

NORTH CAROLINA
ONslow COUNTY

CAROLINA FOREST DEVELOPERS, LLC

DATE: _____

SELLER: **CAROLINA FOREST DEVELOPERS, LLC**

BUYER: _____

Address: _____

Business Phone: (____) _____

Home Phone: (____) _____

SUBJECT to all the terms and conditions hereof for valuable consideration, the receipt of which is hereby acknowledged, the SELLER agrees to sell and convey and the BUYER agrees to purchase:

1. DESCRIPTION OF REAL PROPERTY: All that certain piece, parcel or lot of land, together with improvements and fixtures thereon, situate, lying and being in the State and County aforesaid being known and designated as:
Subdivision _____ Lot _____ Block _____ Section _____
Plan _____ Elevation _____
Street Address _____ Onslow County, North Carolina
Special Options, if any, as listed on the attached Addendum and initialed by both parties.

2. PERSONAL PROPERTY: _____

3. PURCHASE PRICE SHALL BE: \$ _____ payable as follows:

(a) \$ _____ in Earnest Money, paid by _____ (cash, bank, certified or personal check) with delivery of this contract to be held in escrow by _____, as agent, until the sale is closed, at which time it will be credited to BUYER, or until this Agreement is otherwise terminated and it is disbursed in accordance with this Agreement. Agent is authorized to pay for credit report, any attorney fees incurred in anticipation of closing, and appraisal from earnest money deposit.

(b) \$ _____, the balance of the purchase price in cash at closing.

4. LOAN CONDITIONS:

(a) BUYER must be able to obtain a ___FHA ___VA (attach FHA/VA Financing Addendum) ___Conventional ___ Other: _____ loan at a _____ Fixed Rate _____ Adjustable Rate in the principal amount of _____ (plus any financed VA Funding Fee or FHA MIP) for a term of _____ year(s), at an initial interest rate not to exceed _____ % per annum, with mortgage loan discount points not to exceed _____ % of the loan amount ("Loan").

(b) The BUYER agrees to:

(i) Make written application for the Loan, authorize any required appraisal and pay any necessary fees within _____ days after the Date hereon;

(ii) Promptly furnish SELLER written confirmation from the lender of having applied for the Loan.

If BUYER fails to furnish SELLER written confirmation from the lender of having applied for the Loan, SELLER may make written demand for compliance. If BUYER does not furnish SELLER written confirmation from the lender of application within five (5) days after such demand, then SELLER may terminate this contract by written notice to BUYER at any time thereafter, provided SELLER has not received either written evidence of the application or a waiver of the Loan Condition, and all Earnest Money shall be forfeited to SELLER as liquidated damages and as SELLER'S sole and exclusive remedy for BUYER'S failure to close.

BUYER further agrees to:

(iii) Pursue qualification for and approval of the Loan diligently and in good faith;

(iv) Continually and promptly provide requested documentation to lender.

Initials _____

(c) Inability to Obtain Loan Approval: If BUYER has complied with BUYER'S Loan Obligations (iii) and (iv) above, then within _____ days after the Date hereon (or any agreed-upon written extension of this deadline) TIME BEING OF THE ESSENCE, BUYER shall have the right to terminate this contract for inability to obtain Loan approval by delivering to SELLER written notice of termination. If BUYER has timely delivered such notice, this contract shall be null and void and all Earnest Money shall be refunded to BUYER. If BUYER fails to deliver such notice, then BUYER will be deemed to have waived this condition. Thereafter, if BUYER fails to close based upon inability to obtain the Loan, then all Earnest Money shall be forfeited to SELLER as liquidated damages and as SELLER'S sole and exclusive remedy for BUYER'S failure to close. (WARNING: BUYER is advised to consult with BUYER'S lender to assure that the number of days allowed for BUYER to obtain the Loan is sufficient to allow BUYER'S lender time to take all reasonable steps necessary to provide reliable loan approval.)

(d) BUYER will make application and seek to obtain financing through BUYER agrees to allow lender to keep SELLER informed of lender's progress in obtaining loan commitment throughout the period of time the property is under contract. If, for any reason, BUYER decides to seek financing through a different lender, SELLER retains right to approve lender or to not participate in BUYER'S closing costs as described above.

(e) BUYER agrees not to "lock in" a loan rate for a particular time period without first obtaining SELLER'S authorization or schedule other services or vendors for closing without first verifying with SELLER the construction completion date.

5. HOMEOWNERS' ASSOCIATION and other ASSESSMENTS: SELLER warrants that there are no owner associations or special assessments either pending or confirmed, for sidewalk, paving, water, sewer or other improvements on or adjoining the Property, except as follows: _____ (Insert "None" or the identification of such assessments, if any. The agreement for payment or proration of any assessments indicated is to be set forth in paragraph 6 below.)

6. OTHER PROVISIONS AND CONDITIONS:

(a) FAILURE TO PERFORM: In the event BUYER fails to perform under the terms of this Agreement, Agent is authorized to and shall pay for credit report, any attorney fees incurred in anticipation of closing, and appraisal from earnest money deposit, and SELLER shall retain the earnest money deposit made hereunder as liquidated damages, and BUYER and SELLER shall have no further obligations under this Agreement. If SELLER shall, for any reason, fail to perform under the terms of this Agreement, BUYER shall be entitled to immediate return of all deposits hereunder, and SELLER and BUYER shall thereafter have no further obligations under this Agreement.

(b) Appraisal must meet or exceed purchase price.

(c) This contract may not be assigned without written agreement of all parties, but if assigned by agreement, then this contract shall be binding on the assignee and his heirs and successors.

(d) Prior to signing this Offer to Purchase and Contract, BUYER acknowledges receipt and review of Warranty Information/Disclosures, Restrictive Covenants, By-Laws, Articles of Incorporation, Rules and Regulations, and other governing documents of the owners' association and/or the subdivision if any, which may limit the use of the Property.

(e) There must be no restriction, easement, zoning or other governmental regulation that would prevent the reasonable use of the real property for residential purposes.

7. CLOSING COSTS AND PREPAID ITEMS: [NOTE- THE FOLLOWING APPLIES ONLY TO THE PRIMARY OR FIRST LOAN/MORTGAGE. NO COSTS SHALL BE PAID BY SELLER RELATED TO A SECOND OR SUBSEQUENT FINANCING OR SPECIAL COSTS RELATED TO THE PLACING OF TITLE IN AN ENTITY OTHER THAN INDIVIDUAL PURCHASERS.]

(a) [check one of the applicable sections]

_____ (1) SELLER shall pay a maximum of \$ _____ towards BUYERS' closing costs, including any FHA/VA lender and inspection costs that BUYER is not permitted to pay, but excluding any portion disapproved by BUYER'S lender. Seller shall also pay title insurance, and attorney fees for closing.

_____ (2) SELLER shall pay BUYER'S closing costs and prepaid items over \$ _____, as follows: Up to one-half Loan Origination Fee, Credit Report, Tax Service Fee, Flood Certification Fee, one year Hazard Insurance Premium and Escrows for Property Taxes and Insurance, Attorney Fees, Title Examination, Title Insurance, Recording Fees, and Termite

Soil Treatment Certification and other costs pre-approved by SELLER. Specifically, SELLER shall not pay any of the following, included but not limited to, Interim Interest, VA Funding Fee, association dues, capital assessments, loan discount points, application fees, inspection fees, Mortgage Insurance Premium, Private Mortgage Insurance. Prepaid items shall be limited to the first one year's insurance premium, insurance escrows, and tax escrows (based upon real property value established as of January 1 of the current year).

(b) SELLER'S payment of closing costs, prepaid items and attorney's fees shall be contingent upon the BUYER using vendors and closing attorney chosen by SELLER. SELLER to select closing attorney, approve insurance, mortgage lender and approve lender fees, and authorize appraisal before ordering by any person. BUYER shall have the right to obtain other vendors and counsel at BUYER'S sole expense.

(c) Unless otherwise provided the following items shall be prorated and either adjusted between the parties or paid at closing.

(d) Ad valorem taxes on real property shall be prorated on a calendar year basis to the date of closing.

(e) Ad valorem taxes on personal property for the entire year shall be paid by SELLER.

(f) All late listing penalties, if any, shall be paid by SELLER.

(g) THIS CONTRACT SHALL BE CONTINGENT UPON THE BUYER USING VENDORS APPROVED BY SELLER AND SELLER'S DESIGNATED ATTORNEY. SELLER TO APPROVE INSURANCE, MORTGAGE LENDER, CLOSING ATTORNEY AND APPROVE LENDER FEES, AND AUTHORIZE APPRAISAL BEFORE ORDERING BY ANY PERSON.

8. **CLOSING:** Closing shall be shall be on or before _____ (the "Closing Date"). All parties agree to execute any and all documents and papers necessary in connection with Closing and transfer of title on or before the Closing Date. If either party is unable to close by the Closing Date, then provided that the party is acting in good faith and with reasonable diligence to proceed to closing, such party shall be entitled to reasonable delay of the Closing Date and shall give as much notice as possible to the non-delaying party and closing agent. The parties acknowledge that the closing may be delayed until the final inspection has been made by and the construction has been approved by local regulatory authorities.

Notwithstanding anything to the contrary in this contract, SELLER will complete the residence subject of the terms of this contract within six (6) months from the date hereof subject only to the time extensions caused by acts of God, material shortages or other conditions beyond the control of the SELLER.

In no event shall the existence of any item covered under the SELLER'S move-in inspection list delay the closing, and any attempt by BUYER to delay closing shall be deemed a default by BUYER under this Agreement.

Notwithstanding the above, however, BUYER shall have a maximum of ten (10) days from the Closing Date, or any extension of the Closing Date agreed-upon in writing, in which to close. Following expiration of the ten-day period, if such delay is not caused by SELLER, the BUYER shall pay to SELLER interest on the purchase price at the rate of eight percent (8%) per annum accruing from the end of the ten-day period until closing occurs or the contract is terminated. Should the delay in closing continue for more than thirty (30) days from the last agreed-upon extension of the Closing Date the SELLER shall have the unilateral right to terminate the contract and shall be entitled, without further authorization and not withstanding any dispute of BUYER, to the disbursement of the earnest money.

9. **ATTORNEY:** The SELLER requests that the closing attorney shall be FRANK W. ERWIN, who is certified by the North Carolina State Bar as a legal specialist in residential real estate law. The attorney fees shall be included in the closing costs paid by the SELLER if the BUYER shall use the attorney of the SELLER'S choice. The BUYER is advised that the BUYER may choose the closing attorney if the BUYER agrees to pay those attorney fees, and title insurance costs, in addition to any closing costs be paid by BUYER, together with the sum of \$450 (attorney fees incurred by SELLER as a result of BUYER'S choice of a different closing attorney). The closing attorney shall be FRANK W. ERWIN.

10. **POSSESSION OF PROPERTY** shall be provided by the SELLER to the BUYER at closing.

11. **NEW CONSTRUCTION RESERVATIONS:** SELLER reserves the right to substitute, without notice to BUYER, materials or equipment of comparable quality, and may make structural changes which are in accordance with the applicable building codes and may make such modifications in construction of the subject dwelling as elevation and location of the lot may warrant. SELLER reserves the right to make such changes in the home as are made necessary or desirable in SELLER'S opinion by site or job conditions, availability of materials and/or of suitable energy sources for heating. BUYER acknowledges that the total square footage and individual room square footages on the specifications and plans are

approximations only and may vary from house to house. The house purchased hereunder may or may not be identical with the model house, sales information, floorplans, or "cutsheets" viewed by BUYER at or before the time of the execution of this Agreement. It is understood and agreed that all furniture, decorator items, extra fencing, special landscaping and any other items displayed in any model home for marketing purposes are not a part of this Agreement. Identification of such items can be obtained from SELLER'S sales representative. SELLER reserves the right before closing to make minor adjustments to property lines to meet setbacks, building separation and lot size requirements without compensation or approval from BUYER.

12. **BUYER SELECTIONS:** SELLER reserves the right to approve all decorating and color selections. Decorating and color selections already present or on order for the property as of the date of this agreement will not be changed. All selections by BUYER shall be made within five (5) days of signing the Agreement.

13. **WARRANTIES:** Contractor shall notify owner when the House is substantially complete. Owner shall thereupon promptly inspect the House and deliver to Contractor a written comprehensive list of all deficiencies which are detectable by visual examination. These deficiencies are referred to as "punch list" items. Contractor shall promptly and diligently correct all construction deficiencies so listed.

Contractor warrants that the construction will be performed in conformity (i) with the Contract Documents, (ii) with all laws, regulations, and codes applicable to the construction of the House, (iii) in a good and workmanlike manner, and (iv) with new (unless otherwise specified) good quality materials.

Manufacturers' or vendors' warranties or guarantees (referred to as "product warranties" herein), if any, on materials, fixtures, appliances, and components, to the extent assignable, are deemed assigned by Contractor to Owner. Contractor will deliver to Owner all product warranty forms in his possession. Owner is responsible for compliance with any notice and claim procedures set forth therein. Contractor does not adopt and is not bound by any such product warranty. Owner's rights under the product warranties are in addition to Contractor's warranties above. **CONTRACTOR MAKES NO WARRANTY EXPRESS OR IMPLIED OTHER THAN CONTAINED IN THIS CONTRACT.**

14. **CONTRACTOR'S DUTY TO CORRECT:** In addition to the warranties set out above, for a period of one (1) year from the date the certificate of occupancy is issued, Contractor will 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, that shall become necessary by reason of defects in labor or materials or substantial non-conformity with the Contract Documents which were not detectable by visual examination at the time of preparation of the punch list upon written notice of the defect from Owner. 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; (2) shall survive closing and the delivery of the deed. Should a repair or correction become defective within one (1) year from the date the repair or correction was made or attempted, Contractor will make all necessary adjustments to the repair or correction that shall become necessary by reason of defects in labor or materials or substantial non-conformity with the Contract Documents upon written notice of the defect from Owner.

15. **PARTIES:** This contract shall be binding upon and shall insure 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.

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

17. **ENTIRE AGREEMENT:** BUYER acknowledges that he has inspected the Property. This contract contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed in writing. All charges, additions or deletions hereto must be in writing and signed by all parties.

SELLER:
CAROLINA FOREST DEVELOPERS, LLC

BUYER: _____(SEAL)

BY: _____

SS/Tax ID# _____

ITS: _____(Title)

_____ (SEAL)

DATE: _____

SS/Tax ID# _____

DATE: _____

I hereby acknowledge receipt of the Earnest Money herein set forth in accordance with the terms hereof.

DATE: _____

FIRM: _____

BY: _____

Name of Selling Agent/Firm: _____

- Buyer's Agent
- Seller's (sub)agent
- Acting as Dual Agent

Name of Listing Agent/Firm: _____

- Seller's (sub)agent
- Acting as Dual Agent

SPECIAL UPGRADES / OPTIONS ADDENDUM
[if none, strike through this page]

The additional sum of \$ _____ shall be paid to SELLER at the () execution of this contract or () on or before _____ (insert date) for the following custom selections which BUYER shall specify for the particular construction.

This amount shall payable to SELLER for use in the improvements to be constructed and provided under this contract and shall be credited to the BUYER at closing. The parties acknowledge that SELLER is providing the custom selections at the request of BUYER and that the requested selections may not be marketable for other BUYERS. In consideration for the SELLER agreement to allow the custom selections, and notwithstanding anything to the contrary in this contract, the additional sum paid shall be deemed liquidated damages for this performance by BUYERS, and shall be non refundable in any event, except upon default of SELLER to convey good title.

Notwithstanding anything to the contrary in this contract, all sums paid under this paragraph shall be disbursed upon payment and prior to closing to SELLER and shall be used by SELLER to defray the costs of improvements upon the property.

**PRICE ADJUSTMENT
ADDENDUM TO CONTRACT**

[If not used, strike through this page]

USE THIS ADDENDUM TO OFFSET INCREASE COSTS IF CONSTRUCTION IS NOT ANTICIPATED TO BEGIN IMMEDIATELY.

ADJUSTMENT IN PRICE. The parties acknowledge that materials and labor may change prior to the time that SELLER can “lock in” costs for the construction of the home under this contract. The SELLER will be obligated to determine materials and labor costs prior to the beginning of construction (no later than at the time of beginning footings). The contract price may be adjusted by the SELLER prior to the beginning of construction (no later than at the time of beginning footings) and SELLER shall give notice to BUYER or BUYER’S real estate agent of the adjusted contract price. BUYER shall have three (3) days from notice to BUYER or BUYER’S real estate agent of the adjusted price to accept the adjusted price or terminate this contract. If the BUYER does not accept the adjusted price the BUYER shall be entitled to a full and prompt return of all earnest money deposits and any moneys paid on upgrade or additional items, and thereafter, BUYER and SELLER shall have no further obligations under this contract.

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