

	Reference
Agreement Dated:	3/12/2023
	Birchwood Grove
Community:	1350590
Lot:	116
Buyer:	Deapo
Seller:	



Change or Correct Address of Lot

Old Address: lot 116

New Address : lot 31

Lender:
KBHS Home Loans

Accepted by the following parties on the dates noted:

DocuSigned by:

 76B94E22EB49449...
 Buyer's Signature


3/12/2023
 Date

DocuSigned by:

 80D51C22D9C74A6...
 Buyer's Signature

3/12/2023
 Date

APPROVED BY SELLER
KB Home Raleigh-Durham
Inc.

DocuSigned by:

 DFC52D88FA2C49C...
 (Authorized Representative Signature)

3/17/2023
 Date



Studio Purchase Agreement Amendment

Date: 9/11/2023

Purchaser(s): Donald Deapo

Purchaser(s): Amanda Deapo

Community: Birchwood Grove 1350590

Plan: 3174-240

Elevation: C

Lot Address: 460 Thomas Gage Drive

Lot: 031

Tract: 1

The Studio Amendment (“Amendment”) is made part of the Purchase Agreement (“Agreement”) between the Purchaser(s) and Seller, covering the real property as described above (“Property”). If any portion of this Amendment conflicts with any provision of the Agreement, the provisions of this Amendment shall prevail. All terms used in this Amendment shall have the same meaning as in the Agreement.

Purchaser(s) understand that all KB Home Studio selections are considered final on the day this Amendment is executed which constitutes the “Final Studio Consultation” as stated in *Section 6.5* of the Agreement. Once the Amendment is executed options are considered final; therefore, the Seller has the right to deny any future option change requests. The Seller retains the right to deny such changes after the Final Studio Consultation due, in part, to the Seller ordering materials and scheduling trades to start construction.

Purchaser(s) acknowledge the option descriptions within the options agreement are accurate including color selections, faucet locations, exterior schemes, tile patterns (backsplash & flooring), countertop edging, bar top selection, and cabinet style/location, if applicable.

Purchaser(s) acknowledge they have reviewed and understand the options agreement to ensure all appropriate options, if applicable, are reflected within the studio agreement including but not limited to elevation, room conversions, covered patio, 3rd car garage, ceiling height, water softener (pre-plumb), fireplace, and rounded corners.

Per *Section 6.6* of the Agreement, at such time as Purchaser(s) and Seller finalize all Upgrades/Options, Purchaser(s) shall pay to Seller a non-refundable option deposit (the “Upgrades/Options Deposit”) in the amount of one hundred percent (100%) of the costs of such Upgrades/Options if the costs exceed fifteen percent (15%) of the Base Purchase Price of the Home and 100% for every dollar over 15% of the base purchase price of home. The Upgrades/Options Deposit received by Seller shall be non-refundable but applicable to the Total Purchase Price. Upgrades/Options Deposits are to be applied against Appraisal shortages, if needed. See *Section 5.8* of the Agreement to understand the Purchaser’s options when the appraised value of the Property is less than the Total Purchase Price.

Purchaser(s) acknowledge that they have reviewed and understand the contents of the Community Disclosure Statement available online at **KBHome.com/mykb**.

Purchaser(s) acknowledge they have reviewed and understand the contents of the KB Home New Home Limited Warranty Agreement available online at **KBHome.com/mykb**.

Purchaser(s) acknowledge that they have reviewed and understand the contents of the Product Awareness Disclosure available online at **KBHome.com/mykb**.

Purchaser(s) acknowledge next scheduled in-person meeting will be the Pre-Construction Orientation with a construction superintendent. The general purpose of this meeting is to formally meet the construction superintendent and review the major steps of production. The Superintendent will confirm the options selected at the Studio Final Appointment that are scheduled to be installed.

Seller reserves the right to change or discontinue any offered Options selections at any time with or without notice. In addition, Purchaser(s) may be required to re-select Options due to unavailability or discontinuation of products or materials or for other reasons that arise during the home construction process. Re-selection may be needed more than once and for products or materials for which a prior re-selection was made. Upon notice from Seller, Purchaser(s) agree to reasonably cooperate with Seller to promptly schedule re-selection appointments and/or Studio visits and make re-selection decisions, which could include multiple items. All re-selected Options will be charged at the pricing at the time of re-selection and Seller is not obligated to provide any re-selected Option at the same price or at a price lower than the previous Option selection, or to compensate Purchaser(s) with any consideration for the inconvenience of re-selection appointments, additional visits to Studios, or delays in closing.

The Amendment becomes binding when signed by Purchaser(s) and the Seller’s authorized agent. The Seller is under no obligation to accept these changes until the Amendment is executed by the Seller’s authorized agent. The Amendment together with the Agreement constitutes the entire Agreement between parties. Except as set forth herein, all other terms and conditions of the Agreement remain unchanged.

Purchaser(s) acknowledge that all have read this Amendment carefully, understand it, and have had ample time to consult with experts and attorneys of Purchaser's choosing and any other relevant persons or entities prior to executing this Amendment.

Purchaser #1
DocuSigned by:



Signature EB49449...

Donald Deapo

Name

9/11/2023

Date

Purchaser #2
DocuSigned by:



Signature A991F22D9C74A6...

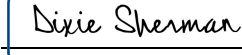
Amanda Deapo

Name

9/12/2023

Date

KB Home Representative
DocuSigned by:



Signature 96E2348E...

Name

9/11/2023

Date



Studio Option Contract

KB Home Raleigh Design Studio **Consultant:** Dixie Sherman **Phone:** 919-768-7971 **Email:** dlsherman@kbhome.com

KB Home Design Studio - Raleigh 4506 South Miami Blvd. Suite 100A Durham, NC 27703 USA

Community: Birchwood Grove 1350590 **Arch Plan:** 3174-240 **Elevation:** C **Orientation:** Left

Purchaser: Donald Deapo

Primary Address: 99 Chauncey Cr **Primary Phone:** (980) 259-1441

Purchaser: Amanda Deapo

Primary Email: drdeapo@gmail.com

Lot Address: 460 Thomas Gage Drive **Tract:** 1 **Lot:** 031

Previously Selected Options	Qty	Unit Price	Extended Price
House 3174-240 01350-SI	1.00	439,990.00	439,990.00
Lot Premium Lot Premium Lot Premium Lot Premium assigned to the lot	1.00	19,000.00	19,000.00
Credits and Adjustments Adjustment Adjustment	-1.00	8,000.00	-8,000.00
Credits and Adjustments Adjustment Adjustment	-1.00	5,000.00	-5,000.00
Credits and Adjustments Adjustment Base Price Reduction Only	1.00	1,000.00	1,000.00
Exterior Brick Stone Veneer Enhancement 1 EXTERIOR COLOR SCHEME 8	1.00	2,479.00	2,479.00
Exterior Colors Exterior Colors Scheme H	1.00	No Charge	0.00
Flatwork Flatwork Expanded Drive Per Plan Option 1 Widens driveway must be requested on plot plan.	1.00	1,489.00	1,489.00
Patio Options 2nd Patio Slab Per Plan Additional Patio slab next to Covered / Screened Patio.	1.00	439.00	439.00

Buyers Initials

DS
DD AD

Date 9/11/2023

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Previously Selected Options	Qty	Unit Price	Extended Price
Patio Options Extended Patio Full Screen Enclosure Extended or Enlarged screen enclosed Patio / refer to brochure and plan for size.	1.00	16,459.00	16,459.00
Roofing Material Whole House Limited Lifetime Warranty Roofing Shingles Architectural shingle.	1.00	849.00	849.00
Fireplace Options Fireplace Location 1 Gas Fireplace includes Black Granite / Hearth and Smith Mountain mantel. 1/30/2023 includes blower kit standard.	1.00	4,209.00	4,209.00
Fireplace Options Fireplace Surround Option 1 Marble Per Plan Fireplaces Color: White Marble	1.00	149.00	149.00
Fireplace Options Fireplace Mantel 1 Per Plan Nationwide. Fireplaces Color: Wescott Style	1.00	149.00	149.00
Garage Conversions Garage Add Side Yard Access Door	1.00	1,259.00	1,259.00
Garage Door(s) Options Windows for Wayne Dalton 9100 Sonoma Panel Door 16' Garage Door Style: Stockton III	1.00	650.00	650.00
Garage Options Garage Interior Gypsum and Tape at 2nd Bay NO Paint on Garage walls. Standard Drywall finish only. No Garage Door Opener	1.00	Included	0.00
Kitchen Conversions Optional Kitchen Island	1.00	1,959.00	1,959.00
Primary Bathroom(s) Conversions Primary Bathroom to Super Primary Bathroom Separate Tub and Shower / hinged door Group 1 Tile. May upgrade Cabinets and enclose Water Closet per plan.	1.00	5,929.00	5,929.00
Secondary Bathroom(s) Conversions Bathroom 2 Add Sink Adds second sink at Bathroom 2.	1.00	799.00	799.00

Buyers Initials

Date 9/11/2023

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Previously Selected Options	Qty	Unit Price	Extended Price
Other Room Conversions Den and Powder Room to Bedroom with Bathroom Removes Powder Room on 1st floor.	1.00	3,709.00	3,709.00
Other Room Conversions 9' Whole House Ceilings 9' ceiling 1st floor and 9' ceiling 2nd floor	1.00	8,859.00	8,859.00
Other Room Conversions Tray Ceiling Per Plan Location 1	1.00	2,039.00	2,039.00
Other Room Conversions Storage Room Adds Finished Storage under Stairs.	1.00	629.00	629.00
Window Conversions Transom Window at Front Door 3010 transom at front door / must have 9' Ceiling.	1.00	No Charge	0.00
Window Conversions 4' x 1' Optional Window Per Plan Must be have 9' Ceiling when used over shower area / indicate for Primary / Bathroom 2 or Bathroom 3 / fixed window. Bathroom 3 Above Shower	1.00	449.00	449.00
Dishwashers Whirlpool WDF332PAMS Energy Star Tall Tub Dishwasher, 59 dBA, 3 Cycle, Heated Dry, High, Cycle Memory-Stainless	1.00	Included	0.00
Ranges Whirlpool WFE320M0JS 5.3Cuft Electric Range, Freestanding, Glass Top, FlexHeat Radiant Element - Stainless Steel	1.00	Included	0.00
Microwaves Whirlpool WMH32519HZ 1.9CuFt Micro/Hood Combo, 3 Speed, Steam and Sensor Cooking - Fingerprint Resistant Stainless Steel	1.00	Included	0.00
Whole House Cabinets Whole House Aristokraft Brellin Full Overlay PureStyle Laminate with 42" Upper Cabinets Cabinet Aristokraft Finish/Color: White Purestyle No Cabinet Hardware No Cabinet Crown Island Cabs will be Admiral Navy Perimeter Cabs will be White	1.00	3,529.00	3,529.00
Kitchen Cabinet Extras Kitchen Extra - Kitchen Accessory Package 1 Contains Pullout Trash Bins and tilt out sink tray . Location to be pre-determined.	1.00	549.00	549.00

Buyers Initials

Date 9/11/2023

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Previously Selected Options	Qty	Unit Price	Extended Price
Kitchen Island/Peninsula Cabinets Kitchen Island Cabinets Aristokraft Brellin Full Overlay PureStyle Laminate Cabinet Aristokraft Finish/Color: Admiral Purestyle Island Cabs will be Admiral Navy Perimeter Cabs will be White	1.00	459.00	459.00
Kitchen Countertops Backsplashes Kitchen Countertop Backsplash Group 4 Tile up to the baseline of the microwave / hood ONLY, not extending to ceiling Emser Tile Product: Marble Chevron Winter Frost Mosaic Color: Winter Frost Polished Chevron Grout: 09 Frosty Lay: Traditional Vertical Chevron	1.00	1,939.00	1,939.00
Kitchen Solid Surface Countertops Backsplashes Kitchen Countertop Silestone with Included Edge Chef Countertop Silestone Color: Miami Vena	1.00	1,919.00	1,919.00
Kitchen Solid Surface Countertops Backsplashes Kitchen Countertop Solid Surface with Full Splash Group 3 Back out Group 3 Quartz splash.	1.00	No Charge	0.00
Island/Pen Solid Surface Countertops Backsplashes Kitchen Island Countertop Silestone with Included Edge Elite Countertop Silestone Color: Helix	1.00	1,049.00	1,049.00
Primary Solid Surface Countertops Backsplashes Primary Bathroom Extended Vanity Silestone with Included Edge Signature Countertop Silestone Color: Blanco Maple Oval Sinks	1.00	Included	0.00
Bathroom(s) Solid Surface Countertops Backsplashes Bathroom 3 Countertop Silestone with Included Edge Signature Bath 3 1.6 CM Silestone countertop with undermount sink. Countertop Silestone Color: Blanco Maple Oval Sink	1.00	No Charge	0.00
Bathroom(s) Solid Surface Countertops Backsplashes Bathroom 2 Countertop Silestone with Included Edge Signature Bath 2 1.6 CM Silestone countertop with undermount sink. Countertop Silestone Color: Blanco Maple Oval Sink	1.00	Included	0.00

Previously Selected Options	Qty	Unit Price	Extended Price
Primary Tile Surrounds Separate Tub and Shower Tile Surround at Primary Bathroom Group 2 Tile / Super Primary Bathroom option / Group 2 Shower walls and band above tub / same height as half wall. Emser Tile Product: Contessa 12z24" Tile Color: DAMA MATTE Grout: 09 Frosty Lay: Vertical Straight Stack Include 2 White Corner Shelves Install 12" apart	1.00	409.00	409.00
Bathroom(s) Tile Surrounds Shower in lieu of Tub with Tile Surround at Bathroom 3 Converts Fiberglass shower to Tile shower with Fiberglass floor pan. Level 1 tile included.	1.00	2,129.00	2,129.00
Kitchen Sinks Undermount Single Bowl Kitchen Sink - Stainless Steel	1.00	50.00	50.00
Kitchen Faucets Moen Method Kitchen Faucet 7585C One Handle Kitchen Faucet with Pull-Out Spout - Chrome	1.00	Included	0.00
Bathroom Faucets Moen Seena Bathroom Faucet 5010 WaterSense 2 Handle Low Arc Centerset Lav - Chrome Bathroom 2 (2x); Optional Bathroom 3 (1x); Primary Bathroom (2x)	5.00	Included	0.00
Other Room(s) Toilets Elongated Toilet 1 Gerber 1.28 Maxwell Elongated Commode with white seat and tank. Bathroom 2 (1x); Optional Bathroom 3 (1x); Primary Bathroom (1x)	3.00	Included	0.00
Separate Tub Shower Faucets Moen Seena Roman Tub T523 with WaterSense Showerhead and Trim T5152EP - Chrome	1.00	Included	0.00
Shower Faucets Moen Seena Shower Only T5152EP WaterSense Showerhead and Trim - Chrome Optional Bathroom 3	1.00	Included	0.00
Tub Shower Faucets Moen Seena Tub/Shower Faucet T5153EP WaterSense Showerhead, Trim and Spout - Chrome Bathroom 2	1.00	Included	0.00
Plumbing Extras Rinnai Tankless Hot Water Heater Group 1 RL75i interior tankless gas water heater / adds bollard in Garage in lieu of of water heater stand.	1.00	2,289.00	2,289.00
Plumbing Extras Gas Stub for BBQ - Per Plan	1.00	579.00	579.00

Previously Selected Options	Qty	Unit Price	Extended Price
Air Conditioner Options ecobee3 Lite Energy Star Qualified, Wi-Fi Smart Thermostat	2.00	Included	0.00
Electrical Jacks Electrical Outlet Package 2 exterior dedicated outlets/placement buyers' choice, 1 dedicated garage outlet for freezer/fridge/located in garage only, 2 interior 110v shared circuit outlets/placement buyers' choice/not for wet areas Whole House See Diagrams for all Locations of Outlet Package 1 Dedicated at Garage 1 Additional Exterior Rear 1 Additional Exterior Front 2 Additional Interior in Garage	1.00	725.00	725.00
Low Voltage Digital Flat Panel Prewire - up to 5 meters Flat panel prep includes electrical outlet at 58" above finished floor or at 66" when an optional fireplace is selected , 2" conduit in walls. Up to 13ft HDMI cable. Please specify location Family Room	1.00	340.00	340.00
Low Voltage KB Entertain - Surround Sound Prewire Only Prewire 5.1 Home Theater (5) 16/2 wired locations for center / front and rear speakers trimmed with blanks. 1 16/2 coax wired to location subwoofer and trimmed blank plate . 1 2 gang box at speaker head speakers sold sep. Family Room	1.00	610.00	610.00
Low Voltage KB Music - Advanced Tech Package Patio	1.00	670.00	670.00
Interior Generation Lighting Energy Star Traverse Lyte 14550S Surface Mount 6 Inch LED 3000K, White - Package 1 New Traverse Lyte model 14550S-15/ Single light. Kitchen, Nook and Pantry Above Sink	1.00	149.00	149.00
Exterior Lights Double Flood Lights with Motion Detector Exterior 1 at rear open patio 1 at rear of covered patio	2.00	209.00	418.00
Exterior Lights Garage LED Fixture - (2) 4 Foot Strip - Existing Switch Garage	1.00	199.00	199.00

Buyers Initials



Date 9/11/2023

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Previously Selected Options	Qty	Unit Price	Extended Price
Exterior Generation Lighting Energy Star Side Access New Castle 8592001EN3 One Light Outdoor Wall Lantern with White Glass Lighting Finishes: 12 Black	1.00	No Charge	0.00
Exterior Generation Lighting Energy Star Garage Coach New Castle 8592001EN3 One Light Outdoor Lantern with White Glass Lighting Finishes: 12 Black	1.00	Included	0.00
Kitchen Generation Lighting Energy Star Kitchen Seville 6120201EN3 One Light Mini-Pendant with Etched White Glass Shades Lighting Finishes: 962 Brushed Nickel	1.00	129.00	129.00
Kitchen Generation Lighting Energy Star Nook Seville 3120203EN3 Three Light Chandelier with Etched White Glass Shades Lighting Finishes: 962 Brushed Nickel	1.00	Included	0.00
Primary Bedroom Generation Lighting Energy Star Primary Bedroom 77064EN3 Two Light Ceiling Flush Mount Lighting Finishes: 962 Brushed Nickel	1.00	Included	0.00
Secondary Bedroom(s) Generation Lighting Energy Star Bedroom 77064EN3 Two Light Ceiling Flush Mount Bedroom 2 (1x); Bedroom 3 with Closet (1x); Bedroom 4 with Closet (1x); Optional Bedroom 5 (1x) Lighting Finishes - LD: 962 Brushed Nickel	4.00	Included	0.00
Primary Bathroom Generation Lighting Energy Star Primary Bathroom Seville 4420202EN3 Two Light Wall Bath with White Glass Pair of Lights, 1 above each sink. Lighting Finishes: 05 Chrome	1.00	Included	0.00
Secondary Bathroom(s) Generation Lighting Energy Star Bathroom Seville 4420203EN3 Three Light Wall Bath with Etched White Glass Shades Bathroom 2 (1x); Optional Bathroom 3 (1x) Lighting Finishes - LD: 05 Chrome	2.00	Included	0.00
Other Room(s) Generation Lighting Energy Star Undercabinet Vivid 49375S Self Contained 12 inch, 3000K, One LED Light Contains 2 Undercabinet Lights and a 3way switch 2/1/2023 Kitchen, Nook and Pantry	1.00	329.00	329.00
Ceiling Fans Ceiling Fan Prewire Only with 2 Switches Family Room (1x); Loft (1x)	2.00	239.00	478.00

Buyers Initials



Date 9/11/2023

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Previously Selected Options	Qty	Unit Price	Extended Price
Wrought Iron Stair Rails Wrought Iron Stair Rail System 5 Wrought Iron Stair Rail System Stained Newel Baluster 1st and 2nd floor 4091 alternating 3101/3121. Stair Rail Stain & Color: Ebony	1.00	3,369.00	3,369.00
Handrail Paint Grade Wall Cap Low wall(s) / whole house excluding low wall at shower. Open Railing 1st & 2nd Stairs Only LOW WALL at Loft	1.00	Included	0.00
Paint/Drywall Sherwin-Williams Low-VOC Painters Edge paint, SW 7008 Alabaster	1.00	Included	0.00
6'8" Entry Doors Therma-Tru Entry Door S210 Smooth-Star 6 Panel - Paint Grade Standard	1.00	Included	0.00
Entry Door Hardware Kwikset SmartKey Entry Door Hardware Polo Level 1 Standard Exterior door hardware. Door Hardware Finish: 15 Microban Satin Nickel	1.00	Included	0.00
Exterior Doors Patio Door in lieu of Slider Must also select covered porch. Patio	1.00	379.00	379.00
Interior Doors Whole House 5 Panel Interior Door 1 5 panel Interior Doors	1.00	No Charge	0.00
Interior Door Hardware Kwikset Interior Door Hardware Polo Knob Whole House Level 1 Interior only Polo / Entry separate upgrade. Door Hardware Finish: 15 Microban Satin Nickel	1.00	Included	0.00
Carpet Big Ranch PET Polyester Included Carpet Area (Stairs); Included Carpet Area 2; Optional Bedroom 5 Big Ranch Carpet Colors: 122T - Clay, Carpet Pad: 1/2" Titan 8lb (\$52.44) Material Price per SF \$ 1.34	1.00	1,891.00	1,891.00

Previously Selected Options	Qty	Unit Price	Extended Price
<p>Vinyl Plank Layton Lake 7" x 48" - Choice Bathroom 2; Extended Entry; Family Room; Flex Room; Front Entry Area; Kitchen, Nook and Pantry; Laundry Room; Mud Room; Optional Bathroom 3; Optional Storage; Primary Bathroom Layton Lake Vinyl Plank Colors: 1056 Driftwood, Flooring Lay Types: Straight</p>	1.00	3,510.00	3,510.00

Selected Options	Qty	Unit Price	Extended Price
<p>Interior Doors Whole House 5 Panel Interior Door 1</p>	0.00		0.00

Buyers Initials




Date 9/11/2023

Studio Option Contract

Quote: 00623866-1 Printed: 9/11/2023



KB Home Raleigh Design Studio **Consultant:** Dixie Sherman **Phone:** 919-768-7971 **Email:** dlsherman@kbhome.com

KB Home Design Studio - Raleigh 4506 South Miami Blvd. Suite 100A Durham, NC 27703 USA

Community: Birchwood Grove 1350590 **Arch Plan:** 3174-240 **Elevation:** C **Orientation:** Left

Purchaser: Donald Deapo

Primary Address: 99 Chauncey Cr **Primary Phone:** (980) 259-1441

Purchaser: Amanda Deapo

Primary Email: drdeapo@gmail.com

Lot Address: 460 Thomas Gage Drive **Tract:** 1 **Lot:** 031

I accept the terms of this Options Contract, as it may be amended through any option re-selection(s). If requested by Seller or its representative, I agree to sign an Amendment to the Purchase Agreement on or before the close of Escrow that will reflect the total sales price of the home, including the choices I have selected pursuant to this Option Contract, as it may be amended through any option re-selection(s).

Total Section	Net Amount
Base Price	439,990.00
Lot Premium	19,000.00
Total Options	80,599.00
Credits and Adjustments	-12,000.00
Net Total	\$527,589.00
Total Net Deposits Received	\$5,000.00

Buyer #1

DocuSigned by:

76B94E22EB49449...

Signature

Donald Deapo

Name

9/11/2023

Date

Buyer #2

DocuSigned by:

80D51C22D9C74A6...

Signature

Amanda Deapo

Name

9/12/2023

Date

Seller Representative

DocuSigned by:

DFC52D88FA2C49C...

Signature

Rachel Cavalear

Name

9/12/2023

Date



**KB HOME PURCHASE AGREEMENT
TRANSACTION SUMMARY**

_____ day of _____, _____

_____ Birchwood Grove 1350590 _____ (the "Community")

Date: _____ **Seller:** KB Home Raleigh-Durham Inc.

License: 53775 **Sales Agent:** Stephen Sharkey

Seller's Address: 4506 S Miami Blvd Suite 100, Durham, NC,27703

Lot/Unit 116 Block 1 Community Birchwood Grove 1350590

Plan Type/Elevation 240.3174 / L / C

Street Address 40 Tarleton Drive, Fuquay Varina, NC 27526

1. Buyer: Donald Deapo

Present Address: 99 Chauncey Cr Chapel Hill NC 27516
Street Address City State Zip

Telephone: Home: (980) 259-1441 Business: _____ Mobile: _____

Email: drdeapo@gmail.com

Co-Buyer: Amanda Deapo

Present Address: 99 Chauncey Cr Chapel Hill NC _____
Street Address City State Zip

Telephone: Home: (980) 259-1441 Business: _____ Mobile: _____

Email: aadeapo25@gmail.com

2. Purchase Price:

Base Purchase Price	<u>\$439,990.00</u>
Lot Premium	<u>\$5,000.00</u>
Upgrades/Options	<u>\$53,214.00</u>
Price Adjustment	<u>\$3,000.00</u>
Total Purchase Price:	<u>\$501,204.00</u>
Closing Costs paid by Seller	<u>\$0.00</u>
Initial Deposit Upon signing of Agreement:	<u>\$5,000.00</u>
Additional Deposit Date Due:	_____

KEY DATES:

Sales Office Selections are locked	<u>Today</u>
Deadline to submit documents to lender for loan application	<u>3/13/2023</u>
Deadline to finalize KB Home Studio Selections Amendment	_____
Deadline to obtain unconditional mortgage loan approval	<u>4/8/2023</u>

COVENANTS (see Section 19 of the Agreement):

Insert Name Birchwood Grove 1350590	Approx Initial Cap Contribution (insert N/A if not applicable)	Approximate Regular Assessments
Neighborhood Association:	\$ 350 one time fee	\$ 59 per quarter

BUYER'S INITIALS: DS DD DS AD

Buyer's Choice of Title Insurance Company, Closing Agent and Lender ("Service Providers")

- **Buyer may select any Service Providers of Buyer's choice.**
- **Buyer is NOT required to use any of the Service Providers recommended by Seller listed below.**
- **Buyer must choose one of the two options in each item below by checking either: (a) the first checkbox with Seller's recommended Service Provider in each section or (b) the second checkbox with Buyer filling in the applicable name and address of Buyer's choices for Service Providers in each section.**

1. Title Insurance Company:

Buyer selects:

Seller's recommended Title Insurance Company:

600 Green Valley Road, Suite 307, Greensboro, NC
First American Title Insurance Company Address: 27408

A different title insurance company chosen by Buyer (Insert name and address below)

Title Insurance Company Name: _____ Address: _____

2. Financing:

Buyer selects:

Seller's Affiliated Lender:

KBHS Home Loans, LLC Address: _____

A different Lender chosen by Buyer (Insert name and address below):

Lender Name: _____ Address: _____

N/A Buyer paying cash

3. Closing Agent:

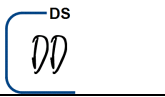
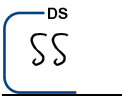
Buyer selects:

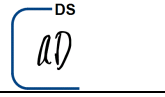
Seller's recommended Closing Agent:


Gwynn, Edwards & Getter, PA

A different Closing Agent chosen by Buyer (Insert name and address below):

Escrow Company Name: _____ Address: _____

BUYER'S INITIALS:  DATE: 3/13/2023 SELLER'S AGENT INITIALS: 

BUYER'S INITIALS:  DATE: 3/13/2023

ACCEPTED BY SELLER:  Date: 3/17/2023
DocuSigned by:
KB Home
Raleigh-Durham Inc.

THIS PURCHASE AGREEMENT (this "Agreement") is executed as of the _____ day of _____, between the Seller ("Seller") and Buyer(s) ("Buyer") named in the Transaction Summary, above. The terms "Community," "County," "Base Purchase Price," "Total Purchase Price" and "Initial Deposit" are also defined in the Transaction Summary.

For good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged, Buyer and Seller agree as follows:

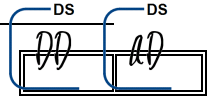
1. Purchase and Sale; Purchase Price; Closing. This is an agreement to purchase a new home. Buyer agrees to buy and Seller agrees to sell the "Property" (defined below), for the Total Purchase Price, as such Total Purchase Price may be amended by addenda to this Agreement (the "Purchase Price"). The closing of such purchase and sale is referred to in this Agreement as the "Closing."

2. Description of Property. The "Property" referred to herein is described as the legal lot described on the Transaction Summary (the "Lot"), together with a single family dwelling thereon constructed or to be constructed substantially similar to the plan and elevation described on the Transaction Summary (the "Home") (the Lot, together with the Home are collectively referred to as the "Property"), located in the Community, with the street address shown on the Transaction Summary.

3. Deposits. Seller acknowledges receipt of the Initial Deposit as a good faith deposit to bind this Agreement. The Initial Deposit shall be deposited by Seller and later applied toward the Total Purchase Price. If the Home is under construction and is within forty-five (45) days of Closing at the time this Agreement is executed, the Initial Deposit must be in the form of a certified check. Depositing or cashing of any Initial Deposit check by Seller does not guarantee acceptance of this Agreement by Seller. The Initial Deposit is paid to create a contract and is refunded only if: (1) this Agreement is not accepted by Seller; (2) Buyer is entitled to a refund pursuant to Section 5.5 below; (3) Seller is in default and does not cure said default within the time period specified in this Agreement; or (4) as otherwise specifically provided for in this Agreement. Buyer's Initial Deposit and the Purchase Price of the Property may be increased prior to the Closing, pursuant to the terms of any addenda to this Agreement provided by Seller and signed by Buyer concurrently with or after the date of this Agreement for optional and upgrade improvements to the Property. As a result of Seller maintaining the Deposits (as defined below), Seller may receive certain financial benefits such as an array of bank services, accommodations, loans or other business transactions ("Collateral Benefits"). All Collateral Benefits shall accrue to the sole benefit of Seller, and Seller shall have no obligation to account to Buyer for the value of any such Collateral Benefits. The Initial Deposit, together with any other pre-Closing deposits, prepayments for options or other payments delivered by Buyer to Seller as required under this Agreement, as amended, are collectively referred to in this Agreement as the "Deposits." Failure of the Buyer to deliver additional deposits as may be required by Seller shall be considered a default under this Agreement, whereupon Seller shall be entitled to the rights and remedies pursuant to Section 18.1 of this Agreement.

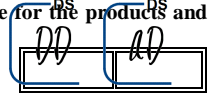
4. Brokers. Buyer covenants and represents to Seller that Buyer has not dealt with any real estate broker or salesperson in connection with this transaction other than Seller's sales representatives unless Buyer's broker is identified below and Buyer agrees to indemnify and hold harmless Seller from any claim whatsoever by any real estate broker or salesperson used or employed by Buyer for any commission and for the costs and expense of defending any claim for commission, including, without limitation, a reasonable attorneys' fees, paraprofessional fees and legal costs, arising out of or related to this transaction, at trial and upon appeal. If Buyer's broker is identified below, and Buyer's broker and Buyer entered into a separate Broker Registration and Commission Agreement with Seller, Seller agrees to pay a commission to Buyer's broker in accordance with the terms and conditions of the Broker Registration and Commission Agreement. This section shall survive the Closing.

Name of Buyer's Broker: Compass
Broker's Address: 3800 Glenwood Ave, Ste 150 Agent's Name: Billy Hoffman
Raleigh, NC 27612 Cell Phone: _____
Telephone: (919) 337-3306 Fax: _____

BUYER'S INITIALS: 

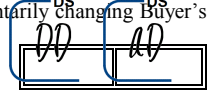
5. Mortgage Financing/Home Loan.

5.1 Time for Application. Buyer shall apply for a home loan with KBHS Home Loans, LLC ("KBHS Home Loans"), within two (2) days after Buyer signs this Agreement. Buyer may choose to apply with another institutional lender within the same two (2) day period. As used in this Agreement, the term "Lender" shall mean the individual or entity to which Buyer submitted a home loan application to obtain financing to purchase the Property, whether it be KBHS Home Loans or another institutional lender selected by Buyer. It is Buyer's obligation to obtain within the time and in accordance with the provisions set forth below, a commitment from its Lender for a loan in an amount and on the terms described on the Transaction Summary. The amount of the loan shall be at the prevailing interest rate with the lending institution making the loan at the time of Closing. Buyer shall submit an application for such third party financing, including two (2) months of bank statements, one (1) month of pay stubs and two (2) years of W2's (tax returns if self-employed) for each Buyer, within two (2) days of the date of this Agreement and shall diligently pursue such application until it is approved or denied. Buyer further agrees to fully complete and provide the Lender the additional documentation described in the preceding sentence. If Buyer selects KBHS Home Loans, Buyer's completed information listed above, will be delivered for processing to KBHS Home Loans, which will act as Seller's agent in assisting Seller in evaluating Buyer's financial wherewithal to purchase the Property. **Buyer is NOT required to use KBHS Home Loans as Buyer's Lender. Buyer may select any lending institution of his or her choice for the purpose of securing mortgage financing and is NOT in any way whatsoever limited to financing with KBHS Home Loans. Seller expressly advises Buyer that he or she has the absolute right to decline any Seller offers or incentives that are contingent upon financing with KBHS Home Loans. Seller and KBHS Home Loans are independently responsible for the products and services each company offers.**

BUYER'S INITIALS: 

5.2 Credit Release/Credit Information Authorization. By Buyer's signature on this Agreement, Buyer hereby authorizes its Lender to release, disclose and share to and with Seller or its representatives, and for Seller to release, disclose and share to and with Lender or its representatives, verification of deposits, credit, income and employment information concerning Buyer including credit reports, the loan application, loan submittal, conditions to loan approval, written loan approval, written denial of loan approval and reasons therefor, status of loan documents, and funding conditions and requirements for the purposes of assisting Seller in evaluating, facilitating, processing and coordinating Buyer's purchase of the Property. Buyer agrees to hold Lender and Seller harmless from any liability arising from such disclosure. Buyer authorizes its Lender, or any credit bureau or other investigative agency employed by Lender to investigate any reference, statement, or date, provided to Lender by Buyer or by any other person or entity, pertaining to Buyer's credit and financial responsibility. Buyer will indemnify and hold harmless Lender and any credit bureau or other investigative agency employed by Lender for any damages or liability arising from an investigation of Buyer's credit and financial responsibility.

5.3 Quality of Application. Buyer understands that the home loan application must be fully completed (and updated, if required) in good faith and agrees to execute truthfully and furnish all documents necessary to complete the processing of the home loan application, including but not limited to verification of employment, income and deposits, as well as furnishing all required financial statements, federal income tax returns and credit references. Failure to do so may, at Seller's option, constitute a default and Seller may terminate this Agreement and be afforded the rights pursuant to Section 18.1 of this Agreement. If Buyer has a spouse who has not signed this Agreement, Buyer agrees to have his/her spouse sign the mortgage and any other loan documents if required by Buyer's Lender. **BUYER AGREES TO INCUR NO DEBT SUBSEQUENT TO THE DATE HEREOF WHICH MIGHT JEOPARDIZE APPROVAL OF BUYER'S LOAN.** If the Property is being purchased by a corporation, partnership, or other organization, Buyer agrees to (1) obtain any personal endorsements or guarantees required by the Lender; and (2) provide to the Lender and/or the title insurer, promptly upon request, such certificates, resolutions or other corporate, partnership or organizational documents as may be required. The commission or omission of any act by Buyer calculated to produce a rejection by a prospective lender including, without limitation, voluntarily changing Buyer's employment status or location, shall constitute an act of default under this Agreement.

BUYER'S INITIALS: 

5.4 Commitment. Buyer shall obtain a loan commitment for a first mortgage no later than thirty (30) days after the date of this Agreement ("Loan Approval Deadline"). In addition, if Buyer is applying for a loan with a Lender other than KBHS Home Loans, Buyer shall have two (2) days from the date Buyer executes this Agreement to provide a pre-approval letter from such Lender (and then, prior to the Loan Approval Deadline, to provide to Seller a full loan commitment for such loan). Seller may require Buyer to obtain a subsequent full loan commitment for a first mortgage in the amount determined after the options and color selections have been made at the KB HOME Studio. The subsequent commitment, if required, shall be obtained no later than thirty (30) days after the date upon which such amount is finally determined at the KBHOME Studio. If Buyer obtains a loan commitment which contains any special condition which is not ordinarily contained in typical loan commitments for the Community, or if Seller is otherwise unsatisfied with the quality of the loan commitment in Seller's reasonable discretion, Seller, in Seller's sole discretion, may treat Buyer's loan application as having been denied by providing Buyer five (5) days' notice of such denial; whereupon, Seller shall have the rights set forth in Section 5.5 hereof. The terms and conditions of the loan shall not in any way affect the rights or obligations of the parties under this Agreement. Buyer acknowledges that Seller makes no representation that the interest rate prevailing at the Closing will be the rate quoted by Lender to Buyer at the time of loan approval. Buyer acknowledges that the sale and purchase of the Property is not contingent upon Buyer's ability to retain the interest rate quoted at the time of loan approval and that Buyer will be required to pay the interest rate charged by Lender at the Closing. Once initially approved, for the purpose of this Agreement, Buyer shall be deemed to have obtained a final loan commitment regardless of conditions, if any, imposed in any such approval. Once Buyer is deemed to have obtained a final loan commitment, the Deposits shall be deemed nonrefundable except in the event of a Seller default and Seller shall be under no obligation to postpone or delay the Closing to accommodate Buyer's loan approval or loan commitment from a different lender.

5.5 Failure to Obtain Commitment. Prior to the Loan Approval Deadline, if Buyer's loan application is denied or Buyer obtains an unsatisfactory

loan approval (in Buyer's reasonable discretion) Buyer may cancel this Agreement with written notice to Seller and receive a refund of all Deposits. Buyer's Deposits shall be nonrefundable, other than in the event of a Seller default, if Buyer fails to obtain a loan approval prior to the Loan Approval Deadline and Buyer fails to cancel the Agreement prior to the Loan Approval Deadline in accordance with this Section 5.5. Buyer acknowledges that Seller incurs substantial risk when it holds the Property off the market while Buyer attempts to arrange for financing. Buyer therefore agrees to diligently pursue loan approval prior to the Loan Approval Deadline. If Buyer is unable to obtain loan approval because (1) Buyer has failed to comply with the requirements set forth in this Agreement and Buyer failed to notify Seller of its election to terminate this Agreement prior to the Loan Approval Deadline; (2) Lender has withdrawn its loan approval after such approval has been previously given by said Lender through no fault of Seller; (3) Buyer's credit is approved but Buyer fails to fulfill the conditions imposed in such approval relating to matters outside of this transaction; (4) Buyer's spouse fails or refuses to execute the loan documents, if necessary, or (5) having obtained loan approval Buyer subsequently terminates this Agreement, then Buyer shall not be entitled to a return of Deposits. By signing this Agreement, Buyer acknowledges that this Agreement does not constitute either a loan application to, or loan approval or commitment by, a Lender. Buyer shall be solely responsible for obtaining the loan.

BUYER'S
INITIALS:

5.6 Buyer's Loan Default. Buyer shall be in material default of this Agreement as a result of any of the following: (1) any failure by Buyer to timely apply for a loan as provided herein and failure to notify Seller of its election to terminate the Agreement prior to the Loan Approval Deadline; (2) any voluntary act of Buyer undertaken for the purpose of preventing Lender from approving the loan; (3) any request by Buyer that Lender not approve the loan; (4) a failure by Buyer to furnish all documents and information required by Lender within the time limits specified herein; (5) any material misrepresentation or other default resulting in Lender's disapproval of the loan; and (6) any failure to properly sign all documents and take any and all actions required by Lender to approve or timely fund the loan.

5.7 FHA/VA Loans. The following provisions are incorporated into this Agreement if and only if Buyer is financing the purchase of the Property using an FHA insured or VA guaranteed loan.

- 5.7.1. FHA Appraisal.** It is expressly agreed that, notwithstanding any other provisions of this Agreement, Buyer shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of Deposits, unless Buyer has been given, in accordance with HUD/FHA requirements, a written statement by the Federal Housing Commissioner, Veterans Administration, or a Direct Endorsement Lender setting forth the appraised value of the Property of not less than the Purchase Price. Buyer shall have the privilege and option of proceeding with consummation of this Agreement without regard to the amount of the appraised valuation. The appraised valuation is arrived at to determine the maximum mortgage the Department of Housing and Urban Development ("HUD") will insure. HUD does not warrant the value or the condition of the Property. Buyer must satisfy himself/herself/themselves that the Purchase Price and condition of the Property are acceptable.
- 5.7.2. VA Appraisal.** It is expressly agreed that, notwithstanding any other provision of this Agreement, Buyer shall not be obligated to complete the purchase of the Property described herein or to incur any penalty by forfeiture of Deposits if the Purchase Price exceeds the reasonable value of the Property as established by the Veterans Administration. Buyer shall, however, have the privilege and option of proceeding with the consummation of this Agreement without regard to the amount of the reasonable value established by the Veterans Administration.
- 5.7.3. FHA Real Estate Certification.** Buyer and Seller by signing this Agreement hereby certify that the terms and conditions of this Agreement for the sale of the Property described herein are true and correct to the best of Buyer's and Seller's knowledge and belief. No other agreements have been entered into by any of the undersigned other than those disclosed in this Agreement.

§1010 of Title 18, U.S.C., provides: "WHOEVER, FOR THE PURPOSE OF OBTAINING ANY LOAN OR ADVANCE OF CREDIT FROM ANY PERSON, PARTNERSHIP, ASSOCIATION, OR CORPORATION WITH THE INTENT THAT SUCH LOAN OR ADVANCE OF CREDIT SHALL BE OFFERED TO OR ACCEPTED BY THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR INSURANCE, OR FOR THE PURPOSE OF OBTAINING ANY EXTENSION OR RENEWAL OF ANY LOAN, ADVANCE OF CREDIT, OR MORTGAGE INSURED BY SUCH DEPARTMENT, OR THE ACCEPTANCE, RELEASE, OR SUBSTITUTION OF ANY SECURITY ON SUCH A LOAN, ADVANCE OF CREDIT, OR FOR THE PURPOSE OF INFLUENCING IN ANY WAY THE ACTION OF SUCH DEPARTMENT, MAKES, PASSES, UTTERS, OR PUBLISHES ANY STATEMENT, KNOWING THE SAME TO BE FALSE, OR ALTERS, FORGES, OR COUNTERFEITS ANY INSTRUMENT, PAPER, OR DOCUMENT, KNOWING IT TO HAVE BEEN ALTERED, FORGED, OR COUNTERFEITED, OR WILLFULLY OVERVALUES ANY SECURITY, ASSET OR INCOME, SHALL BE FINED UNDER THIS TITLE OR IMPRISONED NOT MORE THAN TWO YEARS, OR BOTH."

- 5.7.4. VA Escrow.** In the event Buyer utilizes VA financing, Buyer shall notify Seller and the Deposit shall be placed in an escrow account as required by §3706 of Title 38, U.S.C.
- 5.7.5. Underwriting Fee.** The loan may be processed under FHA Direct Endorsement Underwriting or VA Automatic Underwriting. In the event such underwriting is utilized, Seller acknowledges that an underwriting fee may be charged to Seller by Lender, in which event Seller agrees to pay the underwriting fee.
- 5.7.6. Cash Transactions.** If Buyer will be paying cash to complete the purchase of the Property:
- Within five (5) calendar days of executing this Agreement Buyer agrees to provide Seller with evidence satisfactory to Seller that sufficient cash is available to complete this purchase;
 - Buyer agrees to execute any written forms reasonably necessary for Seller to make such verification;
 - Cash transactions require a different deposit amount. The sales counselor will provide you with the deposit amount prior to the execution of this Agreement;
 - During the term of this Agreement, Buyer agrees to maintain said source of cash at a balance equal to or greater than the Total Purchase Price and associated closing costs;
 - Within forty-five (45) days of Closing, Buyer agrees to provide Seller with evidence satisfactory to Seller that sufficient cash is available to complete this purchase; and
 - The balance of the Total Purchase Price shall be deposited with Seller in the form of a cashier's check or via a wire transfer of readily available funds not later than one business day prior to the scheduled Closing.

Seller reserves the right to require that the Buyer provide Seller with evidence satisfactory to Seller that sufficient cash is available to complete this purchase any time before Closing, and if necessary funds are not maintained during the period, Buyer shall be deemed in default of this Agreement, Seller may, at its sole option, terminate this Agreement, in which event Seller may exercise any or all of its rights set forth in Section 18 below and Seller shall have no further obligation to Buyer with respect to this Agreement or the Property.

5.8 Appraised Value. Except as provided in Sections 5.7.1 and 5.7.2, Buyer acknowledges that the purchase of the Property is not contingent upon Buyer obtaining an appraisal (the "Appraisal") equal to the Total Purchase Price of the Property. Buyer also acknowledges that should the appraised value of the Property be less than the Total Purchase Price of the Property, Buyer may choose one of the following options: (i) Buyer may pay in cash, at the close of escrow, any extra funds required due to the Appraisal shortfall; (ii) Buyer may terminate this Agreement, in which case Buyer shall receive a full refund of the original Deposit; provided, however, that Seller shall retain any Upgrades/Options Deposit (as defined below) paid by Buyer up to the amount of the Appraisal shortfall, if any; or (iii) Buyer may keep this Agreement in place, seek reconsideration of the Appraisal with the Lender, or seek alternative financing with another lender of Buyer's choice, upon which Buyer shall deliver a copy of the Appraisal to Buyer's new lender and Seller.

6. Construction.

6.1 Models and Plans. Before signing this Agreement Buyer has viewed a certain model home and/or certain plans, drawings, or other renderings depicting examples of the type of home being purchased. The Home, as built, will be substantially similar to the examples Buyer has viewed, but may differ because of variations in some dimensions or the use of materials different from those viewed by Buyer. Closing of this sale constitutes unconditional acceptance of the Home as built without regard to variations or differences between the Home and the model home and/or drawings, renderings or plans viewed as examples by Buyer. As long as the Home is built in compliance with the provisions of this Section 6, Buyer's refusal to accept the Home as built shall constitute a default by Buyer under this Agreement in which event the Agreement shall terminate and Seller may retain all Deposits as liquidated damages.

BUYER'S
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6.2 Condition of Home. If construction of the Home has not commenced at the time of execution hereof, Seller shall construct the Home in substantial

compliance with the plans and specifications for the floor plan and elevation described on the Transaction Summary, as they are so amended from time to time by Seller (the "Plans and Specifications"). In the event the Home is, at the time of execution hereof, in the course of construction, or substantially completed, the Home shall be accepted by Buyer in an "as is" "where is" condition, meaning that Buyer agrees to accept the Home with all previously selected options and colors, subject only to completion in accordance with the Plans and Specifications and installation of additional optional or upgraded items, if any, which Seller has specifically agreed to install.

6.3 Variations. Except as may be prohibited by applicable law, Buyer acknowledges that Seller may make any changes in the Plans and Specifications that it deems appropriate at any time, as long as those changes do not materially or adversely affect the market value of the Property. In the event of a conflict between Seller's sales materials, advertisements, feature sheets, renderings and/or brochures, and the Plans and Specifications, the Plans and Specifications shall be binding. Buyer further understands and agrees that certain of the finishing items, including, without limitation, tile, marble, carpet, cabinets, stone, brickwork, wood, paint, stain, mica, pool finishes and deck finishes are subject to size and color variations, grain and quality variations, and may vary in accordance with price, availability and changes by manufacturers from those shown in the model or KB HOME Studio, if any, or in illustrations or brochures or those included in the specifications. Furthermore, if circumstances arise that, in Seller's sole opinion, warrant changes of suppliers, manufacturers, brand names or items, Seller reserves the right to substitute equipment, materials, appliances, etc., which in Seller's sole opinion are considered to be of substantially similar, equal or better quality. Buyer also understands that Seller has the right to substitute or change materials and/or stain colors utilized in wood decor, if any. Buyer acknowledges and understands that the plans and specifications for the Home on file with applicable governmental authorities may not be identical to Seller's Plans and Specifications because Seller's construction requirements may result in changes (there being no legal requirement to file all changes with such authorities).

6.4 Sales Office Option Selections. Unless already chosen by Seller as of the date Buyer executes the Agreement, Buyer shall make all selections for floor plan, elevation, covered patio, nook, room conversions, garage size, bathroom conversions, ceiling height, or any other option selections available at the KB Home community sales office (the "Sales Office Option Selections") at the time the Buyer executes the Agreement. Buyer understands that option availability changes at Seller's sole discretion. If Buyer fails to make a selection, Seller may terminate the Agreement or Seller may make the selection in Seller's sole discretion. Unless Seller has already made the selection, Buyer acknowledges and understands that Buyer is required to make changes, deletions or additions to Sales Office Option Selections at the time Buyer executes the Agreement. To make desired changes, Buyer must execute the Options Addendum required by Seller at the time Buyer executes the Agreement. Thereafter, no changes to Sales Office Option Selections will be made.

BUYER'S
INITIALS:

6.5 Selections by Buyer. Buyer agrees to visit the KB HOME Studio and finalize all color and option selections within twenty-one (21) days after the date of this Agreement or before the final selection date established by Seller, whichever occurs first (the "Studio Selection Date"). If the KB HOME Studio has no available appointments on or before the Studio Selection Date, then Buyer agrees to take the next available appointment. If Buyer fails to complete the color selections on or before the Studio Selection Date or at such later first available appointment (if purchasing a Home that is not yet under construction) then Seller may at its option (1) choose all colors and options; or (2) cancel this Agreement and retain all Deposits as liquidated damages. If Buyer is purchasing a Home under construction, or which Seller has previously released for construction, Buyer understands that all choices and colors have been pre-selected, and Buyer agrees to accept said choices. Once Buyer's selections are finalized at the KB HOME Studio, absolutely no changes or additions may be made (including, but not limited to, any studio, architectural or structural options), unless requested by Seller due to unavailability of original selections. Seller reserves the right to delay the start of construction of the Home until Buyer has obtained formal loan approval. It is understood that financing of all upgrades/options selections is subject to loan qualification and Appraisal of the Property. All upgrades/options selections shall be finalized as of the Studio Selection Date. Seller will not be responsible for selections missed due to Buyer's failure to choose all selections within the Studio Selection Date.

6.6 Upgrades/Options Deposits: At such time as Buyer and Seller have finalized all upgrades/options selections, Buyer shall pay to Seller a non-refundable option deposit (the "Upgrades/Options Deposit") in the amount of one hundred percent (100%) of the costs of such upgrades/options that exceed fifteen percent (15%) of the cost of the Base Purchase Price. Buyer shall not be permitted to add upgrades/options that exceed twenty percent (20%) of the Base Purchase Price. The Upgrades/Options Deposit received by Seller shall be non-refundable and later applied towards the Total Purchase Price. In the event that the appraised value of the Property is less than the Total Purchase Price, the Upgrades/Options Deposit will be applied to the appraisal deficit that Buyer is obligated to pay at Closing. Buyer acknowledges that any deposit required for optional and upgraded items referenced above must be made at the time of the KB HOME STUDIO_{SM} appointment. KB HOME STUDIO_{SM} will not order any optional or upgraded items until the Upgrades/Options Deposit is received. If the Upgrades/Options Deposit is not received before a cut-off date, Seller reserves the right to install standard included items versus Buyer's desired optional or upgraded items.

6.7 Change Order Guidelines. After Buyer has signed this Agreement, including the selection of structural options at the sales office, Buyer shall have forty-eight (48) hours to make changes to those selected structural options without being charged a change fee of One Thousand and No/100 Dollars (\$1,000.00). After Buyer has finalized all non-structural options and upgrade selections at the KB HOME STUDIO, these selections are considered final, and no changes can be made without Seller approval which approval shall be subject to a change fee in the amount of One Thousand and No/100 Dollars (\$1,000.00).

6.8 Refunds on Optional Items. Buyer acknowledges and understands that: 1) For "Un-started Homes", deposits on optional items are refundable, unless the loan is approved by Buyer's Lender or the time period for Buyer to terminate this Agreement based on a denial of loan approval has expired, 2) For "Homes Under Construction", deposits on optional items are refundable, unless the loan is approved by Buyer's lender or the time period for Buyer to terminate this Agreement based on a denial of loan approval has expired, and 3) No refunds will be made if Buyer cancels the purchase of the Home after optional items and/or flooring upgrades have been ordered, the Buyer's loan has been approved or the time period for Buyer to terminate this Agreement based on a denial of loan approval has expired, unless Seller is in default under this Agreement or Buyer is otherwise specifically entitled to a return of all Deposits pursuant to the terms of this Agreement.

6.9 Upgrades/Options Availability. The availability of individual upgrades/options is subject to change at any time without notice to Buyer. As a result, some items displayed in a model home or at the KB Home studio may not be available for Buyer to select. Certain upgrades/options may not be available if the Home is already under construction. If upgrades/options have been pre-selected for a Home under construction, these upgrades/options shall not be changed or cancelled. Should Seller, for any reason, not install upgrades/options selected by Buyer, Seller shall refund to Buyer the cost of such upgrades/options as final settlement with no further liability or obligation. Buyer acknowledges and understands that certain upgrades/options offered by Seller may have been available at the time of Buyer's studio consultation. However, it is understood that between the time of selection and the time of actual installation it is possible that certain upgrades/options may be discontinued or backordered. In the event that a certain Upgrade/Option is discontinued or backordered, Seller will notify Buyer and allow Buyer to make new upgrades/options selections from available materials, with no further liability or obligation on the part of Seller. Buyer acknowledges and understands that due to the nature of building homes on a production basis, Seller will not consider all of Buyer's requests for certain upgrades/options outside of reasonable accommodation for disabilities as required by applicable law. The price of individual options quoted at the time of sale, and/or at the KB HOME STUDIO_{SM} are subject to change at any time without notice to Buyer. Seller reserves the right to modify option prices unless Buyer has executed a sales contract for an option price prior to such a price change. Further, Buyer acknowledges that the upgrade items available may differ by community and floor plan and pricing may be different for the same option from community to community.

6.10 Models. Buyer acknowledges and understands that certain home models are shown with upgraded floor covering, cabinets, countertops, and/or various other upgrades/options which may or may not be available for Buyer's Home. In addition, decorator/designer accessories and discontinued items shown in the models are not available for Buyer's Home.

6.11 Display Samples. Some upgrades/options products or materials such as floor coverings, natural wood cabinets and stair rails, natural stones, and ceramic tile are subject to variation in color, texture, shading, and marking due to their production methods. The product samples provided to Buyer are intended to be typical of the average color, texture, shading and marking of such materials. An exact match between the sample provided to Buyer and the installed upgrades/options is not implied or guaranteed.

6.12 Product Awareness Disclosure. Buyer has access to a copy of the Product Awareness Disclosure online at KBHome.com/mykb. The purpose of the Product Awareness Disclosure is to make Buyer aware of certain installation methods, maintenance requirements, and variations that may occur with the upgrades/options selected. Buyer is responsible for any damaged flooring materials, counters, cabinets, or railings which may occur during move-in or occupancy as a result of wear and tear, misuse, lack of proper care or maintenance, and/or misunderstanding and oversight relative to the manufacturers' care guides and limited warranties.

BUYER'S
INITIALS:

6.13 Disclosure of Business Relationship with Service Providers. Buyer understands and accepts that Seller may have business relationships, including business marketing referral and alliance relationships, with providers of telecommunications, cable/satellite TV, and/or internet services and other services (collectively "Telecommunications Services") for the purpose of marketing products and services to Buyer related to Buyer's Home purchase and establishment of additional services (the "Telecommunications Services Providers"). Buyer can accept or reject the Telecommunications Services Providers, and Buyer may select any available local providers or carrier for Telecommunications Services. Buyer is not restricted to using only Telecommunications Services Providers that have a business relationship with Seller, and Buyer understands that he/she may select any Telecommunication Services Providers of his/her choice. Furthermore, Seller hereby discloses to Buyer that Seller may receive monetary and/or non-monetary consideration and compensation from the Telecommunications Services Providers in return for Seller's marketing, coordination, assistance and other services related to the Telecommunications Services. Buyer understands and accepts that, if Buyer elects to utilize the services of the Telecommunications Services Providers, the contractual arrangements for such Telecommunications Services shall be solely between Buyer and the respective Telecommunications Services Provider. Buyer understands and accepts that Seller provides no warranty and shall have no other obligations, express or implied, arising out of or related to the Telecommunications Services, and that Seller shall, without limitation, expressly have no obligation to perform any installation, service, repair, warranty, corrective actions or other actions arising out of or related to the Telecommunications Services, which shall be the sole and absolute responsibility of the Telecommunications Services Providers.

6.14 Sharing of Contact Information: Buyer understands and acknowledges that Seller collects information about its buyers so that Seller and Seller's third-party business partners ("Seller's Partners") may offer services, promotions, and other information that may be of interest to other new home buyers. By executing this Agreement, Buyer authorizes Seller to share Buyer's first and last name(s), mailing address(es) and phone number(s) provided by Buyer to Seller with Seller's Partners, who may contact Buyer from time to time. Buyer is under no obligation to accept any offers for services or promotions from Seller's Partners. Buyer may request, at any time, for Seller's Partners not to call or contact Buyer. If Buyer voluntarily chooses any services from Seller's Partners, all installation, service, repair, warranty, corrective actions or other actions arising out of or related to such products or services are the sole and absolute responsibility of Seller's Partners. Seller may or may not receive monetary and/or non-monetary consideration and compensation from Seller's Partners for providing Buyer's contact information.

7. Lot; Home Location. Each lot is unique in its size, shape and drainage characteristics. Buyer understands and agrees that the size of the Lot, the exact location of sidewalks and driveways and the drainage patterns of the Lot will differ from the model home plans, drawings or renderings which Buyer has examined. Seller reserves the right in Seller's sole discretion to determine the location and configuration of the Home upon the Lot subject to Community and governmental requirements. In the event that the type of Home desired by Buyer will not fit on the Lot within Community and governmental requirements, or within the requirements of this Agreement, Seller shall so notify Buyer and (1) this Agreement shall be terminated and all Deposits returned to Buyer and the parties shall be released from all further liability hereunder; or (2) at its option, Buyer may choose another lot and execute a new contract or an addendum to this Agreement, agreeing to purchase the Home, at the current prices for the Home as of the time of entry into such new contract or addendum, on that new lot, in which case Buyer's Deposits shall be transferred to the new lot. If Buyer has not received a loan pre-approval or is currently in default, then this option will not be available to Buyer. Buyer is hereby advised to review the recorded plat for the Property and to be aware of drainage, utility and other easements, if any, shown on that plat affecting the Property. Buyer shall be responsible for reviewing the survey or plat and determining the boundaries of the Property. Neither Seller, Buyer's Broker, nor their agents and employees are authorized to make any representation to Buyer about such matters.

8. Homesite Premiums. Buyer acknowledges that a part of the Purchase Price may contain an amount for a homesite/lot premium, and agrees that such homesite/lot premium is a reflection of Seller's internal value of the characteristics of this particular homesite. The premium is not based on trees, view, or other conditions that are beyond the control of Seller, it being the agreement of the parties that Seller is not making any representation as to such matters. Buyer agrees that the homesite premium is not refundable for any reason in the future. This Section shall survive Closing.

9. Lot Preparation. Seller shall clear the Lot as Seller deems necessary. Without limitation on the generality of the foregoing, Seller shall have the right to remove any trees which in Seller's sole discretion, will interfere with Seller's development and construction activities or which might die as a result of construction activities. The elevation of the Home might require Seller to fill around trees when establishing the final grade of the Lot.

10. Landscaping. "Landscaping" as used in this Section shall mean any of the following items that may be either currently existing or installed by Seller in the Community or on a lot: trees, shrubs, plants, lawns, walkways, retaining walls, decks, fences, ponds, and similar structures. Sod, if any, is installed in accordance with standards, which are established by Seller. If the Community standards call for Landscaping of the rear yard, such Landscaping will extend to the graded side and rear property lines, unless otherwise specified in the Community standards. Grass which is seeded will be seeded and stabilized in accordance with local practices, as determined by Seller. The Community may contain Landscaping that may be removed during the construction and development process. Seller does not guarantee the location, replacement or survival of any existing Landscaping. Shrubs and trees, if any, are installed (regardless of location) at the sole discretion of Seller. Buyer agrees that Seller is not required to install any Landscaping at times when weather conditions make it inappropriate to do so, in which event Seller agrees to install Landscaping at the appropriate time after the Closing. Buyer grants Seller or Seller's contractors' permission to enter upon the Property to install such Landscaping. Seller in Seller's sole discretion shall determine locations and types of Landscaping, subject to compliance with any applicable regulations or an approved landscaping plan. Seller is not liable for any existing Landscaping, or damage or destruction to same. Seller makes no warranty whatsoever as to the type, health, location or amount of Landscaping, other than Landscaping installed by Seller, which will exist on the Property after construction. The Community may presently or in the future contain Landscaping and/or trees installed by Seller. Such Landscaping and/or trees may be removed during the construction and development process. Seller does not guarantee the location, replacement or survival of any such Landscaping. This Section shall survive Closing.

11. Adjacent Land Use. Land adjacent to or surrounding the Community which is not owned by Seller is not within Seller's control. Seller shall not be liable to Buyer for any use or condition of property adjacent or surrounding the Community or the Lot, whether or not owned by Seller including but not limited to any commercial, industrial, institutional, multi-family residential or non-residential uses.

12. Commencement and Completion.

12.1 Commencement Date. Seller is not required to commence construction of the Home until Seller receives Buyer's loan commitment letter in form acceptable to Seller and Buyer has finalized all KB HOME Studio selections. If the conditions to commencement of construction are not satisfied within sixty (60) days from the date this Agreement is signed by Buyer, Seller may, at Seller's option, terminate this Agreement, in which event all Deposits may be retained by Seller as liquidated damages.

12.2 Completion Date. If the Home is not already completed, Seller estimates that all specified construction on the Home should be completed within 365 days from the date of commencement of construction (defined as slab or foundation pour). Buyer acknowledges and agrees that the referenced timeline for completion is an estimate and Seller will not be responsible to Buyer for any expenses resulting from delays in construction of the Home, including but not limited to rent, hotels, storage, moving expenses or loss of any tax deduction. Reasonable efforts will be made to complete the Home in a timely manner, however, notwithstanding the above, Seller will complete the Home within two (2) years of the date that Buyer executes this Agreement. If construction is delayed by events constituting acts of God, force majeure, frustration of purpose or impossibility of performance, the date of completion shall be extended by the delay period and Seller shall not be obligated to compensate Buyer for any expense or inconvenience caused by said delays. It is the express intent of the parties that the parties' rights and obligations under this Agreement be construed in the manner necessary to exempt this Agreement and sale from registration under the Interstate Land Sales Full Disclosure Act, and both Buyer and Seller hereby expressly waive any right or provision of this Agreement that would otherwise preclude any exemption. If Seller fails to complete the Home within two (2) years of the date of this Agreement, Buyer may pursue the remedies set forth in Section 18.

13. No Entry During Construction. Buyer will not hire or employ any contractors, subcontractors or any other persons, firms or corporations to do work in or on the Property until after Closing. Buyer acknowledges that Seller and its representatives will handle all matters pertaining to Seller's construction of the Home and the Community. Buyer acknowledges that certain common facilities which may ultimately be constructed in the Community may not be constructed at the time of Closing or for an indefinite time thereafter. This transaction is in no way conditioned upon the construction of any such facilities. Buyer agrees not to interfere with or interrupt any workmen at the site of the Home or in the Community. Buyer understands and acknowledges that entry to the construction site of the Home or in the Community can be dangerous, that hazards may exist which are not observable, and that Buyer's entry shall be at Buyer's own risk. Buyer hereby waives any and all claims against Seller for injury or loss to person or property arising out of or in connection with such entry by Buyer and Buyer agrees to indemnify and hold Seller harmless from and against any and all loss, damage, costs, claim or expense arising from or in connection with such entry. **Subject to Section 15, during construction, for Buyer's safety, neither Buyer nor any agent of Buyer shall enter the construction site without Seller's prior written consent, which consent may be arbitrarily withheld. Should Buyer receive Seller's consent to enter the construction site, (1) such entry must be pursuant to a pre-scheduled appointment; (2) Buyer must be accompanied by a representative of Seller; and (3) Buyer and any of Buyer's guests must wear a hard hat at all times while on the construction site. Buyer or Buyer's agents' entry, whether with or without Seller's consent, shall be at Buyer's own risk, and Seller will have no liability in the event of loss or injury to Buyer or Buyer's agents.** Any damage to the Home during such entry caused by Buyer or Buyer's agents shall be Buyer's sole responsibility, and Seller may charge Buyer for the repair of such damage, in which event Buyer shall promptly pay to Seller the amount so charged. This section shall survive the Closing or termination of this Agreement.

14. Damage to Home. If between the date of this Agreement and the Closing, the Home is damaged by fire, natural disaster or other casualty, the following shall apply:

14.1 Risk of Loss Until Closing. Risk of loss to the Home by fire, storm or other casualty until the Closing herein provided is assumed by Seller, but without any obligation by Seller to repair or replace same, except that if Seller elects to repair or replace such loss or damage, this Agreement shall continue in its full force and effect and Buyer shall not have the right to reject title or receive a credit against or abatement in the Purchase Price. If Seller elects to repair or replace such loss or damage, Seller shall be entitled to a reasonable period of time within which to complete such repairs or replacement. Any proceeds received from insurance or in satisfaction of any claim or action in connection with such loss or damage shall belong entirely to Seller and if such proceeds shall be paid to Buyer, Buyer agrees that such funds are the property of Seller and Buyer shall promptly upon receipt thereof turn same over to Seller. This section shall survive the Closing.

14.2 Seller's Election. Seller shall notify Buyer whether or not Seller elects to repair or replace the loss or damage within thirty (30) days after the casualty. If Seller notifies Buyer that Seller does not elect to repair or replace any such loss or damage to the Home, then this Agreement shall be deemed canceled and of no further force or effect. Upon such termination, Seller shall refund to Buyer all Deposits whereupon the parties shall be released and discharged of all claims and obligations hereunder, except that if Buyer is then otherwise in default hereunder, the provisions of Section 18.1 shall control.

14.3 Risk of Loss After Closing. Buyer assumes the risk of loss to the Home by fire, natural disaster or other casualty from and after Closing. Buyer should be aware that the Home, however well-constructed, may be subject to damage or destruction by naturally occurring events including, without limitation, hurricanes or other extreme weather and sinkholes. All risks associated with all natural occurrences shall be borne by Buyer from and after the Closing. This section shall survive the Closing.

15. Inspections Prior to Closing. Buyer will be given a reasonable opportunity to inspect the Home and Lot with Seller's representative at four (4) times during construction: (1) Pre-construction orientation; (2) Pre-drywall orientation; (3) Pre-closing orientation; and (4) Final signoff prior to Closing. Buyer may, at Buyer's own expense, hire a third-party licensed home inspection contractor to inspect the Home. Buyer understands that Seller will not delay construction of the Home if Buyer is unable to attend either the Pre-construction or Pre-drywall orientations. It is the policy of Seller that the Home be 100% complete at the time of Closing, except for Landscaping, which may be installed after Closing. Any exceptions to this policy must be authorized by Seller's Division President and agreed to by Buyer in writing.

**BUYERS
INITIALS:**

16. Title Matters.

16.1 Evidence of Title. Seller warrants that the title to the Property is good, marketable and insurable (subject to the exceptions listed or referred to below). On or before Closing, and unless Buyer has elected otherwise, if applicable, the **First American Title Insurance Company** ("Recommended Title Company"), or the title company selected by Buyer, shall issue a commitment to Buyer at Buyer's expense. As required by the Real Estate Settlement Procedures Act of 1974, Buyer acknowledges that Seller has not directly or indirectly required Buyer, as a condition of this sale, to purchase either an owner's or mortgagee's title insurance policy from any particular insurer or agency. **Buyer is NOT required to use the Recommended Title Company. Buyer may select any title insurance company of his or her choice for the purposes of escrow and title insurance and is NOT in any way whatsoever limited to use any Seller recommended escrow services provider or title insurance company. However, Buyer's Lender may reserve the right to approve the entities selected by Buyer, which approval may not be unreasonably withheld.**

16.2 Title Policy. Subsequent to Closing, and unless Buyer has elected otherwise, as set forth herein, the Recommended Title Company or the title insurance company selected by Buyer, if applicable, will deliver to Buyer an owner's title insurance policy insuring title to the Property in an amount equal to the Purchase Price and otherwise conforming to the commitment, subject to those exceptions customarily contained in an ALTA Owner's Title Insurance Policy, and subject also to the following (collectively, "Permitted Exceptions"): (1) zoning, building codes, bulkhead laws, ordinances, regulations, rights or interests vested in the United States of America, the state of North Carolina, the applicable county or applicable municipalities; (2) general real estate taxes not yet due and payable including any special assessments for improvements not yet completed, any installments of any special assessments for improvements heretofore completed, and assessments provided for in the Covenants (defined below); (3) the general printed exceptions contained in an ALTA Owner's Title Insurance Policy; (4) utility and drainage easements, sewer agreements, telephone agreements, cable agreements, restrictions and reservations common to the Community or shown on the plat within which the Lot is located; (5) any laws and restrictions, covenants, conditions, limitations, reservations, agreements or easements recorded in the Public Records, including without limitation property use limitations and obligations, easements (right-of-way) and agreements relating to telephone, gas or electric lines, water and sewer lines and drainage, provided they do not prevent use of the Home for single family residential purposes; (6) the Covenants; and (7) acts done or suffered by Buyer and any mortgage obtained by Buyer for the purchase of the Property. It is Buyer's responsibility to review and become familiar with each of the foregoing title matters, some of which are covenants running with the land.

16.3 Vesting. At Closing, title to the Property shall be conveyed by Seller to Buyer pursuant to Buyer's prior instructions to the Closing Agent. The manner of taking title to the Property can have significant legal and tax consequences. Buyer is advised to give this matter serious consideration and consult with an attorney or tax consultant for advice.

16.4 After-Acquired Title. Seller may not own title to the Property on the date of execution of this Agreement and Seller's obligations under this Agreement are contingent upon Seller obtaining title to the Property on or before the scheduled Closing date.

16.5 Title Defects. If Seller cannot provide marketable and insurable title as described above, or if Seller cannot convey title due to impossibility, zoning prohibition, mistake, Seller's inability to obtain title to the Property or for any similar reason, Seller will have a reasonable period of time (not to exceed one hundred twenty (120) days) after the date of the scheduled Closing to attempt to correct any defects in title; provided, however, Seller shall not be obligated to incur any expense to clear title to the Property. If Seller cannot or elects not to correct the title defects, Seller shall so notify Buyer within such period, and Buyer may thereafter elect, by written notice to Seller received by Seller within five (5) days after the earlier of Buyer's receipt of Seller's notice or the expiration of such 120-day period to either: (1) accept title in the condition offered (with defects) and pay the balance of the Purchase Price (without setoff or deduction therefore), thereby waiving any claim with respect to such defects and Buyer will not make any claims against Seller because of the defects; or (2) cancel this Agreement and receive a full refund of all Deposits; provided, however, if the title defect results from Seller's inability to obtain title to the Property, either Buyer or Seller may elect to terminate this Agreement, in which case Buyer shall receive a full refund of all Deposits. If all Deposits are refunded, Buyer agrees to accept such refunded Deposits as full payment of Seller's liability hereunder, whereupon this Agreement shall be terminated and Seller shall thereafter be relieved and released of all further liability hereunder. Buyer shall not thereafter have any rights to make any additional claims against Seller. In the event Buyer does not notify Seller in writing within five (5) days from the receipt of Seller's notice (time being strictly of the essence) as to which option Buyer elects, Buyer shall be conclusively presumed to have elected the option set forth in clause (1) above. Buyer shall be responsible for any pending and proposed liens, taxes and/or assessments for public improvements. Seller will be responsible for public improvement liens, which have been certified as of the date of Closing.

17. Closing.

17.1 The Closing and related escrow services may be conducted by a title agency or licensed North Carolina attorney (the "Closing Agent"), provided, that if conducted by a title agency, the Closing shall nonetheless be supervised by a licensed North Carolina attorney as required by North Carolina law. Buyer may elect to use Gwynn, Edwards & Getter, PA ("Recommended Closing Agent") or a Closing Agent of Buyer's own choosing. Buyer is NOT required to use the Recommended Closing Agent. Buyer may select any Closing Agent of his or her choice for the purposes of closing, escrow services and title insurance and is NOT in any way whatsoever limited to use any particular Closing Agent. However, Lender may reserve the right to approve the Closing Agent selected by Buyer. Buyer is aware that Seller's Recommended Closing Agent will perform services in preparation for Closing and that the attorney charges a fee for these services, and the Recommended Closing Agent is not acting as Buyer's attorney in this transaction. In the event that Buyer decides not to use Seller's Recommended Closing Agent and fails to notify Seller in writing within seven (7) days after full execution of this Agreement that a different Closing attorney chosen by Buyer will be used, Seller has the right to require Buyer at Closing, to pay Seller the amount of a Five Hundred Seventy Five Dollars (\$575.00) in the form of certified funds to reimburse Seller's Recommended Closing Agent for services rendered.

17.2 Closing Date and Location. Buyer acknowledges and agrees that Seller has the right in its sole discretion to schedule the date, time and place for the Closing and that Buyer shall close on such Closing date. Prior to the Closing, a temporary or permanent certificate of completion, occupancy, or use (as applicable) covering the Home shall be issued by the proper governmental agency. Buyer will be given at least five (5) days' notice of the Closing date and time. Closing shall take place at a location designated by Seller in writing. Seller is authorized to postpone the Closing at its discretion. Seller must, however, give Buyer reasonable notice of the new Closing date. Any notice of Closing may be given verbally, by telephone, mail, email, or other means of communication at Seller's option. An affidavit of one of Seller's employees or agents that such notice was given will be conclusive for purposes of proving that notice was given. All notices will be given to Buyer at the address or by use of the telephone number(s) specified on the Transaction Summary unless Seller has received written notice from Buyer of any change therein prior to the date notice of Closing is given. The fact that Buyer fails to receive the notice of Closing because Buyer has failed to advise Seller of any changes of address or phone number, or because Buyer has failed to pick up a letter when Buyer has been advised of an attempted delivery or for any other reason, shall not relieve Buyer of Buyer's obligation to close on the scheduled date, unless Seller otherwise agrees in writing to postpone the Closing date. If Seller agrees in writing to reschedule the Closing at Buyer's request or because Buyer (if a corporation) has failed to produce all corporate documents requested by Seller, or for any other reason (except for delay desired or caused by Seller or **KBHS Home Loans**, if Buyer is using **KBHS Home Loans** for Buyer's mortgage loan), Seller may impose a late charge equal to the higher of (1) \$150 per day; or (2) 0.1% of the Base Purchase Price per day, for every day that the scheduled Closing is delayed and proration shall be as of the original date of Closing. Buyer agrees the late charge is appropriate in order to cover Seller's administrative and other expenses resulting from a delay in Closing. Seller is not required to agree to reschedule the Closing, but Seller may reschedule the Closing in Seller's sole discretion. In addition to any other sums payable pursuant to this Agreement, in the event the scheduled Closing date is delayed, Buyer will pay to Seller an additional charge of \$100.00 for re-preparation of the Closing documents. In the event Buyer requests and Seller agrees that this transaction be closed by mail (Buyer understands that Seller is under no obligation to so agree) then Buyer shall pay to Seller the sum of \$125.00 to offset the cost of preparing and completing the Closing by mail.

BUYER'S INITIALS:

17.3 Deed. Seller shall convey title to Buyer at Closing by delivery to Buyer of a Special Warranty Deed (the "Deed") describing the Property, which shall convey title to Buyer subject to the Permitted Exceptions and any such matters omitted from the Deed shall nevertheless be deemed to be included in the Deed and this Section shall expressly survive Closing and the delivery of the Deed. The acceptance of the Deed by Buyer shall be deemed to be full performance and discharge of every agreement and obligation on the part of Seller to perform pursuant to this Agreement, except those which are herein specifically deemed to survive the Closing or which may survive by operation of law (if any). Upon written request of Buyer, Seller shall give Buyer an affidavit complying with the Foreign Investment in Real Property Tax Act of 1980, as amended.

17.4 Clearance of Funds. At Closing, Buyer agrees to pay Seller the balance of the Purchase Price and any additional amounts owed under this Agreement in United States Dollars by wire transfer. Buyer shall not be entitled to take possession of the Property until Seller has received all closing funds, including mortgage proceeds, if any, and such funds have cleared Seller's bank. Until all sums have been received by Seller and have cleared Seller's bank, Seller will be entitled to a vendor's lien on the Property.

17.5 Electronic Transfer of Funds at Closing. Buyer agrees that the funds to close this transaction must be received by the Closing Agent sufficiently in advance so that good funds are available at the time of Closing; provided, however, if Buyer's loan to purchase the Property is financed by KBHS Home Loans, then, at the Closing, the loan proceeds payable from KBHS Home Loans to Seller will be paid directly by KBHS Home Loans to Seller by an electronic transfer of funds, without actual deposit of funds in escrow or handling by the escrow holder (this method of payment is referred to as the "Direct Funding Method"). The procedures of the Direct Funding Method have been reviewed, without objection, by the Veteran's Administration, and the U.S. Department of Housing and Urban Development, and have been accepted by Seller's title agent. The use of the Direct Funding Method will not result in any additional cost or expense to Buyer.

17.6 Closing Costs. Except as otherwise specifically provided in an addendum (if any) to this Agreement, Buyer will be responsible for all Closing costs in connection with the conveyance of title under this Agreement, including, without limitation, Buyer's policy of title insurance, Buyer's Lender's policy of title insurance, state and local documentary stamp or transfer taxes, recording charges, escrow and title fees. Notwithstanding the foregoing, if Buyer is obtaining an FHA or VA guaranteed loan, Seller shall pay only those Closing costs which Buyer is prohibited from paying pursuant to the applicable loan program. Any agreement by Seller to pay any portion of Buyer's Closing costs shall be contingent upon Buyer obtaining a financing commitment and closing with KBHS Home Loans. In the event Buyer obtains an FHA insured or VA guaranteed loan, a portion of any such incentive shall be retained by Seller and applied to the payment of Closing costs Buyer is prohibited from paying by Buyer's Lender. Except as herein provided, Buyer agrees to pay all loan fees and closing costs charged by the Lender in connection with the mortgage, including but not limited to any prepaid interest due on the mortgage at the time of Closing and to make such other payments for real property taxes and assessments, homeowners association assessments, mortgage insurance premiums, and fire and other hazard insurance premiums as may be required by Lender. Buyer will also pay any mortgage insurance premiums (prepaid or otherwise), if required by such Lender.

BUYER'S
INITIALS:

17.7 Possession. Seller shall grant possession of the Property to Buyer immediately after Closing. In no event shall Buyer, prior to Closing and the payment of the Purchase Price in full: (1) move any household goods or other materials into the Home; or (2) make any physical changes, alterations or additions, including but not limited to, painting, wallpaper installation, wiring, installation of curtain rods, light fixtures and ceiling fans; (3) interfere with the contractors or subcontractors completing the construction of the Home; or (4) have materials or supplies delivered to the Property or to the job site. All work and materials to be performed or supplied under this Agreement shall be performed or supplied by Seller's independent contractors, employees, agents or suppliers.

18. Default.

18.1 By Buyer. If Buyer fails to honor his/her/their promises or to perform his/her/their obligations under this Agreement (including making scheduled Deposits), Buyer will be in "default". If Buyer is still in default five (5) days after Seller sends Buyer written notice of such default, Seller may cancel this Agreement. IF, HOWEVER, BUYER'S DEFAULT IS IN FAILING TO CLOSE ON THE SCHEDULED CLOSING DATE OR MAKE ANY PAYMENTS OR DEPOSITS AS REQUIRED HEREIN, THEN SELLER MAY CANCEL THIS AGREEMENT WITHOUT GIVING BUYER ANY PRIOR (OR SUBSEQUENT) NOTIFICATION OR OPPORTUNITY TO CLOSE AT A LATER DATE. Upon Buyer's default (and the expiration of any notice period, if applicable), and Seller's termination of this Agreement, all of Buyer's rights under this Agreement will end, and Seller may resell the Property without any accounting to Buyer. Buyer understands that because Seller has taken the Property off the market for Buyer, and because Seller has spent money on sales, advertising, promotion and construction and has incurred other costs incident to this sale, Buyer's default will damage Seller. If Seller cancels this Agreement because of Buyer's default, Seller may either: (i) retain (or if not then paid by Buyer, Buyer will pay to Seller) all Deposits (including, without limitation, those on options, extras, upgrades, etc.) Buyer has then made (and which would have been required to have been made had Buyer not defaulted) and all interest which was earned on them, if applicable, all as liquidated damages and not as penalty (Buyer and Seller have agreed to the foregoing compensation for damages to Seller because there is no other precise method of determining Seller's damages); or (ii) pursue an action for specific performance. If Buyer defaults, Buyer promises not to sue for the return of any part of the Deposits. Any damage or loss that occurs to the Lot or Home while Buyer is in default will not affect Seller's rights provided for herein.

BUYER'S
INITIALS:

18.2 By Seller. If Seller defaults under any provision of this Agreement, Buyer will give Seller written notice of such default, and if Seller has not cured the default within sixty (60) days after such notice is given, then Buyer may either (i) pursue an action for direct damages only, specifically excluding any incidental and/or consequential damages which are not recoverable; or (ii) pursue an action for specific performance. Notwithstanding anything to the contrary, if Seller has commenced to cure the default within such 60-day period and is diligently proceeding to complete such cure, Seller shall be granted a reasonable period of time after the expiration of such 60-day period to complete such cure. Notwithstanding the foregoing, the cure period shall not apply to any failure of Seller to construct the home within two (2) years as set forth in Section 12.2 above. Notwithstanding the above and subject to Sections 6.2, and 6.3, should Seller fail to provide any option, including architectural options (excluding all structural items) required to be provided by Seller's Plans and Specifications (and not its feature sheet(s)), Buyer's sole remedy against Seller will be to collect liquidated damages from Seller in an amount equal to the greater of (1) Seller's cost for such item and for the installation of such item had such item been installed at the appropriate time during construction; or (2) Seller's specific charge for such item if such item is an extra and Buyer has paid for it in full in advance (and if Buyer has not paid for it in full, then the amount for purposes of this clause (2) will be only so much of that price as has been paid by Buyer, if any). Buyer and Seller acknowledge and agree that the remedies set forth in this section shall be Buyer's exclusive remedies relating to Seller's failure to provide any options (other than structural items) as referenced above. This Section shall survive closing.

19. Association Membership(s); Covenants.

19.1 Covenants. The Property may be covered by one or more declarations of covenants, conditions and restrictions (collectively, the "Covenants"), a copy or copies of which have either been given to Buyer or which will be available for Buyer's inspection in Seller's sales office prior to Closing. Buyer acknowledges that the Covenants will contain restrictions on the use of the Property. Upon Closing, Buyer shall automatically become a member of any association(s) (the "Association(s)") described in the Covenants. Buyer understands that Buyer's membership in the Association(s) will take effect at Closing. At Closing, Buyer agrees to accept all liabilities and obligations of membership in the Association(s). Buyer acknowledges that the Association(s) is/are charged with certain responsibilities, including but not limited to assessing and collecting from each member assessments. Said assessments shall be made and collected in accordance with the Covenants and, by the execution of this Agreement, Buyer acknowledges and agrees to pay Buyer's proportionate share of said assessments as they become due. Buyer acknowledges that there may also be payable under the Covenants a mandatory initial capital contribution, which shall be paid by Buyer or, if previously paid by Seller, reimbursed by Buyer to Seller at Closing. The approximate amounts of the homeowner association fee, initial capital contribution and any other assessments payable under the Covenants, if applicable, are set forth in the Transaction Summary. Buyer understands that the Association(s) has/have a right to place a lien upon the Property pursuant to the Covenants, and Buyer agrees not to raise any defense of homestead or to allege the superiority of homestead over the liens created, as the same may be available to Buyer, concerning the enforcement of the liens pursuant to the terms of the Covenants. Buyer further acknowledges and agrees that the Covenants permit amendments to be made to them and that any changes made to them prior to Closing may not necessarily be delivered to Buyer prior to Closing but will be recorded in the public records of the County. Any amendment to the Covenants will not affect Buyer's obligation to perform any or all of Buyer's duties under this Agreement, unless such changes have a serious, measurable and adverse effect on the market value of the Lot or Home. This Section shall survive closing.

19.2 Initial Board. Buyer acknowledges that nominees and/or employees of Seller may serve as the initial officers and directors of the Association(s) and are authorized by Buyer to act for and on the behalf of the Association(s) in entering into any and all agreements as are provided for in, or contemplated by, the Covenants and their exhibits. Buyer also acknowledges the provisions of the Covenants are fair and reasonable.

19.3 Budgets. Buyer understands that the budgets for the Association(s) are not guaranteed. All budgets are subject to change at any time and from time to time to reflect actual and projected expenditures. Changes in budgets may occur before or after Closing, but will not affect any of Buyer's obligations under this Agreement (except as to resulting changes in Closing proration).

20. Seller's Use of the Common Areas. As long as Seller or its successors or assigns is in control of the Association(s), or for such longer period, if any, as is described in the Covenants, Seller and its agents may maintain sales and construction offices and trailers and model homes within the Community, as well as signs and temporary entrance features to assist Seller in selling properties in the Community. As long as Seller, or any nominees of Seller, owns any Lot in the Community, Seller and/or its nominees shall have the right and privilege to maintain sales and construction offices and trailers and model homes about the Community, and to have their employees present on the premises to show homes, use the common areas of the Community and, without limitation, to do any and all other things necessary or appropriate by them to sell or resell property within the Community and/or other properties being developed by Seller, all without charge or contribution, including, without limitation, installing signs and temporary entrance features; provided, however, that such activities shall be carried on in such a manner as will not unreasonably interfere with Buyer's enjoyment of the Property.

21. Limited Warranty. Seller will provide Buyer with a limited warranty agreement, which consists of Volume One, the KB HOME New Home Limited Warranty, and Volume Two, the Warranty Performance Standards (such two volumes being individually and collectively referred to herein as the "Warranty"). Seller makes no

warranty or guarantee, expressed or implied, except as specifically set forth in the Warranty. Upon Closing, the Warranty describes Seller's repair and warranty obligations, the procedures for making a warranty claim and the procedures for the settlement of disputes. Buyer acknowledges that the Warranty provides that certain items installed or incorporated into the Home, for example, appliances, may not be covered by the Warranty and instead, may be separately warranted by their manufacturer or installer. Seller shall assign such third party warranties to Buyer at the Closing, however, Seller shall have no other obligation whatsoever under said warranties, and Seller shall not be required to assign any such warranties until such time as Buyer has paid all sums due hereunder.

Other than the express warranties set forth in the Warranty, there are no warranties provided under this Agreement, expressed or implied, including but not limited to, implied warranties of merchantability or fitness for a particular purpose. In no event shall Seller be obligated for any incidental or consequential damages arising from any defects or deficiencies in materials or workmanship, and Seller's sole responsibility hereunder shall be to repair and/or replace at Seller's option, defective materials or workmanship for which Seller is responsible hereunder.

If a dispute, claim, or controversy arises relating to the Warranty, Buyer must first comply with the Negotiation process described in detail in the Warranty. If Buyer and Seller are unable to resolve a dispute, claim, or controversy through the Warranty's Negotiation process, such dispute, claim, or controversy shall be governed by the terms and provisions contained in Section 25 (titled "Arbitration of Disputes") of this Purchase Agreement. The Warranty shall in no way limit or otherwise alter the requirements of Section 25. Rather, the Warranty may contain additional pre-requisites that Buyer must comply with in the event of a warranty claim or a dispute, claim, or controversy that arises related to the Warranty. **BY SIGNING THIS AGREEMENT, BUYER ACKNOWLEDGES AND AGREES TO THE NEGOTIATION PROVISIONS SET FORTH IN THE WARRANTY AND IN SECTION 25 OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, BEING SUBJECT TO BINDING ARBITRATION AND WAIVING THE RIGHT TO A JURY TRIAL. BUYER ACKNOWLEDGES THAT BUYER HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL REGARDING THE NEGOTIATION PROVISIONS AND THE WAIVERS SET FORTH IN THE WARRANTY AND IN SECTION 25 OF THIS AGREEMENT.**

I (We) have received a link to a copy of the KB HOME NEW HOME LIMITED WARRANTY and the WARRANTY PERFORMANCE STANDARDS and have read and understand the provisions of this Section 21.

BUYER'S INITIALS:

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22. Construction Activities. All owners, occupants and users of the Community are hereby placed on notice that Seller, its agents, contractors, subcontractors, licensees and other designees will be, from time to time, conducting excavation, construction and other activities within or in proximity to the Community. By the acceptance of the Deed or other conveyance or mortgage, leasehold, license or other interest, and by using any portion of the Community, each such owner, occupant and user acknowledges, stipulates and agrees (1) that none of the aforesaid activities shall be deemed nuisances or noxious or offensive activities, hereunder or at law; (2) not to enter upon, or allow their children or other persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise) any property within or in proximity to the Community where such activity is being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours); (3) Seller and the other aforesaid related parties shall not be liable for any losses, damages (compensatory, consequential, punitive or otherwise), injuries or deaths arising from or relating to the aforesaid activities, except those resulting directly from Seller's gross negligence or willful misconduct; (4) any purchase or use of any portion of the Community has been and will be made with full knowledge of the foregoing; and (5) this acknowledgment and agreement are material inducements to Seller to sell, convey, or allow the use of the Property. This Section shall survive closing.

23. Plan Copyright. It is understood by Buyer that the architectural plan for the Home is the property of KB HOME, a Delaware corporation ("KB HOME"), and is protected by United States copyright laws. Any modifications to such plan suggested or made by Buyer become the property of KB HOME. Buyer agrees not to infringe on KB HOME's copyrights in any manner, including the construction of a dwelling substantially similar to that, which is the subject of this Agreement. Any violation of the copyright law shall also constitute a breach of this Agreement. This Section shall survive closing.

24. Miscellaneous Provisions.

24.1 Marketing. Buyer agrees that Seller may use exterior photos of the Property and Home in promotional literature and advertising after Closing. Seller shall also have the right to place, from time to time, marketing and directional signs along a five (5) foot section of land adjacent to the road right-of-way on the Property for a period of five (5) years after the Closing date and as may be permitted by the applicable homeowners association covenants, rules and restrictions.

24.2 Changes and Inquiries. Buyer agrees to direct all inquiries and questions to Seller's sales associate, who will provide Buyer with a timely response. Changes to this Agreement may only be made by a written amendment signed by Buyer and Seller. **NO EMPLOYEE OR ASSOCIATE OF SELLER IS AUTHORIZED TO ACCEPT THIS AGREEMENT WITH ANY CHANGES (EXCEPT TO FILL IN BLANKS OR CHECK BOXES WHERE APPROPRIATE) OR WITH RIDERS, AMENDMENTS OR SPECIAL STIPULATIONS THAT ARE NOT ON SELLER'S APPROVED FORM(S).**

24.3 Waiver. Seller's waiver of any of its rights or remedies shall not operate to waive any other of Seller's rights or remedies or to prevent Seller from enforcing the waived right or remedy in another instance.

24.4 Survival, Incorporation and Severability. The provisions and disclaimers in this Agreement, which are intended to have effect after the Closing, shall survive the Closing. The explanations and disclaimers set forth in the Covenants and the Warranty are incorporated into this Agreement. In the event that any clause or provision of this Agreement shall be void or unenforceable, such clause or provision shall be deemed deleted to the minimum extent necessary so that the balance of this Agreement is enforceable.

24.5 Section Headings. The section headings in this Agreement are for convenience only and shall not affect the meaning, interpretation or scope of the provisions, which follow them.

24.6 Governing Law. Any disputes that develop under this Agreement will be settled according to the laws of the state of North Carolina, without reference to any provision of such state's law which would select the law of another jurisdiction.

24.7 Time of the Essence: Time Periods, Buyer acknowledges that time is of the essence in connection with this transaction and any delay in Buyer's performance will prejudice Seller. Any and all references in this Agreement to time periods which are specified by reference to a certain number of days refer to calendar days, unless "business days" is otherwise expressly provided. If any date by which a party is required to provide the other party with notice or take any other action hereunder occurs on a Saturday or a Sunday or a banking holiday in the jurisdiction where the Property is located, then such applicable dates shall be deemed to occur for all purposes of this Agreement, on that calendar day which is the next succeeding day, which is not a Saturday, Sunday or banking holiday.

BUYER'S INITIALS:

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24.8 Entire Agreement. BUYER CERTIFIES THAT BUYER HAS READ EVERY PROVISION OF THIS AGREEMENT AND EACH ADDENDUM ATTACHED HERETO. THIS AGREEMENT CONSTITUTES THE ENTIRE AGREEMENT BETWEEN THE PARTIES. NO REPRESENTATIONS, WARRANTIES, UNDERTAKINGS, OR PROMISES, WHETHER ORAL, IMPLIED OR OTHERWISE, CAN BE MADE OR HAVE BEEN MADE BY EITHER SELLER OR BUYER TO THE OTHER UNLESS EXPRESSLY STATED HEREIN OR UNLESS MUTUALLY AGREED TO IN WRITING BY THE PARTIES. THIS AGREEMENT MERGES ALL PRIOR NEGOTIATIONS AND UNDERSTANDINGS BETWEEN THE PARTIES AND CONSTITUTES THEIR ENTIRE AGREEMENT FOR THE PURCHASE AND SALE OF THE PROPERTY, WHICH IS BINDING UPON BUYER AND SELLER REGARDLESS OF ANY WRITTEN OR VERBAL REPRESENTATIONS OF ANY AGENT, MANAGER, OR OTHER EMPLOYEE TO THE CONTRARY. ALL AMENDMENTS, SUPPLEMENTS OR RIDERS HERETO, IF ANY, SHALL BE IN WRITING AND SHALL BE EXECUTED BY BOTH PARTIES. NO SALESPERSON OR EMPLOYEE OF SELLER HAS AUTHORITY TO MODIFY THE TERMS HEREOF, OR HAS ANY AUTHORITY TO MAKE ANY REPRESENTATION OR CONTRACT NOT EXPRESSLY CONTAINED IN THIS AGREEMENT OR ANY RIDERS OR EXHIBITS ATTACHED HERETO, AND ONLY THOSE EXPRESSLY CONTAINED HEREIN SHALL BE BINDING UPON SELLER, OR IN ANY WAY AFFECT THE VALIDITY OF THIS AGREEMENT OR FORM ANY PART HEREOF. BUYER ACKNOWLEDGES THAT, EXCEPT AS EXPRESSLY STATED HEREIN, SELLER, ITS AGENTS OR EMPLOYEES HAVE MADE NO REPRESENTATIONS IN ORDER TO INDUCE THE BUYER TO ENTER INTO THIS AGREEMENT. BUYER HAS BASED HIS/HER/THEIR DECISION TO PURCHASE THE PROPERTY ON THE EXPRESS WRITTEN TERMS OF THIS AGREEMENT, INCLUDING ALL ADDENDA HERETO, ANY OTHER AGREEMENTS MADE IN WRITING BY SELLER, PERSONAL INVESTIGATION AND OBSERVATION AND NOT ON ANY ORAL REPRESENTATIONS MADE BY SELLER OR ANY OTHER PERSON.

THIS IS A LEGALLY BINDING PURCHASE AND SALE AGREEMENT; BUYER SHOULD SEEK PROFESSIONAL ADVICE BEFORE SIGNING IT.

BUYER'S INITIALS:

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24.9 Notice. Except as otherwise provided for in this Agreement, any notice required or permitted to be given in connection with this Agreement shall

be in writing and sent to Buyer or Seller, at the addresses on the Transaction Summary, by (1) United States first class mail, postage prepaid; (2) United States certified mail with return receipt requested, postage prepaid; (3) professional overnight courier or other delivery service providing proof of delivery (such as FedEx®); or (4) facsimile (with confirmation and copy (A) if Buyer's address is within the United States, by United States first class mail, postage prepaid; or (B) if Buyer's address is outside of the United States, by overnight professional courier or other delivery service providing proof of delivery), and additionally to Seller by hand delivery at Seller's sales office. All notices shall be deemed received (1) on the third business day after deposit in the United States mail, if sent by United States first class mail; or (2) on actual receipt or upon refusal to accept receipt (by failure to accept delivery or otherwise) if sent otherwise.

24.10 Radon Gas. The United States Environmental Protection Agency ("EPA") has indicated that a number of homes in the United States experience elevated levels of radon gas. Radon is a naturally occurring gas that is caused by the radioactive decay of the element radium. Since radium is contained in the earth's crust and dissolves readily in water, radon can be found virtually everywhere and can enter the home through a variety of sources. Homeowners seeking information about radon can contact the EPA or their state environmental office. Seller has no expertise in the measurement or reduction of radon in homes or regarding acceptable levels or possible health hazards associated with radon. The EPA may provide information about testing and methods for reducing the level of radon gas in homes. Seller makes no warranty or representation of any kind, express or implied, regarding the presence or absence of radon gas at the Property, or regarding the effectiveness of any architectural or engineering activities for reducing the presence of radon. Buyer assumes all risks of the presence of naturally occurring gases such as radon.

24.11 English Language. Buyer acknowledges that this Agreement was negotiated in the English language.

24.12 Assignment. The rights and interest of Seller in and to this Agreement may be assigned or transferred by Seller to any entity. The rights and interest of Buyer in and to this Agreement may not be assigned or otherwise transferred, voluntarily or by operation of law, by Buyer without the written consent of Seller, which consent may be withheld by Seller at its sole discretion.

24.13 Joint Obligations. If Buyer is comprised of more than one person or entity, then each party comprising Buyer shall be jointly and severally responsible for the performance of Buyer's obligations under this Agreement.

24.14 Cooperation. Buyer and Seller agree to execute all instruments and documents and to take all actions as may be required herein and by Lender, if any, to consummate the sale and purchase herein contemplated.

24.15 No Tax Withholding. Section 1455 of the Internal Revenue Code, provides that a transferee of a United States real property interest must withhold tax if the transferor (i.e., Seller) is a foreign person. In order to inform Buyer that withholding of tax is not required in connection with this transaction, Seller certifies that Seller is exempt from the withholding requirements.

24.16 Email Wire Transfers. Seller advises Buyer to verify all sources prior to wiring any funds for Deposit, Upgrades/Options Deposit, additional deposits, and/or funds for Closing. Buyer shall contact Seller, Lender and/or Recommended Title Company directly prior to wiring any funds.

24.17 Existing Home. Buyer acknowledges and agrees as provided in the provision selected below:

1.			By initialing here, Buyer acknowledges that Buyer does not own a home that is encumbered by any mortgage, deed of trust or any other debt, and that the purchase of the Property is not contingent upon the sale or lease of an existing home.
2.	99	Chauncey Cr, Chapel Hill, NC 27516	By initialing here, Buyer acknowledges that Buyer owns an existing home located at _____ (the "Existing Home"). Buyer agrees that, subject only to loan approval, that (a) the purchase of the Property is not contingent upon Buyer's sale of the Existing Home, and (b) Buyer's failure or inability to sell, lease or otherwise dispose of the Existing Home prior to closing on the Property will not entitle Buyer to a refund of Buyer's Deposit(s), except as expressly set forth in the Agreement. Buyer will not be required to submit any additional deposit, and construction of the Property will commence as per the terms of the Agreement.
3.			By initialing here, Buyer acknowledges that Buyer owns an existing home located at _____ (the "Existing Home") and desires to sell the Existing Home prior to the purchase of the Property. Further: (a) Buyer must use a listing agent and shall provide Seller with a copy of the listing agreement for the Existing Home within seven (7) days of the date of the Agreement. If Buyer fails to provide a copy of said listing agreement within the 7-day period, Seller shall have the option to terminate the Agreement and, in the event of such termination, Buyer shall receive a refund of the Deposits and neither party shall have any further obligation under the Agreement, except any that expressly survive termination. (b) Buyer acknowledges that the Existing Home must be under contract for sale or lease (subject only to loan qualification) within thirty (30) days of the date of the Agreement and must close within sixty (60) days of the Effective Date of the Agreement. Buyer agrees that if for any reason whatsoever they have not entered into a contract or the closing has not occurred by such dates, Seller shall have the right to terminate this Agreement. If Seller terminates the Agreement pursuant to this Section, the Agreement becomes null and void and all Deposit(s) will be refunded to Buyer (except that any Upgrades/Options Deposit shall be nonrefundable to the extent such costs have already been incurred by Seller). There shall be no cure period for failure to comply with this section. (c) Buyer acknowledges that Seller may accept another Purchase Agreement on the Property at any time until the above contingency has been satisfied. Prior to accepting a purchase agreement from another party, Seller agrees to provide Buyer with verbal notice of the acceptance of the third-party purchase agreement. Buyer shall have two (2) days from notification to waive the contingency by submitting loan approval from the mortgage lender stating that the Buyer is qualified to purchase the Home even though the Existing Home has not been sold or closed. If Buyer does not remove the contingency on the Existing Home within said two (2) day period, Seller shall have the right to terminate this Agreement.

24.18 Energy Savings Comparison (ESC). KB Home's Energy Savings Comparison, or ESC, is utilized by Seller to provide an estimate of the monthly energy costs for a home as designed (not as built), and information about the home's energy efficiency and estimated energy costs savings compared to the HERS® reference home or a typical used home. Actual energy costs and savings of a KB Home will vary from any estimates or measurements provided. Independent energy raters certified by the Residential Energy Services Network (RESNET) estimate the ESC energy costs and savings at a certain point in time using RESNET-approved computer software and RESNET factors and assumptions as to typical residential energy use and the standard features of a particular home as designed. The estimates are based on the heating and cooling systems, appliances and lighting that are included as standard items with the as-designed home and average local energy utility rates available at the time of estimation. The estimates do not account for the addition and/or inclusion of any items that are not included as standard with the as designed home, or for non-typical residential use of a home, such as for business purposes or to support residents with medical conditions that require special equipment. The estimates also do not include or take into account any applicable local, state or federal taxes and/or regulatory or energy utility provide-imposed fees, tariffs, or charges. A home's energy efficiency is measured with a Home Energy Rating System (HERS) Index score, which RESNET developed. The RESNET-certified independent energy rater determines a home's as-designed HERS Index score and after construction will physically inspect Buyer's Home providing an as-built HERS Index score using the same methodology. Seller does not warranty or guarantee that a HERS Index score for an as-built KB Home will be equal to or be lower than the home's as-designed score as shown on its ESC, or that any HERS Index score or estimated energy costs or savings on any ESC will be the same if measured after its original determination. This Section shall survive Closing.

24.19 R-Value. As required by the Federal Trade Commission Regulations, Seller furnishes the following information relating to the insulation installed or to be installed in the Home being purchased under this Agreement. All stated R-Values are based on information provided by the manufacturer of this insulation. Seller shall have the right to substitute insulation, so long as the nominal R-Value is equal to or greater than set forth below.

Work Area	R-Value	Thickness	Material
Exterior Walls (excluding exterior garage walls)	R-15	3.5"	Batt
Exterior Vault Knee Walls	R-13	3.5"	Batt
Interior Vault Knee Walls (interior walls backing: non-conditioned space)	R-30	6.5"	Batt
Garage Ceiling (where living area is above garage)	R-30	6.5"	Batt
Basement Ceiling (or under crawlspace floors)	R-19	6.25:	Batt
Vaulted Ceilings	R-38	12"	Batt
Ceilings below Attic Areas	R-38	12.75"	Blown

24.20 Unrecorded Plat: In the event that the plat referenced in the description of the Property is not yet recorded, Seller agrees to notify Buyer once the plat is recorded if the recorded plat contains any changes to the boundaries of the Property or contains any changes that materially and adversely impact the land within the boundaries of the Property. If Seller provides such notice, Buyer shall have five (5) days from receipt of such notice to object to the changes and terminate this Agreement, in which event Buyer shall receive a refund of the Deposits. Failure of Buyer to notify Seller of Buyer's decision to cancel within such timeframe shall be deemed to constitute Buyer's acceptance of the Property as depicted on the recorded plat and the description of the Property in the Agreement will be deemed amended to refer to the recorded plat.

24.19 OFAC. Buyer represents and warrants that Buyer is not barred from doing business with U.S. entities pursuant to the U.S. Department of Treasury's Office of Foreign Asset Control ("OFAC"), including OFAC's Specially-Designated-Nationals ("SDN") list and lists of known or suspected terrorist organizations.

25. ARBITRATION OF DISPUTES.

25.1 Notification. Buyer shall provide Seller with written notice of any matters relating to a Dispute (as defined below) as soon as is reasonably possible after Buyer becomes aware, or should have become aware, of such matters and Dispute.

25.2 Arbitration

25.2.1 Agreement to Arbitrate. ANY AND ALL CLAIMS, CONTROVERSIES, BREACHES OR DISPUTES BY OR BETWEEN THE BUYER AND SELLER, ARISING OUT OF OR RELATED TO THIS PURCHASE AGREEMENT, THE PROPERTY, THE COMMUNITY, THE SALE OF THE PROPERTY BY SELLER, OR ANY TRANSACTION RELATED HERETO, WHETHER SUCH DISPUTE IS BASED ON CONTRACT, TORT, STATUTE, OR EQUITY, INCLUDING, WITHOUT LIMITATION, ANY DISPUTE OVER: (a) THE DISPOSITION OF ANY DEPOSIT; (b) BREACH OF CONTRACT; (c) NEGLIGENT OR INTENTIONAL MISREPRESENTATION OR FRAUD; (d) NONDISCLOSURE, (e) BREACH OF ANY ALLEGED DUTY OF GOOD FAITH AND FAIR DEALING; (f) ALLEGATIONS OF LATENT OR PATENT DESIGN OR CONSTRUCTION DEFECTS; (g) THE PROPERTY, INCLUDING, WITHOUT LIMITATION, THE PLANNING, SURVEYING, DESIGN, ENGINEERING, GRADING, SPECIFICATIONS, CONSTRUCTION OR OTHER DEVELOPMENT OF THE PROPERTY OR THE COMMUNITY, (h) DECEPTIVE TRADE PRACTICES, (i) THE WARRANTY, OR (j) ANY OTHER MATTER ARISING OUT OF OR RELATED TO THE INTERPRETATION OF ANY TERM OR PROVISION OF THIS PURCHASE AGREEMENT, OR ANY DEFENSE GOING TO THE FORMATION OR VALIDITY OF THIS PURCHASE AGREEMENT, OR ANY PROVISION OF THIS PURCHASE AGREEMENT, INCLUDING DEPOSIT DISPUTES, THIS ARBITRATION PROVISION, ALLEGATIONS OF UNCONSCIONABILITY, FRAUD IN THE INDUCEMENT, OR FRAUD IN THE EXECUTION, WHETHER SUCH DISPUTE ARISES BEFORE OR AFTER CLOSING (EACH A "DISPUTE"), SHALL BE ARBITRATED PURSUANT TO THE FEDERAL ARBITRATION ACT (9 U.S.C. §§1 ET SEQ.) AND SUBJECT TO THE PROCEDURES SET FORTH AS FOLLOWS:

THIS ARBITRATION PROVISION SHALL BE DEEMED TO BE SELF-EXECUTING. ANY DISPUTE CONCERNING THE INTERPRETATION OR THE ENFORCEABILITY OF THIS ARBITRATION PROVISION, INCLUDING, WITHOUT LIMITATION, ITS REVOCABILITY OR VOIDABILITY FOR ANY CAUSE, ANY CHALLENGES TO THE ENFORCEMENT OR THE VALIDITY OF THIS PURCHASE AGREEMENT, OR THIS ARBITRATION PROVISION, OR THE SCOPE OF ARBITRABLE ISSUES UNDER THIS ARBITRATION PROVISION, AND ANY DEFENSE RELATING TO THE ENFORCEMENT OF THIS ARBITRATION PROVISION INCLUDING WITHOUT LIMITATION, WAIVER, ESTOPPEL, OR LACHES, SHALL BE DECIDED BY THE LOCAL STATE COURT FOR THE COUNTY IN WHICH THE PROPERTY IS LOCATED.

IN THE EVENT THAT A DISPUTE ARISES BETWEEN THE PARTIES, SUCH DISPUTE SHALL BE RESOLVED BY AND PURSUANT TO THE ARBITRATION RULES AND PROCEDURES OF THE AMERICAN ARBITRATION ASSOCIATION IN EFFECT AT THE TIME THE REQUEST FOR ARBITRATION IS SUBMITTED. IN THE EVENT THE AMERICAN ARBITRATION ASSOCIATION IS NO LONGER OPERATING AS AN ARBITRATION SERVICE, THEN THE PARTIES SHALL SELECT ANOTHER REPUTABLE ARBITRATION SERVICE. IF THE PARTIES ARE UNABLE TO AGREE ON AN ALTERNATIVE SERVICE, THEN EITHER PARTY MAY PETITION ANY COURT OF COMPETENT JURISDICTION IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED TO APPOINT SUCH AN ALTERNATIVE SERVICE, WHICH SHALL BE BINDING ON THE PARTIES. THE RULES AND PROCEDURES OF SUCH ALTERNATIVE SERVICE IN EFFECT AT THE TIME THE REQUEST FOR ARBITRATION IS SUBMITTED SHALL BE FOLLOWED.

25.2.2 Federal Arbitration Act. BUYER AND SELLER EXPRESSLY AGREE AND ACKNOWLEDGE THAT THIS PURCHASE AGREEMENT INVOLVES AND CONCERNS INTERSTATE COMMERCE AND IS GOVERNED BY THE PROVISIONS OF THE FEDERAL ARBITRATION ACT (9 U.S.C. §§1 ET SEQ.) NOW IN EFFECT AND AS THE SAME MAY FROM TIME TO TIME BE AMENDED, TO THE EXCLUSION OF ANY DIFFERENT OR INCONSISTENT STATE OR LOCAL LAW, ORDINANCE, REGULATION, OR JUDICIAL RULE. ACCORDINGLY, ANY AND ALL DISPUTES 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.) AND NOT BY OR IN A COURT OF LAW OR EQUITY.

25.2.3 Participation by Other Parties. BUYER AND SELLER AGREE THAT ANY SUCH ARBITRATION SHALL ONLY BE BETWEEN BUYER AND SELLER AND SHALL NOT BE JOINED OR CONSOLIDATED WITH THE CLAIMS OR ARBITRATION OF ANY OTHER PARTY UNLESS SPECIFICALLY AGREED TO IN WRITING BY BUYER AND SELLER, AND AGREE THE ARBITRATOR IS NOT AUTHORIZED TO PERMIT ANY CONSOLIDATION OR JOINDER WITH ANY OTHER PARTY. NOTWITHSTANDING THE PRECEDING SENTENCE, EITHER BUYER OR SELLER MAY JOIN SUBCONTRACTORS AND SUPPLIERS INVOLVED IN THE DESIGN AND CONSTRUCTION OF THE IMPROVEMENTS TO THE PROPERTY. THIS ARBITRATION PROVISION SHALL INURE TO THE BENEFIT OF, AND BE ENFORCEABLE BY, SELLER AND SELLER'S AFFILIATED AND RELATED ENTITIES, AND EACH OF THEIR RESPECTIVE EMPLOYEES, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES, CONTRACTORS, SUBCONTRACTORS, CONSULTANTS, AGENTS, VENDORS, SUPPLIERS, DESIGN PROFESSIONALS, INSURERS AND ANY OTHER PERSON WHOM BUYER CONTENDS IS RESPONSIBLE FOR ANY ALLEGED DEFECT IN OR TO THE PROPERTY OR ANY IMPROVEMENT OR APPURTENANCE THERETO. THE PARTICIPATION BY ANY PARTY, OR ANY PARTY WHOM BUYER CONTENDS IS RESPONSIBLE FOR A DISPUTE, IN ANY JUDICIAL PROCEEDING CONCERNING THIS ARBITRATION PROVISION OR ANY MATTER ARBITRABLE HEREUNDER SHALL NOT BE ASSERTED OR ACCEPTED AS A REASON TO DELAY, TO REFUSE TO PARTICIPATE IN ARBITRATION, OR TO REFUSE TO COMPEL ARBITRATION, INCLUDING INSTANCES IN WHICH THE JUDICIAL PROCEEDING INVOLVES PARTIES NOT SUBJECT TO THIS ARBITRATION PROVISION AND/OR WHO CANNOT OTHERWISE BE COMPELLED TO ARBITRATE.

25.2.4 Costs and Attorneys' Fees. UNLESS OTHERWISE RECOVERABLE BY LAW OR STATUTE, IN THE EVENT ANY DISPUTE ARISES UNDER THE TERMS OF THIS PURCHASE AGREEMENT OR THE WARRANTY OR IN THE EVENT OF THE BRINGING OF ANY ARBITRATION ACTION BY A PARTY HERETO AGAINST ANOTHER PARTY HEREUNDER BY REASON OF ANY BREACH OF ANY OF THE COVENANTS, AGREEMENTS OR PROVISIONS ON THE PART OF THE OTHER PARTY ARISING OUT OF THIS PURCHASE AGREEMENT OR THE WARRANTY, THEN ALL FEES AND COSTS SHALL BE BORNE SEPARATELY BETWEEN THE PARTIES, INCLUDING, BUT NOT LIMITED TO, ALL ATTORNEYS' FEES, ARBITRATION FEES AND EXPERT WITNESS COSTS RESULTING FROM THE DISPUTE. THE FEES FOR ANY CLAIM PURSUED IN ARBITRATION SHALL BE APPORTIONED AS PROVIDED IN THE HOME CONSTRUCTION RULES OF THE AAA. ANY MEDIATOR AND ASSOCIATED ADMINISTRATIVE FEES INCURRED SHALL BE SHARED EQUALLY BY SELLER AND BUYER. IF BUYER CANNOT PAY THE COSTS AND EXPENSES ASSOCIATED WITH ARBITRATION, THEN THE PROVISIONS OF THE AAA CONSTRUCTION RULES PROVIDING FEE PAYING RELIEF WILL APPLY. HOWEVER, SELLER AND BUYER EACH AGREE TO PAY FOR THEIR OWN ATTORNEYS' FEES AND COSTS. THE FOREGOING PROVISION DOES NOT MODIFY ANY PROVISION OF ANY CONTRACT BETWEEN SELLER AND ANY THIRD-PARTY REQUIRING INDEMNIFICATION OR ESTABLISHING A DIFFERENT ALLOCATION OF FEES AND COSTS BETWEEN SELLER AND SUCH THIRD PARTY.

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.

25.2.5 Available Remedies. THE ARBITRATOR SHALL BE AUTHORIZED TO PROVIDE ALL RECOGNIZED REMEDIES AVAILABLE IN LAW OR IN EQUITY FOR ANY CAUSE OF ACTION THAT IS THE BASIS OF ARBITRATION, EXCEPT AS PROVIDED IN PARAGRAPH 25.2.14. NOTWITHSTANDING THE PREVIOUS SENTENCE, SELLER AND BUYER AGREE THAT NEITHER PARTY SHALL BE LIABLE FOR PUNITIVE DAMAGES NOR SHALL THE ARBITRATOR BE PERMITTED TO AWARD PUNITIVE DAMAGES TO EITHER PARTY, UNLESS PUNITIVE DAMAGES ARE ALLOWED BY CONTRACT OR STATUTE.

25.2.6 Right to Appeal. NOTWITHSTANDING ANY LANGUAGE TO THE CONTRARY IN ANY OTHER DOCUMENTS, THE PARTIES HEREBY AGREE: THAT THE UNDERLYING AWARD MAY BE APPEALED PURSUANT TO THE AAA'S OPTIONAL APPELLATE ARBITRATION RULES ("APPELLATE RULES"); THAT THE UNDERLYING AWARD RENDERED BY THE ARBITRATOR(S) SHALL, AT A MINIMUM, BE A REASONED AWARD; AND THAT THE UNDERLYING AWARD SHALL NOT BE CONSIDERED FINAL UNTIL AFTER THE TIME FOR FILING THE NOTICE OF APPEAL PURSUANT TO THE APPELLATE RULES HAS EXPIRED. APPEALS MUST BE INITIATED WITHIN THIRTY (30) DAYS OF RECEIPT OF AN UNDERLYING AWARD, AS DEFINED BY RULE A-3 OF THE APPELLATE RULES, BY FILING A NOTICE OF APPEAL WITH ANY AAA OFFICE. THE PARTIES ALSO AGREE THAT THE APPEAL TRIBUNAL WILL CONSIST OF THREE (3) APPELLATE ARBITRATORS.

25.2.7 Final and Binding Award. UPON EXPIRATION OF THE TIME FOR FILING THE NOTICE OF APPEAL PURSUANT TO THE APPELLATE RULES, IF NO APPEAL IS FILED, OR, UPON THE DATE OF THE DECISION OF THE APPEAL TRIBUNAL, IF AN APPEAL IS FILED, THE DECISION OF THE ARBITRATOR(S) SHALL BE FINAL AND BINDING. BUYER AND SELLER EXPRESSLY AGREE THAT SHOULD EITHER PARTY FAIL TO SATISFY THE ARBITRATOR'S DECISION WITHIN THIRTY (30) DAYS OF THE DATE UPON WHICH THE TIME FOR FILING THE NOTICE OF APPEAL PURSUANT TO THE APPELLATE RULES EXPIRES, OR, IN THE CASE OF AN APPEAL, WITHIN THIRTY (30) DAYS OF THE DATE OF THE DECISION OF THE APPEAL TRIBUNAL, THEN AN APPLICATION TO CONFIRM, VACATE, MODIFY, OR CORRECT AN AWARD RENDERED BY THE ARBITRATOR SHALL BE FILED IN ANY COURT OF COMPETENT JURISDICTION IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED.

25.2.8 Rules of Law. TO THE EXTENT THAT ANY STATE OR LOCAL LAW, ORDINANCE, REGULATION, OR JUDICIAL RULE IS INCONSISTENT WITH ANY PROVISION OF THE RULES OF THE ARBITRATION SERVICE UNDER WHICH THE ARBITRATION PROCEEDING SHALL BE CONDUCTED, THE LATTER SHALL GOVERN THE CONDUCT OF PROCEEDING.

25.2.9 Arbitrator. THE ARBITRATOR APPOINTED TO SERVE SHALL BE A NEUTRAL AND IMPARTIAL INDIVIDUAL. IF THE CLAIMED AMOUNT EXCEEDS: \$250,000.00 OR INCLUDES A DEMAND FOR PUNITIVE DAMAGES, THE DISPUTE SHALL BE HEARD AND DETERMINED BY THREE ARBITRATORS; HOWEVER, IF MUTUALLY AGREED TO BY THE PARTIES, THEN THE DISPUTE SHALL BE HEARD AND DETERMINED BY ONE ARBITRATOR. EACH ARBITRATOR MUST EITHER: (I) HAVE AT LEAST TEN YEARS OF EXPERIENCE AS A LAWYER; (II) BE BOARD CERTIFIED BY THE NORTH CAROLINA BAR; OR (III) HAVE SERVED AS A STATE OR FEDERAL JUDGE.

25.2.10 Venue. THE VENUE OF THE ARBITRATION SHALL BE IN THE COUNTY WHERE THE PROPERTY IS LOCATED UNLESS THE PARTIES AGREE IN WRITING TO ANOTHER LOCATION.

25.2.11 Severability. IF ANY PROVISION OF THIS ARBITRATION PROVISION SHALL BE DETERMINED TO BE UNENFORCEABLE OR TO HAVE BEEN WAIVED, THE REMAINING PROVISIONS SHALL BE DEEMED TO BE SEVERABLE THEREFROM AND ENFORCEABLE ACCORDING TO THEIR TERMS.

25.2.12 Discovery. NOTWITHSTANDING ANYTHING INCONSISTENT IN THE RULES AND PROCEDURES OF THE ARBITRATION SERVICE, THE PARTIES TO THE ARBITRATION SHALL HAVE THE RIGHT TO CONDUCT A REASONABLE AMOUNT OF DISCOVERY, INCLUDING WRITTEN DISCOVERY, DEPOSITIONS AND INSPECTIONS AND TESTING, ALL AS APPROVED AND COORDINATED BY THE ARBITRATOR.

25.2.13 Conflict. IF ANY PROVISION OF THIS PARAGRAPH IS IN CONFLICT WITH OR IS DIFFERENT THAN ANY ALTERNATIVE DISPUTE RESOLUTION PROVISION OF ANY DECLARATION OF ANY HOMEOWNERS ASSOCIATION, MASTER ASSOCIATION, OR ANY OTHER COMMON INTEREST DEVELOPMENT ASSOCIATION, THEN THE PROVISIONS SET FORTH IN PARAGRAPH 11 SHALL CONTROL. HOWEVER, ANY AND ALL DISPUTES BETWEEN SELLER AND ANY HOMEOWNERS ASSOCIATION GOVERNING THE COMMUNITY ARISING FROM OR RELATED TO THE COMMUNITY, DECLARATION (AS DEFINED IN THE COMMUNITY DISCLOSURE ADDENDUM) OR ANY OTHER AGREEMENTS BETWEEN SELLER AND ANY ASSOCIATION GOVERNING THE COMMUNITY SHALL BE RESOLVED IN ACCORDANCE WITH THE DECLARATION.

25.2.14 Class and Group Actions Not Available. THE PARTIES HAVE AGREED TO ARBITRATE DISPUTES UNDER THE FEDERAL ARBITRATION ACT (9 U.S.C. §§1 ET SEQ.) DUE TO THE MUTUAL ADVANTAGES OF ARBITRATION OVER BRINGING AN ACTION IN COURT TO RESOLVE A DISPUTE. BUYER ACKNOWLEDGES THAT GROUP AND CLASS ACTION CLAIMS ARE INCONSISTENT WITH ARBITRATION UNDER THE FEDERAL ARBITRATION ACT. ARBITRATION OF A GROUP OR CLASS ACTION DESTROYS THE ADVANTAGES OF THE ARBITRATION PROCESS SUCH AS SPEED, EFFICIENCY, AND LOWER COSTS DUE TO THE COMPLEXITIES INVOLVED IN A GROUP OR CLASS ACTION. FOR THESE REASONS, BUYER AND SELLER MUTUALLY AGREE TO WAIVE THE RIGHT TO BRING A GROUP, OR CLASS ACTION CLAIM IN THE ARBITRATION, INCLUDING, WITHOUT LIMITATION, CLAIMS BROUGHT AS A CLASS REPRESENTATIVE, CLASS MEMBER, REPRESENTATIVE ON BEHALF OF OTHERS OR PRIVATE ATTORNEY GENERAL ON BEHALF OF THE GENERAL PUBLIC. SELLER AND BUYER AGREE THAT THE PARTIES MAY BRING CLAIMS AGAINST THE OTHER ONLY ON AN INDIVIDUAL BASIS. 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 25.2.3 ABOVE.

NOTICE: BY INITIALING IN THE SPACE BELOW AND SIGNING THIS AGREEMENT, BUYER AND SELLER ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL, BINDING ARBITRATION IN ACCORDANCE WITH THE FEDERAL ARBITRATION ACT AND SUCH BUYER AND SELLER ARE GIVING UP ANY RIGHTS THEY MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL OR OTHER PROCEEDING. BY INITIALING IN THE SPACE BELOW, BUYER AND SELLER ARE GIVING UP THEIR JUDICIAL AND/ OR STATUTORY RIGHTS TO DISCOVERY, TRIAL AND APPEAL, EXCEPT TO WHATEVER EXTENT ANY RIGHTS ARE SPECIFICALLY INCLUDED IN THIS AGREEMENT TO ARBITRATE. IF BUYER OR SELLER REFUSES TO SUBMIT TO ARBITRATION, (I) SUCH PARTY MAY BE COMPELLED TO ARBITRATE UNDER THE FEDERAL ARBITRATION ACT AND/OR (II) ARBITRATION MAY GO FORWARD IN THE ABSENCE OF THE REFUSING PARTY. THE PARTIES' AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY. BY INITIALING IN THE SPACE BELOW AND SIGNING THIS AGREEMENT, BUYER ACKNOWLEDGES THAT BUYER HAS READ AND UNDERSTANDS THE FOREGOING AND AGREES TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION OF THIS AGREEMENT TO NEUTRAL ARBITRATION. BY INITIALING IN THE SPACE BELOW AND SIGNING THIS AGREEMENT, BUYER ALSO ACKNOWLEDGES AND AGREES TO THE NEGOTIATION PROVISIONS SET FORTH IN THE WARRANTY, INCLUDING, WITHOUT LIMITATION, BEING SUBJECT TO BINDING ARBITRATION AND WAIVING THE RIGHT TO A JURY TRIAL. BUYER ACKNOWLEDGES THAT BUYER HAS HAD THE OPPORTUNITY TO SEEK THE ADVICE OF INDEPENDENT LEGAL COUNSEL REGARDING THE NEGOTIATION PROVISIONS AND THE WAIVERS SET FORTH IN THE WARRANTY AND IN SECTION 25 OF THIS AGREEMENT.

BUYER'S INITIALS:

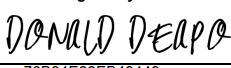
DS DS
DD AD

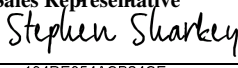
26. **MyKB Online Portal.** Seller has centrally located vital documents inside the MyKB online portal to ensure Buyer can easily access important homeowner documents at any time. Buyer may access these documents even after Closing by navigating to KBHome.com/mykb, and clicking on the HOMEOWNER DOCUMENTS tab. Once Buyer has selected the community and closing date, the documents will be available for to view and save. These documents include but are not limited to the following:


1. Homeowner’s Warranty and Warranty Performance Manuals, Vol 1 and Vol 2
2. Community Disclosure Document
3. Homeowner Association Covenants, Conditions, and Restrictions (CCNRs)
4. Studio Product Awareness Disclosure
5. Carrier Heating and Air Conditioning Product Registration
6. Whirlpool Extended Limited Warranty
7. Landscape Rider
8. Majestic Countertop Warranty Registration

IN WITNESS WHEREOF, the undersigned parties have set their hands as of the date indicated:

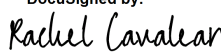
Receipt acknowledged by:

DocuSigned by:

 Buyer: _____
76B94E22EB49449...
 Date: 3/13/2023
 Print name: Donald Deapo

DocuSigned by:
 Sales Representative

 Sales Representative
184DF854ACB24CE...
 Date: 3/13/2023

DocuSigned by:

 Co Buyer: _____
80D51C22D9C74A6...
 Date: 3/13/2023
 Print name: Amanda Deapo

Accepted by Seller:
 KB Home Raleigh-Durham Inc.

DocuSigned by:

 By: _____
DFC52D88FA2C49C...
 Title: Director for of Daily Units Processing
 Date: 3/17/2023

This Agreement shall not be binding upon Seller until accepted by Seller as evidenced by execution by an authorized officer of Seller. Execution by Seller’s salesperson or sales representative does not constitute acceptance by Seller.



KB Home Raleigh-Durham Inc.

SUPPLEMENTAL ADDENDUM TO PURCHASE AGREEMENT

Date of Purchase Agreement

Table with 4 columns: Buyer, Community, Lot, Address. Values include Donald Deapo, Birchwood Grove 1350590, 116 Block 1, 40 Tarleton Drive, Amanda Deapo, Stephen Sharkey, Arch. Plan 240.3174, Fuquay Varina NC 27526.

This Supplemental Addendum to Purchase Agreement (this "Supplemental Addendum") amends the New Home Purchase Agreement. Seller and Buyer have entered into that certain Purchase Agreement (the "Agreement" or the "Purchase Agreement") to purchase the property described above, together with the improvements thereon (the "Property").

Lot Premium Increase Only-V1 \$3,000.00

**contract being written on lot 116. House to be built on lot Total \$3,000.00

Provided Buyer complies with all the terms of the purchase contract including closing within the time required under the contract, at closing the Seller shall pay up to \$7,500.00 to be applied toward Buyer's eligible closing costs and pre-paid items, including loan points or additional fees associated with a rate buydown or extended rate lock option.

This contribution is subject to loan underwriting guidelines which may limit 3rd party contributions. If either (a) the total amount of Seller's contribution described above, and any other incentives offered to Buyer by any interested party, exceed the 3rd party contributions permitted under Buyer's selected loan program, or (b) the actual cost of the items to which Seller's contribution may be applied are less than the full amount of Seller's contribution described above, then Buyer shall not receive the full contribution described above and will not be entitled to receive the shortfall by way of any other substitute incentive or compensation.

BUYER IS NOT REQUIRED TO USE KBHS HOME LOANS AS BUYER'S LENDER ON THIS TRANSACTION, BUYER IS FREE TO USE ANY LENDER OF BUYER'S CHOICE HOWEVER, BUYER SHALL NOT BE ELIGIBLE FOR THIS CONTRIBUTION IF BUYER CHOOSES TO USE ANOTHER LENDER. SELLER AND KBHS HOME LOANS ARE INDEPENDENTLY RESPONSIBLE FOR THE PRODUCTS AND SERVICES EACH COMPANY OFFERS

\$7,500.00

This Amendment shall not be binding upon Seller until accepted by Seller as evidenced by execution by an authorized officer of Seller. Execution by Seller's salesperson or broker does not constitute acceptance by Seller.

DocuSigned by: DONALD DEAPO 3/13/2023

DocuSigned by: Amanda Deapo 3/13/2023

SELLER'S SALES REPRESENTATIVE

By: Stephen Sharkey 3/13/2023

Buyer's offer is accepted upon execution by an authorized representative of Seller, in the space provided below, only upon such acceptance shall Buyer's offer become a firm and binding contract, subject to the herein stated terms and conditions.

ACCEPTANCE BY SELLER

KB Home Raleigh-

REFERRAL AGENT

By: Rachel Cavalear (Authorized Representative of Seller)

By: Billy Hoffman

Date: 3/17/2023

Date: 3/13/2023

KB Home Raleigh-Durham Inc.

OPTIONS SHEET

THE FOLLOWING IS A LIST OF OPTIONS AND CHANGES TO THE STANDARD PLAN PURSUANT TO THE PURCHASE AGREEMENT BETWEEN

KB Home Raleigh-Durham Inc. AS SELLER AND Donald Deapo Amanda Deapo
 AS PURCHASERS DATED _____
 FOR THE PURCHASE OF THE PROPERTY LOCATED AT 40 Tarleton Drive, Fuquay Varina, NC, 27526
 COMMUNITY Birchwood Grove 1350590 LOT 116 TRACT 1 PLAN SI ELEV C

This Addendum to Purchase Agreement ("Addendum") is attached to and made a part of that certain Purchase Agreement (the "Agreement") between Buyer(s) and Seller, covering the real property as described above. If any portion of this Addendum conflicts with any portion of the Agreement, the provisions of this Addendum shall prevail. All terms used in this Addendum shall have the same meaning as in the Agreement.

The following options are to be included in the purchase of the above referenced home but Buyer acknowledges that Buyer may not be able to finance these options. All selections are not accepted until acknowledged by the Seller (not the Sales Representative), and are subject to engineering approval. Some options may not be available at later stages of construction without substantial remodeling or construction charges.

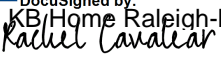
Option Selections	Quantity	Unit Price	Total
2nd Patio Slab Per Plan Additional Patio slab next to Covered / Screened Patio.	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	439.00	439.00
4' x 1' Optional Window Per Plan Must be have 9' Ceiling when used over shower area / indicate for Primary / Bathroom 2 or Bathroom 3 / fixed window.	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	449.00	449.00
9' Whole House Ceilings 9' ceiling 1st floor and 9' ceiling 2nd floor	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	8,859.00	8,859.00
Bathroom 2 Add Sink Adds second sink at Bathroom 2.	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	799.00	799.00
Den and Powder Room to Bedroom with Bathroom Removes Powder Room on 1st floor.	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	3,709.00	3,709.00
Extended Patio Full Screen Enclosure Extended or Enlarged screen enclosed Patio / refer to brochure and plan for size.	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	16,459.00	16,459.00
Exterior Colors Scheme 8	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	N/C	N/C
Fireplace Location 1 Gas Fireplace includes Black Granite / Hearth and Smith Mountain mantel. 1/30/2023 includes blower kit standard.	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	4,209.00	4,209.00
Flatwork Expanded Drive Per Plan Option 1 Widens driveway must be requested on plot plan.	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	1,489.00	1,489.00
Garage Add Side Yard Access Door	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	1,259.00	1,259.00
Optional Kitchen Island	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	1,959.00	1,959.00
Patio Door in lieu of Slider Must also select covered porch.	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	379.00	379.00
Primary Bathroom to Super Primary Bathroom Separate Tub and Shower / hinged door Group 1 Tile. May upgrade Cabinets and enclose Water Closet per plan.	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	5,929.00	5,929.00
Shower in lieu of Tub with Tile Surround at Bathro m 3 Converts Fiberglass shower to Tile shower with Fiberglass floor pan. Level 1 tile included.	1 <input checked="" type="checkbox"/> DS <input checked="" type="checkbox"/> AD	2,129.00	2,129.00

DocuSigned by:

 184DE854ACB24CE... 3/13/2023
 Sales Representative Date

DocuSigned by:

 76B94E22EB49449 3/13/2023
 Buyer Date

DocuSigned by:

 KB Home Raleigh-Durham Inc. 3/17/2023
 DEFC52D88EA2C49C
 Authorized Signature Date

DocuSigned by:

 80D51C22D9C74A6 3/13/2023
 Buyer Date

KB Home Raleigh-Durham Inc.

OPTIONS SHEET

THE FOLLOWING IS A LIST OF OPTIONS AND CHANGES TO THE STANDARD PLAN PURSUANT TO THE PURCHASE AGREEMENT BETWEEN

KB Home Raleigh-Durham Inc. AS SELLER AND Donald Deapo Amanda Deapo
 AS PURCHASERS DATED _____
 FOR THE PURCHASE OF THE PROPERTY LOCATED AT 40 Tarleton Drive, Fuquay Varina, NC, 27526
 COMMUNITY Birchwood Grove 1350590 LOT 116 TRACT 1 PLAN SI ELEV C

This Addendum to Purchase Agreement ("Addendum") is attached to and made a part of that certain Purchase Agreement (the "Agreement") between Buyer(s) and Seller, covering the real property as described above. If any portion of this Addendum conflicts with any portion of the Agreement, the provisions of this Addendum shall prevail. All terms used in this Addendum shall have the same meaning as in the Agreement.

The following options are to be included in the purchase of the above referenced home but Buyer acknowledges that Buyer may not be able to finance these options. All selections are not accepted until acknowledged by the Seller (not the Sales Representative), and are subject to engineering approval. Some options may not be available at later stages of construction without substantial remodeling or construction charges.

Option Selections	DS	DS	Quantity	Unit Price	Total
Stone Veneer Enhancement 1	<u>DD</u>	<u>AD</u>	1	2,479.00	2,479.00
Storage Room Adds Finished Storage under Stairs.	<u>DD</u>	<u>AD</u>	1	629.00	629.00
Transom Window at Front Door 3010 transom at front door / must have 9' Ceiling.	<u>DD</u>	<u>AD</u>	1	N/C	N/C
Tray Ceiling Per Plan Location 1	<u>DD</u>	<u>AD</u>	1	2,039.00	2,039.00
				Total Price	\$53,214.00

DocuSigned by:
Stephen Sharkey 3/13/2023
 184DE854ACB24CE...
 Sales Representative Date

DocuSigned by:
DONALD DEAPO 3/13/2023
 76B94E22EB49449
 Buyer Date

DocuSigned by:
KB Home Raleigh-Durham Inc.
Rachel Cavaleir 3/17/2023
 DEC52D88EA2C49C
 Authorized Signature Date

DocuSigned by:
Amanda Deapo 3/13/2023
 80D51C22D9C74A6
 Buyer Date



BROKER REGISTRATION AND COMMISSION AGREEMENT

Buyer Donald Deapo Co-Buyer Amanda Deapo Salesperson Stephen Sharkey
 Property 40 Tarleton Drive, Fuquay Varina, NC 27526 Tract 1 Lot 116
 Community Birchwood Grove 1350590 County/State /NC Date _____

The following constitutes the entire agreement (the "Agreement") by and between KB Home Raleigh-Durham Inc. ("Seller") and the "Broker" listed below regarding a potential referral sales commission described in Paragraph 1 below with respect to the Buyer(s) and the Property described above. No other representations or acknowledgements shall be binding upon either party unless agreed to in writing by both parties. The parties agree as follows:

1. Seller shall pay to Broker a commission equal to 2.000 % of the total sales price of the above-referenced home reduced by the value of any incentive provided by Seller and any swimming pool and associated screening and decking if offered by Seller (the "Commission") at closing provided (i) a contract is signed by Buyer and accepted by Seller within sixty (60) days after the date of this Agreement, and (ii) such closing occurs within three hundred sixty five (365) days after the date of this Agreement. No commission shall be paid if a contract is signed more than sixty (60) days after the date of this Agreement unless Broker has re-registered the Buyer. This Agreement serves as escrow instructions to govern payment of the Commission to Broker.

Referral Agent Initials: DA

2. It is an absolute condition for the payment of any Commission that Broker either (a) accompany and register Buyer at the Community at the time of Buyer's first visit as a prospective purchaser to the Community or (b) pre-register their Buyer for all of the Seller's communities in accordance with Seller's "Fast Pass" program, if offered. Broker shall not be entitled to any Commission if Buyer has visited in person any KB Home Community without Broker prior to the date of this Agreement.

The registration of the Broker shall be established only for the particular Buyer for the Property but shall be established only by: (a) complete execution and acceptance of this Agreement and (b) Buyer's completion of Seller's form registration card at the Community acknowledging the portion of the card which evidences that Broker referred Buyer to the Property. Upon request, a copy of the Agreement will be given to Broker. Any attempt of Broker to effectuate a broker relationship with Seller without either (a) Broker's actual presence at Buyer's first visit or (b) documented pre-registration per Seller's "Fast Pass" program, shall be null and void.

3. Purchasers of Seller's homes are NOT required to use Seller's Affiliated Lender for their financing as a condition for purchase however, Seller has the right to offer an introduction with Seller's Affiliated Lender for loan application opportunity. Buyer may obtain financing from any qualified lending institution. Broker has been made aware of this and acknowledges its obligation to inform Buyer thereof.

4. Broker acknowledges that it shall not pay, rebate or otherwise transfer all or any portion of its Commission or any referral fee to the Buyer, any relative of Buyer or any member of Buyer's household under any circumstances. The foregoing restriction does not, however, prevent Broker from making a contribution towards Buyer's closing costs, where permitted by applicable law and lending requirements, subject to applicable percentage caps on interested party contributions for the type of Buyer's loan, properly disclosed on the Closing Disclosure for the transaction and fully utilized in the closing process. Under no circumstances can Buyer receive any form of payment from Broker, either directly or indirectly.

5. Broker represents that it is licensed as a real estate broker or salesperson in the state in which the Property is located. To the extent required by law, Broker must provide an executed form of disclosure of its agency relationship with Buyer (executed by Broker and Buyer) indicating that Broker is the agent of Buyer exclusively prior to Buyer's execution of a sales contract. Broker represents and warrants that its license number as set forth below accurately represents its current, active sales license number. Broker represents that it is currently active in residential real estate as a source of employment.

6. Lender shall be primarily responsible for coordinating loan processing, however, Broker acknowledges that, if requested by Seller, Broker shall be obligated to assist Seller in obtaining documentation or other information from Buyer with respect to its loan approval, loan closing or the title or escrow documentation for the closing of the transaction.

7. Broker agrees to indemnify and hold harmless Seller, Seller's parent, subsidiary and affiliate companies and Seller's employees, officers and directors (collectively, the "Affiliates") from and against any and all claims, charges, costs, fees, obligations, damages, liabilities, expenses and attorneys' fees incurred by Seller or the Affiliates by virtue of Broker's actions or errors with respect to or in connection with this Agreement or the potential transaction between Seller and Buyer referred herein (the "Sale Transaction").

8. Broker has no independent authority to bind Buyer or Seller.

9. Seller shall only be obligated to pay a single Commission to the Broker which first registered Buyer at the Community in which Buyer purchased a home from Seller (assuming a sale contract is signed within such sixty (60) day period and all other criteria of this Agreement have been met).

10. This Agreement is only in effect for the Buyer described above and may be rescinded and terminated in Buyer's sole discretion upon written notice to Seller and Broker.

This Agreement shall not be effective unless it has been executed by an authorized officer of Seller. On-site sales representatives are not authorized representatives of Seller for such purposes.

BROKER: Please Print or Type

Realtor Individual/Lic # Billy Hoffman/286451 Company Name Compass

Broker Name Renee King Smith Broker License # 238247 Broker Fed Tax ID# _____

Broker Email renee.smith@compass.com

Name for Commission Check Compass Address for Commission Check 3800 Glenwood Ave, Ste 150
 City Raleigh State NC Zip 27612

ALL CHECKS WILL BE ISSUED AS DIRECTED TO ABOVE BROKER ONLY

Agreed to by _____

Signed by: Rachel Cavalear
 By: Billy Hoffman (Representative of Seller)
 Date: 3/17/2023
 Date: 3/13/2023

REFERRAL AGENT - Authorized Signature

Broker's representation of Buyer and Broker's rights under this Broker Registration and Commission Agreement are acknowledged by Buyer(s) as of the same date of Broker's signature above.

Signed by: Donald Deapo
 Buyer: Amanda Deapo
 Date: 3/13/2023
 Date: 3/13/2023



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

Community: Birchwood Grove 1350590 Date of Agreement:
Buyer(s): Donald Deapo, Amanda Deapo
Property: Lot 116 Block 1 Section/Phase 1
Address: 40 Tarleton Drive

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 sale of a dwelling never inhabited, lease with option to purchase contracts where the lessee occupies or intends to occupy the dwelling, and transfers between parties when both parties agree not to provide the Residential Property and Owner's Association Disclosure Statement.
3. You must respond to each of the following by placing a check in the appropriate box.

MINERAL AND OIL AND GAS RIGHTS DISCLOSURE

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

Table with 3 columns: Question, Yes, No, No Representation. Contains 6 rows of disclosure questions with handwritten initials and checkboxes.

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.

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

Acknowledged by Seller: KB Home Raleigh-Durham Inc. Rachel Cantelar (Authorized Representative of Seller)

Date: 3/17/2023

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 or owner's agent(s) or subagent(s).

Buyer: DONALD DEAPO

Co Buyer: Amanda Deapo

Date: 3/13/2023

Date: 3/13/2023

Print name: Donald Deapo

Print name: Amanda Deapo

**Affiliated Lender AND AUTHORIZATION TO SHARE FINANCIAL INFORMATION
ADDENDUM TO THE PURCHASE AGREEMENT AND LONG FORM DISCLOSURES**

Community: Birchwood Grove 1350590 Date of Agreement: _____

Buyer: Donald Deapo

Buyer: Amanda Deapo

Property: Lot 116 Block 1 Section/Phase _____ / 1

Address: 40 Tarleton Drive, Fuquay Varina, NC 27526

This Affiliated Lender and Authorization to Share Financial Information Addendum to the Purchase Agreement and Long Form Disclosures (“Addendum”) is attached to and made a part of that certain Purchase Agreement (the “Agreement”) between the Buyer(s) described above and the Seller described below, and that certain long form disclosure statement provided to the Buyer(s) described above in connection with the Agreement, covering the real property as described above (“Property”). If any provision of this Addendum conflicts with any provision of the Agreement, the provisions of this Addendum shall prevail. All terms used in this Addendum shall have the same meaning as in the Agreement.

1. Seller's Affiliated Lender, KBHS Home Loans, LLC (“KBHS”). KBHS is an affiliate of Seller, and Seller's parent company, KB Home, owns 50% of KBHS.
2. All references in the Agreement and Seller’s long form disclosures to Seller’s Affiliated Lender or preferred or designated lender shall be deemed to refer to KBHS. Buyer is not required to use KBHS as their lender and is NOT in any way whatsoever limited to obtaining financing from KBHS. Buyer has the absolute right to decline any Seller offers or incentives that are contingent upon financing with KBHS and Buyer is free to use any qualified lender of Buyer’s choosing.
3. Although Buyer is not required to use the services of KBHS prior to entering into a Purchase Agreement to purchase the Property from Seller, Buyer may be required to verify Buyer’s ability to obtain financing in order to establish Buyer's ability to complete the purchase of the Property. If so, Buyer may, at Seller's discretion, be required to complete and sign KBHS’s standard form of authorization to obtain a credit report and to use and disclose consumer credit information ("Credit Authorization"), which KBHS may use to evaluate Buyer's financial wherewithal to purchase the Property and to evaluate Buyer as a qualified prospective Buyer.

Buyer understands that the Credit Authorization, if required, is not and does not in any way constitute an application for a mortgage loan and that Buyer must separately obtain, complete and submit a mortgage application with, and meet the underwriting standards of either: (a) KBHS if Buyer chooses to use KBHS as Buyer's lender, or (b) any other qualified lender selected by Buyer.

4. Buyer authorizes Seller to discuss and share Buyer’s customer and financial information (related to the Buyer’s purchase transaction of the Property from Seller) with KBHS and/or any other qualified lender selected by Buyer, for the purposes of assisting Seller in evaluating, facilitating, processing, and coordinating Buyer's purchase of the Property. Buyer also authorizes KBHS to discuss and share customer and financial information (related to the Buyer’s purchase transaction of the Property from Seller) with Seller.

This Addendum shall not be binding on Seller until accepted by an authorized representative of Seller in the space provided below. Seller's Sales Agent is not an authorized representative of Seller for these purposes.

BUYER

DocuSigned by:

Donald Deapo

76B94E22EB49449...
Buyer

Date: 3/13/2023

Donald Deapo

Name

DocuSigned by:

Amanda Deapo

80D51C22D9C74A6...
Buyer

Date: 3/13/2023

Amanda Deapo

Name

SELLER’S AGENT:

DocuSigned by:

Stephen Sharkey

184DF854ACB24CF...
Sales Representative

Date: 3/13/2023

Stephen Sharkey

Name

ACCEPTANCE BY SELLER

KB Home

Raleigh-Durham, Inc.

By: Rachel Cavalera

DFC52D88FA2C49C...
(Authorized Representative of Seller)

Date: 3/17/2023



**AFFILIATED BUSINESS ARRANGEMENT DISCLOSURE STATEMENT
NOTICE**

To: Donald Deapo
Amanda Deapo
Date: 3/11/2023

Property: 40 Tarleton Drive
Fuquay Varina, NC, 27526

From: KB Home Raleigh-Durham Inc.

This is to give you notice that KB Home Raleigh-Durham Inc. has a business relationship with KB Home Insurance Agency Inc. and KB HOME Title Services, Inc. (which companies are collectively referred to herein as the "Affiliated Companies"), and KBHS Home Loans, LLC, a Delaware limited liability company ("KBHS"). Specifically, KB HOME, directly or indirectly, owns 100% of the Affiliated Companies, and 50% of KBHS. Because of these relationships, referrals to KBHS for mortgage services and KB HOME Insurance Agency Inc. for insurance products and KB HOME Title Services Inc. for title services may provide **KB Home Raleigh-Durham Inc.** and KB HOME a financial or other benefit.

Set forth below is the estimated charge or range of charges for KBHS and KB HOME Insurance Agency Inc. and KB HOME Title Services Inc. for the following settlement services. You are **NOT** required to use any of these companies as a condition for the purchase of your subject property. **THERE ARE FREQUENTLY OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE THAT YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATE FOR THESE SERVICES.**

KBHS provides mortgage lending and related services. The company's estimated charges or range of charges are as follows:

Conventional Loans		FHA, VA and USDA Loans	
Loan Origination Fee	0-1% of loan amount	Loan Origination Fee	0-1% of loan amount
Appraisal Fee	\$625	Appraisal Fee	\$625 - \$800
Jumbo Appraisal Fee	\$750	Credit Report Fee	\$10 - \$50
Credit Report Fee	\$10 - \$50	Tax Service	\$66
Tax Service	\$66	Flood Certification	\$4
Flood Certification	\$4	Application Fee	\$1,095
Application Fee	\$1,095	MERS Fee	\$24.95
MERS Fee	\$24.95	Undisclosed Debt Monitoring Fee	\$12 - \$40
Undisclosed Debt Monitoring Fee	\$12 - \$40	Final Inspection Fee	\$175
Final Inspection Fee	\$175		

KB HOME Insurance Agency Inc. provides hazard insurance and related products. The company's estimated charges or range or charges are as follows:

Insurance premiums vary according to product(s) and coverage(s) purchased and also vary depending on the price and location of the home and numerous other factors. By way of example, the annual premium for a homeowner's fire and extended coverage policy in the amount of \$165,000 with a \$1,000 deductible and \$83,000 contents coverage, new construction, will range from \$375 to \$455. On request, a representative of KB HOME Insurance Agency Inc. will provide further information and/or a quote regarding specific insurance products and premiums for the home you are considering purchasing.

KB HOME Title Services Inc. provides title services. The estimated charges or range or charges are as follows:

Title Services	Charge or Range of Charges/NC/ALTA/Eagle Rates per \$1,000	
1103 – Title Insurance Premium	up to \$100,000	\$2.05
	\$100,001 to \$500,000	\$1.60
	\$500,001 to \$ 2,000,000	\$1.05
	\$2,000,001 to \$7,000,000	\$0.80
	\$7,000,001 to above	\$0.55
1103 – ALTA Endorsements	\$25–50 each	
1103 – Commitment Charge	\$15	
1103 – Closing Services Insurance Letter	\$50–60	
1104 – Lender's Policy	\$25	

The estimate of charges or ranges of charges listed above for KBHS and KB HOME Insurance Agency Inc. and KB HOME Title Services Inc. are current as of the date hereof, but are subject to change.

ACKNOWLEDGMENT

I/We have read this disclosure form, and understand that KB Home Raleigh-Durham Inc. is referring me/us to purchase the above-described settlement services from KBHS and KB HOME Insurance Agency Inc. and KB HOME Title Services Inc. and that they and/or their parent companies, including KB HOME may receive a financial or other benefit as the result of these referrals.

You are not required to purchase products or services from any person or entity suggested or recommended by any of the Affiliated Companies or the lender. However, the lender reserves the right to approve the entity selected by the borrower, which approval may not be unreasonably withheld.

<i>Donald Deapo</i>	3/11/2023
<small>78894522E849449</small> Buyer Signature	Date
<i>Amanda Deapo</i>	3/11/2023
<small>80D51C22D9C74A8...</small> Buyer Signature	Date