



Thank you for the opportunity to work with you on your purchase.

Due Diligence Process

KW Legacy Apex recommends that during a Due Diligence process, you take the time to further investigate and/or inspect for the existence of any conditions listed below. This list contains the most common areas to investigate, but cannot be inclusive of all.

Further investigation by licensed inspectors, tradesmen or professionals is recommended during your due diligence period. Home Buyer(s) please review each item below and inform your agent in writing before the end of your due diligence period if you want to perform further testing or investigation of a particular item.

Please remember that the Due Diligence deposit is non-refundable to the buyer if the contract is terminated.

Items That May Be of Concern:

- 1. Aluminum Wiring** – May be found in some homes from the mid-1960s to the early 1970's and is a potential fire hazard. Problems due to expansion can cause overheating at connections between the wire and devices (switches & outlets) or at splices. For more information, visit web site: <http://www.inspectny.com/aluminum.htm>
- 2. Asbestos** – This may be found in older homes. Should asbestos become airborne, it could be hazardous to your health. For asbestos and lead paint inspections, one source of information is Armstrong Environmental 919-838-9933. For more information visit: www.epa.gov/asbestos/
- 3. Lead Paint** – Many homes built before 1978 may have paint that contains lead. Some mini blinds also contain lead. Information can be obtained at the National Lead Information Center 1-800-424-LEAD (5323) For more information visit: https://www.epa.gov/sites/production/files/2013-09/documents/lead_in_your_home_brochure_land_color_508.pdf
- 4. Mold** – Pathogenic or Toxigenic can cause serious health effects in people. To obtain information visit web site: www.epa.gov/mold or call Wake County's Industrial Hygiene Consultation number for Indoor Air Quality & Mold, Chemical Exposures, 919-707-5950
- 5. Outer Loop/Highway Development or Road Widening** – We recommend you contact a qualified source for information on potential and proposed Highway improvements or construction to determine the possible impact on the property you wish to purchase. For additional information:

Department of Transportation: 919-250-4016 www.ncdot.org/doh/

Department of Transportation: 1- 877-368-4968 www.ncdot.org/projects
NC Turnpike Authority: 919-510-4372 www.ncturnpike.org
Planning Depts.: Wake County 919-856-6310
Raleigh 919-890-3125
Cary 919-469-4082

6. Private Roads/Road Maintenance Agreements – we recommend you inquire about the existence of private roads and any related road maintenance agreements and/or expenses.
Please check with the HOA Management company or closing attorney before making an offer.

7. Polybutylene Piping – Common in homes nationwide built from 1980-1995. Simply the existence PBP is not necessarily a problem. Some homeowners have experienced problems with leaking and the failure of connections or certain types of fittings. There is a class action suit pending. It is recommended you have your inspector check for the existence of Polybutylene piping and any related existing or past problems. For more information, visit: www.pbpipe.com or www.ncbuildingcodes.com 919-661 5880. For information contact the Consumer Plumbing Recovery Center 1-800-329-7591

8. Radon – Current EPA guidelines reflect on acceptable level as 3.9 pico curies per liter of air or less. Radon is present in several areas of our market. A test by a qualified radon inspection company is recommended. For information and testing call: Radon Testing Labs 919-876-1876 For more information, visit: www.epa.gov/radon or call 1-800-SOS-RADON and www.ncradon.org/basics

9. Railroad Service/Tracks – We recommend investigating the proximity of the property you wish to purchase to any railroad tracks and related train schedules. For information call: 800-872-7245, Norfolk Southern – 919-831-3056. Triangle Transit Authority: www.ridetta.org or www.bytrain.org

10. RDU – Air Traffic Noise Abatement Area – The Raleigh Durham Airport Authority has designated certain bands or areas that are subject to air traffic noise as Noise Abatement Areas and requires homeowners to disclose they are within that designated Area. It is up to the prospective purchaser to determine how that may or may not affect their decision to purchase a particular home. For information visit their web site: www.rduaircraftnoise.com Email: rdunoise@rdu.com Call: Raleigh Durham Airport Authority – 919-840-2113

11. Sanitary Land Fills – We have existing and proposed Sanitary Land Fills in our market area. You may want to inquire about the home's proximity to any existing or proposed landfill. To obtain additional information you can contact: Wake County Solid Waste Management (919) 856-6186, Public Information/education (919) 856-5597 <http://www.wakegov.com/recycling/default.htm>

12. Shearon Harris Nuclear Plant – Located in Southern Wake County. If the proximity of the Nuclear Power Plant is of importance to you we suggest you inquire about its location from: Harris Visitors Center – 919-362-3261 For information visit their web site: www.nucleartourist.com/ search keyword “Harris”
www.progress-energy.com/aboutenergy/powerplants/nuclearplants/index.asp
www.nrc.gov/info-finder/reactor/har1.htm or call 800-368-5642.

13. Siding – Many homes in our area may be finished with one of the siding materials listed below. Class action lawsuits have been filed due to problems related to one or more of these products. We strongly recommend a qualified inspector examine any siding material to determine the product and existing or potential problems:

Louisiana Pacific – 800-245-2722 www.lpcorp.com

Masonite Omni Wood – 800-256-6990 www.masoniteclaims.com

Masonite hardboard – 800-330-2772 www.kinsella.com/masonite

14. Synthetic Stucco or Stone – EIFS, Exterior Insulation and Finish Systems. The possibility of moisture damage to the exterior as well as structural members exists. An inspection of the exterior and interior by a qualified inspector is strongly recommended. There is a class action Stucco lawsuit pending. Visit www.ncstucco.com

15. USTS – Underground Fuel Storage Tanks – if an underground storage tank exists and it is no longer being used, it is recommended an inspection be done to be sure it complies with state and federal regulations regarding hazardous waste. For information call: East Coast environmental 919-772- 0268 or visit <http://portal.ncdenr.org/web/wm/ust>

16. Schools – There is no guarantee that the home you purchase will remain in the same school district. Please contact the appropriate county school system for further information about test scores and school assignment.

17. Sexual Offenders – The North Carolina Sex Offender & Public Protection Registry. The law requires a person who is a resident of NC and who has a reportable conviction to maintain registration with the sheriff of the county in which they reside. If a person moves to NC from another state they shall have 10 days of establishing residence in the state or whenever the person has been present in the state for 15 days, whichever comes first. To check the registry visit their web site: <http://ncregistry.ncsbi.gov>

18. Crime Rate – Crime in the United States (CIUS) is an annual publication in which the FBI compiles volume and rate of crime offenses for the nation, the states, and individual agencies. This report also includes arrest, clearance, and law enforcement employee data.

For more information visit their web site: <http://www.fbi.gov> keyword search “cius”

You can also visit: <http://communitycrimemap.com/>

19. Flood Plains – Identification of a flood plain can change your insurance rate. North Carolina has established a web site that will give accurate FEMA maps either of your lot or within your properties area. www.fema.gov. Please visit Their site at: www.ncfloodmaps.com or Google: NC flood maps. You can also call the Flood Plain Mapping Program at 919-715-5711 x 108.

20. Homeowners Insurance – Homeowners policies can vary in a number of ways. Check out the North Carolina Department of Insurance at 1-800-546-5664, or www.ncdoi.com/consumer/consumerhomeowners.asp for more information.

21. Power or Transmission Lines – High Voltage Transmission lines produce Electro Magnetic Fields (EMF). EMF is produced anytime electricity is running in any appliance. The NIEHS (National Institute of Environmental Health Sciences) is a good source of information. Call 919-541-3419 to order a booklet, or visit: www.niehs.nih.gov/health/topics/agents/emf More information: Progress Energy: www.progressenergy.com 919-546-6764 Duke Energy: www.duke-energy.com, on either site search for the abbreviation “EMF”.

22. Pressure Treated Wood – Used in decking, fences, playground equipment, picnic tables and anywhere wood comes in contact with the ground or outside in the weather. The wood is treated with a pesticide containing Arsenic. Find out more: www.epa.gov/oppad001/reregistration/cca

23. Structural Pest Control – Wood destroying insects such as termites or wood-boring beetles are common. These insects and the conditions favorable for these insects can cause major structural damage. Pest control operators are regulated by the Structural Pest Control Division of the NC Department of Agriculture and Consumer Services. <http://www.ncagr.gov/SPCAP/structural/index.htm> or 919-733-6100

24. Water – Water supplies, well pumps, or the home piping could cause problems for human water consumption. Bacteriological water analysis should be performed for levels and types of bacterial contamination. Nitrate, Lead, Iron, Radon, Pesticides, and other contaminants can effect private (well water) and public drinking water systems. Here are some helpful sites:

EPA: www.epa.gov/safewater or www.epa.gov/safewater/dwinfo/nc.htm

Alamance County: www.alamance-nc.com 336-224-0101

Chatham County: 919-542-8208

Durham County: www.co.durham.nc.us 919-560-7800

Franklin County: 919-496-2533

Granville County: 919-693-2141

Johnston County: 919-989-5200

Orange County: <http://www.co.orange.nc.us/envhlth/>

Wake County: www.wakegov.com/county/sewer_wells/wells/default.htm 919-856-7400

25. Well & Septic – Wells and septic tanks should be inspected to ensure proper function and identify any issues or repairs that may be needed

26. Permits, Zoning & Land Use – The state, counties, and cities all have extensive permitting requirements and land use plans for development, revitalization, and future growth. The best source of information is each county, city or town's Planning Department

27. Meth Labs - Due to the recent increase in Meth Lab locations, we strongly advise that you check out the following link before purchasing a home; <http://www.justice.gov/dea/clan-lab/clan-lab.shtml>

28. Oil and Gas Rights Disclosure - The minerals in place underneath the surface of the earth, including oil and gas, can be owned separately from the surface of the property. This means that minerals and mining rights can be created and transferred separately from the surface rights and that those mineral rights constitute a separate and distinct property interest. Information about oil and gas leases in North Carolina in two NC Department of Justice publications is available on the NC Real Estate Commission's website.

The standard Offer to Purchase and Contract obligates the seller to convey title to the property free and clear of encumbrances and defects, so if mineral, oil or gas rights (or other similar rights) have been or will be severed from the property, you should consult with an attorney before entering into a contract to purchase the property. For more information on oil and gas rights and fracking, contact your local government agency.

29. Unpermitted Improvements – Inquire about improvements that may have been made where permits were not obtained. You can also check with your local county to find out if an area of a property has been permitted. If an area is not permitted, this may affect your mortgage approval, insurance rates, and coverage, along with bringing you higher taxes or permit fees prior to you selling in the future.

30. HOA and Restrictive Covenants – We do not provide copies of restrictive covenants. Please contact the closing attorney or HOA management company for a copy before the end of your due diligence period. This is very important. Owners' Association Documents, Covenants, Conditions and Restrictions Covenants, conditions, and restrictions ("CC&Rs") are formally recorded private limitations on the right to use real property. CC&Rs and association rules and regulations can significantly impact a buyer's use of and plans for the property and, therefore, may affect price or desirability. Buyers are encouraged to review CC&Rs and the governing documents, financial

statements, and other owners' association documents as part of the due diligence process. Covenants may be found at www.services.wakegov.com/booksweb/. To search, enter the subdivision name under grantor and select grantor type firm/non-human.

31. Septic Permits - If the property you are purchasing requires a septic tank, please confirm that the number of bedrooms being advertised for the property are correctly permitted prior to placing an offer or before the end of your due diligence period. This is very important. Contact the county's Environmental Services Division for more information.

32. Land Survey - A land survey will provide boundary measurements, encroachments, easements, rights of way, adverse possession, or other legal appurtenances. A land survey ensures full coverage on your title insurance.

33. Appraisal – Buyers with a mortgage will be required to obtain an appraisal for their loan to be funded. Cash buyers are encouraged to obtain an appraisal as well. A qualified appraiser will confirm that you are paying a fair price and verify the square footage.

34. Inspections - We highly recommend that before you close on your property, you exercise your contractual rights to hire professionals to inspect, test, and examine the home and land. These recommendations made are sometimes not required by mortgage companies, state governments, or any law. Our recommendation is for your protection only.

You acknowledge that we cannot advise on certain matters relating to the purchase of the Property, including but not limited to matters of law, taxation, financing, surveying, wood destroying insect infestation, structural soundness, or engineering.

We may provide you with the names of licensed service providers. You understand that we cannot guarantee the quality of service or level of expertise of any such provider.

You hereby agree to indemnify and hold us harmless from and against any and all liability, claim, loss, damage, or suit that may incur either as a result of the selection and use of any of the listed service providers or your election not to have one or more of the listed services performed.

You also agree to pay the full amount due for all services selected directly to the service provider via personal check or through the closing attorney. If you do not purchase the home for any reason, you understand and accept responsibility for full payment of the services performed in conjunction with the purchase.

I hereby acknowledge that I have received all five pages of this document.

Buyer One

Buyer Two

Agent

Date