

**Prepared by:**

Mike Silcox
msilcox@regionalwaterproofing.com

Regional Foundation & Crawlspace Repair
www.regionalwaterproofing.com
TF 919-851-4500
F (919) 269-6788

Prepared on:

8-23-22

Prepared for:

Katie Harris
kfarris3093@gmail.com
P (774) 222-2971

Job location:

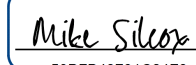
652 Willow Creek Run
Henderson, NC 27537-4396

Project Summary

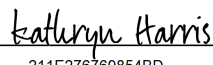
Vapor Barrier	\$4,099.89
Clean & Treat Framing (Mold)	\$4,591.70
Replace Fiberglass R-19 Insulation	\$2,407.54
Total Investment	\$11,099.13
Same Day Savings	\$1,109.91
Total Contract Price	\$9,989.22
Deposit Required - 20%	\$1,997.84
Deposit Paid	\$5,000.00
Amount Due Upon Installation	\$4,989.22

Customer Consent

Any alteration from the above specifications and corresponding price adjustment (if necessary) will be made only at the Customer's request or approval. Completing the work in this Proposal at the time scheduled is contingent upon accidents or delays beyond our control. This Proposal is based primarily on the Customer's description of the problem. Engineering services are used as required by companies such as SFA Engineering and other local Structural Engineering firms. This Proposal may be withdrawn if not accepted by the Customer within 20 days.

Authorized Signature  **Date** 8/23/2022

Acceptance of Contract— I am/we are aware of and agree to the contents of this Proposal, the attached Job Detail sheet(s), and the attached Limited Warranty, (together, the "Contract"). I am/ we are aware of and agree to the 60 day window that Regional has to remedy any service issues that are covered under the attached Limited Warranty. I will have bio-hazards cleaned and remediated that Regional may discover in the affected work area. This includes plumbing/sewage leaks, and any other hazards at my cost. I will provide documentation from a restoration company. You are authorized to do the work as specified in the Contract. However, field adjustments may be made if deemed vital by project Foreman or Production Manager. I/we will make the payment to crew the day project is completed.

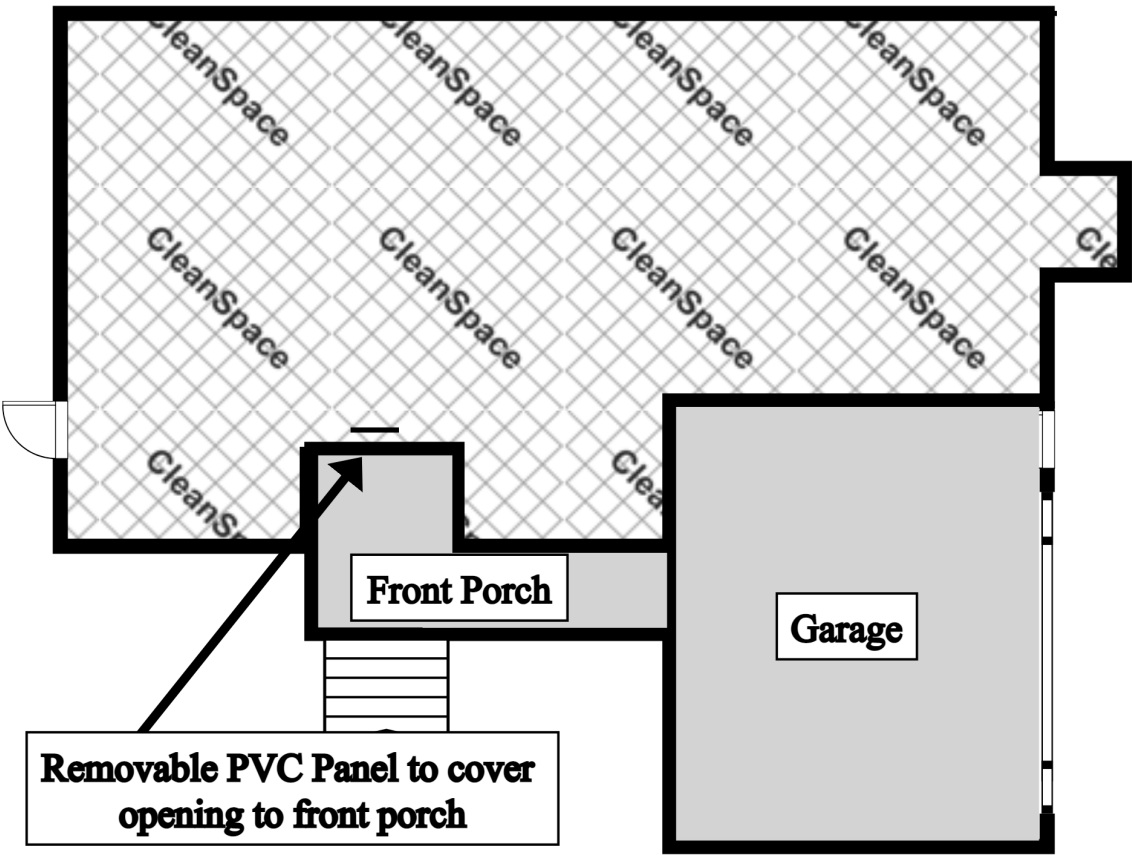
Customer Signature  **Date** 8/23/2022

Customer to have financing in place one week prior to installation date.

Customer understands after three days all deposits are final.

Initial  **Initial** 

Job Details



Type of Wall
Existing Floor Finish

.....
.....

Block
Dirt

DS
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Job Details (Continued)

Specifications

1) Install 20mil liner on the floor only. Wrap around all piers and tape all seams. Liner is NOT sealed to the walls. (Can be upgraded to an encapsulation at a later time, at additional cost) 2) Install 1/4inch thick PVC sheathing to act as a partition wall. 3) Lumberkote to be sprayed on wood framing in crawlspace. If pre-existing fungi is present on wood, there may be residual visibility of the fungi. This will not represent a warranty or performance issue. Lumberkote will have to dry for one hour minimum before the wood can be re-insulated or other work performed in direct contact. 4) Remove and dispose of existing insulation. 5) Install R-19 batt insulation between floor joists.

Contractor Will

1.) Contact utility locator service

Customer Will

1.) Make payment of remaining balance to foreman of crew the same day installation is complete.

Additional Notes

All recommendations are based on customers descriptions of the problem. While inspection tools such as hygrometers and laser levels are used, no deconstruction or original house plans are available to review for the recommendation. Some unforeseen factors may impact project, despite best inspectors best efforts.

Product List

Vapor Barrier

Cleanspace Floor Only (no walls)	1241
PVC Partition Wall, PVC Wall	3

Clean & Treat Framing (Mold)

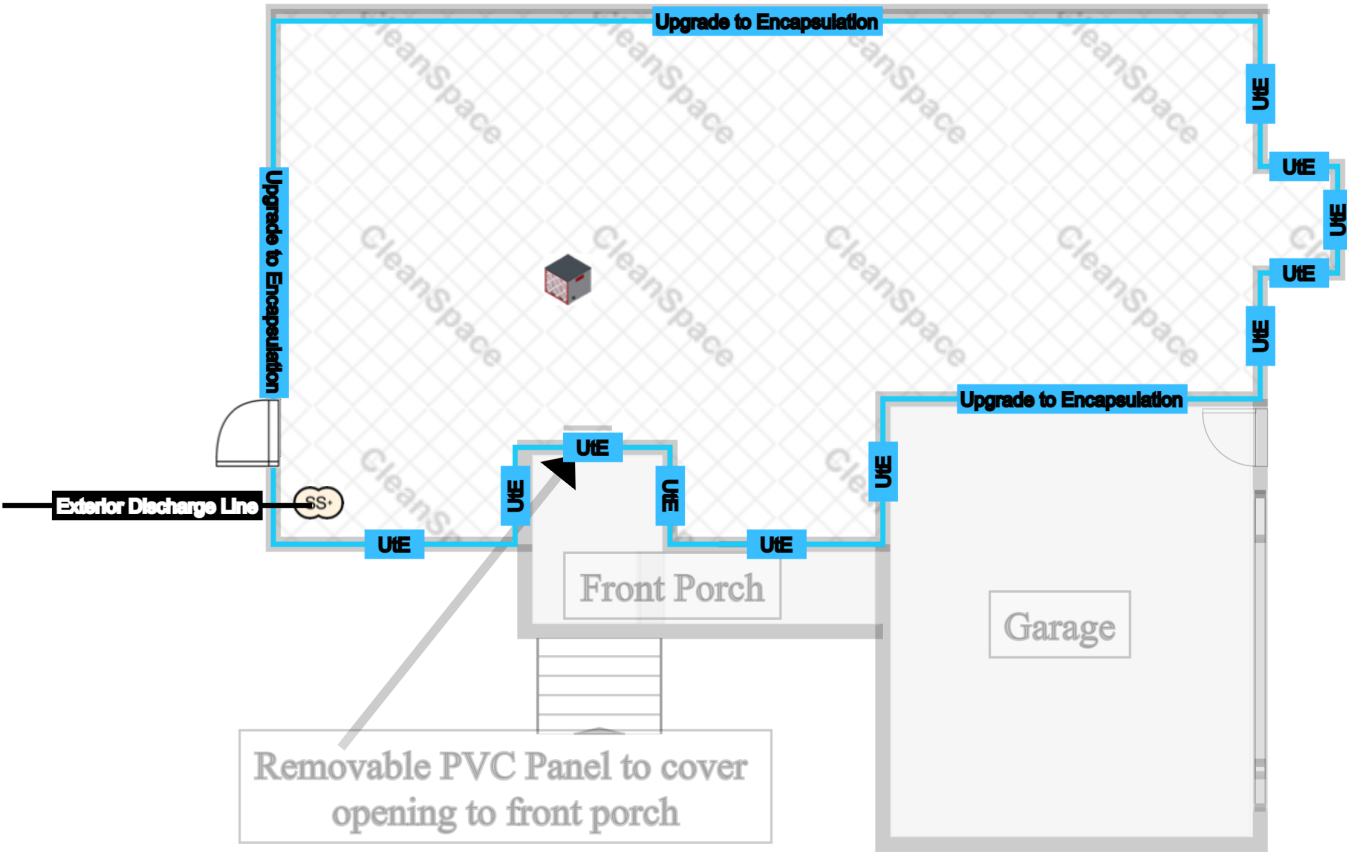
Lumberkote, Framing Sealant	1241
Insulation - Remove , Prevent Mold, Rot and Odors	1241

Replace Fiberglass R-19 Insulation

Insulation - Between Floor Joists (R19)	1241
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Recommendations to Your Project

Upgrade VB to Encapsulation	1241 20mil VB Upgrade to Basic	\$11,836.60
	560 sqft SilverGlo	
	1 SaniDry Sedona	
	1 SuperSump Plus	
	1 EverLast Door	
	1 Electrical 2 Circuits, Electric	
	20 ft Exterior Discharge Line	
	1 Permit Fee	



Limited Warranty

Standard Exclusions Permitted By State Law – This Foundation Limited Warranty ("Warranty") is made in lieu of and excludes all other warranties, express or implied, and all other obligations on the part of the contractor ("Contractor") to the customer ("Customer"). There are no other verbal or written warranties, no warranties which extend beyond the description on the face hereof, and NO WARRANTIES OF EXPRESS OR IMPLIED MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Some states do not allow the exclusion or limitation of certain warranties, so some of the above exclusions and limitations may not apply to Customer. This Warranty may be transferred to new property owner with a fee within 30 days of purchase of property. ARBITRATION: All claims and disputes arising under or relating to this Agreement are to be settled by binding arbitration in the State of North Carolina. Contractor does maintain the right to apply mechanic's lien for non-payment.

General Terms – For the applicable time periods indicated below, this Warranty is transferable at a charge (subject to inspection) to future owners of the structure on which the work specified in this Contract is completed. This Warranty is in effect if the job specified in this Contract is completed and paid in full and, alternatively, is null and void if full payment is not received or our work has been modified by Customer or another Contractor. A progress payment can be required by Contractor. Progress payment not to exceed 35% of remaining balance. Contractor does not warrant products not mentioned below, but some of such products may be covered by a manufacturer's warranty. All material used is warranted to be as specified in this Contract. All work will be completed in a workmanlike manner according to the standard practices of the industry. Our goal is to achieve EXCELLENT REVIEWS. If we miss that mark or a concern arises with our work, Please call our Service Department ASAP! (919-851-4500 ext.102) Contractor's workers are fully covered by Workers' Compensation insurance. Electrical that is coordinated by Contractor is performed by Dean's Electrical Service Inc. and they have a 1-year warranty on work performed. All electrical related problems will be reported by Customer to Dean's Electrical Service Inc. 919-868-6744 immediately.

Foundation Piers – Contractor warrants that the foundation piers will stabilize the affected area(s) against further settlement for twenty-five (25) years from the date of installation, or else Contractor will provide the labor and materials, at no cost to Customer, to correct the problem with the foundation piers. Contractor does not warrant to lift, to close cracks, to render doors and windows operational, or to move walls back to their original position, but will do its best to achieve positive results in this regard. Customer should be aware that damage can occur to the structure during a lift operation and that Contractor is not responsible for such damages. Customer also understands that landscaping will be disrupted during the process. PolyFill is always recommended to ensure footing/pier locations are protected from washout. Foundation piers provide vertical support only and cannot be expected to provide lateral support. If lateral movement occurs, additional work may be needed at an additional cost.

SmartJacks – Contractor warrants that the SmartJacks will stabilize the affected area(s) against further settlement for five (5) years from the date of installation, or else Contractor will provide the labor and materials, at no cost to Customer, to make any necessary adjustments to the SmartJacks. Additionally, the manufacturer of SmartJacks warrants that SmartJacks will, under normal use and service, be free from defects in material and workmanship for twenty-five (25) years from the date of installation (see manufacturer's warranty for more details). If changes occur due to excess moisture in the area(s) where SmartJacks are installed, an encapsulation system, drainage, and dehumidification may be necessary in such area(s) at an additional cost to Customer. Contractor does not warrant to lift, to close cracks, to render doors and windows operational, or to move walls back to their original position, but will do its best to achieve positive results in this regard. Customer should be aware that damage can occur to the structure during a lift operation and that Contractor is not responsible for such damages. Joist and girder compression can prevent floors from being lifted, which is normally a result of pre-existing moisture or rot damage. Customer may need to have additional work done to replace, or reinforce floor system at additional cost.

Watson Seal® LumberKote™ CS

Watson Seal 30 Year Transferrable Application Area Limited Warranty - Lifetime Flood Rating Warranty Warranty

30-Year Application Area Limited Warranty-Lifetime Flood Rating Warranty-("Warranty") will be in effect 30 years from date of install for moisture related damage and Lifetime of the Structure Flood. This product is used as a sealer to control moisture, and in an approved method, by following all label instructions, and observing all safety measures in applying product. If applied according to Manufacturer's specifications, Watson Seal® LumberKote™ carries a full product replacement Warranty as well as, up to the amount up to but not exceeding \$5,000.00 US Dollar award for lumber replacement if required- given a film thickness of at least 0.2 mils, or a properly applied one heavy coat spray application to wood surfaces, 100% wet on surface application, then allowed to dry properly.

Areas to be treated and Warranty covers included areas only: crawl space subfloor, joists, rim band including sill plate, girders beams, wood support beams, roof rafters only. Watson Seal Crawl Space and Framing Sealer coating is warranted to prevent environmental damage underneath its coating only. This 30-Year Application Area - Lifetime Flood Rating Warranty is available if applied/installed by a Watson Seal Authorized Dealer is applying product and provides proper site report of application and treated areas for documentation-submitted to Watson Seal HQ. The application of Watson Seal® LumberKote™ product is designed to seal structure wood from contamination via flood waters that contain oils, fuel, earth materials, biomass, thus preventing these issues from entering wood cells, as well as moisture damage, swelling and wood twisting. This Warranty shall not be available if the area affected had been found to be under flood contamination prior to the application of Watson Seal® LumberKote™, unless proper cleanup and application of an approved remediation product is made first-and allowed to dry. This Warranty provides for reimbursement of the costs of Watson Seal® LumberKote™ Product for the structure's affected area only, with a limited dollar amount for repair and wood replacement not exceeding \$5,000.00 USD. Warranty does not cover any other type of other loss, including but not limited to the following- plumbing leaks, labor, health or mental issues, any other patron or guests, house staff, Children, Pets, livestock, birds, reptiles, time loss, project losses, signs, books, art, outside claims, rebuilding, claimed or unclaimed incidentals or valuables, any physical sickness claims, misapplication, misuse, discoloration of wood surfaces, removal of coating surfaces, damage to coating surfaces, overspray, machine/sprayer or mechanical damage from product use, injection, slip and fall incidents, emotional or mental abuse issues or effects of, any health sickness claims before or after, including known or unknown allergies and other respiratory issues before or after application, changes to structure post application, and other unforeseen acts of nature. Personal property and any valuables are not covered under this Warranty. This Warranty does not cover the common indoor/outdoor mold types because these spores are abundantly present on all substances and are considered nontoxic and commonly adhere daily on surfaces. Moisture control is the key subject involved, the Owner must practice due diligence during water/rain incidents, accidents, failure of plumbing lines and valves, water heater tanks, toilets, sinks, bath fixtures, sewer backups, drain failures, sump pump failures, water softeners, and leaking roofs. Manufacturer is not responsible for prior water leaks or sewer incidents. Immediate cleanup of flood issues must be made when safely possible and in a timely manner. Watson Seal® LumberKote™ is designed to assist structure owners with reducing environmental damage caused by septic or water accidents provided that remediation is followed within a proper timeframe. Warranty

is transferrable during the 30- year timeframe if prior conditions have been met and changes to structure have not been made. Proof of Purchase must be made for any claim. One Warranty per structure is allowed. If any claim arises, Customer must provide full access to the damaged area, or by approved inspector for analysis and final determination as to cause of claim, final determination of claim and award of claim rests with Manufacturer. Proper use of Product must occur and the burden of proof rests with Owner only, proof of claim items or topics required by Manufacturer must be submitted within 30 days of claim. Claims made are to be reviewed in full by Manufacturer, and final decision made including costs or reimbursements, if any, will be determined by Manufacturer only. Water leakage, including but not limited to, prior water damage, prior flooding, improper plumbing, improper construction techniques, and application of this product by inexperienced/unlicensed applicators, improper application of the product, misuse, and neglect shall void this 30 Year Limited Warranty. Flood Zone, River Zone and Coastal Structures are included in this Warranty. Product is not sold as a pesticide. OSHA general safety precautions and disposal are the responsibility of the Applicator/end user of this product. Application and treatment requirements are based on industry standards set by nationally and internationally recognized associations. Updates, changes to policies and additional information may occur at any time, we recommend checking for these modifications on our website - www.watsonseal.com - or refer questions to us by calling us Toll Free 1-877-732-5481 or faxing to 1- 256-386-1911 or writing to watsonseal.com. Some States vary, check with your local WS Representative if in question. www.watsonseal.com Contact Us for Warranty Transfers
Copyright-Trademark-2018- Watson Seal L.L.C.-All Rights Reserved. Made in the USA 1678 S Wilson Dam Road Muscle Shoals, AL 35661 1-877-732-5481
sealit@watsonseal.com

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Limited Warranty (Continued)

Items For Which Customer Is Responsible – Customer is responsible for: 1) Making full payment to the crew leader upon Completion of the installation; 2) preparing the work area for installation; 3) Any finish carpentry, painting, paneling, landscaping, etc. that may be necessary after Contractor's work is finished; 4) marking any private lines such as satellite cables, propane lines, sprinkler system lines, etc.; 5) maintaining positive drainage away from the repaired wall(s); 6) keeping gutters clean and in good working order; 7) directing downspouts a sufficient distance away from the repaired wall(s); 8) maintaining proper expansion joints in concrete slabs that are adjacent to the repaired wall(s); and 9) any items mentioned in this Contract under "Customer Will" or "Additional Notes."

Crawlspace Framing Repairs- All work to be performed in a professional manner. Work to meet Building Code requirements. Rimband and Girder replacements require inspections, while joists sistering alone does not. Subfloor replacement doesn't include any final floor finishes. All carpentry repairs carry stabilization as primary objective, and no guarantee of floor levelness or lift. Framing Repairs have an optional 30-year warranty against wood rot if Watson Seal's Lumberkote treatment is applied to entire crawlspace framing (additional cost).

Basement and Crawlspace Waterproofing- If water from the walls or floor wall joint passes through the perimeter water control system and onto the basement floor we will provide the additional labor and materials to fix the leak at no additional charge to the homeowner. This warranty applies to WaterGuard, and DryTrak systems, along the specific areas where the system is installed. Said warranty will be in effect for the lifetime of the structure. This warranty may be transferred to future homeowners provided we are notified within 30 days of the real estate transfer (a fee may apply). The water control system shall not rust, rot or corrode for as long as you own the home.

If the entire perimeter of the basement was not treated, then additional work at additional charge could be necessary to extend the system or treat other areas or other problems not addressed by this work. In addition, a pump or power failure is possible, therefore this warranty is not a guarantee of a dry basement, as the scope of this work cannot guarantee that in all circumstances.

This warranty shall not apply to: condensation, or any system that has been altered in any way, water vapor transmission, concrete discoloration from capillary action, water squirting out of the walls over the system, window well flooding, plumbing leaks, surface water flooding, leaks from chimneys or garages, or efflorescence (white powder) on concrete. Contractor can not be responsible for peeling paint, water once pumped from the house, dust created from installation, damage to hidden fuel lines or plumbing, or frozen discharge lines without an IceGuard. A DryTrak system alone will not eliminate seepage from floor cracks. Floor cracks are not warranted against leakage with full perimeter WaterGuard systems.

Regional's warranty shall apply to installed sump pumps and dehumidifiers and shall be covered by a five (5) year warranty from the date of installation. The warranty contained herein shall not apply to condensation or any system which has been repaired by a party other than the contractor or has been altered in any way or which has been subjected to misuse, negligence, or accident. Contractor's liability under this warranty shall be limited to the replacement within the aforesaid time of any defective work or material, and contractors shall be liable for no other damages or losses. Sump pumps and dehumidifiers both require routine maintenance and service replacing certain parts, including filters and other components on an annual basis. If this annual maintenance is not done regularly the five (5) year warranty will not apply. This maintenance can be done by the property owner or Regional Waterproofing for a minimum charge. Maintenance is definitely required for all mechanical devices. The property owner agrees to keep the gutters clean and make sure all surface water is diverted from the foundation. This warranty is made in lieu of all other warranties, expressed or implied and of all other obligations or liabilities on the contractor's part. Electrical work is may be included in the contract but problems from electrical connections or lack thereof are disclaimed.

Systems that drain to daylight can not be warranted by the contractor if such drain: does not drain enough water, does not drain water from under the floor, clogs or freezes. While drainage systems clogging or malfunctioning from iron ochre, iron gel or iron bacteria from the soil are rare, the contractor can not be responsible for these situations, and that system will require cleaning, flushing or other service as necessary to keep it functioning for that particular situation. Wall cracks repaired with FlexiSpan are warranted against leakage for 5 years.

A CleanSpace, crawl space encapsulation system will isolate the home from the earth. The humidity level in the air will be lowered, reducing moisture needed for mold growth, however the encapsulation system does not claim to be a mold mitigation system. Wet crawl spaces require a drainage system, and a sump system to remedy the problem with water below the CleanSpace liner. CleanSpace has a transferable 25 year warranty — there will be no charge for service calls on any tears or holes in the CleanSpace liner, in the unlikely event this occurs. Some encapsulations may require a soil gas fan to address post installation odor concerns, and is at additional cost. Untreated groundwater is also a potential source of post installation odors, and must be treated with drainage if water intrusion is found, at additional costs. GeoDrain installations inside crawlspaces carry a 25-year warranty. Warranty ensures against water getting past the GeoDrain from the from the perimeter foundation wall. Installation of the system does not include extending discharge lines, or electrical work unless specified. Contractor is not responsible for frozen discharge lines without an IceGuard, water once pumped from house, or condensation.

Exclusions From This Warranty – This Warranty does not cover and Contractor specifically disclaims liability for: 1) exterior waterproofing; 2) system damage caused by Customer's negligence, misuse, abuse, or alteration; 3) dust incidental to installation; 4) damage to personal property of any type, including home finishes or contents; 5) utility line breakage or HVAC duct damage; 6) damage caused by mold; 7) failure or delay in performance or damage caused by abnormal weather patterns and acts of God (flood, fire, storm, methane gas, etc.), acts of civil or military authority, or any other cause outside of its control; 8) damage done during a lifting operation; 9) basement water seepage; unless otherwise specified 10) heave or any damages caused by it; and 11) damage caused by lateral movements and forces of hillside creep, land sliding or slumping of fill soils of deep embankments; 12) Any and all health or medical claims; 13) any claims of loss of income, real estate sale, property value or business revenue.

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Notice of Right to Cancel

You are entering into a contract. If that contract is a result of, or in connection with a salesman's direct contact with, or call to you at your residence without your soliciting the contract or call, then you have a legal right to void the contract or sale by notifying us within three business days from whichever of the following events occurs last:

1. The date of the transaction, which is: _____ or

2. The date you received this notice of cancellation.

How to Cancel

If you decide to cancel this transaction, you may do so by notifying us in writing at:

Regional Foundation & Crawlspace Repair

TF 919-851-4500

F (919) 269-6788

www.regionalwaterproofing.com

721 E. Gannon Ave

Zebulon, NC 27597

You may use any written statement that is signed and dated by you and states your intentions to cancel, or you may use this notice by dating and signing below. Keep one copy of the notice because it contains important information about your rights.

I wish to cancel.

Owner's Signature

Date

Owner's Signature

Date

The undersigned acknowledges receipt of the two copies of the Notice of Right to Cancel.

DocuSigned by:

Kathryn Harris

8/23/2022

Owner's Signature

Date

Owner's Signature

Date



E-589CI Affidavit of Capital Improvement

Form E-589CI, Affidavit of Capital Improvement, is generally required to substantiate that a contract, or a portion of work to be performed to fulfill a contract, is to be taxed for sales and use tax purposes as a real property contract with respect to a capital improvement to real property.

- This affidavit may not be used to purchase building materials, other tangible personal property, or digital property to fulfill a real property contract exempt from sales and use tax.
- A person who willfully attempts, or a person who aids or abets a person to attempt in any manner, to evade or defeat a tax imposed by the Sales and Use Tax Laws, or the payment thereof, shall be guilty of a Class H felony. If there is a deficiency or delinquency in payment of any tax due to fraud with intent to evade the tax, there shall be assessed a penalty equal to 50% of the total deficiency.

Section I. Single Use (Complete this section to issue the affidavit for a single capital improvement.)

(A) Owner, Tenant, or Real Property Contractor Katie Harris Address 652 willow Creek Run <table style="width: 100%;"> <tr> <td style="width: 33%;">City</td> <td style="width: 33%;">State</td> <td style="width: 33%;">Zip Code</td> </tr> <tr> <td>Henderson</td> <td>NC</td> <td>27537</td> </tr> </table>	City	State	Zip Code	Henderson	NC	27537	(B) Real Property Contractor (General Contractor or Subcontractor) Hired to perform capital improvement Regional Waterproofing Address PO BOX 917 <table style="width: 100%;"> <tr> <td style="width: 33%;">City</td> <td style="width: 33%;">State</td> <td style="width: 33%;">Zip Code</td> </tr> <tr> <td>Zebulon</td> <td>NC</td> <td>27597</td> </tr> </table>	City	State	Zip Code	Zebulon	NC	27597
City	State	Zip Code											
Henderson	NC	27537											
City	State	Zip Code											
Zebulon	NC	27597											

Describe capital improvement to be performed:

Crawlspace Repair

Project Name

Katie Harris

Project Address (where the work is to be performed)

652 Willow Creek Run

City

Henderson

State

NC

Zip Code

27537

I certify that, to the best of my knowledge, this affidavit is accurate and complete and that the transaction described to be performed by the Real Property Contractor (General Contractor or Subcontractor identified in box "B") shall be treated as a real property contract with respect to a capital improvement to real property for sales and use tax purposes.

DocuSigned by:

Signature of Authorized Person:

Kathryn Harris

Title:

8/23/2022

Date:

Section II. Blanket Use (Complete this section to execute a blanket affidavit.)

(C) Real Property Contractor Address <table style="width: 100%;"> <tr> <td style="width: 33%;">City</td> <td style="width: 33%;">State</td> <td style="width: 33%;">Zip Code</td> </tr> </table>	City	State	Zip Code	(D) Real Property Contractor or Subcontractor Hired to perform capital improvement Address <table style="width: 100%;"> <tr> <td style="width: 33%;">City</td> <td style="width: 33%;">State</td> <td style="width: 33%;">Zip Code</td> </tr> </table>	City	State	Zip Code
City	State	Zip Code					
City	State	Zip Code					

To be completed by the Real Property Contractor identified in Box C.

I certify that I am a Real Property Contractor who performs capital improvements to real property and all transactions with the real property contractor (subcontractor) identified in box "D" shall be treated as real property contracts with respect to capital improvements for real property for sales and use tax purposes.

Signature of Authorized Person:

Title:

Date:

Page 2

E-589CI

Web-Fill

1-17

Affidavit of Capital Improvement Instructions

Form E-589CI, Affidavit of Capital Improvement, is generally required to be issued (see exceptions below) to substantiate that a contract, or a portion of work performed to fulfill a contract, is to be taxed for sales and use tax purposes as a real property contract with respect to a capital improvement to real property.

- Form E-589CI is not an affidavit of tax paid on building materials, other tangible personal property, or digital property purchased or used to fulfill a real property contract.
- Form E-589CI is not to be used to purchase building materials, other tangible personal property, or digital property purchased or used to fulfill a real property contract exempt from sales and use tax.
- A person that issues Form E-589CI in error is liable for use tax on the sales price of or the gross receipts derived from the transaction if it is determined that the contract is not a capital improvement to real property.

A person who willfully attempts, or a person who aids or abets a person to attempt in any manner, to evade or defeat a tax imposed by the Sales and Use Tax Laws, or the payment thereof, shall be guilty of a Class H felony. If there is a deficiency or delinquency in payment of any tax due to fraud with intent to evade the tax, there shall be assessed a penalty equal to 50% of the total deficiency.

Exceptions to the Requirement to Issue Form E-589CI

The following are exceptions for transactions where Form E-589CI is not required to be issued to substantiate that the transaction is taxed, as applicable, for sales and use tax purposes as a real property contract with respect to a capital improvement to real property.

- Painting or wallpapering real property, or parts thereof.
- Landscaping service.

Form E-589CI is not required to be issued by the specific person for a transaction noted below. The exceptions do not apply to transactions between a general contractor hired to oversee the entire contract and one of its subcontractors (See "Blanket Use" of Form E-589CI (Section II) for possible exceptions.). **The following exceptions do not apply to remodeling.**

- A real property owner or other person hires a general contractor to oversee the entire contract and the contract is for "new construction" as defined in N.C. Gen. Stat. § 105-164.4H(e)(2).
- A real property owner or other person hires a general contractor to oversee the entire contract and the contract is to rebuild or construct again a prior existing permanent building, structure, or fixture on land (reconstruction as defined in N.C. Gen. Stat. § 105-164.4H(e)(3)).
- A general contractor that purchases all tangible personal property and digital property to fulfill the real property contract and provides the employee labor to fulfill the real property contract.

Section I. Single Use Instructions

A person must complete "Section I - Single Use" of the form for a one time use to substantiate that a transaction that otherwise meets the definition of repair, maintenance, or installation services to real property is taxed for sales and use tax purposes as a real property contract with respect to a single capital improvement for real property. When a real property contractor hires a subcontractor to perform a portion of the overall contract and there is not a recurring business relationship between the two parties, "Section I – Single Use" of Form E-589CI shall be completed and the form issued to each subcontractor as notice that the transaction is subject to tax as a real property contract with respect to a capital improvement for sales and use tax purposes.

A property owner oversees the entire activity that is a real property contract with respect to a capital improvement for real property and hires various subcontractors to complete the real property contract:

- **Box A - Owner, Tenant or Real Property Contractor:** Enter property owner's name and address.
- **Box B - Real Property Contractor (General Contractor or Subcontractor):** Enter general contractor's or subcontractor's name and address.
- Property owner listed in Box A must describe real property contract with respect to capital improvement to be performed.
- Authorized Person (typically property owner) signs, enters title (owner), and enters the date.

A general contractor hires a subcontractor to perform a real property contract with respect to a capital improvement, or portion thereof:

- **Box A - Owner, Tenant or Real Property Contractor:** Enter general contractor's name and address.
- **Box B - Real Property Contractor (General Contractor or Subcontractor):** Enter subcontractor's name and address.
- General contractor listed in Box A describes real property contract with respect to capital improvement to be performed.
- Authorized Person (typically general contractor) signs, enters title (general contractor), and enters the date.

A lessee or tenant hires a general contractor (or subcontractor) to perform a real property contract with respect to a capital improvement for real property; upon installation the capital improvement is intended to become a permanent installation and title to it vests in the owner or lessor of the real property immediately upon installation:

- **Box A - Owner, Tenant or Real Property Contractor:** Enter lessee or tenant's name and address.
- **Box B - Real Property Contractor (General Contractor or Subcontractor):** Enter general contractor's or subcontractor's name and address.
- General contractor must describe capital improvement for real property to be performed.
- Authorized Person (typically lessee or tenant) signs, enters title, and enters the date.

Section II. Blanket Use Instructions

A real property contractor may complete "Section II – Blanket Use" and issue the form to a real property contractor (subcontractor) who is used exclusively to perform part, or all, of real property contracts with respect to capital improvements to real property, where the person and the real property contractor have a recurring business relationship. A blanket use affidavit continues in force so long as the real property contractor named in "Box C" and the real property contractor (subcontractor) named in "Box D" maintain a recurring business relationship (when a period of no more than twelve months elapse between transactions between two parties) or until withdrawn or otherwise notified by the issuer of the form. The blanket use will generally apply for the following: (1) a builder who hires the same contractor(s) only for new construction; (2) a real property contractor who hires the same subcontractor(s) only for reconstruction; (3) a real property contractor who hires the same subcontractor(s) for remodeling and the activities performed by the subcontractor(s) are never repair, maintenance, and installation services for real property; and (4) a real property contractor who exclusively hires the same subcontractor(s) to perform part, or all, of its real property contracts with respect to capital improvements for real properties.

A general contractor or subcontractor hires a subcontractor to perform a capital improvement, or portion thereof:

- **Box C - Real Property Contractor:** Enter the hiring real property contractor's name and address.
- **Box D - Real Property Contractor (General Contractor or Subcontractor):** Enter subcontractor's name and address. Authorized person listed in Box C signs, enters title, and dates.