

SOUTHWOOD TOWNHOMES CONTRACT FOR PURCHASE

Date: _____

SELLER
KBK of NORTH CAROLINA, LLC.
1400 Battleground Ave.
Suite 204
Greensboro, North Carolina 27408

BUYER

Phone: _____
SS#: _____

1. **Purchase and Sale:** The undersigned Buyer agrees to buy, and the undersigned Seller agrees to sell all that tract or parcel of land, with such improvements as are located thereon, described as Southwood Townhomes. The property is also known as _____, according to the present system of numbering in the City Of Graham , North Carolina. The full legal description of said property is the same as is or will be recorded with the Registrar of Deeds of Alamance County in which county the property is located and is made a part of this agreement by reference.

2. **Purchase Price and Method of Payment:** The Purchase Price of said property shall be \$ _____ to be paid as set forth in subparagraph below (all other paragraphs are not a part of Section 2):

A. All cash at closing.

B. Financed: (i) this contract is made conditioned upon Buyer obtaining a commitment for a loan in the principal amount of not more than _____% of the purchased price (reduced to the next lowest hundred) to be secured by a first lien security deed on the above-described property; said loan to be paid in equal monthly installments of principal and interest over a term of not more than 30 years at the prevailing market rate. Buyer agrees to promptly make application and pursue said application with reasonable diligence, to execute all papers and perform all other actions of the Seller on the Buyer's behalf; (ii) Buyer may also apply for a loan with different terms and conditions and close this transaction provided (a) all other terms and conditions of this contract are fulfilled, and (b) the new loan does not increase the settlement costs charged to the Seller. Notwithstanding the above Buyer shall be obligated to close this transaction if Buyer qualifies for a loan with terms as described in Paragraph B, subparagraph (i); (iii) Closing Expenses: Buyer shall be responsible for all cost with respect to any loan obtained by Buyer. Buyer shall pay for recording the deed and for preparation and recording of all instruments required to secure the balance of the purchase price unpaid at closing. Seller shall pay for preparation of deed and all other documents necessary to perform sellers obligations under this agreement, and for excise tax (revenue stamps) required by law. If Seller is to pay any of Buyer's expenses associated with the purchase of Property, the amount thereof shall be \$ _____, including cost allowed by lender.

3. **Earnest Money:** Buyer has paid to Bateman Oertel and Koonce, LLC, \$1,000.00 receipt of which is hereby acknowledged as earnest money. Closing attorney to be Bateman, Oertel and Koonce, LLC. Earnest money is to be applied as part payment of the Purchase Price of said property at time of closing unless otherwise provided for as follows:

(a) At closing, to be applied first to any change orders or extras agreed to by Buyer and Seller with the balance being applied to the Purchase Price;

(b) In the event that after diligent effort on the part of the Buyer, the Buyer is unable to obtain a commitment as specified in Paragraph 2, the entire amount of the earnest money less prepaids, such as credit reports, application fee, (if not previously paid) or any extras ordered and installed by previous agreement, shall be refunded to the Purchaser and this Contract shall become null and void; or

(c) Should the Buyer obtain a commitment for a loan described in Paragraph 2 (b) and fail to close said loan or should Buyer fail to complete the purchase for any reason not specified in the Agreement, Buyer shall forfeit the earnest money as liquidated damages.

4. **Warranty of Title:** Seller warrants that it presently has title to said property, and at time of closing it agrees to convey good and marketable title to said property to Buyer by general Warranty Deed subject only to (i) zoning ordinances affecting said property, (ii) general utility easements of record serving said property (iii) subdivision restrictions of record and (iv) leases, other easements, other restrictions and encumbrances specified in this Contract.

5. **Title Examination:** The Buyer shall have a reasonable time after acceptance of this contract to examine title to furnish Seller with a written statement of objections affecting the marketability of said title. Seller shall have a reasonable time, after receipt of such objections to satisfy all valid objections and if Seller fails to satisfy such valid objections within a reasonable time, then, at the Option of the Purchaser evidenced by written notice to Seller, this contract shall be null and void. Marketable title as used herein shall mean title which a title insurance company licensed to do business in the State of North Carolina will insure at its regular rates, subject only to standard exceptions unless otherwise specified herein.

6. **Condition of Property:** Seller guarantees that all appliances remaining with the dwelling and the heating, air conditioning, plumbing, and electrical systems, where applicable will be in normal operating condition at time of closing. Buyer shall have the privilege and responsibility of making inspections of said equipment and systems prior to closing, Seller's responsibility in connection with the foregoing shall cease at closing except as otherwise specified herein.

Buyer, his agents or representatives, at Buyer's expense and at a reasonable time during business hours shall have the right to enter upon the property for the purpose of inspecting, examining, testing, and surveying the property. Buyer assumes all responsibility for the acts of himself, his agents or representatives in exercising his rights under this Paragraph and agrees to hold Seller and Realtor harmless for any damages resulting there from.

Buyer Initial _____

Seller Initials _____

7. **Responsibility to Cooperate:** The Buyer and the Seller agree to execute any and all documents or papers that may be necessary in connection with the transfer of title, attached with the warranty of title. Final settlement to be on or before, _____ in the event weather or any other unforeseen condition prevents the Seller from being able to present buyer with a certificate of occupancy by the date of closing, the Seller and Buyer agree to extend the contract (30) thirty days or Buyer may receive his earnest money back with Contract being null and void.

8. **Taxes:** Real Estate taxes on said property for the calendar year in which the sale is closed shall be prorated as of the date of closing.

9. At the time of closing, Seller shall provide Buyer with a termite pre-treat certificate from a properly licensed pest control company stating that the main dwelling has been inspected and found to be free from visible infestation and structural damages caused by termites and other wood destroying insects.

10. The interest of the Buyer in the Contract shall not be transferred or assigned without written consent of the seller.

11. This contract constitutes the sole and entire agreement between parties hereto and no modification on this contract shall be binding unless attached hereto and signed by all parties to this Agreement. No representation, promise, or inducement not included in the Contract shall be binding upon any party hereto.

12. With respect to the construction of improvements on the property being purchased by the Buyer, Seller warrants to the purchaser that:

(a) The Property has been available to the City of Graham Inspections Department for inspections during construction. Any question of the Buyer as to the adequacy of results of the inspection by the City of Graham should be directed to the City of Graham, North Carolina.

(b) For a period of one year after the conveyance of the Property to the Buyer, the Seller warrants that the improvements on the Property have been constructed without structural defects, excluding, however, any such defects what are known by the Buyer to exist at the time of closing.

In the event the Buyer shall sustain a loss or damage resulting from a breach of this warranty by the Seller, the amount of damages to which the Buyer shall be entitled, shall be limited to the cost of repairing the defective condition. The Seller shall not be responsible for any consequential damages to personal property of the Buyer or damages, which are covered by a HO6 insurance policy. This warranty will expire one year from the date of closing. After expiration of this warranty, the Seller shall have no further responsibility of whatever nature with regard to the Property. This warranty shall not be transferable to any other person or entity that might subsequently own the above-described property, nor shall any third party be a beneficiary of this warranty.

The Buyer shall have no right of action against the Seller for any deficiency in any plat, survey, design, specification, supervision, or observation of construction of an improvement to the property.

Further, it is acknowledged by the purchaser that this limited warranty does not relate to appliances, mechanical device or other improvement to the property, which is covered under a manufacturer's or sub-contractors warranty. The term "structural defects" used herein shall not include or mean any defect or damage sustained as a result of the contraction or expansion of the components of the improvement to the property except as such contraction or expansion may be caused by construction practices of the Seller which did not comply with the requirements of the Graham City Inspections Department.

WARRANTY EXCLUSION:

Landscaping, including trees, grass and flowers are not covered by any warranty. All grading, fill landscaping, disposition of trees and control of water flow shall be the sole discretion of the Seller. Many areas will be left in their natural state and will not be landscaped in any way. As of the date and time of closing, Seller shall have no further responsibility for soil erosion, the growth of grass, death of trees, grass or shrubbery or soil conditions. Seller is not liable for trees or shrubs, or damage or destruction to same. Seller makes no warranty whatsoever as to the type, location or amount of trees that will exist on the Property after construction. Seller may plant grass seeds or install sod as part of its construction. Because the growth of grass seed and the health of sod is dependent on Buyer's proper maintenance for the same, Seller provides no warranty for erosion. Buyer's closing of the sale constitutes an acceptance of the Seller's drainage and erosion controls for the property, except for matters noted on Buyer's " punch lists. " Seller shall not be responsible for the correction of any leakage or seepage caused by (a) damaged water pipes or mains, (b) alterations of the landscaping by a party other than the Seller specifically including, without limitation, any changes that cause water to flow toward the dwelling or (c) prolonged direction of water against the outside foundation from a spigot, sprinkler, hose or improperly maintained gutters or down spouts. The Seller will grade the home in accordance with standard building practices. Seller will not warranty any cosmetic defect post-closing unless this condition is listed on the " punch list " prior to closing. Examples of "cosmetic defects" include sheetrock dings, dimples and nail pops, paint discoloration, chips or irregularities in ceramic tile, vinyl tile or laminates. Seller shall not be responsible for the discoloration, shrinkage or settlement cracks of concrete walks, driveways, patios, or porches.

This warranty constitutes the entire agreement of the Seller and Buyer and all prior or contemporaneous parcel agreements of undersigning shall be superseded by this warranty and shall not be binding upon the parties. It is intended that this paragraph 12 is to survive the closing of the property.

13. Purchaser and Seller shall each contribute \$100.00 to the Homeowners Association at closing.

14. **Brokerage:** A real estate commission is to be paid in connection with this Agreement and has been negotiated between Seller and Broker and shall be (5) five percent of the purchase price, due and payable upon the transfer of title. Selling Broker shall receive 50% and Listing Broker shall receive 50% of the total commission paid hereunder or as otherwise provided herein.

15. **Agency Disclosure:** In this transaction, the Listing Broker has acted for the Seller.

BUYER INITIALS _____

SELLER INITIALS _____

16. Agreement to Arbitrate: Buyer and Seller agree that any unresolved claim arising out of relating to the property, including breach of contract or negligence, or to any warranty of Seller shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The decision of the arbitration shall be final and may be enforced by any court having jurisdiction thereof. The arbitration shall be conducted in accordance with North Carolina General Statutes.

17. No Class Action Arbitration: All disputes subject to arbitration under this agreement shall be arbitrated individually, and shall not be subject to being joined or combined with claims of any other person or class of persons. NOTWITHSTANDING ANYTHING TO THE CONTRARY SET FORTH HEREIN, THE PARTIES HERETO SPECIFICALLY AND EXPRESSLY WAIVE ANY RIGHT TO PROCEED AS A PART OF A CLASS, OR SERVE AS A CLASS REPRESENTATIVE, IN ANY ARBITRATION UNDERTAKEN PURSUANT TO THIS AGREEMENT OR IN ANY COURT PROCEEDING.

18. Special Stipulations: The following stipulation shall if conflicting with printed matter, control.

19. Other provisions and Conditions. (Itemize all addenda to this contract and attach hereto.)

20. The Contract shall insure to the benefit of and be binding upon, the parties, their heirs, successors, administrators, executors and assigns.

The above contract is hereby accepted, _____ o'clock AM/PM, on the _____ day of _____, 20____

Selling Broker

Buyer Signature

BY: _____
Broker or Brokers Affiliated Licensee

Print Name

Phone: _____

Phone: _____

Listing Broker

BY: _____
Elizabeth Ward Small
Coldwell Banker Alamance Realty, Inc.

KBK of NC, LLC (SELLER)

336-538-2585 Direct Office
336-516-4506 Cell
336-584-7710 Fax

BY: _____
As its Authorized Agent