

NEW HOME INC.

NEW HOME INC. LLC NEW HOME PURCHASE AGREEMENT

NEW HOME INC. LLC (“Seller”) agrees to sell the Property described below to: _____ herein, whether one or more persons, referred to as “Buyer”), and Buyer agrees to purchase the Property from Seller, subject to the terms and conditions of this New Home Purchase Agreement entered into on _____. (the “Agreement”).

1. **Property.** Located in _____ County, North Carolina, and being Lot _____, Phase/Section in _____ Subdivision, having a street address of _____ (the “Property”) together with the dwelling constructed or to be constructed thereon by Seller, including those options Buyer selects on the Selection Sheet, attached hereto and incorporated herein (the “Dwelling”). **Buyer acknowledges that governmental authority over property taxes, school districts, utilities, zoning, and mail delivery may differ from the street address shown above.**

2. **Purchase Price.** The Purchase Price of the Property, including the Dwelling and all options identified below, is \$ _____ and is payable as follows:
 - (a) _____ Initial builder deposit paid by Buyer to Seller upon Buyer’s signing of this Agreement. (Buyer’s check # _____)

 - (b) _____ Additional builder deposit to be paid by Buyer to Seller not later than _____, TIME BEING OF THE ESSENCE. (The builder deposits paid pursuant to Sections 2(a) and 2(b) are hereinafter collectively referred to as the “Builder Deposit”).

 - (c) _____ Option deposit for options and upgrades selected by Buyer at the time of execution of this Agreement and listed on the Addendum to Purchase Agreement (“Option Addendum”) attached hereto and incorporated herein (the “Option Deposit”). **No optional features, including, without limitation, those contained in any model home or sales center or in other advertising or marketing materials, are included in the Purchase Price unless specifically listed on the Option Addendum.**

 - (d) _____ The balance of the Purchase Price at Closing by **CERTIFIED FUNDS, OFFICIAL BANK CHECK or WIRE TRANSFER**. If Buyer delivers all or any portion of the balance of the Purchase Price in the form of certified funds or official bank check exceeding \$25,000.00, then Buyer will not be entitled to possession of the Dwelling until such funds have cleared.

The Builder Deposit, Option Deposit, and subsequent deposits, if any (sometimes referred to herein as the “Deposits”), shall be applied to the Purchase Price at Closing but are otherwise non-refundable to Buyer unless Seller defaults in its obligations under this Agreement or as otherwise provided in this Agreement.

Any checks accepted by Seller shall be subject to collection and payment. If, for any reason, any check or other funds paid by Buyer should be dishonored by the financial institution on which the check or other payment is drawn, Buyer shall have one (1) banking day after written or oral notice from Seller to deliver certified funds to Seller. If Buyer does not deliver certified funds within such time period, Seller, at its option, may either terminate this Agreement or deem such failure to be a default by Buyer under this Agreement.

3. **Mortgage Financing. (NOT APPLICABLE UNLESS INITIALED BY BUYER and SELLER)**
 - (a) Buyer’s obligations under this Agreement are contingent upon Buyer’s ability to obtain a mortgage loan to purchase the Property if buyer is obtaining financing.
 - (b) Buyer shall apply for the Loan within five (5) business days after the Effective Date (TIME BEING OF THE ESSENCE). Buyer shall promptly furnish all information and documents requested by the lender in connection with the Loan, and, in

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all other respects, diligently and in good faith pursue qualification for an approval of the Loan. Buyer shall promptly provide Seller written confirmation from Buyer's lender of application for the Loan.

- (c) Buyer shall provide Seller written confirmation of the Loan approval from Buyer's lender promptly upon receipt of same. Buyer shall obtain unconditional approval for the Loan within the following timeframe (**check one**): 15 days OR 30 days after the Effective Date (the "Initial Financing Period").
 - (d) Buyer's failure to cooperate with the lender's requests for information, to otherwise use Buyer's best efforts to obtain financing, or failure to obtain unconditional approval for the Loan within the Initial Financing Period shall constitute a default under this Agreement, and Seller may avail itself of any of the rights and remedies provided in Section 11 hereof. Buyer authorizes Seller to communicate with Buyer's chosen lender and to disclose information regarding this transaction to the lender.
4. **No Contingencies.** Unless otherwise provided by addendum attached hereto, this Agreement is in no way contingent upon the sale, rental, settlement or other disposition of other property Buyer owns. Additionally, this Agreement is in no way contingent upon the Property, including the Dwelling, appraising for the Purchase Price, except as otherwise provided in the FHA/VA Financing Addendum to this Agreement, if applicable.
5. **Construction of Dwelling.** If this Agreement is for a Dwelling for which construction has not started, and Seller determines any of the following issues after the Effective Date prohibit Seller from constructing the Dwelling on the designated lot as contemplated under this Agreement, Seller shall promptly notify the Buyer: (a) Seller's inability to build the Dwelling on the designated lot without obtaining variances for setback rules; (b) Seller's inability to build the Dwelling on the designated lot without incurring special costs for foundation, slab or structural support walls; (c) Seller's inability to obtain all approvals required to permit Seller to construct the Dwelling on the designated lot (including, without limitation, approval of the homeowners' association, if applicable); (d) difficulties relating to the orientation and placement of the Dwelling on the designated lot; and (e) other unforeseen difficulties impacting Seller's ability to place that Dwelling on the designated lot. Upon Seller's notice to Buyer of any of the foregoing issues, Buyer may (i) pay for all additional costs as determined by Seller necessary to construct the Dwelling on the designated lot, (ii) negotiate in good faith with Seller to relocate the Dwelling to another lot in the community, provided there are lots available for sale, or (iii) if no replacement lot is available, then Buyer may terminate this Agreement and will be entitled to a refund of the Builder Deposit and any Option Deposits. Seller shall construct the Dwelling substantially in accordance with plans and specifications, including the construction drawings (or blueprints), grading plan, floor plans and other plans related to the construction of the Dwelling, together with the options Buyer selects on the Option Addendum and any Change Orders mutually agreed to by the parties in accordance with the Selections and Change Order Policy Addendum, all of which are incorporated into this Agreement by reference, and as evidenced by Buyer's execution and delivery of this Agreement, have been reviewed and approved by Buyer (collectively, the "Plans and Specifications"). **Buyer understands that any model homes, sales brochures and/or other advertising or promotional materials used or displayed by Seller are for general descriptive purposes only and that no such materials, including optional features contained in a model home, are incorporated into this Agreement and will not be included in the Dwelling unless specifically set forth in this Agreement or a rider or addendum to this Agreement.**
6. **Completion of Dwelling.**
- (a) **Completion of Dwelling.** Seller will use its best efforts to complete the Dwelling by _____ (the "Completion Date"). It is expressly agreed by Buyer that notwithstanding anything to the contrary specified in this Agreement or verbally represented (including, but not limited by, Seller's sales representatives), the Completion Date is a good faith estimate, and Seller makes no promises or representations concerning the Completion Date. The Dwelling shall be deemed substantially complete upon issuance of a Certificate of Occupancy or other similar certificate ("C.O.") by the appropriate governmental entity. Substantial completion does not require that all punch list or deficiencies be corrected, nor does the subsequent correction of deficiencies or punch list work alter the determination that substantial completion was achieved upon the issuance of a C.O. In order to do so, Seller reserves the right to enter onto the lot after Closing to complete such exterior items without Buyer's prior approval. Notwithstanding anything in this Agreement to the contrary, Seller shall complete construction of the Dwelling within two years of Buyer signing this Agreement; except that, if the Completion Date is delayed due to Buyer's default under this Agreement or as set forth in Section 6 (b) of this Agreement, then the Completion Date could be extended beyond the two years and Seller would not be in default.
 - (b) **Excusable Delays.** If due to adverse weather, fire, vandalism, shortage of materials or labor, or other events or conditions beyond Seller's reasonable control, Seller is unable to complete the Dwelling by the Completion Date, Seller shall not be liable for such delays, and the Completion Date shall be automatically extended to accommodate such delays. Notwithstanding the foregoing, Seller shall complete construction of the Dwelling within two years of Buyer signing this Agreement.

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- (c) Private Inspection. Buyer has the right to schedule a private home inspection (“Inspection”) of the Property by an independent certified home inspector at Buyer’s expense, but such inspection must be done at least 48 hours prior to the Pre-Closing Orientation. The Inspection must be performed by a full member in good standing of a national home inspection association in accordance with the ethical standards and code of conduct or practice of that association. Any home inspector must have insurance coverage acceptable to Seller prior to entering the Property. Buyer unconditionally indemnifies and holds Seller harmless from any injury to person or property occurring as a result of the Inspection. If Buyer elects to hire an independent private home inspector, Seller will reasonably cooperate in scheduling an Inspection; however, the Inspection must be scheduled with no less than 48 hours advance notice to Seller and the Inspection must take place during normal construction working hours. The Inspection must be coordinated with Seller and may not interfere with construction or delay the construction schedule. Any deficiencies identified by the Inspection shall be promptly submitted to Seller in writing along with a certified report of the home inspector. In the event any deficiency identified by the Inspection is a violation of any local codes or the Express Limited Warranty, Seller will correct such deficiency in a timely manner and the correction of any such deficiency shall not delay Closing unless the deficiency is of such a nature as to make the Property uninhabitable.
- (d) Pre-Closing Orientation. Seller will inspect the Property with Buyer prior to Closing (the “Pre-Closing Orientation”). Seller will note any items that Seller determines needs to be completed or corrected on a report (the “Pre-Closing Orientation Report”). If, on the Closing Date scheduled in accordance with Section 7(a) of this Agreement, a C.O. has been issued and the Dwelling is habitable, Closing shall proceed on the scheduled date even if there are incomplete items on a “punch list” or Pre-Closing Orientation Report, and Seller will complete such items as soon as is practicable after Closing. To the extent such items remain to be completed after Closing, Seller will have the right to access the Property to complete those items that remain to be completed in the interior of the Dwelling after Closing, and Buyer will cooperate with Seller in providing access to the Dwelling. In no event may Buyer delay Closing and in no event shall Seller be required to hold funds in escrow for any incomplete items.
- (e) Substitution of Materials. In the event that Seller, through reasonable sources of supply, is unable to obtain the exact materials specified on the Plans and Specifications, or is unable to obtain items listed on the Option Addendum, Seller has the right to substitute materials and items of similar pattern and design and of substantially equivalent quality. Seller reserves the right to make changes in the Plans and Specifications for purposes of mechanical installation, building code requirements, and reasonable architectural design improvements after the date of this Agreement.
- (f) Granite and Marble Countertop Color Variations. Buyer acknowledges granite is a natural product and texture as is the case with natural stone material, there will be variations in color and markings in each individual natural stone. These variations should not be regarded as defects. They are characteristics of natural stone that give the material its uniqueness and dramatic beauty. New Home Inc, LLC. cannot guarantee color patterns or variations of the actual stone delivered versus differences from samples that were provided or shown. Granite and Marble countertops are made from natural stone which is quarried from mountains all over the world. The presence of any of these characteristics adds to the uniqueness of your material, and in the majority of cases does not compromise the durability of your product. With polished granite and marble, any or all of the following natural characteristics may be present:
- i) Areas, especially in marble, which have been filled with a matching color epoxy.
 - ii) Variations in veining, color, and movement that may be present in any natural materials. Materials that are referred to as “swirl” granites exhibit more of these types of natural occurrences.
 - iii) Fissures: small visible lines on the surface of the polished or honed slab which rarely indicate or affect the structural integrity of the product.
 - iv) Beauty marks: natural mineral deposit concentrations that can be seen as intensified spots or lines of color, lack of color, or areas with a compromised polishing ability.
 - v) Pitting: “pock marks” of varying size on the surface of a slab in which are a result of the tightness of the material grain and the materials ability to accept a polished finish.
- (g) Structural Options. Buyer acknowledges structural options/changes must be completed within three (3) business days of the Effective Date, with all appropriate signatures and approvals. Structural changes may not be made after this period.
- Initial _____ Initial _____
- (h) Change Orders. Buyer acknowledges that the options and color selections made at the time of this Agreement may not be changed without a written change order signed by Buyer and Seller’s Authorized Representative as provided in the Selections and Change Order Policy Addendum to this Agreement (each a “Change Order”).

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- (i) Dwelling Location/Trees. Seller shall have sole discretion in determining the location and ground elevation of the Dwelling and driveway on the Property, including the possible necessity of reversing the Dwelling plan so that it conforms to the contours of the existing lot. Seller may remove such trees from the Property as it determines necessary to construct the Dwelling.
- i) Dwelling Setting. Seller, in its discretion, will situate the Dwelling within predetermined setback requirements and within the limitations dictated by the size and footprint of the Dwelling. Sometimes, the conditions present on the Lot require that the Dwelling be set and sewered with the utilization of a lift pump. Seller cannot always determine whether a lift pump is required until after construction has begun. For this reason, Seller reserves the right to utilize a lift pump as a means of sewerage of the Dwelling.
- ii) Trees. Working in a wooded area is a difficult and expensive operation, both for the developer and the builder. The developer must remove the trees and stumps from the right-of-way prior to installing the street, curbs, and utilities, and the builder must remove trees and stumps from the area of construction of the Dwelling.
- Seller reserves the right to remove any trees within the area affected by construction. It is necessary to remove these trees because branches may cause damage when wind blows them against the Dwelling and because there is a good chance that the roots would be damaged during construction. Seller also reserves the right to remove any tree that may be in the way of driveways, walks, or utility lines and so hinder the construction of the Dwelling. Seller will not, however, remove trees at the Buyer's convenience, nor will Seller remove trees outside the area affected by construction. Seller will make every reasonable effort to set the Dwelling on the Lot so that as many of the trees as possible may be left for your enjoyment. Seller will try not to damage trees during the construction of the Dwelling. However, occasionally a tree is damaged, and Seller **does not** guarantee the life of any tree. Seller will landscape only that portion of the Lot that has been disturbed due to construction of the Dwelling. The remainder of the Lot will remain in its natural state.
- (j) New Construction Living Area. It is understood and agreed between Buyer and Seller that "living area" square footage has been based upon builder plan dimensions and is subject to change without notice during construction. Buyers may verify actual measurements as improvements are completed prior to Closing. However, the Property is not being sold on a "per square foot" basis. Although the completed improvements should substantially comply with agreed Plans and Specifications, no adjustment will be made to the Purchase Price because of discrepancies in living area in the completed improvements.
- (k) USPS Required Cluster Mailboxes. Buyer acknowledges that Seller has disclosed to Buyer the United States Postal Service ("USPS") requirement for cluster mailboxes in new subdivisions. According to USPS, the cluster mailbox requirement was implemented to allow the USPS to make less stops when delivering mail. Seller has disclosed to Buyer that the Property may be affected by the USPS requirement and thus the home **may not** have its own stand-alone mailbox. Buyer understands that Seller is legally required to adhere to the USPS requirement in order to ensure Buyer has access to delivery postal services.
- (l) No Right of Entry. Buyer acknowledges that until Closing and payment to Seller of the Purchase Price, the Property remains the property of Seller and Buyer has no right to enter upon the Property unless specifically permitted by the Seller. Buyer agrees that Buyer shall not enter upon the Property unless accompanied by a representative of Seller. If Buyer violates this provision, Buyer will be deemed to be trespassing and Seller assumes no liability for any injuries suffered by Buyer while on the Property or construction site, and Buyer shall indemnify Seller from any and all injury, cost, loss or damage arising from Buyer's actions.
- (m) Interference by Buyer. Buyer shall not give instructions to or otherwise interfere with any of Seller's subcontractors or material suppliers nor do anything that would interfere with Seller's completion of the Dwelling.

7. Closing.

- (a) Once the Dwelling has been completed, the Closing of the transaction contemplated by this Agreement (the "Closing") shall be conducted by and take place at the office of Seller's attorney, as "Settlement Agent", on a date and at a time selected by Seller, on or about _____ (the "Closing Date"). Seller will provide Buyer no less than 10 days written notice of the actual Closing Date.
- (b) Settlement location will take place at one of seller's preferred closing attorney locations (per Preferred Lender and Attorney List Addendum attached hereto and made a part hereof). Buyer may choose to hire a closing

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attorney to represent them independently of the Settlement Agent, but that cost will be paid by Buyer above and beyond the closing costs that the Settlement Agent charges.

- (c) At Closing, Seller shall deliver to Buyer an executed special warranty deed (the “Deed”), conveying to Buyer fee simple title to the Property, free of all liens and encumbrances except: *ad valorem* real property taxes for the current year (which shall be prorated on a calendar year basis as of the Closing Date); such facts as an accurate survey and personal inspection of the Property would reflect; restrictive covenants imposed upon the Property; and all other easements and restrictions of record, and non-monetary items recorded prior to Seller’s record ownership of Property, and Buyer shall pay the Purchase Price. As between Buyer and Seller, Closing shall be deemed complete when the Settlement Agent has received (i) all documents required to be signed and/or delivered by Seller, (ii) both Buyer and Seller have signed the Settlement Statement, (iii) if Section 3 of this Agreement is applicable, Buyer has signed all loan documents and satisfied all lender requirements, (iv) Settlement Agent has received all funds necessary for Closing, (v) Settlement Agent has received all required approvals to disburse the all such funds, and (vi) Settlement Agent has recorded the Deed with the appropriate municipality (the completion of the last of the foregoing being herein referred to as the “Completion of Closing”). **Buyer acknowledges that Buyer will not receive the keys to the Dwelling and that Buyer has no right to enter upon or occupy the Property until all of the foregoing conditions have been satisfied.**

Initial _____ Initial _____

8. Closing Costs and Prepaid Items.

- (a) Seller’s Costs. Seller will pay for preparation of the Deed, and preparation and recording of any necessary releases. Buyer acknowledges that, due to the continuing relationship between Seller and its attorney, Seller’s attorney cannot represent Buyer in any dispute or disagreement with Seller and, in fact, Seller’s attorney’s obligations to Buyer are to: (i) ensure that Closing is conducted in compliance with the terms of this Agreement, the loan instructions provided by the lender, and the Real Estate Settlement Procedures Act and other applicable law; (ii) explain the Settlement Statement and loan documents; (iii) ensure title is conveyed to Buyer as provided in this Agreement and that an Owner’s Policy of Title Insurance is issued to Buyer; and (iv) ensure that all funds deposited with Settlement Agent in connection with the Closing are properly disbursed. Buyer acknowledges that, if a dispute should arise between Buyer and Seller in connection with any aspect of this transaction (including, but not limited to, the completion of construction of the Dwelling and any “punch list”), Seller’s attorney cannot represent or give Buyer legal advice in connection with such dispute, but will, if requested, refer Buyer to another attorney or law firm to represent Buyer in the dispute. Buyer, at Buyer’s option and expense, may employ another attorney to represent Buyer in connection with the Closing, including attending, but not conducting, the Closing, even if there is no dispute between Buyer and Seller.
- (b) Pro-rations. Real property taxes, homeowners dues and assessments (but not working capital), utility charges and other public dues, taxes and charges shall be prorated on calendar year basis as of the Closing Date. It is also Buyer’s responsibility to have all utility services to the Property transferred into Buyer’s name effective no later than the Closing Date. When a new home is built, the assessed value of the home is calculated as of January 1st. Therefore, if the home has a certificate of occupancy issued as of January 1st of the calendar year, the assessment will be based on the value of the completed construction for that tax year. Seller is not responsible for communicating any information regarding real estate taxes (current or future) and cannot and will not predict what the taxes on the home may be. Buyer should confirm any information provided concerning appraisals, tax valuation, tax rates or other tax-related questions, with Buyer’s personal tax advisor and/or the local taxing authorities.
- (c) Buyer’s Costs. Buyer will pay all other closing costs and prepaid items, including, without limitation, final survey, recording fees, title insurance premiums, home insurance premiums, mortgage insurance premiums, and excise tax (revenue stamps) required by law Buyer’s attorney’s fees, and all fees, costs, and prepaid items incident to the Loan.
- (d) Seller’s Contribution toward Buyer’s Costs. If Buyer obtains mortgage financing through Seller’s preferred lender, Seller will pay *up to a maximum of* \$ _____ toward closing costs and prepaid items actually incurred by Buyer, but only to the extent that Seller’s contribution is permitted by the lender. **Buyer has the right to obtain a loan from any lender Buyer chooses.**

9. Buyer’s Obligations to Homeowners Association. (NOT APPLICABLE UNLESS INITIALED BY BUYER AND SELLER)

- (a) Buyer acknowledges that the Property is located in a subdivision governed by a homeowners association and Buyer acknowledges that title to the Property will be conveyed subject to the declaration, bylaws, and other rules and restrictive

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covenants regulating the use and maintenance of common areas and the Property (the “Governing Documents”). Buyer will automatically become a member of the association at Closing. Upon taking title to the Property, Buyer agrees to hold the Property subject to the Governing Documents, as may be amended from time to time. **By execution of this Agreement, Buyer acknowledges that Seller has provided Buyer a copy of the Governing Documents prior to the execution of this Agreement.**

Initial _____ Initial _____

- (b) Buyer will pay dues and assessments required by the association. Dues and assessments payable at Closing will be prorated between Buyer and Seller on a calendar-year basis, or as otherwise required by the Governing Documents. As of the date of this Agreement, Seller anticipates that:
- i) the homeowner’s association dues payable by Buyer will be approximately \$ _____ per month, and
 - ii) Buyer will be required to pay at Closing, in addition to pro-rated dues, a working capital contribution in the amount of \$ _____.
 - iii) Buyer will also be required by the association to pay at Closing the following additional fees:
 - a. HOA Certification Fee:
 - b. Amenity Fee:
 - c. Other: _____

Buyer acknowledges that the dues, assessments, working capital contribution, and other fees are subject to change by the association without notice to Buyer prior to Closing.

10. **Naturally Occurring Gases, Arsenic and Other Metals.** Buyer understands it has the right to test for naturally occurring gases, but agrees that this Agreement is not conditioned upon testing results for naturally occurring gases, including radon, arsenic, or other elemental metals, or the presence or lack of such gases, arsenic or other elemental metals affecting the Property. Upon Closing, Buyer will be deemed to have accepted the Property as to the presence of these gases and/or arsenic and/or other elemental metals now or in the future and Seller shall be released from any and all claims related to or arising from the presence of any naturally occurring gases, arsenic or other elemental metals. If Buyer seeks further information, Buyer should contact the U.S. Environmental Protection Agency or the North Carolina Department of Environmental Quality.
11. **Default By Buyer.** If Buyer fails to take title to the Property on the Closing Date or refuses to perform any of Buyer’s obligations under this Agreement, and such failure continues for a period of 5 days after written notice thereof is mailed by Seller to Buyer, Buyer shall be in default under this Agreement. In such event, Seller may, by written notice to Buyer, (i) keep all Deposits and pursue any and all other remedies available to Seller for such breach at law or in equity, or (ii) terminate this Agreement and keep the Deposits as liquidated damages for Buyer’s default, it being agreed that Seller’s actual damages in the event of a default by Buyer are difficult to estimate, and that the amount of the Deposits is a reasonable estimate of those damages and not a penalty. Additionally, if Buyer fails to take title to the Property on the Closing Date as required in this Agreement, then Seller may, in its sole discretion, agree to extend the date of Closing. Notwithstanding anything contrary contained in this Agreement, unless Section 3 does not apply, if Buyer has complied with the obligations set forth in subsection 3(b) of this Agreement, and if, despite Buyer’s best efforts, Buyer does not obtain unconditional approval for the Loan within the Initial Financing Period, Seller, at its option, may (i) terminate this Agreement,; or (ii) grant Buyer additional time in which to obtain loan approval. If Seller elects to terminate this Agreement without granting Buyer additional time in which to obtain loan approval, Seller will refund the Deposits to Buyer upon Buyer’s execution of a mutual release agreement provided by Seller, if Seller determines that Buyer utilized good faith efforts to obtain approval for the Loan. If Seller does not determine that Buyer utilized good faith efforts to obtain approval for the Loan or if Buyer fails to obtain unconditional approval for the Loan despite Seller’s grant of additional time to obtain loan approval, Seller will have the right to retain the Deposits. No extension of Buyer’s time to obtain loan approval shall be binding upon Seller unless in writing and signed by Seller’s Authorized Representative. Buyer shall be responsible for all attorneys’ fees Seller incurs in enforcing this Agreement.
12. **Default By Seller.** If Seller defaults in the performance of its obligations set forth herein, and such default continues for a period of 10 days after written notice is mailed by Buyer to Seller, unless Buyer is in default, Buyer may terminate this Agreement by written notice to Seller, whereupon Seller shall return the Deposits to Buyer as liquidated damages for Seller’s default, it being agreed that Buyer’s actual damages in the event of a default by Seller are difficult to estimate, and that the amount of the Deposits is a reasonable estimate of such damages and not a penalty.

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13. **Assignment.** Buyer's rights under this Agreement are not assignable or transferable in any way.
14. **Notices.** Any notice or communication pursuant to the terms of this Agreement shall be in writing, except as otherwise provided in this Agreement, and sent via electronic mail or first-class mail to Seller at 1611 Jones Franklin Road Suite 101, Raleigh, NC 27606, or to Buyer's current email or mailing address, as set forth in this Agreement. Buyer agrees to notify Seller in writing of any change in Buyer's address. All notices under this agreement shall be deemed duly given on the date such notice is (i) mailed by first-class mail, or (ii) sent by electronic mail with transmission verification.
15. **Warranties.**
- (a) Seller's Limited Warranty. Prior to the execution of this Agreement, Buyer received a copy of Seller's express limited warranty (the "Express Limited Warranty"). By execution of this Agreement, Buyer acknowledges receipt of such warranty prior to execution of this Agreement. The Express Limited Warranty is also available at (<https://my.newhomeinc.com/warranty>) **EXCEPT WITH RESPECT TO CONSUMER PRODUCTS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, ARE HEREBY DISCLAIMED AND WAIVED. SELLER HAS NOT AUTHORIZED ANY PERSON TO MODIFY THE TERMS OF THE EXPRESS LIMITED WARRANTY DESCRIBED HEREIN. SELLER ASSUMES NO LIABILITY OR OBLIGATIONS ON ACCOUNT OF REPRESENTATIONS MADE BY ANY OTHER PERSON. BUYER HEREBY ACCEPTS SELLER'S EXPRESS LIMITED WARRANTY IN LIEU OF ALL OTHER WARRANTIES AND UNDERSTANDS THAT SUCH ACCEPTANCE IS PART OF THE CONSIDERATION FOR THE SALE OF THE PROPERTY BY SELLER.** The foregoing warranty (i) is for the benefit of Buyer only and may not be assigned to or otherwise extend to any other person or entity, and (ii) shall survive Closing and conveyance of title to the Property.
16. **Affiliated Business Arrangement Disclosure.** Richard Van Tassel, II, Matthew Riley, Richard Sherman, and Robert Bailey (Collectively "The Owners") the owners of New Home Inc. LLC have a business relationship with the following entities, which relationship may provide one or all of The Owners, a financial or other benefit.
- New Home Inc Realty, LLC
Keystone Title, LLC
- The Buyer(s) acknowledge if New Home Inc Realty LLC is involved in the real estate transaction contemplated by this agreement, New Home Inc Realty will represent the Seller only; and The Owners, may receive a financial benefit from the above listed companies involved in this transaction.
- Initial** **Initial**
17. **Interstate Land Sales Full Disclosure Act.** Buyer and Seller intend that the sale of Property pursuant to this Agreement qualify for the Improved Lot Exemption pursuant to 15 U.S.C. Section 1702(a)(2) and that nothing in this Agreement shall be construed or operate, as to any obligations or rights of Seller or Purchaser, in any manner which would render such exemption inapplicable to the sale of the Property pursuant to this Agreement.
18. **Complete Agreement.** This Agreement (including the documents incorporated herein by reference) embodies the entire agreement between the parties as to the Property. There are no other written or oral agreements or understandings directly or indirectly connected with the Property, this Agreement, or with the transactions anticipated hereby. This Agreement shall not be recorded.
19. **Amendments.** No amendment to or mutual termination of this Agreement shall be binding on a party unless in writing and signed by both Seller and Buyer.
20. **Construction of Purchase Agreement.** This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina. Whenever the singular number is used herein, the same shall include the plural where appropriate and the words of any gender shall include the other gender and neuter. Waiver of performance or satisfaction of timely performance or the satisfaction of any condition, covenant, requirement, obligation or warranty by one party shall not be deemed a waiver of the

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performance or satisfaction of any other condition, covenant, requirement, obligation or warranty unless specifically consented to in writing. Whenever a date specified herein shall fall on a weekend or legal holiday, the date shall be extended to the next business day. Captions contained herein are inserted only for the purpose of convenient reference, and in no way define, limit or describe the scope of this Agreement or any part hereof. Notwithstanding the presumption of law whereby an ambiguity or conflict in provisions shall be construed against the drafter, the parties have been afforded the opportunity to consult with counsel of their own choosing and each has participated in the drafting of this Agreement. Therefore, such presumption shall not be applied if any provision or term of this Agreement requires judicial interpretation.

21. **Mediation and Arbitration Agreement.** Seller and Buyer specifically agree this transaction involves interstate commerce and any Dispute (as hereinafter defined) shall first be submitted to mediation and, if not settled during mediation, shall thereafter be submitted to binding arbitration as provided by the Federal Arbitration Act (9 U.S.C. §§1 et seq. (the “FAA”)) and not by or in a court of law or equity. “Disputes” (whether contract, warranty, tort, statutory or otherwise), shall include any and all controversies, disputes or claims (i) arising under, or related to, this Agreement, the Property, the community in which the Property is located or any dealings between Buyer and Seller; (ii) arising by virtue of any representations, promises or warranties alleged to have been made by Seller or Seller’s representative; and (iii) relating to personal injury or property damage alleged to have been sustained by Buyer, Buyer’s children or other occupants of the Property or in the community in which the Property is located.
- (a) Unless mutually waived in writing by Seller and Buyer, submission to mediation is a condition precedent to either party taking further action with regard to any matter covered hereunder. Any party who will be relying upon an expert report or repair estimate at the mediation shall provide the mediator and the other parties with a copy of the reports. If one or more issues directly or indirectly relate to alleged deficiencies in design, materials or construction, all parties and their experts shall be allowed to inspect, document (by photograph, videotape or otherwise) and test the alleged deficiencies prior to mediation. If the Dispute is not fully resolved by mediation, the Dispute shall be submitted to binding arbitration.
 - (b) Any and all mediations and arbitrations commenced by Seller or Buyer shall be filed with and administered by the American Arbitration Association or any successor thereto (“AAA”).
 - (c) The arbitration shall be conducted in accordance with the AAA’s Home Construction Arbitration Rules in effect on the date of the request. If there are no Home Construction Arbitration Rules currently in effect, then the AAA’s Construction Industry Arbitration Rules in effect on the date of such request shall be utilized. If the state where the Property is located has a statute which mandates that arbitrators provide certain disclosures relating to their partiality and/or biases, the selected arbitrator shall be obliged to provide such disclosures and may be disqualified and replaced pursuant to the procedure set forth in the applicable state’s statute relating to disqualifying potentially biased arbitrators. The disqualification of an arbitrator will not relieve any party bound by this arbitration provision of the obligation to arbitrate all disputes. Following any disqualification of an arbitrator, the parties will arbitrate before a replacement arbitrator.
 - (d) No arbitration arising out of or otherwise relating to this Agreement shall involve more than one Buyer. The arbitrator shall prepare a written arbitration award which sets forth his or her factual findings and the reasons on which his or her decision is based.
 - (e) The FAA shall govern the meaning and enforceability of this arbitration provision to the exclusion of any state law relating to the meaning or enforceability of arbitration clauses or agreements. Any disputes concerning the interpretation or enforceability of this arbitration provision, including without limitation, its revocability or voidability for any cause, the scope of arbitrable issues, and any defense based upon waiver, estoppel or laches, shall be decided by the parties’ appointed arbitrator.
 - (f) All administrative fees of the arbitration service and fees of the arbitrator shall be equally allocated among the arbitrating parties, subject to the discretion of the arbitrator to reallocate such fees as warranted under the substantive law governing the parties’ controversy.
 - (g) The arbitrator shall not have the power to commit errors of law or legal reasoning. Thus, with regard to the tort, contract, statutory, or equitable dispute arising out of or otherwise relating to this Agreement, the arbitrator shall render an award in accordance with the substantive law governing the claims, disputes and/or controversies being prosecuted by the claimant. Specifically, the arbitrator is authorized to award all relief that would otherwise be available in a judicial forum to the claimant or respondent if the parties’ controversy were litigated in court rather than in an arbitral proceeding.
 - (h) The waiver or invalidity of any portion of this Section 21 shall not affect the validity or enforceability of the remaining portions of this Section 21. Buyer and Seller further agree: (1) any Dispute involving Seller’s affiliates, directors, officers, employees and agents shall also be subject to mediation and arbitration as set forth herein and shall not be pursued in a court of law or equity; (2) Seller may, at its sole election, include Seller’s contractors, subcontractors and suppliers, as well as any warranty company and insurer as parties in the mediation and arbitration; and (3) the mediation and arbitration will be limited to the parties specified herein.

NEW HOME INC.

- (i) To the fullest extent permitted by applicable law, Seller and Buyer agree no finding or stipulation of fact, no conclusion of law, and no arbitration award in any other arbitration, judicial, or similar proceeding shall be given preclusive or collateral estoppel effect in any arbitration hereunder unless there is mutuality of parties. In addition, Seller and Buyer further agree no finding or stipulation of fact, no conclusion of law, and no arbitration award in any arbitration hereunder shall be given preclusive or collateral estoppel effect in any other arbitration, judicial or similar proceeding unless there is mutuality of parties.
 - (j) Unless otherwise recoverable by law or statute, each party shall bear its own costs and expenses, including attorneys' fees and paraprofessional fees, for any mediation and arbitration. Notwithstanding the foregoing, if a party unsuccessfully contests the validity or scope of arbitration in a court of law or equity, the noncontesting party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in defending such contest, including such fees and costs associated with any appellate proceedings. In addition, if a party fails to abide by the terms of a mediation settlement or arbitration award, the other party shall be awarded reasonable attorneys' fees, paraprofessional fees and expenses incurred in enforcing such settlement or award.
 - (k) Seller supports the principles set forth in the Consumer Due Process Protocol developed by the National Consumer Dispute Advisory Committee and agrees to the following:
 - i) Notwithstanding the requirements of arbitration stated in Section 21(a) of this Section 21, Buyer shall have the option, after pursuing mediation as provided herein, to seek relief in a small claims court for disputes or claims within the scope of the court's jurisdiction in lieu of proceeding to arbitration. This option does not apply to any appeal from a decision by a small claims court.
 - ii) Seller agrees to pay for one (1) day of mediation (mediator fees plus any administrative fees relating to the mediation). Any mediator and associated administrative fees incurred thereafter shall be shared equally by Seller and Buyer.
 - iii) Notwithstanding the foregoing, if either Seller or Buyer seeks injunctive relief, and not monetary damages, from a court because irreparable damage or harm would otherwise be suffered by either party before mediation or arbitration could be conducted, such actions shall not be interpreted to indicate that either party has waived the right to mediate or arbitrate. The right to mediate and arbitrate should also not be considered waived by the filing of a counterclaim by either party once a claim for injunctive relief had been filed with a court.
 - (l) BUYER AND SELLER AGREE THAT THE PARTIES MAY BRING CLAIMS AGAINST THE OTHER ONLY ON AN INDIVIDUAL BASIS AND NOT AS A MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE ACTION OR COLLECTIVE PROCEEDING. THE ARBITRATOR(S) MAY NOT CONSOLIDATE OR JOIN CLAIMS REGARDING MORE THAN ONE PROPERTY AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A CONSOLIDATED, REPRESENTATIVE, OR CLASS PROCEEDING. ALSO, THE ARBITRATOR(S) MAY AWARD RELIEF (INCLUDING MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF NECESSITATED BY THAT PARTY'S INDIVIDUAL CLAIM(S). ANY RELIEF AWARDED CANNOT BE AWARDED ON CLASS-WIDE OR MASS-PARTY BASIS OR OTHERWISE AFFECT PARTIES WHO ARE NOT A PARTY TO THE ARBITRATION. NOTHING IN THE FOREGOING PREVENTS SELLER FROM EXERCISING ITS RIGHT TO INCLUDE IN THE MEDIATION AND ARBITRATION THOSE PERSONS OR ENTITIES REFERRED TO IN SECTION 21(h) OF THIS SECTION 21.
22. **Risk of Loss.** The risk of loss by fire or other casualty shall be on Seller until Closing. If such loss occurs, Buyer may terminate this Agreement and receive a refund of the Deposits without further liability to Buyer. In such event, Buyer would have no right to or interest in fire or other casualty or hazard insurance proceeds. If Buyer does not terminate this Agreement, the Completion Date shall automatically be extended to accommodate for delays caused by such loss, but in no event shall the Completion Date be extended beyond two years from the date Buyer signs this Agreement.
23. **Time is of the Essence.** TIME IS OF THE ESSENCE FOR THIS AGREEMENT. This means that the failure to do what is required within the timeframes specified in this Agreement or, if no timeframe is given, within a reasonable period, is a default under this Agreement.
24. **Survival of Obligations.** Buyer's acceptance of the Deed for the Property shall be deemed acknowledgment by Buyer of full performance and discharge of Seller's obligations to be performed under this Agreement, except for those obligations which are herein or by other written agreement stated to survive the Closing.

NEW HOME INC.

25. **Effective Date.** This Agreement represents Buyer's offer to purchase only and shall not be binding upon Seller unless and until it is accepted and signed by an officer of Seller who is authorized to accept such offer. The Effective Date of this Agreement shall be the date on which it is signed by Seller's Authorized Representative.
26. **Sales and Marketing Representative Acknowledgement; Broker Commission.** Seller's sales representatives work for Seller, which means that he or she may assist Buyer in purchasing the Property, but his or her duty of loyalty is only to Seller. Additionally, Buyer warrants to Seller that this sale was brought about solely by Seller's sales personnel and that no outside broker or salesperson was the procuring cause of this sale, unless the box below is checked.

If the box to the left is checked, Buyer has engaged the services of a realtor or broker.

Realtor/Broker Name and Address: _____

27. **Riders and Addenda.**

- (a) The following Riders and/or Addenda are attached to this Agreement and are incorporated herein by reference:

- Option Addendum
- Contingent Sale Addendum (if applicable)
- Foundation Survey (if applicable)
- Recorded Map
- Cut sheet with Elevation and options selected
- Selections and Change Order Policy Addendum (if applicable)
- FTC Insulation Addendum
- Hardwood Floor Addendum (if applicable)
- Preferred Lender & Attorney List
- Lender Information Sheet
- FHA/VA Financing Addendum (if Applicable)
- NC Mineral, Oil & Gas Rights Disclosure
- Non-Refundable Deposit Addendum
- Centricity Warranty Acknowledgement Form
- Working With Real Estate Agents Disclosure
- The Selections Process
- Selections and Change Order Policy Addendum
- Master Disclosure

- (b) The following Riders and/or Addenda are neighborhood specific. If they apply to the neighborhood associated with this Agreement, they shall be incorporated herein by reference:

- Shearon Harris Disclosure
- Impervious Surface Area Disclosure
- Street Disclosure
- Subdivision Plat Disclosure

NEW HOME INC.

DEPOSIT ACKNOWLEDGEMENT

I HEREBY ACKNOWLEDGE RECEIPT OF THE FOLLOWING DEPOSIT(S) AND/OR PAYMENT:

\$ _____ Builder Deposit paid to Seller as described in section 2(a).

\$ _____ Option Deposit paid to Seller as described in section 2 (c) for (See Option Addendum for description)

Listing Agent _____ Date _____

IN WITNESS WHEREOF, the parties have executed and delivered this New Home Purchase Agreement as of the Effective Date.

THIS IS A LEGALLY BINDING CONTRACT AND, BUY SIGNING BELOW, BUYER ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS ALL OF THE TERMS AND PROVISIONS HEREOF.

Buyer: Buyer: _____ Date _____ Co-Buyer: _____ Date _____

Buyer's Current Address: _____

Buyer Contact Info: (work) _____ (work) _____
(home) _____ (home) _____
(cell) _____ (cell) _____
(e-mail) _____ (e-mail) _____

Seller: **NEW HOME INC. LLC**

By: _____ Date: _____
Seller's Authorized Representative

AGENTS:

Selling Agent and Firm _____ License # _____
Acting as Buyer's Agent _____

Selling Agent Mailing Address _____

Selling Agent Email _____ Phone _____ Fax _____

Listing Agent and Firm _____ License # _____

Acting as Seller's Agent

Listing Agent Email _____ Phone _____ Fax _____

NEW HOME INC.

PREFERRED LENDER & ATTORNEY LIST

The following lenders have proven to provide service and commitment to our customers.

Mortgage Lenders:

Prime Mortgage Lending Inc.
Steve Cooper
SCooper@goprime.com
M: 919.412.9868

Towne Bank
Phil Jawny
phil@philjawny.com
M: (919) 422-6035

Lighthouse Lending
Austin Herbert
Austin@mylighthouse.mortgage.com
M: 919-523-2505

Closing Attorneys:

Gwynn & Edwards
Jim H. Pardue
1140 Kildare Farm Rd Suite 307
Cary, NC 27511
919-481-4814

Kristoff Law Office
Larry Kristoff
444 E Main Street
Clayton, NC 27520
919-553-1212

NEW HOME INC.

Lender Information Sheet

*Mortgage Company _____
Contact Name: _____
Contact Phone: _____
Contact Email: _____

*Lender information must be exchanged with our Closing Coordinator in order to provide necessary documents and prevent closing/settlement date delays.

Please make sure we have your FULL lender information at the time of contract or if not confirmed you MUST forward our Closing Coordinator contact information to your lender at the time of loan application.

Closing Coordinator:

Contact Information:

NEW HOME INC.

The Selections Process

Congratulations on the purchase of your New Home Inc. LLC home! Purchasing a new home is a very exciting and monumental moment in life. We look forward to working together to make the design and selections process enjoyable and stress-free resulting in your dream home!

Below are a few tips and guidelines to help you understand the process and prepare for your selections appointment with your professional Design/Selections Consultant.

Once your contract is finalized and fully executed...

- You will be contacted by your Design/Selections Consultant within 10 days of your executed contract to schedule your appointment which will take place at our Selections Department;
- **Pre-Sale Home** selections must be scheduled and completed within 30 calendar days of the date of your contract. Please refer to the ***Selection and Change Order Policy Addendum*** in your contract.
- **Showcase Homes** may or may not be allowed any selections or changes depending on the current stage of construction of the home. This should be decided at time of contract. Please refer to the ***Selection and Change Order Policy Addendum*** in your contract.
- Design appointments will be scheduled Monday – Friday. Plan a minimum of 2 hours and maximum 3 hours for your appointment unless discussed and planned prior to setting your appointment time. Selections requiring more than 3 hours may have to be divided into separate appointments. We will not be able to accommodate evening or week-end appointments.
- Please arrange any necessary childcare in advance. We respect the desire to include family in the excitement of planning a new home, but we often find that dividing attention between childcare and selections makes the event less enjoyable for the parents.
- We encourage you to visit several showcase homes and make note of particular colors or products you especially like. Feel free to bring along any fabric or paint samples that may help you compare to our selections in order to make a decision between products.
- Please be aware that as you browse our showcase homes we use many natural products. Buyer acknowledges that natural variations may occur in these products. These products and craftsmanship contain variations which enhance the beauty and individuality of your home.
- All structural options must be chosen at time of contract. You may not add structural options at your design appointment.
- The option choices and color selections for your home are limited to those offered by ***New Home Inc, LLC***. You may not bring in your own subcontractors to work on your home prior to closing.
- Following the selection appointment and the Pre-Rough-In Orientation, your purchase agreement will be modified to include any upgrades or changes not included in the original contract. Any non-refundable prepayments or deposits required for customized changes shall also be included with the modified contract at that time.
- Once your modified contract documents have been prepared, reviewed, and receive all necessary signatures for approval, your selections are finalized.
- Once your selections are finalized changes to these selections will result in a change order fee of \$500 per item as well as a possible delay in the completion of your home. Any changes made after your design appointment are considered on a case-by-case basis and must be approved by management.

New Home Inc. LLC reserves the right to place a hold on your selections until your lender has approved your loan and all contingencies are released.

NEW HOME INC.

SELECTIONS and CHANGE ORDER POLICY ADDENDUM

This Addendum is incorporated into and made a part of the New Home Purchase Agreement (the "Purchase Agreement") to which it is attached.

SELECTION POLICY

Seller's obligation to begin construction of the Dwelling and to otherwise perform its' obligations under the Purchase Agreement is contingent upon Buyer's delivery to Seller of a fully completed selection sheet in accordance with the following.

- A. All selections must be made from those offered by Seller within _____ days (30 days maximum) of the Effective Date of the Agreement. If Buyer does not make initial selections within such time period, the Closing Date may be extended by Seller to reflect Buyer's delay.
- B. Seller shall not be required to accept any selection made by Buyer that is not among those selections offered by Seller.
- C. Custom options and upgrades selected must be accompanied by a non-refundable deposit equal to 100% of the total cost of the option/upgrade which shall be applied at closing.
- D. Options and upgrades chosen outside of the included features shall be an additional charge. Please be prepared to pay for additional options and upgraded items at the time of your appointment.
- E. Any additional options or upgraded items approved by the Seller to be added to the price of the home must be approved in writing and shall become a part of the Purchase Agreement through a Modification of Contract Terms.
- F. Any selection changes that Buyer wishes to make after having made initial selections shall be governed by the Change Order Policy set forth below.

CHANGE ORDER POLICY

1. All Change Orders must be submitted through the NHI Sales Agent not later than _____ days (30 days maximum) after the Effective Date of the Agreement and must be accompanied by a non-refundable deposit of 100% of the total cost of the changes.
2. Notwithstanding the foregoing, additional phone, cable, lights, and electrical outlets may be added at the time of the Pre-Rough-In Orientation. The Change Order is to be completed and full payment made with the NHI Sales Agent by the end of the business day of the Pre-Rough-In Orientation. If it is not, a \$500 non-refundable change order service charge will be added to the cost of such wiring and electrical changes.
3. Requested changes may be accepted, rejected, or conditioned in Seller's sole discretion. All Change Orders must be in writing and signed by both the Buyer and Seller's Authorized Representative, and no Change Order shall be binding upon Seller unless signed by Seller. **NO ORAL AGREEMENTS OR STATEMENTS ARE BINDING UPON EITHER PARTY.** Buyer acknowledges that Seller will make no exceptions to this policy and that neither Buyer nor Seller may rely on any verbal instructions or agreements.
4. As to all Change Orders made after initial selections or after the time period set forth in Paragraph 1 above, a \$500, non-refundable Change Order service charge will be added to the cost of such selection change (even if there is no additional cost to Buyer for such change).
5. No change orders will be accepted on any home that has already started construction unless otherwise noted.

NEW HOME INC.

Buyer acknowledges and agrees to the foregoing Policies.

Seller: **NEW HOME INC, LLC.**

Buyer:

Date

Authorized Representative

Date

Co-Buyer:

Date

NEW HOME INC.

Federal Trade Commission Insulation Regulations Addendum

This Addendum is incorporated into and made a part of the New Home Purchase Agreement to which it is attached.

In compliance with the Federal Trade Commission Insulation Labeling Rule under 16 CFR 460.16, the type, thickness and R-value of the insulation which will be installed in each part of the Dwelling, as applicable, are identified below. Insulation will be installed per manufacturer's specifications and applicable building codes.

LOCATION	Type	Thickness	R-Value**
Exterior Block or Concrete Walls (Basement or Crawl)	Fiberglass Batt	3.5"	15
Exterior Walls	Friction fit fiberglass	3.5"	15
Overhangs	Fiberglass Batt	6"	19
Attic over heated areas	Fiberglass Blown	13.38"	38
	Fiberglass Batt	9"	38
Cathedral Ceiling or Ceiling without access	Fiberglass Batt	11.25"	38
Crawl Space	Fiberglass Batt	6"	19

** Per Manufacturer's specifications

BUYER:

SELLER:

Date

New Home Inc. LLC.

Date

Date

NEW HOME INC.



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 X 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
Buyers Initials	1. Mineral rights were severed from the property by a previous owner.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Buyers Initials	2. Seller has severed the mineral rights from the property.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Buyers Initials	3. Seller intends to sever the mineral rights from the property prior to transfer of title to the Buyer.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Buyers Initials	4. Oil and gas rights were severed from the property by a previous owner.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Buyers Initials	5. Seller has severed the oil and gas rights from the property.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

NEW HOME INC.

Buyers 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:

Owner's Name(s): NEW HOME INC, LLC.

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:

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).

Buyer: Buyer:

Date

Co-Buyer:

Date