

Initial Application Date: 7.11.12

Application # 12.50029350

CU# _____

COUNTY OF HARNETT RESIDENTIAL LAND USE APPLICATION

Central Permitting 108 E. Front Street, Lillington, NC 27546 Phone: (910) 893-7525 ext:2 Fax: (910) 893-2793 www.harnett.org/permits

****A RECORDED SURVEY MAP, RECORDED DEED (OR OFFER TO PURCHASE) & SITE PLAN ARE REQUIRED WHEN SUBMITTING A LAND USE APPLICATION****

LANDOWNER: Brian and Shannon Schultz Mailing Address: 535 Miller Road

City: Benson State: NC Zip: 27504 Contact No: 919-215-6423 Email: ratherbegolfing2011@hotmail.c

APPLICANT: Ken Dawson Homes, Inc. Mailing Address: 120 Edmondson Drive

City: Willow Spring State: NC Zip: 27592 Contact No: 919-422-6979 Email: kenndawson@hotmail.com

*Please fill out applicant information if different than landowner

CONTACT NAME APPLYING IN OFFICE: Ken Dawson Phone # 919-422-6979

PROPERTY LOCATION: Subdivision: Ottis Miller Lot #: 6 Lot Size: 0.74 ac

State Road # _____ State Road Name: Miller Road Map Book & Page: 2012, 314

Parcel: 021528 0123 05 PIN: 1528-58-2637.000

Zoning: RA-30 Flood Zone: No Watershed: na Deed Book & Page: 2998/491 Power Company*: Progress

*New structures with Progress Energy as service provider need to supply premise number 44043495 from Progress Energy.

PROPOSED USE:

SFD: (Size 63 x 58) # Bedrooms: 3 # Baths: 2 Basement(w/wo bath): _____ Garage: Deck: _____ Crawl Space: Slab: _____ Slab: _____
(Is the bonus room finished? () yes () no w/ a closet? () yes () no (if yes add in with # bedrooms)

Mod: (Size _____ x _____) # Bedrooms _____ # Baths _____ Basement (w/wo bath) _____ Garage: _____ Site Built Deck: _____ On Frame _____ Off Frame _____
(Is the second floor finished? () yes () no Any other site built additions? () yes () no

Manufactured Home: ___SW ___DW ___TW (Size _____ x _____) # Bedrooms: _____ Garage: _____ (site built?) Deck: _____ (site built?)

Duplex: (Size _____ x _____) No. Buildings: _____ No. Bedrooms Per Unit: _____

Home Occupation: # Rooms: _____ Use: _____ Hours of Operation: _____ #Employees: _____

Addition/Accessory/Other: (Size _____ x _____) Use: _____ Closets in addition? () yes () no

Water Supply: County _____ Existing Well _____ New Well (# of dwellings using well _____) *Must have operable water before final

Sewage Supply: New Septic Tank (Complete Checklist) _____ Existing Septic Tank (Complete Checklist) _____ County Sewer

Does owner of this tract of land, own land that contains a manufactured home within five hundred feet (500') of tract listed above? () yes () no

Does the property contain any easements whether underground or overhead () yes () no

Structures (existing or proposed): Single family dwellings: SFD Manufactured Homes: _____ Other (specify): _____

Required Residential Property Line Setbacks:

Front	Minimum	<u>35</u>	Actual	<u>86'</u>
Rear		<u>25</u>		<u>130'</u>
Closest Side		<u>10</u>		<u>16'</u>
Sidestreet/corner lot		<u>20</u>		<u>-</u>
Nearest Building on same lot		<u>10</u>		<u>-</u>

Comments: Progress Energy will relocate power so no electrical poles will be on property.

Propose Front Yard of home for conventional septic

SPECIFIC DIRECTIONS TO THE PROPERTY FROM LILLINGTON: HWY. 421 S. to Dunn. Left on HWY. 301 N. toward Benson. Left on Neighbors Road. Right on Miller Road. Property on left.

If permits are granted I agree to conform to all ordinances and laws of the State of North Carolina regulating such work and the specifications of plans submitted. I hereby state that foregoing statements are accurate and correct to the best of my knowledge. Permit subject to revocation if false information is provided.



Signature of Owner or Owner's Agent

07/10/2012

Date

*****It is the owner/applicants responsibility to provide the county with any applicable information about the subject property, including but not limited to: boundary information, house location, underground or overhead easements, etc. The county or its employees are not responsible for any incorrect or missing information that is contained within these applications.*****

****This application expires 6 months from the initial date if permits have not been issued****

I hereby certify that the development depicted hereon has been granted final approval from Harnett County E-911 Addressing, Environmental Health, Planning, Public Utilities, and the North Carolina Department of Transportation. This plat is subject to any and all conditions stated below and is eligible for recordation in the Harnett County Register of Deeds within thirty days of the date below.

E-911 Addressing - _____

Public Utilities (Not For Construction) - _____

NCDOT - _____

Subdivision Administrator _____

Date _____

Ken Dawson Homes, Inc.
 120 Edmondson Drive
 Willow Spring, NC 27592
 (919) 422-86979

1" = 40'

AREA TABLE		
LOT	OLD AREA	NEW AREA
6	33,561 SQ. FT.	32,061 SQ. FT.
7	34,383 SQ. FT.	35,882 SQ. FT.

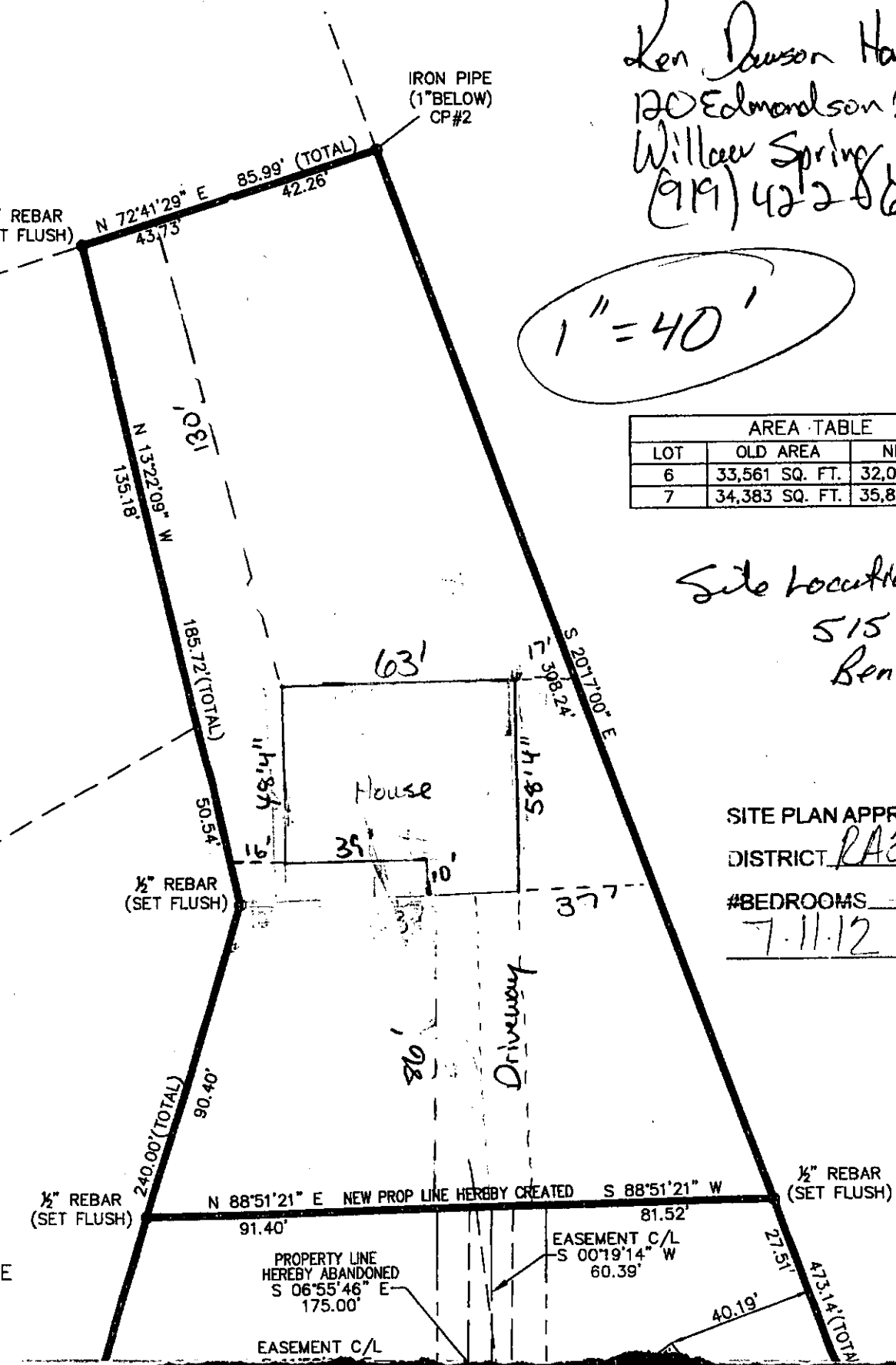
Site location:
 515 Miller Road
 Benson, NC 27504

SITE PLAN APPROVAL

DISTRICT RABO USE SFD

#BEDROOMS 3

7-11-12 Conna Johnson
 ZONING ADMINISTRATOR



PC F, PG 339D

N/F
 KEN DAWSON HOMES
 PIN: 1528-58-4734
 PC-F, PG 339D

NAME: Ken Danner Homes, Inc APPLICATION #: 12-50029350

This application to be filled out when applying for a septic system inspection.

County Health Department Application for Improvement Permit and/or Authorization to Construct

IF THE INFORMATION IN THIS APPLICATION IS FALSIFIED, CHANGED, OR THE SITE IS ALTERED, THEN THE IMPROVEMENT PERMIT OR AUTHORIZATION TO CONSTRUCT SHALL BECOME INVALID. The permit is valid for either 60 months or without expiration depending upon documentation submitted. (Complete site plan = 60 months; Complete plat = without expiration)

910-893-7525 option 1

CONFIRMATION # _____

Environmental Health New Septic System Code 800

- **All property irons must be made visible.** Place "pink property flags" on each corner iron of lot. All property lines must be clearly flagged approximately every 50 feet between corners.
- Place "orange house corner flags" at each corner of the proposed structure. Also flag driveways, garages, decks, out buildings, swimming pools, etc. Place flags per site plan developed at/for Central Permitting.
- Place orange Environmental Health card in location that is easily viewed from road to assist in locating property.
- If property is thickly wooded, Environmental Health requires that you clean out the undergrowth to allow the soil evaluation to be performed. Inspectors should be able to walk freely around site. **Do not grade property.**
- **All lots to be addressed within 10 business days after confirmation. \$25.00 return trip fee may be incurred for failure to uncover outlet lid, mark house corners and property lines, etc. once lot confirmed ready.**
- After preparing proposed site call the voice permitting system at 910-893-7525 option 1 to schedule and use code **800** (after selecting notification permit if multiple permits exist) for Environmental Health inspection. Please note confirmation number given at end of recording for proof of request.
- Use Click2Gov or IVR to verify results. Once approved, proceed to Central Permitting for permits.

Environmental Health Existing Tank Inspections Code 800

- Follow above instructions for placing flags and card on property.
- Prepare for inspection by removing soil over **outlet end** of tank as diagram indicates, and lift lid straight up (*if possible*) and then **put lid back in place.** (Unless inspection is for a septic tank in a mobile home park)
- **DO NOT LEAVE LIDS OFF OF SEPTIC TANK**
- After uncovering **outlet end** call the voice permitting system at 910-893-7525 option 1 & select notification permit if multiple permits, then use code **800** for Environmental Health inspection. Please note confirmation number given at end of recording for proof of request.
- Use Click2Gov or IVR to hear results. Once approved, proceed to Central Permitting for remaining permits.

SEPTIC

If applying for authorization to construct please indicate desired system type(s): can be ranked in order of preference, must choose one.

Accepted Innovative Conventional Any
 Alternative Other _____

The applicant shall notify the local health department upon submittal of this application if any of the following apply to the property in question. If the answer is "yes", applicant **MUST ATTACH SUPPORTING DOCUMENTATION**:

- YES NO Does the site contain any Jurisdictional Wetlands?
- YES NO Do you plan to have an irrigation system now or in the future?
- YES NO Does or will the building contain any drains? Please explain. _____
- YES NO Are there any existing wells, springs, waterlines or Wastewater Systems on this property?
- YES NO Is any wastewater going to be generated on the site other than domestic sewage?
- YES NO Is the site subject to approval by any other Public Agency?
- YES NO Are there any Easements or Right of Ways on this property?
- YES NO Does the site contain any existing water, cable, phone or underground electric lines?

If yes please call No Cuts at 800-632-4949 to locate the lines. This is a free service.

I Have Read This Application And Certify That The Information Provided Herein Is True, Complete And Correct. Authorized County And State Officials Are Granted Right Of Entry To Conduct Necessary Inspections To Determine Compliance With Applicable Laws And Rules.

I Understand That I Am Solely Responsible For The Proper Identification And Labeling Of All Property Lines And Corners And Making The Site Accessible So That A Complete Site Evaluation Can Be Performed.

PROPERTY OWNERS OR OWNERS LEGAL REPRESENTATIVE SIGNATURE (REQUIRED)

07-10-2012
DATE

Should Buyer fail to deliver any Initial Earnest Money Deposit by their due dates, or should any check or other funds paid by Buyer be dishonored, for any reason, by the institution upon which the payment is drawn, Buyer shall have one (1) banking day after written notice to deliver good funds to the payee. In the event Buyer does not timely deliver good funds, Seller shall have the right to terminate this Contract upon written notice to Buyer.

(e) "Pre-Construction Evaluation Period": The period beginning on the Effective Date and extending through N/A TIME BEING OF THE ESSENCE with regard to said date.

(f) " Dwelling": Seller shall complete construction of a single family dwelling and related improvements to be constructed on the Real Estate in accordance with the Plans and Specifications agreed to by Seller and Buyer.

(g) "Property": The Property shall mean the Real Estate described in 1(c) plus the Dwelling described in 1(f).

(h) "Plans and Specifications": NOTE: All site plans, drawings, floor plans, landscape plans, schedule of allowances, description of materials and specification lists should either be listed with copies attached as exhibits OR described with specificity (title of document, date, number of pages, designer, etc.) so they can be clearly identified and referenced:
Don Gardner "Landry" House Plan

(i) "Earnest Money Deposit": The Initial Earnest Money Deposit, the Additional Earnest Money Deposit and any other earnest monies paid in connection with this transaction, hereinafter collectively referred to as "Earnest Money Deposit", shall be deposited and held in escrow by Escrow Agent until Closing, at which time it will be credited to Buyer, or until this Contract is otherwise terminated. In the event: (1) this offer is not accepted; or (2) a condition of any resulting contract is not satisfied, then the Earnest Money Deposit shall be refunded to Buyer. In the event of breach of this Contract by Seller, the Earnest Money Deposit shall be refunded to Buyer upon Buyer's request, but such return shall not affect any other remedies available to Buyer for such breach. In the event of breach of this Contract by Buyer, then without limiting any other remedies available to Seller for such breach, the Earnest Money Deposit shall be applied to such damages as Seller may be legally entitled to recover for such breach, and the balance of the Earnest Money Deposit, if any, shall be refunded to Buyer upon Buyer's request. If legal proceedings are brought by Buyer or Seller against the other to recover the Earnest Money Deposit, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorney fees and court costs incurred in connection with the proceeding.

(j) "Escrow Agent" (insert name): None

NOTE: In the event of a dispute between Seller and Buyer over the disposition of the Earnest Money Deposit held in escrow, a licensed real estate broker ("Broker") is required by state law (and Escrow Agent, if not a Broker, hereby agrees) to retain the Earnest Money Deposit in the Escrow Agent's trust or escrow account until Escrow Agent has obtained a written release from the parties consenting to its disposition or until disbursement is ordered by a court of competent jurisdiction. Alternatively, if a Broker or an attorney licensed to practice law in North Carolina ("Attorney") is holding the Earnest Money Deposit, the Broker or Attorney may deposit the disputed monies with the appropriate clerk of court in accordance with the provisions of N.C.G.S. §93A-12.

THE PARTIES AGREE THAT A REAL ESTATE BROKERAGE FIRM ACTING AS ESCROW AGENT MAY PLACE THE EARNEST MONEY DEPOSIT IN AN INTEREST BEARING TRUST ACCOUNT AND THAT ANY INTEREST EARNED THEREON SHALL BE DISBURSED TO THE ESCROW AGENT MONTHLY IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

(k) "Effective Date": The date that: (i) the last one of Buyer and Seller has signed or initialed this offer or the final counteroffer, if any, and (ii) such signing or initialing is communicated to the party making the offer or counteroffer, as the case may be.

(l) "Building Deposit": The purpose of the Building Deposit, if any, shall be to compensate Seller for the cost of making the following special improvements: N/A

Buyer initials BS Seller initials AD

The Building Deposit shall be paid to Seller (not Escrow Agent) promptly upon occurrence of both of the following events: (i) expiration of the Pre-Construction Evaluation Period and (ii) receipt by Buyer of documentary evidence of Seller's financial ability to construct the Dwelling. If the Building Deposit is to be payable in installments, the payments shall be made according to the following schedule (insert "0" or "N/A" if the Building Deposit will not be paid in installments or if no Building Deposit will be paid). **NOTE:** The total of any installments should equal the amount of the Building Deposit set forth in Paragraph 1(d) above, if any:

\$ _____	Date or event triggering payment: <u>N/A</u>
\$ _____	Date or event triggering payment: <u>A</u>
\$ _____	Date or event triggering payment: _____
\$ _____	Date or event triggering payment: _____

The Building Deposit is not a part of the Earnest Money Deposit and will be used by Seller in the construction of the special improvements described above. The Building Deposit will be credited to the Purchase Price at Settlement. The Building Deposit shall be refundable only in the event of a material breach of the Contract by Seller, or if this Contract is terminated under paragraph 13.

Should Buyer fail to deliver the Building Deposit or any installment thereof in accordance with the terms of this subparagraph, Buyer shall have seven (7) days after written notice to deliver the Building Deposit or the installments to Seller. In the event Buyer does not timely deliver the Building Deposit, Seller shall have the right to terminate this Contract upon written notice to Buyer.

(WARNING: In determining whether and how much Building Deposit Buyer is willing to pay, Buyer should carefully consider that even though Buyer may be legally entitled to a refund of the Building Deposit in the event of a material breach of this Contract by Seller, actual recovery of the Building Deposit may be difficult, time-consuming and/or costly if Seller is unable or unwilling to voluntarily refund the Building Deposit.)

(m) **"Settlement":** The proper execution and delivery to the settlement agent of all documents necessary to complete the transaction contemplated by this Contract, including the deed, settlement statement, deed of trust and other loan or conveyance documents, and payment of all funds necessary to complete such transaction.

(n) **"Settlement Date"** The parties agree that Settlement will take place on 8-31-12 (the "Settlement Date"), unless otherwise agreed in writing, at a time and place designated by Buyer. The parties acknowledge and understand that Settlement may be delayed for a number of reasons, including but not limited to: (i) an extension of the Pre-Construction Evaluation Period under paragraph 2(e); (ii) a delay in construction under paragraph 3(g); (iii) an unsatisfactory title update or the settlement agent's lack of authority to disburse funds under paragraph 1(o); or (iv) Seller's failure to perform any required correction, repair, treatment or remediation or other work that may be required under paragraph 4. In the event of a delay in Settlement, the Settlement Date will be extended by a reasonable time to account for the delay(s) experienced. Unless otherwise agreed in writing, there must be Substantial Completion of the Dwelling on or before the Settlement Date.

(o) **"Closing":** The completion of the legal process which results in the transfer of title to the Property from Seller to Buyer. Closing includes the following steps: (1) the Settlement (defined above); (2) the completion of a satisfactory title update to the Property following the Settlement; (3) the settlement agent's receipt of authorization to disburse all necessary funds; and (4) recordation in the appropriate county registry of the deed(s) and deed(s) of trust, if any, which shall take place as soon as reasonably possible for the settlement agent after Settlement. Upon Closing, the proceeds of sale shall be disbursed by the settlement agent in accordance with the settlement statement and the provisions of Chapter 45A of the North Carolina General Statutes. If the title update should reveal unexpected liens, encumbrances or other title defects, or if the settlement agent is not authorized to disburse the lender's funds, then the Closing shall be suspended and the Settlement deemed delayed.

(p) **"Special Assessments":** A charge against the Property by a governmental authority in addition to ad valorem taxes and recurring governmental service fees levied with such taxes, or by an owners' association in addition to any regular assessment (dues), either of which may be a lien against the Property. A Special Assessment may be either proposed or confirmed.

"Proposed Special Assessment": A Special Assessment that is under formal consideration but which has not been approved prior to Settlement.

"Confirmed Special Assessment": A Special Assessment that has been approved prior to Settlement whether or not it is fully payable at time of Settlement.

Buyer initials BS SS Seller initials KL

(q) "Substantial Completion": The completion of the construction of the Dwelling in accordance with the Plans and Specifications and any other special provisions that may be part of the Contract to the degree that: (i) it is habitable and broom-clean, (ii) a certificate of occupancy has been issued by the appropriate governmental authority having jurisdiction over the construction of the Dwelling and delivered to Buyer, and (iii) only Punch List Items remain to be corrected.

2. **CONDITIONS APPLICABLE DURING PRE-CONSTRUCTION EVALUATION PERIOD:** During the Pre-Construction Evaluation Period, the following conditions shall apply:

(a) **Buyer Loan Condition:** Not Applicable

Unless not applicable, Buyer's performance is contingent upon Buyer's ability to obtain a FHA VA (attach FHA/VA Financing Addendum) Conventional Other; _____ loan at a Fixed Rate Adjustable Rate in the principal amount of \$156,650.00 plus any financed VA Funding Fee or FHA MIP for a term of 2 year(s), at an initial interest rate not to exceed 4.0 % per annum, with mortgage loan discount points not to exceed 0 % and with loan origination fee not to exceed 1.0 % of the loan amount ("Loan"). Buyer agrees pursue qualification for and approval of the Loan diligently and in good faith. Prior to the expiration of the Pre-Construction Evaluation Period, **TIME BEING OF THE ESSENCE**, Buyer shall have the right to terminate this Contract by delivering to Seller written notice of termination if Buyer, in Buyer's sole discretion, is not satisfied that the Loan will be approved and funded. If Buyer has timely delivered such notice, this Contract shall be terminated and all Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived this condition. Buyer shall provide documentary evidence to Seller that Buyer can obtain the Loan.

(b) **Seller Loan Condition:** Not Applicable

Unless not applicable, Seller's performance is contingent upon Seller's ability to obtain such financing as may be necessary to perform Seller's obligations under this Contract. Seller agrees to pursue qualification for and approval of such financing diligently and in good faith. Prior to the expiration of the Pre-Construction Evaluation Period, **TIME BEING OF THE ESSENCE**, Seller shall have the right to terminate this Contract by delivering to Buyer written notice of termination if Seller, in Seller's sole discretion, is not satisfied that Seller will be able to obtain financing necessary to perform Seller's obligations under this Contract or financing upon such terms that are acceptable to Seller. If Seller has timely delivered such notice, this Contract shall be terminated and all Earnest Money shall be refunded to Buyer. If Seller fails to deliver such notice, then Seller will be deemed to have waived this condition. Seller shall provide documentary evidence to Buyer of Seller's financial ability to construct the Dwelling.

(c) **Reports:** This Contract is contingent upon Seller obtaining the following applicable report(s) or permits (collectively the "Reports"):

- (i) **Soil Suitability** (Applicable Not Applicable): The soil is suitable for the Dwelling.
- (ii) **Utility Availability** (Applicable Not Applicable): The following utilities are available to the Property: Relocated Power Easement (Buyer Responsible)
- (iii) **Environmental Restrictions** (Applicable Not Applicable): There is no environmental contamination, law, rule or regulation that prohibits or unreasonably limits the use of the Property for residential purposes.
- (iv) **Environmental Permits** (Applicable Not Applicable): An Improvement Permit from any environmental regulatory agency which may have jurisdiction concerning the Real Estate which would allow the construction of the Dwelling.
- (v) **Flood Hazard** (Applicable Not Applicable): There is no flood hazard that prohibits or unreasonably limits the use of the Property for residential purposes.
- (vi) **Septic System** (Applicable Not Applicable): An Improvement Permit or written evaluation from the County Health Department ("County") for a (check only ONE) conventional or other N/A ground absorption sewage system for a 3 bedroom home.
- (vii) **Private Drinking Water Well** (Applicable Not Applicable): A Construction Permit from the County Health Department ("County") for a private drinking water well.
- (viii) **Zoning/Restrictive Covenants** (Applicable Not Applicable): The Dwelling may be constructed in accordance with applicable zoning and restrictive covenants.
- (ix) **Architectural Review** (Applicable Not Applicable): Approval from architectural review board/committee that the Dwelling meets applicable architectural requirements.

All costs and expenses of obtaining the Reports shall be borne by Seller, and Seller shall use best efforts to timely obtain the Reports and provide copies of them to Buyer. If the Reports cannot be obtained by the expiration of the Pre-Construction Evaluation Period, either party may terminate this Contract by delivering to the other party written notice of termination within three (3) days following the expiration of the Pre-Construction Evaluation Period, **TIME BEING OF THE ESSENCE**. If the terminating party has timely delivered such notice, this Contract shall be terminated and all Earnest Money shall be refunded to Buyer. If neither party delivers such notice, then the parties will be deemed to have waived this condition.

Buyer initials BS SS Seller initials RD

(d) **Insurance Availability/Affordability Condition:**

(i) **Casualty Insurance:** (if checked, the following terms apply). Buyer must be able to obtain the insurance set forth in subparagraph (a) or (b) below at a rate not exceeding One Hundred Fifty Percent (150%) of the "Base Rate" for such insurance as filed by the NC Rate Bureau with the NC Department of Insurance.

(Check the appropriate box)

(a) Buyer intends to occupy the Dwelling as Buyer's primary residence, and must be able to obtain insurance on the Property with coverage at least equivalent to that contained in a Homeowners 2 - Broad Form policy (also known as an HO2 policy) without optional coverages.

(b) Buyer does not intend to occupy the Dwelling as Buyer's primary residence and must be able to obtain insurance on the Property with coverage at least equivalent to that contained in a Dwelling Property 2 - Broad Form policy (also known as a DP2 policy) without optional coverages.

(ii) **Flood Insurance:** (if checked, the following terms apply). Buyer must be able to obtain Flood Insurance on the proposed Dwelling through the Federal Environmental Management Act Program.

(iii) **Termination:** If either subparagraph (i) or (ii) or both, above, have been checked, then prior to the expiration of the Pre-Construction Evaluation Period. **TIME BEING OF THE ESSENCE**, Buyer shall have the right to terminate this Contract by delivering to Seller written notice of termination if Buyer, in Buyer's sole discretion, is not satisfied that Buyer will be able to obtain insurance of the type and at the rate described above. If Buyer has timely delivered such notice, this Contract shall be terminated and all Earnest Money shall be refunded to Buyer. If Buyer fails to deliver such notice, then Buyer will be deemed to have waived this condition.

(e) **Extension: TIME IS OF THE ESSENCE** REGARDING THE EXPIRATION OF THE PRE-CONSTRUCTION EVALUATION PERIOD. The parties may, but are not required to, agree to extend the Pre-Construction Evaluation Period. Any extension of the Pre-Construction Evaluation must be in writing and signed by the parties. In the event of an extension, the Settlement Date shall be extended by the same period of time that the Pre-Construction Evaluation Period has been extended.

(NOTE: The failure of a party to terminate this Contract based upon a condition contained in this Pre-Construction Evaluation Period paragraph shall not constitute a waiver of or otherwise affect any other rights that the party may have under this Contract.)

3. **CONSTRUCTION OF DWELLING.**

(a) **Quality of Construction:** Seller shall construct the Dwelling (i) in accordance with the Plans and Specifications; (ii) in compliance with all laws, regulations, codes, and ordinances applicable to the construction of the Dwelling; and (iii) in a good and workmanlike manner with new, good quality materials and components.

(b) **Changes:**

(i) **Seller Changes:** Seller shall not make any significant deviation or change in the Plans and Specifications without the prior written consent of Buyer.

(ii) **Buyer Changes:** Buyer may request changes in the construction of the Dwelling within the general scope of the Plans and Specifications, consisting of additions, deletions or other revisions.

(iii) **Change Order:** Changes under (i) and/or (ii) above shall be made only by a Change Order, which shall be in writing and signed by both Buyer and Seller ("Change Order"). Any adjustments in the Purchase Price, Building Deposit and Settlement date shall be as set forth in the Change Order.

(c) **Construction Costs:** Seller shall provide and pay for all labor, materials, equipment, tools, clean-up, utilities, transportation, facilities, permits, fees, licenses, all plans and specifications and all other costs, charges and expenses whatsoever in connection with or related to the construction of the Dwelling unless otherwise agreed in writing.

(d) **Construction Financing:** Seller shall pay all costs, charges, and other expenses, of any nature whatsoever, for Seller's construction financing of the Dwelling.

(e) **Building Permit:** Within 14 days after the expiration of the Pre-Construction Evaluation Period, Seller will obtain the building permit for the construction of the Dwelling. **With respect to this deadline, TIME IS IS NOT OF THE ESSENCE.** Construction of the Dwelling shall commence upon issuance of the building permit and necessary land use permits.

(f) **Punch List Items:**

(i) Seller shall notify Buyer when there has been Substantial Completion of the Dwelling and shall schedule a mutually agreeable date and time on which Buyer shall inspect the Dwelling. Prior to Settlement, Buyer and Seller shall agree upon a written list of all deficiencies in workmanship and material that are detectable by visual examination ("Punch List Items").

Seller shall correct Punch List Items at Seller's cost within a reasonable period of time. AFTER SUBSTANTIAL COMPLETION(as defined in Paragraph 1(q)), SELLER'S FAILURE TO CORRECT A PUNCH LIST ITEM PRIOR TO SETTLEMENT WILL NOT BE GROUNDS FOR DELAYING SETTLEMENT OR THE IMPOSITION OF ANY CONDITIONS ON SETTLEMENT; PROVIDED, SETTLEMENT SHALL NOT RELIEVE SELLER FROM THE OBLIGATION TO CORRECT ANY PUNCH LIST ITEM.

(ii) This subparagraph (f) shall not be deemed to limit Buyer's right to conduct inspections under Paragraph 4 below or limit the obligations of Seller under the Limited Warranty of Construction under Paragraph 5 below.

(g) **Delay in Construction:** If Seller is delayed at any time in the progress of construction by (i) any act or neglect of Buyer; (ii) written Change Orders; (iii) shortages of materials, adverse weather conditions, or delays in transportation which were not reasonably anticipated; or (iv) acts of God, Seller shall give as much notice as possible of the delay to Buyer and the time for Substantial Completion of construction of the Dwelling and the Settlement Date shall be extended by a reasonable time to account for the delay(s) experienced. BUYER ACKNOWLEDGES AND UNDERSTANDS THE IMPORTANCE OF COOPERATING FULLY WITH SELLER IN ORDER TO HELP EXPEDITE THE CONSTRUCTION OF THE DWELLING AND TO AVOID OR MINIMIZE ANY DELAY IN SETTLEMENT, INCLUDING BUT NOT LIMITED TO TIMELY COMMUNICATION OF ANY REQUESTED CHANGES IN THE CONSTRUCTION OF THE DWELLING IN ACCORDANCE WITH PARAGRAPH 3(b)(ii) ABOVE AND MAKING PROMPT DECISIONS ON ANY ALLOWANCE ITEMS.

4. **BUYER'S INVESTIGATION OF CONSTRUCTION:**

(a) **Inspections:** Buyer or Buyer's designated representative may enter the Dwelling at reasonable times through the earlier of Closing or possession by Buyer, in such manner as not to interfere with the progress of construction, for the purpose of conducting such inspections as Buyer deems appropriate to determine whether the work performed or being performed conforms with the Plans and Specifications and the terms of this Contract. In the event that during construction Buyer shall reasonably determine that such construction is not proceeding in accordance with this Contract, Buyer shall give written notice to Seller specifying the particular deviation, deficiency, or omission, and Seller shall forthwith correct such deviation, deficiency, or omission. Buyer's rights under this paragraph shall not release Seller from any of Seller's obligations for the construction of the Dwelling in accordance with the Plans and Specifications and this Contract.

(b) **Wood-Destroying Insects:** Buyer shall have the option of obtaining, at Buyer's expense, prior to Settlement, a report from a licensed pest control operator on a standard form in accordance with the regulations of the North Carolina Structural Pest Control Committee, stating that as to the Dwelling there was no visible evidence of wood-destroying insects and containing no indication of visible damage therefrom. If the report indicates that there is visible evidence of wood-destroying insects or visible damage therefrom, Seller shall perform any required treatment and make any necessary repairs. **Buyer is advised that the inspection report described in this paragraph may not always reveal either structural damage or damage caused by agents or organisms other than wood-destroying insects.** Seller shall provide a standard warranty of termite soil treatment.

(c) **Radon Inspection:** Buyer shall have the option, at Buyer's expense, to have the Property tested for radon prior to Settlement. The test result shall be deemed satisfactory to Buyer if it indicates a radon level of less than 4.0 pico curies per liter of air (as of January 1, 1997, EPA guidelines reflect an "acceptable" level as anything less than 4.0 pico curies per liter of air). If the test result exceeds the above-mentioned level, Seller shall remediate to bring the radon level within the satisfactory range. Upon the completion of remediation, Buyer may have a radon test performed at Seller's expense, and if the test result indicates a radon level less than 4.0 pico curies per liter of air, it shall be deemed satisfactory to Buyer.

(d) **Delay in Settlement:** Seller's failure to perform any required correction, repair, treatment or remediation or other work that may be required under this paragraph 4 prior to Settlement will be grounds for delaying Settlement.

(e) **Buyer's Obligation to Repair Damage:** Buyer shall, at Buyer's expense, promptly repair any damage to the Property resulting from any activities of Buyer and Buyer's agents and contractors, but Buyer shall not be responsible for any damage caused by accepted practices either approved by the NC Home Inspector Licensure Board or applicable to any other NC licensed professional performing reasonable appraisals, tests, surveys, examinations and inspections of the Property.

(f) **Indemnity:** Buyer will indemnify and hold Seller harmless from all loss, damage, claims, suits or costs, which shall arise out of any contract, agreement, or injury to any person or property as a result of any activities of Buyer and Buyer's agents and contractors relating to the Property except for any loss, damage, claim, suit or cost arising out of pre-existing conditions of the Property and/or out of Seller's negligence or willful acts or omissions. This repair obligation and indemnity shall survive this Contract and any termination hereof.

5. **WARRANTIES:**

Buyer initials BS SS Seller initials RD

(a) **Limited Warranty Of Construction.** Unless otherwise provided for herein, Seller hereby warrants that, for a period of one (1) year from the date of Closing or the date Buyer occupies the Dwelling, whichever comes first, Seller will make all necessary repairs and corrections to the Dwelling, either interior or exterior, structural or nonstructural, that shall become necessary by reason of faulty construction, labor or materials or non-conformity of construction to the Plans and Specifications. At Seller's sole option, Seller may either (i) make such repairs and corrections, (ii) replace any faulty or non-conforming item or condition or (iii) pay to Buyer the reasonable cost of such repair, correction or replacement. This limited warranty: (1) is for the benefit of Buyer only and may not be assigned nor shall it inure to the benefit of any other person or entity, and (2) shall survive Closing and the delivery of the deed. If checked, the foregoing Limited Warranty shall not apply and is replaced by the attached written warranty from Seller.

(b) **Warranties Of Components.** Seller shall assign and deliver to Buyer at Settlement all guarantees and warranties of all components comprising the Dwelling to the extent the same are assignable. Buyer shall be responsible for compliance with any notice and claim procedures set forth therein. Seller's warranty under Paragraph 5(a) shall not extend to any such component expressly guaranteed or warranted by the manufacturer.

6. **INSULATION OF DWELLING:**

	WALLS	CEILINGS	FLOORS
TYPE	<i>To Code</i>		
THICKNESS			
R-VALUE			

7. **BUYER REPRESENTATIONS:**

(a) **Other Property:** Buyer does does not have to sell or lease other real property in order to qualify for a new loan or to complete the purchase of the Property. (WARNING: This does not create a contingent sale condition. The Contingent Sale Addendum (Form 2A2-T) is not designed for use with this Contract and should not be used. If a contingent sale condition is desired, consult a NC real estate attorney.)

(b) **Performance of Buyer's Financial Obligations:** To the best of Buyer's knowledge, there are no other circumstances or conditions existing as of the date of this offer that would prohibit Buyer from performing Buyer's financial obligations in accordance with this Contract, except as may be specifically set forth herein.

8. **BUYER OBLIGATIONS:**

(a) **Owner Association Fees/Charges:** Buyer shall pay any fees required for obtaining account payment information on owners' association dues or assessments for payment or proration and any charge made by the owners' association in connection with the disposition of the Property to Buyer, including any transfer and/or document fee imposed by the owners' association.

(b) **Responsibility for Proposed Special Assessments:** Buyer shall take title subject to all Proposed Special Assessments.

(c) **Responsibility for Certain Costs:** Buyer shall be responsible for all costs with respect to any loan obtained by Buyer, appraisal, title search, title insurance, recording the deed and for preparation and recording of all instruments required to secure the balance of the Purchase Price at Settlement.

9. **SELLER REPRESENTATIONS:**

(a) **Ownership:** Seller represents that Seller:
 has owned the Real Estate for at least one year;
 has owned the Real Estate for less than one year
 does not yet own the Real Estate

*Buyer owns Lot #6 Miller Road
(Cottis Miller)*

(b) **Assessments:** To the best of Seller's knowledge there are no Proposed Special Assessments except as follows (Insert "None" or the identification of such assessments, if any): None
 Seller warrants that there are no Confirmed Special Assessments except as follows (Insert "None" or the identification of such assessments, if any): None

(c) **Contractor's License:** Seller represents that Seller is licensed to construct the improvements on the Real Estate.

(d) **Owners' Association(s) and Dues:** To best of Seller's knowledge, ownership of the Property subjects does not subject Buyer to regulation by one or more owners' association(s) and governing documents, which impose various mandatory covenants,

Buyer initials BS Seller initials SS

conditions and restrictions upon the Property and Buyer's enjoyment thereof, including but not limited to obligations to pay regular assessments (dues) and Special Assessments. If there is an owners' association, then an Owners' Association Disclosure and Addendum For Properties Exempt from Residential Property Disclosure Statement (Standard Form 2A12-T) shall be completed by Seller, at Seller's expense, and must be attached as an addendum to this Contract.

10. SELLER OBLIGATIONS: In addition to Seller's obligation to construct the Dwelling in accordance with paragraph 3 above, Seller shall have the following additional obligations:

(a) **Evidence Of Title:** Seller agrees to use best efforts to deliver to Buyer as soon as reasonably possible after the Effective Date, copies of all title information in possession of or available to Seller, including but not limited to: title insurance policies, attorney's opinions on title, surveys, covenants, deeds, notes and deeds of trust, leases, and easements relating to the Property. Seller authorizes: (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys.

(b) **Access to Property/Walk-Through Inspection:** Seller shall provide reasonable access to the Property (including working, existing utilities) through the earlier of Closing or possession by Buyer, including, but not limited to, allowing the Buyer an opportunity to conduct a final walk-through inspection of the Property.

(c) **Removal of Seller's Property:** Seller shall remove, by the date possession is made available to Buyer, all personal property which is not a part of the purchase and all garbage and debris from the Property.

(d) **Affidavit And Indemnification Agreement:** Seller shall furnish at Settlement an affidavit and indemnification agreement in form satisfactory to Buyer and Buyer's title insurer, if any, executed by Seller and any person or entity who has performed or furnished labor, services, materials or rental equipment as described in NCGS §44A-8 to the Property within 120 days prior to the date of Settlement verifying that each such person or entity has been paid in full and agreeing to indemnify Buyer, Buyer's lender(s) and Buyer's title insurer against all loss from any cause or claim arising therefrom.

(e) **Payment And Satisfaction of Liens:** All deeds of trust, deferred ad valorem taxes, liens and other charges against the Property, not assumed by Buyer, must be paid and satisfied by Seller prior to or at Settlement such that cancellation may be promptly obtained following Closing Seller shall remain obligated to obtain any such cancellations following Closing.

(f) **Title, Legal Access:** Seller shall execute and deliver a GENERAL WARRANTY DEED for the Property at Settlement unless otherwise stated herein, which shall convey fee simple marketable and insurable title, free of all encumbrances and defects which would be revealed by a current and accurate survey of the Property; except: ad valorem taxes for the current year (prorated through the date of Settlement); utility easements and unviolated restrictive covenants that do not materially affect the value of the Property; and such other encumbrances as may be assumed or specifically approved by Buyer in writing. The Property must have legal access to a public right of way.

(g) **Deed, Excise Taxes:** Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this agreement, and for state and county excise taxes required by law. The deed is to be made to: Brian & Shannon Schultz

(h) **Agreement to Pay Buyer Expenses:** Seller shall pay at Settlement \$ 0 toward any of Buyer's expenses associated with the purchase of the Property, including any FHA/VA lender and inspection costs that Buyer is not permitted to pay, less any portion disapproved by Buyer's lender.

(NOTE: Examples of Buyer's expenses associated with the purchase of the Property include, but are not limited to, discount points, loan origination fees, appraisal fees, attorney's fees, inspection fees, and "pre-paids" (taxes, insurance, HOA dues, etc.)).

(i) **Payment of Confirmed Special Assessments:** Seller shall pay all Confirmed Special Assessments, if any, provided that the amount thereof can be reasonably determined or estimated.

(j) **Late Listing Penalties:** All property tax late listing penalties, if any, shall be paid by Seller.

Buyer initials BS Seller initials SS

(k) **Owners' Association Disclosure and Addendum For Properties Exempt from Residential Property Disclosure Statement** (Standard Form 2A12-T): If applicable, Seller shall provide the completed Owners' Association Disclosure and Addendum For Properties Exempt from Residential Property Disclosure Statement to Buyer on or before the Effective Date.

(l) **Seller's Failure to Comply or Breach:** If Seller fails to materially comply with any of Seller's obligations under this Paragraph 10 or Seller materially breaches this Contract, and Buyer elects to terminate this Contract as a result of such failure or breach, then the Earnest Money Deposit and any Building Deposit will be refunded to Buyer and Seller shall reimburse to Buyer the reasonable costs actually incurred by Buyer in connection with Buyer's qualification for and approval of any Loan and any tests, surveys, appraisals, investigations, examinations and inspections of the Property conducted by Buyer or Buyer's agents or representatives, without affecting any other remedies. If legal proceedings are brought by Buyer against the Seller to recover the Earnest Money Deposit, any Building Deposit and/or the reasonable costs actually incurred by Buyer in connection with Buyer's qualification for and approval of any Loan and any tests, surveys, appraisals, investigations, examinations and inspections of the Property conducted by Buyer or Buyer's agents or representatives, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorney fees and court costs incurred in connection with the proceeding.

11. **PRORATIONS AND ADJUSTMENTS:** Unless otherwise provided, the following items shall be prorated through the date of Settlement and either adjusted between the parties or paid at Settlement:

(a) Ad valorem taxes and recurring governmental service fees levied with such taxes on real property shall be prorated on a calendar year basis;

(b) Owners' association regular assessments ("dues") and other like charges.

12. **ADDITIONAL THIRD-PARTY HOME WARRANTY:**

No additional third party home warranty is to be provided by Seller.

Buyer may obtain a _____-year home warranty at a cost not to exceed \$ _____ and Seller agrees to pay for it at Settlement.

Seller has obtained and will provide a _____-year home warranty from _____ at a cost of \$ _____ and will pay for it at Settlement. **NOTE:** Home warranties typically have limitations on and conditions to coverage. Refer specific questions to the home warranty company.

Any additional third party home warranty shall not limit Seller's obligations under Paragraph 5.

13. **RISK OF LOSS AND INSURANCE:**

(a) **Risk of Loss:** The risk of loss or damage by fire or other casualty prior to Closing shall be upon Seller. If the improvements on the Real Estate are destroyed or materially damaged prior to Closing, Buyer may terminate this Contract by written notice delivered to Seller or Seller's agent and all deposits shall be refunded to Buyer. In the event Buyer does NOT elect to terminate this Contract, Buyer shall be entitled to receive, in addition to the Property, any of Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property being purchased. Seller is advised not to cancel existing insurance on the Property until after confirming recordation of the deed.

(b) **Insurance:** Seller shall purchase and maintain "All Risks" Builder's Risk Insurance coverage, including Theft and Vandalism and Malicious Mischief, upon the Dwelling on a "Completed Values" basis, while the Dwelling is in the course of construction. "Completed Values" shall mean the full value of the Dwelling, as of the date that all construction is completed, including Seller's total cost plus profit, but excluding the cost of the land. In the event that construction is fully completed prior to sale of the Property, Seller shall purchase and maintain Permanent "All Risks" Property Insurance coverage on the Dwelling, including Theft and Vandalism and Malicious Mischief, on a "Replacement Cost" basis. "Replacement Cost" shall mean the full cost of replacement of the structure or structures at the same site with new material of like kind and quality without deduction for depreciation. In addition, Seller shall purchase and maintain Third Party Liability Insurance coverage on the premises of the Property during the course of, and after construction is completed.

14. **POSSESSION:** Possession, including all means of access to the Property (keys, codes, garage door openers, etc.) shall be delivered upon Closing as defined in Paragraph 1(o) unless otherwise provided herein.

15. **OTHER PROVISIONS AND CONDITIONS:** CHECK ALL STANDARD ADDENDA THAT MAY BE A PART OF THIS CONTRACT, IF ANY, AND ATTACH HERETO. ITEMIZE ALL OTHER ADDENDA TO THIS CONTRACT, IF ANY, AND ATTACH HERETO. (NOTE: UNDER NORTH CAROLINA LAW, REAL ESTATE AGENTS ARE NOT PERMITTED TO DRAFT CONDITIONS OR CONTINGENCIES TO THIS CONTRACT.)

Additional Provisions Addendum (Form 2A11-T)

Owners' Association Disclosure And Addendum For Properties Exempt from Residential Property Disclosure Statement (Form 2A12-T)

Schedule of Allowances Addendum (Form 800A1-T)

Seller Financing Addendum (Form 2A5-T)

FHA/VA Financing Addendum (Form 2A4-T)

OTHER: _____

16. **ASSIGNMENTS:** This Contract may not be assigned without the written consent of all parties except in connection with a tax-deferred exchange, but if assigned by agreement, then this Contract shall be binding on the assignee and his heirs and successors.

17. **TAX-DEFERRED EXCHANGE:** In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, including assignment of this Contract in connection therewith, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

18. **PARTIES:** This Contract shall be binding upon and shall inure to the benefit of Buyer and Seller and their respective heirs, successors and assigns. As used herein, words in the singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

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

20. **ENTIRE AGREEMENT:** This Contract contains the entire agreement of the parties and there are no representations, inducements or other provisions other than those expressed herein. All changes, additions or deletions hereto must be in writing and signed by all parties. Nothing contained herein shall alter any agreement between a REALTOR® or broker and Seller or Buyer as contained in any listing agreement, buyer agency agreement, or any other agency agreement between them.

21. **NOTICE:** Any notice or communication to be given to a party herein may be given to the party or to such party's agent. Any written notice or communication in connection with the transaction contemplated by this Contract may be given to a party or a party's agent by sending or transmitting it to any mailing address, e-mail address or fax number set forth in the "Notice Information" section below. Seller and Buyer agree that the "Notice Information" and "Escrow Acknowledgment" sections below shall not constitute a material part of this Contract, and that the addition or modification of any information therein shall not constitute a rejection of an offer or the creation of a counteroffer.

22. **EXECUTION:** This Contract may be signed in multiple originals or counterparts, all of which together constitute one and the same instrument, and the parties adopt as their seals the word "SEAL" beside their signatures below.

23. **COMPUTATION OF DAYS:** Unless otherwise provided, for purposes of this Contract, the term "days" shall mean consecutive calendar days, including Saturdays, Sundays, and holidays, whether federal, state, local or religious. For the purposes of calculating days, the count of "days" shall begin on the day following the day upon which any act or notice as provided in this Contract was required to be performed or made.

THE NORTH CAROLINA ASSOCIATION OF REALTORS®, INC. AND THE NORTH CAROLINA BAR ASSOCIATION MAKE NO REPRESENTATION AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION OF THIS FORM IN ANY SPECIFIC TRANSACTION. IF YOU DO NOT UNDERSTAND THIS FORM OR FEEL THAT IT DOES NOT PROVIDE FOR YOUR LEGAL NEEDS, YOU SHOULD CONSULT A NORTH CAROLINA REAL ESTATE ATTORNEY BEFORE YOU SIGN IT.

Buyer initials BS Seller initials ND

This offer shall become a binding contract on the Effective Date.

Date: 5-24-2012
Buyer Birdlett (SEAL)
Date: 5-24-2012
Buyer Sharon Shultz (SEAL)
Date: _____
Buyer _____ (SEAL)

Date: 05-22-2012
Seller [Signature] (SEAL)
Date: _____
Seller _____ (SEAL)
Business Entity Seller:
Date: 05-22-2012
Ken Dawson Homes, Inc.
(Print Entity Name)
By: [Signature]
(Signature)
Title: President

NOTICE INFORMATION

NOTE: INSERT THE ADDRESS AND/OR ELECTRONIC DELIVERY ADDRESS EACH PARTY AND AGENT APPROVES FOR THE RECEIPT OF ANY NOTICE CONTEMPLATED BY THIS CONTRACT. INSERT "N/A" FOR ANY WHICH ARE NOT APPROVED.

BUYER NOTICE ADDRESS:

Mailing Address: _____
Buyer Fax#: _____
Buyer E-mail: _____

SELLER NOTICE ADDRESS:

Mailing Address: 120 Edmondson Drive
Willow Springs, NC 27592
Seller Fax#: (919) 339-4431
Seller E-mail: kendawson@hotmail.com

SELLING AGENT NOTICE ADDRESS:

Firm Name: _____
Acting as Buyer's Agent Seller's (sub)Agent Dual Agent
Mailing Address: _____
Individual Selling Agent: A
 Acting as a Designated Dual Agent (check only if applicable)
License #: _____
Selling Agent Phone#: _____
Selling Agent Fax#: _____
Selling Agent E-mail: _____

LISTING AGENT NOTICE ADDRESS:

Firm Name: _____
Acting as Seller's Agent Dual Agent
Mailing Address: _____
Individual Listing Agent: A
 Acting as a Designated Dual Agent (check only if applicable)
License #: _____
Listing Agent Phone#: _____
Listing Agent fax#: _____
Listing Agent E-mail: _____

ESCROW AGENT ACKNOWLEDGMENT of INITIAL EARNEST MONEY DEPOSIT

Escrow Agent acknowledges receipt of the Initial Earnest Money Deposit and agrees to hold and disburse the same in accordance with the terms hereof.

Date: _____ Firm: [Signature]
By: A
(Signature)

Buyer initials [Signature] Seller initials [Signature]