of delay.**

40. APPRAISED VALUE

Buyer acknowledges that, due to variable appraisal practices, the full value of changes, upgrades, or closing costs added to the original Purchase Price may not be included in the appraised value of the home. In the event an appraisal is less than the final Purchase Price, (including all options/upgrades/closing costs) Buyer represents and warrants that Buyer has sufficient cash to cover the difference between the final Purchase Price and the appraised value, and to close the transaction. Failure of the home and the Property to appraise for the final Purchase Price will not be grounds for termination by Buyer.

41. HOUSEHOLD GOODS

The movement of any household goods or other materials by Buyer into the home upon the Property will not be permitted until the home has been completed, the total Purchase Price has been paid in full and the deed has been recorded.

42. SURVEY

Builder has a preliminary plot plan only. If Buyer would like a final survey, Buyer may request one at Buyer's expense. Buyer should consult with their realtor or Settlement Agent well in advance of closing to order a survey if so desired. Builder plot plans are estimates only and are not a guarantee of the absolute size of the lot, not location of the lot lines. Buyer has the responsibility to order a survey to determine the absolute size of the lot and location of lot lines. If Buyer chooses not to order a survey before closing, Buyer agrees to hold Builder harmless with respect to lot line locations and sizes, if a later survey determines they are not where the plot plan indicated they were.

43. UTILITIES

It is Buyer's responsibility to have all utilities transferred from Builder to Buyer's name on the day of closing. Utilities should be contacted at least two weeks prior to closing. If not transferred, Builder may disconnect utilities 24 hours after closing. Buyer will refund Builder any costs incurred by Builder for utilities after the date of closing.

44. SETTLEMENT AGENT

A settlement agent from Builder's approved attorney list, regardless of the mortgage company used, will conduct the closing if the Buyer accepts any Builder incentive. The closing attorney shall be _____ ("**Settlement Agent**"). Settlement Agent 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. Settlement Agent shall, on behalf of the Buyer, render an opinion on title, prepare 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, Settlement Agent must withdraw from the representation of both parties and will not represent either party in the transaction. If Buyer wants owner's title insurance and is taking out a mortgage loan, Buyer will pay the owner's title insurance premium. Buyer may use any title insurance company for lender required title insurance and Buyer will pay for the lender's title insurance premium.

45. BINDING ARBITRATION

Disputes arising out of Builder's acts, omissions or responsibilities or Buyer's acts, omissions, or responsibilities in connection with the construction of the home or other improvements on the Property shall, at Builder's sole option, be resolved by arbitration in accordance with the operative sections of Article 45C of Chapter 1 of the North Carolina General Statutes and shall be engaged when either party delivers written notice of demand for arbitration to the other party. A demand for arbitration shall be made within a reasonable time after the claim, dispute or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based on such claim, dispute or other matter in question would be barred by the applicable statute of limitations. Notwithstanding any other provision of this Agreement, in any arbitration proceeding between the parties related to the construction of the home or any other improvements on the Property, either party shall have the right to include, by consolidation, joinder or in any other manner, any person or entity whom such party believes to be substantially involved in any common question of fact or law with respect to such arbitration proceeding. Buyer agrees that any dispute with Builder shall not interfere with Builder's ability to proceed with its construction and that Builder may, but is not obligated to, proceed with its work subject to the claim of Buyer. This agreement to arbitrate shall be specifically enforceable under the prevailing arbitration law. The award rendered by the arbitrators shall be final and judgment may be entered upon it in any court having jurisdiction thereof.

46. SEVERABILITY

The provisions of this Agreement are intended to be independent, and in the event any provision hereof shall be declared by a court of competent jurisdiction to be invalid, illegal, or unenforceable for any reason whatsoever; such legality, unenforceability, or invalidity shall not affect the remainder of the Agreement.

47. ASSIGNMENTS

This Agreement shall be binding on the parties hereto and their heirs, legal representatives and permitted assigns. Builder may assign this Agreement to any affiliate of Builder, to any successor of Builder by merger or consolidation, or to any purchaser of all or substantially all of Builder's assets. Buyer may not assign this Agreement without the prior written consent of Builder, which consent may be withheld in Builder's sole discretion.

48. PARTIES

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

49. SURVIVAL

If any provisions herein contained which by their nature and effect is required to be observed, kept, or performed after the closing, they shall survive the closing and remain binding upon and for the benefit of the parties hereto until fully observed, kept, or performed.

50. ENTIRE AGREEMENT

This Agreement contains the entire agreement of the parties and there are not representations, inducements, or other provisions other than those expressed in writing and signed by Buyer and Builder. Nothing contained herein shall alter any agreement between a broker and Builder contained in any listing contract or other agreement between them.

51. BROKER DISCLAIMER

Buyer(s) acknowledge that they have not relied upon any advice or representations of any real estate licensee involved in this sale relative to (i) the legal or tax consequences of this contract and the sale, purchase, or ownership of this property; (ii) the structural condition of the Property, including the roof and basement; (iii) construction materials; (iv) the nature and operating condition of the electrical, heating, air conditioning, plumbing and water systems and appliances; (v) the age and square footage of the improvements, and the size or area of the Property, (vi) the availability of utilities or sewer services; (vii) the character of the neighborhood; (viii) the investment or resale value of the Property; (ix) any other matter affecting their willingness to sell or purchase Property on the terms and price herein set forth. Buyer(s) acknowledge that if such matters are of concern to them in the decision to sell or purchase the Property, they have sought and obtained independent advice relative thereto.

52. EFFECTIVE DATE

The Effective Date shall be the date that: (1) the last one of Buyer and Builder has signed or initialed this offer or the final counteroffer, if any, and (2) such signing or initialing is communicated to the party making the offer or counteroffer, as the case may be.

53. BUYER'S OBLIGATION TO REPAIR DAMAGE

Buyer shall, at Buyer's expense, promptly repair any damage to the Property resulting from any activities of Buyer and Buyer's agents and contractors. This repair obligation shall survive any termination of this Agreement.

54. COMPUTATION OF DAYS

Unless otherwise provided, for the purposes of this Agreement, the term "days" shall mean consecutive calendar days, including Saturdays, Sundays, and holidays, whether federal, state, local or religious. For the purposes of calculating days, the count of "days shall begin on the day following the day upon which any act or notice as provided in this Agreement was required to be performed or made.

55. INDEMNITY

Buyer will indemnify and hold Builder, its successors, heirs, and assigns, harmless from all loss, damage, claims, suits, or costs which shall arise out of any contract, agreement, or injury to any person or property as a result of any activities of Buyer and Buyer's agents and contractors relating to the Property except for any loss, damage, claim, suit or cost arising out of preexisting conditions of the Property and/or out of Builder's negligence or willful acts or omissions. This indemnity shall survive this Agreement and any termination hereof.

56. AMENDMENTS/ADDENDUMS

No Amendment or Addendum to this Agreement shall be effective unless it is made in writing and executed by all parties with the same formality as this Agreement.

57. GOVERNING LAW AND JURISDICTION/SURVIVAL

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of North Carolina. The parties to this Agreement hereby agree to be subject to the exclusive personal jurisdiction of the State of North Carolina. The terms of this Agreement shall survive closing.

58. EXECUTION

This Agreement may be signed in multiple originals or counterparts, all of which together constitute one and the same instrument.

59. COMMUNICATION

After the Effective Date of this Agreement, Buyer understands that communication related to the construction of the home, the building process and the closing of the home are of utmost importance and time sensitive. Buyer gives the Builder and their representatives express permission, to be contacted directly for updates, and communication of all items pertaining to this Agreement, the construction and build process of the home closing, and warranty and service after closing.

BUYER: _____(Seal) DATE: _____

BUYER: _____(Seal) DATE: _____

BUYER: _____(Seal) DATE: _____

BUYER: _____(Seal) DATE: _____

SELLER: _____(Seal) DATE: _____

ACKNOWLEDGMENT OF RECEIPT OF MONIES

SELLER ACKNOWLEDGMENT OF RECEIPT OF BUILDER DEPOSIT #1

Date: _____ Seller Name: _____
Amount: \$ _____ Signature: _____

SELLER ACKNOWLEDGMENT OF RECEIPT OF BUILDER DEPOSIT #2

Date: _____ Seller Name: _____
Amount: \$ _____ Signature: _____

SELLER ACKNOWLEDGMENT OF RECEIPT OF BUILDER DEPOSIT #3

Date: _____ Seller Name: _____
Amount: \$ _____ Signature: _____

SELLER ACKNOWLEDGMENT OF RECEIPT OF BUILDER DEPOSIT #4

Date: _____ Seller Name: _____
Amount: \$ _____ Signature: _____

AGENT INFORMATION

Individual Selling Agent: _____
(Acting as Dual Agent? check only if applicable)

Selling Agent License #: _____

Selling Agent Phone #: _____

Selling Agent Fax #: _____

Selling Agent Email: _____

Selling Agent Firm Name and mailing address, as it should appear on Check:

Selling Agent Firm License #: _____

Individual Listing Agent: _____
(Acting as Dual Agent? check only if applicable)

Listing Agent License #: _____

Listing Agent Phone #: _____

Listing Agent Fax #: _____

Listing Agent Email: _____

Listing Agent Firm Name and mailing address, as it should appear on Check:

Listing Agent Firm License #: _____

