

NEW CONSTRUCTION ADDENDUM
(For Completed Construction)
This form is not for use when Buyer owns the Property

NOTE: This form is designed for use when Seller is a licensed contractor or has engaged a licensed contractor who has completed construction of a “spec” dwelling (including a townhouse but not a condominium) on property owned or to be owned by Seller who will convey improved property to Buyer, and should be attached as an addendum to the Offer to Purchase and Contract (Form 2-T). It may also be used when Seller/Contractor will make additional minor improvements to a completed dwelling. **If construction of the dwelling is not completed or if extensive additional improvements are to be made, the parties should use the Offer to Purchase and Contract—New Construction (Form 800-T) instead of this form.**

Property: 251 Sequoia Dr, Louisburg, NC 27549

Seller: Triangle Builders Inc

Buyer: _____

This Addendum is attached to and made a part of the Offer to Purchase and Contract (“Contract”) between Seller and Buyer for the Property.

The General Contractor ☐ is Seller OR ☒ is (insert contractor’s name): Monaco Construction LLC, Sean Phillips
Q. 32790 (“General Contractor”)

NC contractor’s license #: L. 101959 classification: _____ limit: Unlimited

1. CONSTRUCTION OF HOUSE. Seller or General Contractor has completed construction of a dwelling and related improvements (hereinafter “House”) on the Property. Seller represents and certifies that Seller or General Contractor was licensed to construct the House and is licensed to construct any additional improvements that may be made by Seller or General Contractor pursuant to this Contract. Seller shall provide to Buyer a certificate of occupancy (“CO”) for the House and any additional improvements made thereto no later than Settlement.

2. WARRANTIES.

(a) Limited Warranty Of Construction. Unless otherwise provided for herein, Seller, and General Contractor jointly and severally with Seller, hereby warrant(s) that, for a period of one (1) year from the date of Closing or the date Buyer occupies the Dwelling, whichever comes first, Seller and General Contractor will make all necessary repairs and corrections to the Dwelling, either interior or exterior, structural or nonstructural, that shall become necessary by reason of faulty construction, labor or materials or non-conformity of construction to the Plans and Specifications. At Seller’s sole option, Seller and General Contractor may either (i) make such repairs and corrections, (ii) replace any faulty or non-conforming item or condition or (iii) pay to Buyer the reasonable cost of such repair, correction or replacement. This limited warranty: (1) is for the benefit of Buyer only and may not be assigned nor shall it inure to the benefit of any other person or entity, and (2) shall survive Closing and the delivery of the deed. This limited warranty is in addition to and not in lieu of any warranty implied by law and Seller and General Contractor agree they are in the business of building and selling such dwellings.

☒ If checked, the foregoing Limited Warranty shall not apply and is replaced by the attached written warranty from Seller and/or General Contractor.

(b) Warranties of Components. Seller, and General Contractor jointly and severally with Seller, shall assign and deliver to Buyer at Settlement all guarantees and warranties of all components comprising the Dwelling to the extent the same are assignable. Buyer shall be responsible for compliance with any notice and claim procedures set forth therein. The warranty under Paragraph 2(a) shall not extend to any such component expressly guaranteed or warranted by the manufacturer.

(c) Seller, and General Contractor jointly and severally with Seller, shall provide a Subterranean Termite Protection Builder’s Guarantee and a New Construction Subterranean Termite Service Record, as published under Federal Law.



3. INSULATION OF HOUSE:

	WALLS	CEILINGS	FLOORS
TYPE	Batt 's	Batt 's	Batt 's
THICKNESS	3 1/2 Inch	11 Inches	6 1/4 Inch
R-VALUE	R-15	R-38	R-19

NOTE: COMPLETE PARAGRAPHS 4 THROUGH 7 OF THIS ADDENDUM ONLY IF ADDITIONAL MINOR IMPROVEMENTS TO THE PROPERTY ARE TO BE MADE BY SELLER. IF NO ADDITIONAL IMPROVEMENTS ARE TO BE MADE, SKIP TO THE SIGNATURE/DATE SECTION.

4. ADDITIONAL IMPROVEMENTS. The parties agree that Seller will make the following additional minor improvements to the Property.

(a) Description. (describe all improvements; insert "N/A" if no additional improvements are to be made) (hereinafter collectively the "Additional Improvements") **(As noted above, if extensive additional improvements are to be made, the parties should use the Offer to Purchase and Contract—New Construction (Form 800-T) instead of this form):**

n/a

(b) Construction. Seller shall construct the Additional Improvements in compliance with all laws, regulations, codes, and ordinances applicable to the construction of the Additional Improvements and in a good and workmanlike manner with new, good quality materials and components.

(c) Changes. Seller shall not make any significant deviation or change in the Additional Improvements without the prior written consent of Buyer.

(d) Costs of Construction. Seller shall provide and pay for all labor, materials, equipment, tools, clean-up, utilities, transportation, facilities, permits, fees, licenses and all other costs, charges and expenses whatsoever in connection with or related to the construction of the Additional Improvements.

5. COMPLETION OF ADDITIONAL IMPROVEMENTS. Seller shall diligently pursue the construction of the Additional Improvements, and shall complete construction of the Additional Improvements on or before Settlement. If Seller is delayed at any time in the progress of construction by: (a) any act or neglect of Buyer, (b) any changes ordered in the construction, (c) material shortages, adverse weather conditions, or delays in transportation which were not reasonably anticipated or (d) acts of God, then the time for completion of construction of the Additional Improvements and the Settlement Date shall be extended automatically by a reasonable time to account for the delay experienced. Seller shall notify Buyer in writing within five (5) days after the commencement of the delay; otherwise the right to an extension shall be waived. The construction of the Additional Improvements shall be deemed completed when they have been completed in accordance with the terms of this Contract and a CO(s) of occupancy has/have been issued by the appropriate governmental authority having jurisdiction over the construction of any of the Additional Improvements.

6. INSPECTIONS. Buyer or Buyer's designated representative may enter and inspect the Additional Improvements at reasonable times and in such manner as not to interfere with the progress of construction for the limited purpose of determining whether the work performed or being performed conforms to the terms of this Contract. In the event that during construction the Buyer shall reasonably determine that construction is not proceeding in accordance with this Contract, Buyer shall give written notice to Seller specifying the particular deviation, deficiency, or omission, and the Seller shall forthwith correct such deviation, deficiency, or omission. Buyer's rights under this paragraph shall not release Seller from any of Seller's obligations for the construction of the Additional Improvements in accordance with this Contract.

7. PURCHASE PRICE AND BUILDING DEPOSIT.

(a) Purchase Price. The purchase price set forth in Paragraph 1(d) of the Contract includes the purchase price of the Additional Improvements, if any.

(b) Building Deposit. The Building Deposit, if any, referred to in Paragraph 1(d) of the Contract is not an Earnest Money Deposit and will be used by Seller in the construction of the Additional Improvements. The Building Deposit shall be paid to the Seller by cash or immediately available funds such as official bank check or wire transfer no later than the first banking day following the end of the Due Diligence Period and will be credited to the purchase price at Settlement. The Building Deposit shall be refundable only in the event of a material breach of the Contract by Seller or the nonfulfillment of the condition set forth in Paragraph 11 of the Contract. Should the Buyer fail to deliver the Building Deposit in accordance with the terms of this subparagraph, Buyer shall have one (1) banking day after written notice to deliver the Building Deposit to Seller. In the event Buyer does not timely deliver the Building Deposit, Seller shall have the right to terminate this Contract upon written notice to Buyer. Seller and Buyer agree that the "Acknowledgment Of Receipt Of Building Deposit" section below shall not constitute a material part of this Contract, and that the addition or modification of any information therein shall not constitute a rejection of an offer or the creation of a counteroffer.

WARNING: In determining whether and how much Building Deposit Buyer is willing to pay, Buyer should carefully consider that even though Buyer may be legally entitled to a refund of the Building Deposit in the event of a material breach of this Contract by Seller, actual recovery of the Building Deposit may be difficult, time-consuming and/or costly if Seller is unable or unwilling to voluntarily refund the Building Deposit.

[THIS SPACE INTENTIONALLY LEFT BLANK]

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT, THIS ADDENDUM SHALL CONTROL EXCEPT THAT IN THE CASE OF SUCH A CONFLICT AS TO THE DESCRIPTION OF THE PROPERTY OR THE IDENTITY OF THE BUYER OR SELLER, THE CONTRACT SHALL CONTROL.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Date: _____

Date: _____

Buyer: _____

Seller: _____

Date: _____

Date: _____

Buyer: _____

Seller: _____

Entity Buyer:

(Name of LLC/Corporation/Partnership/Trust/etc.)

By: _____

Name: _____

Print Name

Title: _____

Date: _____

Entity Seller:

Triangle Builders Inc

(Name of LLC/Corporation/Partnership/Trust/etc.)

By: Jose A Zapot-PerezName: **Jose A. Zapot-Perez**

Print Name

Title: **CEO**Date: **04/11/2025**

General Contractor (to be executed only when Seller is not the General Contractor):

General Contractor hereby joins in the execution of this Agreement for the sole and limited purpose of agreeing to remain jointly and severally liable with the Seller for the warranty obligations set forth in Paragraph 2 of this Contract.

Name of General Contractor: **Monaco Construction LLC**By: Sean Phillips **04/11/2025**Name: **Sean Phillips**Title: **Manager Owner**

ACKNOWLEDGMENT OF RECEIPT OF BUILDING DEPOSIT

Seller: Triangle Builders Inc ("Seller")

Buyer: _____ ("Buyer")

Property Address: 251 Sequoia Dr, Louisburg, NC 27549 ("Property")

☐ LISTING AGENT ACKNOWLEDGMENT OF RECEIPT OF BUILDING DEPOSIT

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Seller of a Building Deposit in the amount of \$_____, receipt of which Listing Agent hereby acknowledges.

Date: _____

Firm: _____

By: _____
(Signature)

(Print name)

☐ SELLER ACKNOWLEDGMENT OF RECEIPT OF BUILDING DEPOSIT

Paragraph 1(d) of the Offer to Purchase and Contract between Buyer and Seller for the sale of the Property provides for the payment to Seller of a Building Deposit in the amount of \$_____, receipt of which Seller hereby acknowledges.

Individual Seller(s):

Seller: _____
(Signature)

Date: _____

Seller: _____
(Signature)

Date: _____

Entity Seller:

Name: _____
(Name of LLC/Corporation/Partnership/Trust/etc.)

By: _____

Name: _____

Title: _____

Date: _____

OWNERS' ASSOCIATION DISCLOSURE ADDENDUM

NOTE: For when Residential Property and Owner's Association Disclosure Statement is not required (For example: New Construction, Vacant Lot/Land) or by agreement of the parties.

Property: 251 Sequoia Dr, Louisburg, NC 27549

Buyer: _____

Seller: Triangle Builders Inc

This Addendum is attached to and made a part of the Offer to Purchase and Contract ("Contract") between Buyer and Seller for the Property.

For the purposes of this Addendum, "Development" means any planned community or condominium project, as defined by North Carolina law, which is subject to regulation and assessment by an owners' association.

Any representations made by Seller in this Addendum are true to the best of Seller's knowledge, and copies of any documents provided by Seller are true copies relating to the Development, to the best of Seller's knowledge. Seller does not warrant the accuracy, completeness, or present applicability of any representation or documents provided by Seller, and Buyer is advised to have all information confirmed and any documents substantiated during the Due Diligence Period.

1. Seller represents to Buyer that the Property is subject to the following owners' association(s) [insert N/A into any blank that does not apply]:

☒ (specify name): Lake Royale POA whose regular assessments ("dues") are \$ 1,192.80 per year. The name, address and telephone number of the president of the owners' association or the association manager are: https://www.lrpoa.com - 252.478.4121
POA fees due April 1st-March 31st.

Owners' association website address, if any: _____

☐ (specify name): _____ whose regular assessments ("dues") are \$ _____ per _____. The name, address and telephone number of the president of the owners' association or the association manager are: _____

Owners' association website address, if any: _____

2. Seller represents to Buyer that the following services and amenities are paid for by the above owners' association(s) from the regular assessments ("dues"): (Check all that apply)

- ☐ Master Insurance Policy
- ☐ Real Property Taxes on the Common Areas
- ☐ Casualty/Liability Insurance on Common Areas
- ☒ Management Fees
- ☐ Exterior Building Maintenance
- ☐ Exterior Yard/Landscaping Maintenance
- ☐ Trash Removal
- ☐ Pest Treatment/Extermination
- ☐ Legal/Accounting

- ☐ Street Lights
- ☐ Water
- ☐ Sewer
- ☐ Private Road Maintenance
- ☐ Parking Area Maintenance
- ☒ Common Areas Maintenance
- ☐ Cable
- ☐ Internet service
- ☐ Storm Water Management/Drainage/Ponds
- ☒ Gate and/or Security

☒ Recreational Amenities (specify): lake with boating, fishing, community pool, tennis, basketball, playground, etc.

Full amenities list: https://www.lrpoa.com/visitors/page/community-amenities

☒ Other (specify) Gated community, community security

☐ Other (specify) _____



This form jointly approved by:
North Carolina Bar Association's Real Property Section
North Carolina Association of REALTORS®, Inc.



STANDARD FORM 2A12-T
Revised 7/2022
© 7/2024

Buyer initials _____ Seller initials JAZP

3. As of this date, there are no other dues, fees or Special Assessments payable by the Development's property owners, except:

4. As of this date, there are no unsatisfied judgments against or pending lawsuits involving the Property, the Development and/or the owners' association, except:_____.

5. The fees charged by the owners' association or management company in connection with the transfer of Property to a new owner (including but not limited to document preparation, move in/move out fees, preparation of insurance documents, statement of unpaid assessments, and transfer fees) are as follows: **New account set up, possible fee for gate card(s).**

Full fees will be provided via Homewise to closing attorney. Buyer is encouraged to contact the POA for more info.

6. Seller authorizes and directs any owners' association, any management company of the owners' association, any insurance company and any attorney who has previously represented the Seller to release to Buyer, Buyer's agents, representative, closing attorney or lender true and accurate copies of the following items affecting the Property, including any amendments:

- Seller's statement of account
- master insurance policy showing the coverage provided and the deductible amount
- Declaration and Restrictive Covenants
- Rules and Regulations
- Articles of Incorporation
- Bylaws of the owners' association
- current financial statement and budget of the owners' association
- parking restrictions and information
- architectural guidelines

The parties have read, understand and accept the terms of this Addendum as a part of the Contract.

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT, THIS ADDENDUM SHALL CONTROL, EXCEPT THAT IN THE CASE OF SUCH A CONFLICT AS TO THE DESCRIPTION OF THE PROPERTY OR THE IDENTITY OF THE BUYER OR SELLER, THE CONTRACT SHALL CONTROL.

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Date: _____

Date: 04/11/2025

Buyer: _____

Seller: Jose A Zapot-Perez

Date: _____

Date: _____

Buyer: _____

Seller: _____

Entity Buyer:

Entity Seller:

(Name of LLC/Corporation/Partnership/Trust/etc.)

Triangle Builders Inc

(Name of LLC/Corporation/Partnership/Trust/etc.)

By: _____

By: Jose Armando Zapot Perez

Name: _____

Name: Jose A Zapot-Perez

Print Name

Print Name

Title: _____

Title: CEO

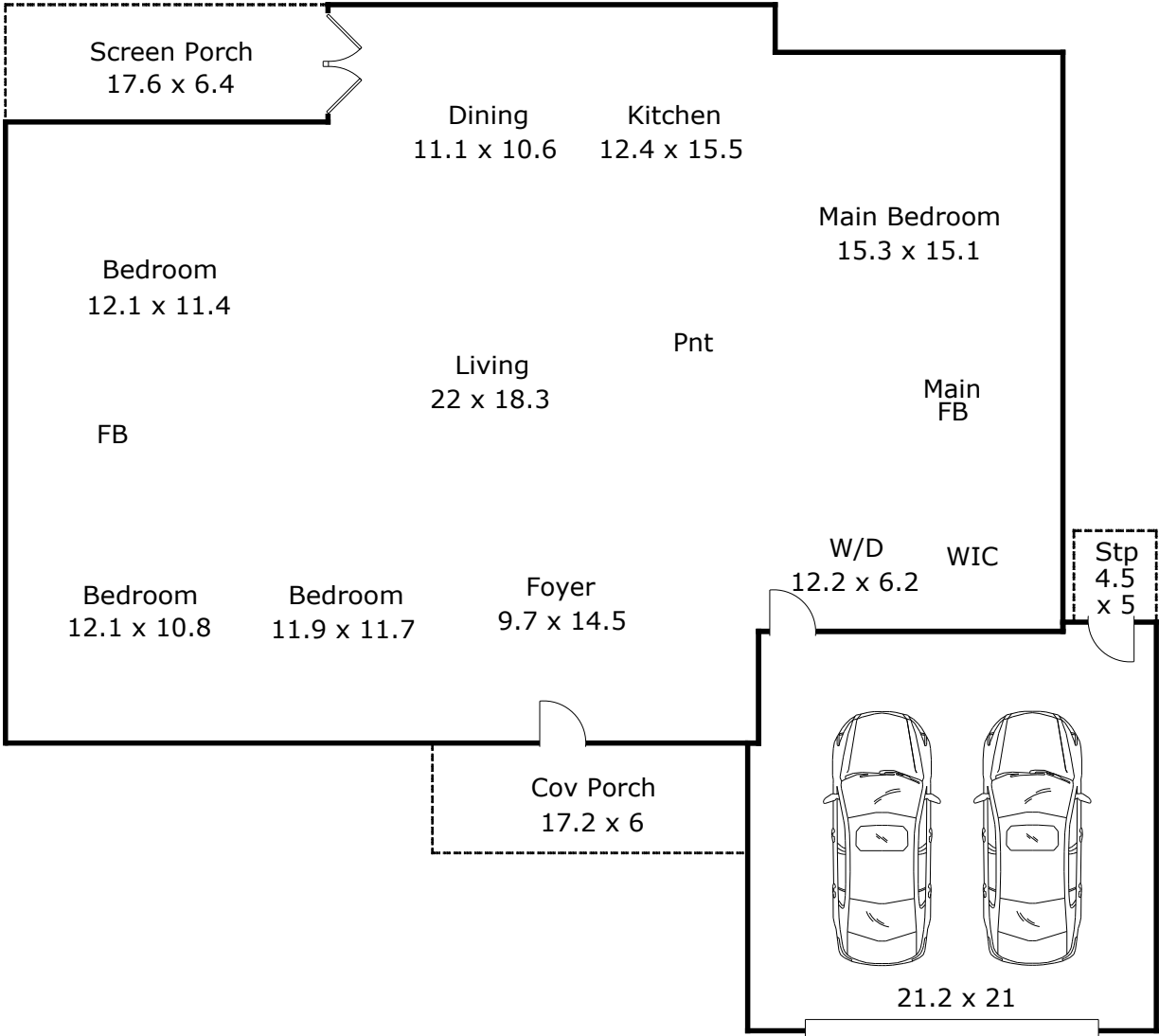
Date: _____

Date: 04/11/2025

Building Sketch

Borrower/Client	N/A				
Property Address	251 Sequoia Dr				
City	Louisburg	County	State	NC	Zip Code
Lender					

7 RM / 4 BR / 2 FB / 0 HB
Finished GLA: 2,071 sf



TOTAL Sketch by a la mode

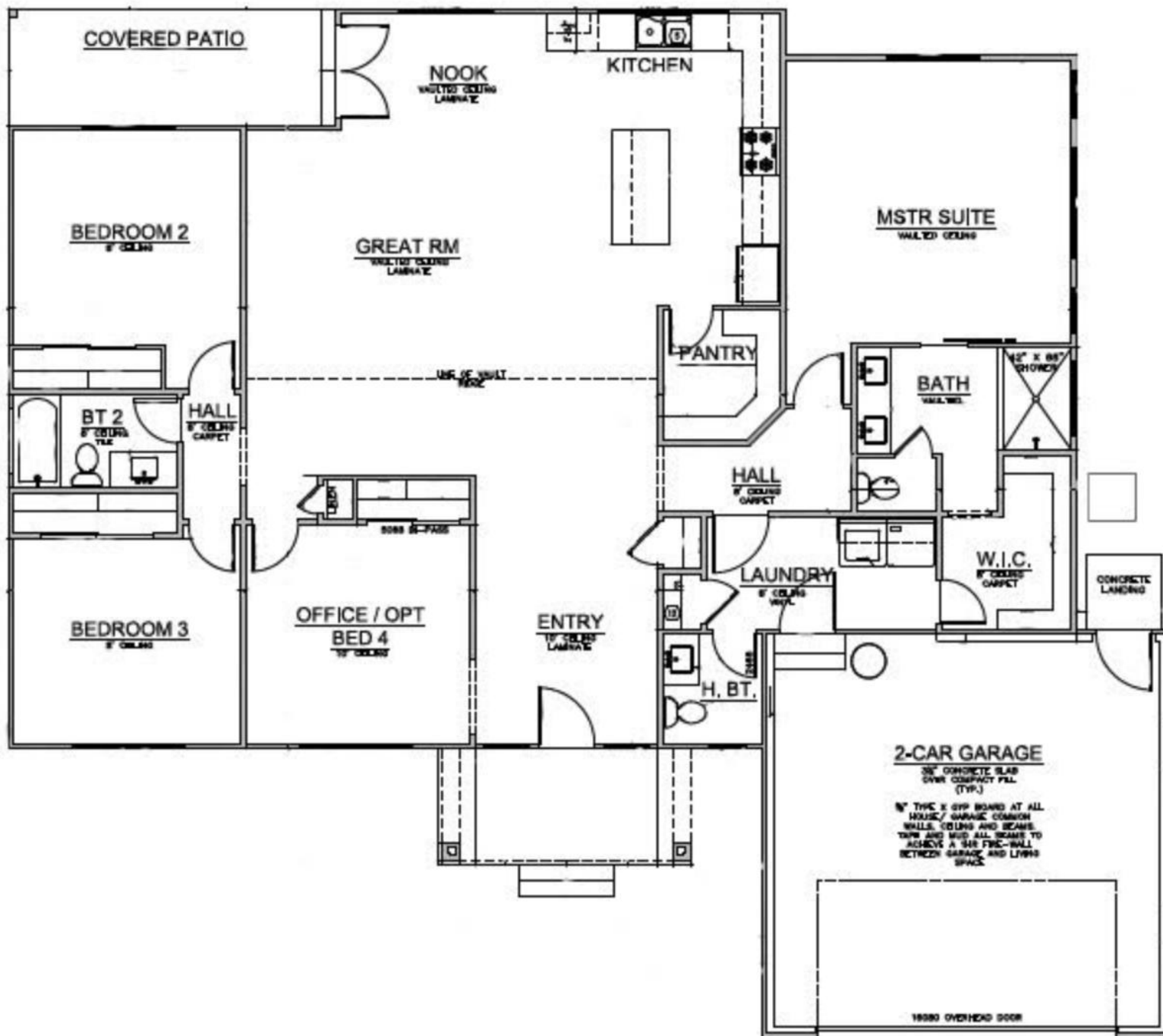
Area Calculations Summary

Living Area

First Floor	2070.59 Sq ft
Total Living Area (Rounded):	2071 Sq ft

Non-living Area

Covered Porch	103.2 Sq ft
Stoop	22.5 Sq ft
2 Car Attached	485.03 Sq ft
Screened Porch	112.64 Sq ft



ADDENDUM TO OFFER TO PURCHASE AND CONTRACT (FORM 2T)

by Vyas Realty Law

1. The Closing Attorney/Settlement Agent for this transaction shall be _____, and any earnest money deposit(s) are to be held by their office.
2. Buyer has received a copy of the Restrictive Covenants for the above referenced property from his/her agent and acknowledges herein that it is his/her sole responsibility to read said covenants for compliance.
3. Buyer has received a copy of the one-year limited builder warranty attached, and acknowledges herein that it is his/her sole responsibility to read and sign the warranty at the time of or prior to submitting an offer.
4. It is the Buyer's responsibility to confirm school assignment and any potential redistricting resulting from the purchase and occupation of the real property identified herein.
5. The parties hereto acknowledge that all builder deposits are non-refundable, and all such deposits shall be delivered within (1) day of the contract being executed by both Buyer and Seller.
6. The Buyer acknowledges that the seller will not be responsible for any capital contribution or similar fees relating to the homeowners' association or management company, including but not limited to document preparation, move-in/move-out fee, preparation of insurance documents, statement of unpaid assessments, and transfer fees.
7. Prior to closing, Seller shall not install nor permit the installation any items provided/purchased by Buyer.
8. Buyer may not engage the project manager, or tradesmen/subcontractors to make additions or changes of any kind from the commencement of construction through completion of construction and closing on said property without the express written consent of Seller. Any changes desired by Buyer must be coordinated between Buyer's agent and the Builder's agent.
9. All upgrades, changes and additions must be submitted on the appropriate Change Order form prepared by Buyer's agent. Change Order form provided by Builder. No upgrades, changes or additions shall be made unless the appropriate Change Order has been submitted to Seller in writing and the upgrade, change or addition requested has been paid for by Buyer.
10. Seller shall diligently pursue the construction of the dwelling in accordance with the Offer to Purchase and Contract and this addendum and shall complete said construction as a "turnkey" job on or before the closing date. If Seller is delayed at any time in the process of construction by a) any act or the negligence of Buyer, b) any changes ordered in the construction, c) material shortages, adverse weather conditions, or delays in transportation which were not reasonably anticipated or d) acts of God, then the time for completion on construction of the House and closing shall be extended automatically by a reasonable time to account for the delay experienced. Construction shall be deemed complete when i) the House has been completed in accordance with the Plans and Specifications and is broom-clean AND ii) a certificate of compliance has been issued by the appropriate government authority having jurisdiction over the construction of the house. Builder is not responsible for any fees resulting from such delays of the closing date including but not limited to any fees associated with the extension of the interest rate lock assessed by Buyer's lender.
11. Any closing delays on behalf of the buyer past the 7 day grace period as listed in the offer to purchase and contract form 2T, may require additional due diligence deposit from the builder.
12. In accordance with the Builder's insurance company and NC State Law, Buyer acknowledges that it understands and agrees that it will not be permitted on the job site between the hours of 6:00am and 6:00pm during weekdays, unless accompanied by their agent. Further, Buyer understands that in the

event that it does enter the job site, that they are doing so at their own risk and assume any and all liability resulting from said entry. Buyer shall hold Seller harmless from any claims which may result from entry as contemplated herein as allowable by law. The previously stated provisions shall apply even if Buyer is accompanied by Seller or Buyer's agent. Any entry upon the job site after hours is done at the sole risk of the Buyer.

13. Buyer is responsible for having the utilities turned on in their name within 24 hours after closing. Buyer acknowledges that his/her utilities will be disconnected if not transferred into their name within 24 hours after closing.

Buyer Name: _____

Buyer Signature: _____

Date: _____

Buyer Name: _____

Buyer Signature: _____

Date: _____

Builder: _____

Signature: _____

Date: _____



STATE OF NORTH CAROLINA MINERAL AND OIL AND GAS RIGHTS MANDATORY DISCLOSURE STATEMENT

Instructions to Property Owners

1. The Residential Property Disclosure Act (G.S. 47E) ("Disclosure Act") requires owners of certain residential real estate such as single-family homes, individual condominiums, townhouses, and the like, and buildings with up to four dwelling units, to furnish purchasers a Mineral and Oil and Gas Rights Disclosure Statement ("Disclosure Statement"). This form is the only one approved for this purpose.
2. A disclosure statement is not required for some transactions. For a complete list of exemptions, see G.S. 47E-2(a). **A DISCLOSURE STATEMENT IS REQUIRED FOR THE TRANSFERS IDENTIFIED IN G.S. 47E-2(b)**, including transfers involving the first sale of a dwelling never inhabited, lease with option to purchase contracts where the lessee occupies or intends to occupy the dwelling, and transfers between parties when both parties agree not to provide the Residential Property and Owner's Association Disclosure Statement.
3. You must respond to each of the following by placing a check ☒ in the appropriate box.

MINERAL AND OIL AND GAS RIGHTS DISCLOSURE

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

		Yes	No	No Representation
<u> </u> Buyer Initials	1. Mineral rights were severed from the property by a previous owner.	☐	☒	☐
<u> </u> Buyer Initials	2. Seller has severed the mineral rights from the property.	☐	☒	
<u> </u> Buyer Initials	3. Seller intends to sever the mineral rights from the property prior to transfer of title to the Buyer.	☐	☒	
<u> </u> Buyer Initials	4. Oil and gas rights were severed from the property by a previous owner.	☐	☒	☐
<u> </u> Buyer Initials	5. Seller has severed the oil and gas rights from the property.	☐	☒	
<u> </u> Buyer Initials	6. Seller intends to sever the oil and gas rights from the property prior to transfer of title to Buyer.	☐	☒	

Note to Purchasers

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

Property Address: 251 Sequoia Dr, Louisburg, NC 27549

Owner's Name(s): Triangle Builders Inc

Owner(s) acknowledge having examined this Disclosure Statement before signing and that all information is true and correct as of the date signed.

Owner Signature: Jose A Zapot-Perez Date 04/11/2025, ____

Owner Signature: _____ Date _____, ____

Purchaser(s) acknowledge receipt of a copy of this Disclosure Statement; that they have examined it before signing; that they understand that this is not a warranty by owner or owner's agent; and that the representations are made by the owner and not the owner's agent(s) or subagent(s).

Purchaser Signature: _____ Date _____, ____

Purchaser Signature: _____ Date _____, ____

One-Year Limited Warranty Agreement

Monaco Construction LLC and Triangle Builders Inc., hereafter collectively (as Builder and Owner) called the "Company," of P.O. Box 40849, Raleigh NC 27629 and whose office is located at 316 Grassy Point Rd. Apex NC 27502, extends the following one-year limited warranty to _____ hereafter referred to as "Owner," who has contracted with the Company for purchase of the new home located at 251 Sequoia Dr. Louisburg 27549, in Franklin County, state of North Carolina.

The commencement date of the warranty is _____ and extends for a period of one year.

1. Coverage on Home Except Consumer Products

The Company expressly warrants to the original Owner and to subsequent Owner of the home that the home will be free from defects in materials and workmanship resulting from noncompliance with the standards set forth in the Limited Warranty Guidelines in effect on the date of this limited warranty, included in the Company Home Owner Guide and which are part of this warranty.

2. Coverage on Consumer Products

For purposes of this Limited Warranty Agreement, the term "consumer products" means all appliances, equipment and other items that are consumer products for the purposes of the Magnuson-Moss Warranty Act (15 U.S.C., sections 2301-2312) and that are located in the home on the commencement date of the warranty. The Company expressly warrants that all consumer products will, for a period of one year after the commencement date of this warranty, be free from defects resulting from noncompliance with the generally accepted standards in the state in which the home is located, that assure quality of materials and workmanship. Any implied warranties for merchantability, workmanship, or fitness for intended use on any such consumer products shall terminate on the same date as the express warranty stated above. Some states do not allow limitations on how long an implied warranty lasts, so this limitation may not apply to you. The Company hereby assigns to the Owner all rights under manufacturers' warranties covering consumer products. Defects in items covered by manufacturers' warranties are excluded from coverage of this limited warranty, and the Owner should follow the procedures in the manufacturers' warranties if defects appear in those items. This warranty gives you specific legal rights, and you may have other rights that vary from state to state.

3. Company's Obligations

If a covered defect occurs during the one-year warranty period, the Company agrees to repair, replace, or pay the Owner the reasonable cost of repairing or replacing the defective item. The Company's total liability under this warranty is limited to the purchase price of the home stated above. The choice among repair, replacement, or payment is the Company's. Any steps taken by the Company to correct defects shall not act to extend the term of this warranty. All repairs by the Company shall be at no charge to the Owner and shall be performed within a reasonable length of time, defined as 30 days from the date on any warranty work order issued by the Company unless other scheduling is arranged with the Owner.

4. Owner's Obligation

Owner must provide normal maintenance and proper care of the home according to this warranty, the warranties of manufacturers of consumer products, and generally accepted standards of the state in which the home is located. The Company must be notified in writing, by the Owner, of the existence of any defect before the Company is responsible for the correction of that defect. Written notice of a defect must be received by the Company prior to the expiration of the warranty on that defect and no action at law or in equity may be brought by the Owner against the Company for failure to remedy or repair any defect about which the Company has not received timely notice in writing. The Owner must provide the

Company with access to the home during normal business hours, Monday through Friday, 8:00 a.m. to 5:00 p.m., to inspect the defect reported and, if necessary, to take corrective action.

Continued

5. Insurance

In the event the Company repairs or replaces or pays the cost of repairing or replacing any defect covered by this warranty for which the Owner is covered by insurance or a warranty provided by another party, Owner must, upon request of the Company, assign the proceeds of such insurance or other warranty to the Company to the extent of the cost to the Company of such repair or replacement.

6. Consequential or Incidental Damages

Consequential or incidental damages are excluded from this warranty. Some states do not allow the exclusion or limitation of incidental or consequential damages, so the above limitation or exclusion may not apply to you.

7. Other Exclusions

The following additional items are excluded from limited warranty:

- a. Defects in any item that was not part of the original home as constructed by the Company.
- b. Any defect caused by or worsened by negligence, improper maintenance, lack of maintenance, improper action or inaction, or willful or malicious acts by any party other than the Company, its employees, agents, or trade contractors.
- c. Normal wear and tear of the home or consumer products in the home.
- d. Loss or damage caused by acts of God, including but not limited to fire, explosion, smoke, water escape, changes that are not reasonably foreseeable in the level of underground water table, glass breakage, windstorm, hail, lightning, falling trees, aircraft, vehicles, flood, and earthquakes.
- e. Any defect or damage caused by changes in the grading or drainage patterns or by excessive watering of the ground of the Owner's property or adjacent property by any party other than the Company, its employees, agents, or trade contractors.
- f. Any loss or damage that arises while the home is being used primarily for nonresidential purposes.
- g. Any damage to the extent it is caused or made worse by the failure of anyone other than the Company or its employees, agents, or trade contractors to comply with the requirements of this warranty or the requirements of warranties of manufacturers of appliances, equipment, or fixtures.
- h. Any defect or damage that is covered by a manufacturer's warranty that has been assigned to Owner under paragraph 2 of this Limited Warranty.
- i. Failure of Owner to take timely action to minimize loss or damage or failure of Owner to give the Company timely notice of the defect.
- j. Insect or animal damage.

8. Arbitration of Dispute

Purchaser's Initials _____ Purchaser's Initials _____

The Owner shall promptly contact the Company's warranty department regarding any disputes involving this Agreement. If discussions between the parties do not resolve such dispute, either party may, upon written notice to the other party, submit such dispute to arbitration. The arbitrator shall proceed under the construction industry rules of the American Arbitration Association. The award of the arbitrator shall be final, conclusive, and binding upon the parties. The expenses of the arbitrators shall be shared equally, but each party shall bear its own fees and costs.

Continued

Continued

9. Exclusive Warranty

Purchaser Initials _____ Purchaser Initials _____

The Company and the Owner agree that this limited warranty on the home is in lieu of all warranties of habitability or workmanlike construction, or any other warranties, express or implied, to which owner might be entitled, except as to consumer products. No employee, trade contractor, or agent of the Company has the authority to change the terms of this one-year limited warranty.

Dated the _____ day of _____, _____

Owner _____ Builder _____

Owner _____