

OFFER TO PURCHASE AND CONTRACT

_____, as Buyer,
hereby offers to purchase and _____, as Seller,
upon acceptance of said offer, agrees to sell and convey, all of that plot, piece or parcel of land described below, together with all improvements located thereon and such fixtures and personal property as are listed below (collectively referred to as "the Property"), upon the following terms and conditions:

1. REAL PROPERTY: Located in the City of _____, County of _____, State of North Carolina, being known as and more particularly described as:

Street Address _____ Zip _____

Legal Description: _____

(All A portion of the property in Deed Reference: Book _____, Page No. _____, _____ County.)

NOTE: Prior to signing the Offer to Purchase and Contract, Buyer is advised to review Restrictive Covenants, if any, which may limit the use of the Property, and to read the Declaration of Restrictive Covenants, By-Laws, Articles of Incorporation, Rules and Regulations, and other governing documents of the owners' association and/or the subdivision, if applicable.

2. FIXTURES: The following items, if any, are included in the purchase price free of liens: any built-in appliances, light fixtures, ceiling fans, attached floor coverings, blinds and shades including window hardware, window and door screens, storm windows, combination doors, awnings, antennas, satellite dishes and receivers, burglar/fire/smoke alarms, pool and spa equipment, solar energy systems, attached fireplace screens, gas logs, fireplace inserts, electric garage door openers with controls, outdoor plants and trees (other than in movable containers), basketball goals, storage sheds, mailboxes, wall and/or door mirrors, and any items attached or affixed to the Property, EXCEPT the following items:

3. PERSONAL PROPERTY: The following personal property is included in the purchase price: _____

4. PURCHASE PRICE: The purchase price is \$ _____ and shall be paid as follows:

(a) \$ _____, EARNEST MONEY DEPOSIT by cash personal check bank check certified check other _____ to be deposited and held in escrow by _____, as

escrow agent, until the sale is closed, 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) any of the conditions hereto are not satisfied, then all earnest monies shall be returned to Buyer. In the event of breach of this contract by Seller, upon Buyer's request, all earnest monies shall be returned to Buyer, but such return shall not affect any other remedies available to Buyer for such breach. In the event this offer is accepted and Buyer breaches this contract, then all earnest monies shall be forfeited upon Seller's request, but receipt of such forfeited earnest monies shall not affect any other remedies available to Seller for such breach.

NOTE: In the event of a dispute between Seller and Buyer over the return or forfeiture of earnest money held in escrow by a broker, the broker is required by state law to retain said earnest money in the broker's trust or escrow account until a written release from the parties consenting to its disposition has been obtained or until disbursement is ordered by a court of competent jurisdiction.

(b) \$ _____, ADDITIONAL EARNEST MONEY DEPOSIT to be paid to escrow agent no later than _____.

(c) \$ _____, BY ASSUMPTION of the unpaid principal balance and all obligations of Seller on the existing loan (s) secured by a deed of trust on the Property in accordance with the attached Loan Assumption Addendum.

(d) \$ _____, BY SELLER FINANCING in accordance with the attached Seller Financing Addendum.

(e) \$ _____, BALANCE of the purchase price in cash at closing.

5. CONDITIONS: (State N/A in each blank that is not a condition to this contract.)

(a) The Buyer must be able to obtain a loan commitment on or before _____, effective through the date of closing, for a FHA VA (attach FHA/VA Financing Addendum) Conventional Other _____ loan at a

Fixed Rate Adjustable Rate Other: _____ in the principal amount of

_____ for a term of _____ year(s), at an interest rate not to exceed _____ % per annum, with mortgage loan discount points not to exceed _____ % of the loan amount. Buyer agrees to use his best efforts to secure such commitment. Buyer shall be responsible for all costs with respect to any loan obtained by Buyer, except if Seller is to pay any of the Buyer's loan closing costs including discount points, those costs are as follows: _____.

In the event Buyer fails to provide Seller with written evidence of the loan commitment within five days after receipt of a written request from Seller (but such request may not be made before the loan commitment date listed above), then Seller may terminate this contract unless Buyer waives the loan commitment condition.

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

(c) The Property must be in substantially the same or better condition at closing as on the date of this offer, reasonable wear and tear excepted.

(d) All deeds of trust, liens and other charges against the Property, not assumed by Buyer, must be paid and satisfied by Seller prior to or at closing such that cancellation may be promptly obtained following closing. Seller shall remain obligated to obtain any such cancellations following closing.

(e) Title must be delivered at closing by GENERAL WARRANTY DEED unless otherwise stated herein, and must be fee simple marketable title, free of all encumbrances except: ad valorem taxes for the current year (prorated through the date of closing); 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. The Property must have legal access to a public right of way.

6. SPECIAL ASSESSMENTS: Seller warrants that there are no governmental special assessments, either pending or confirmed, for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no owners' association special assessments, except as follows:

(Insert "None" or the identification of such assessments, if any.) Seller shall pay all confirmed owners' association assessments and all confirmed governmental assessments, if any, and Buyer shall take title subject to all pending assessments, if any, unless otherwise agreed as follows:

7. PRORATIONS AND ADJUSTMENTS: Unless otherwise provided, the following items shall be prorated and either adjusted between the parties or paid at closing: (a) Ad valorem taxes on real property shall be prorated on a calendar year basis through the date of closing; (b) Ad valorem taxes on personal property for the entire year shall be paid by the Seller unless the personal property is conveyed to the Buyer, in which case, the personal property taxes shall be prorated on a calendar year basis through the date of closing. (c) All late listing penalties, if any, shall be paid by Seller. (d) Rents, if any, for the Property shall be prorated through the date of closing. (e) Owners' association dues, and other like charges shall be prorated through the date of closing. Seller represents that the regular owners' association dues, if any, are \$ _____ per _____.

8. CLOSING EXPENSES: Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this agreement, and for excise tax (revenue stamps) required by law. Buyer shall pay for recording the deed and for preparation and recording of all instruments required to secure the balance of the purchase price unpaid at closing.

9. FUEL: Buyer agrees to purchase from Seller the fuel, if any, situated in any tank on the Property at the prevailing rate with the cost of measurement thereof, if any, being paid by Seller.

10. EVIDENCE OF TITLE: Seller agrees to use his best efforts to deliver to Buyer as soon as reasonably possible after the acceptance of this offer, 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 and easements relating to the Property.

11. LABOR AND MATERIAL: Seller shall furnish at closing an affidavit and indemnification agreement in form satisfactory to Buyer showing that all labor and materials, if any, furnished to the Property within 120 days prior to the date of closing have been paid for and agreeing to indemnify Buyer against all loss from any cause or claim arising therefrom.

12. PROPERTY DISCLOSURE AND INSPECTIONS:

(a) Property Disclosure:

- Buyer has received a signed copy of the Residential Property Disclosure Statement prior to the signing of this Offer to Purchase and Contract.
Buyer has NOT received a signed copy of the Residential Property Disclosure Statement prior to the signing of this Offer to Purchase and Contract and shall have the right to terminate or withdraw this contract without penalty upon receipt of the Residential Property Disclosure Statement provided such termination or withdrawal notice is hand delivered or mailed to Seller or Seller's Agent within three days following receipt of same.
Exempt from Residential Property Disclosure Statement because (SEE GUIDELINES)
The Property is residential and was built prior to 1978 (Attach Lead-Based Paint or Lead-Based Paint Hazards Disclosure Addendum.)

(b) Property Inspection: Unless otherwise stated herein, or as otherwise provided on an inspection addendum attached hereto, Buyer shall have the option of inspecting or, obtaining at Buyer's expense, inspections to determine the condition of the Property. Unless otherwise stated herein, it is a condition of this contract that: (i) the built-in appliances, electrical system, plumbing system, heating and cooling systems, roof coverings (including flashing and gutters), doors and windows, exterior surfaces, structural components (including foundations, columns, chimneys, floors, walls, ceilings and roofs), porches and decks, fireplaces and flues, crawl space and attic ventilation systems (if any), water and sewer systems (public and private), shall be performing the function for which intended and shall not be in need of immediate repair; (ii) there shall be no unusual drainage conditions or evidence of excessive moisture adversely affecting the structure(s); and (iii) there shall be no friable asbestos or existing environmental contamination. Inspections must be completed on or before. Buyer is advised to have any inspections made prior to incurring expenses for closing and in sufficient time to permit any required repairs to be completed by closing.

(c) Wood-Destroying Insects: Unless otherwise stated herein, Buyer shall have the option of obtaining, at Buyer's expense, 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 there was no visible evidence of wood-destroying insects and containing no indication of visible damage therefrom. The report must be obtained in sufficient time so as to permit treatment, if any, and repairs, if any, to be completed prior to closing. All treatment required shall be paid for by Seller and completed prior to closing, unless otherwise agreed upon in writing by the parties. The 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. If new construction, Seller shall provide a standard warranty of termite soil treatment.

(d) Repairs: Pursuant to any inspections in (b) and/or (c) above, if any repairs are necessary, Seller shall have the option of (i) completing them, (ii) providing for their completion, or (iii) refusing to complete them. If Seller elects not to complete or provide for the completion of the repairs, then Buyer shall have the option of (iv) accepting the Property in its present condition, or (v) terminating this contract, in which case all earnest monies shall be refunded. Unless otherwise stated herein, or as otherwise provided on an inspection addendum attached hereto, any items not covered by (b) (i), b (ii), b (iii) and (c) above are excluded from repair negotiations under this contract.

(e) Acceptance: CLOSING SHALL CONSTITUTE ACCEPTANCE OF EACH OF THE SYSTEMS, ITEMS AND CONDITIONS LISTED ABOVE IN ITS THEN EXISTING CONDITION UNLESS PROVISION IS OTHERWISE MADE IN WRITING.

13. REASONABLE ACCESS: Seller will provide reasonable access to Buyer or Buyer's representatives for the purposes of appraisal, inspection, and/or evaluation. Buyer may conduct a walk-through inspection of the Property prior to closing.

14. CLOSING: Closing shall be defined as the date and time of recording of the deed. All parties agree to execute any and all documents and papers necessary in connection with closing and transfer of title on or before, at a place designated by Buyer. The deed is to be made to

15. POSSESSION: Unless otherwise provided herein, possession shall be delivered at closing. In the event possession is NOT to be delivered at closing: a buyer possession before closing agreement is attached. OR, a seller possession after closing agreement is attached.

16. OTHER PROVISIONS AND CONDITIONS: (ITEMIZE ALL ADDENDA TO THIS CONTRACT AND ATTACH HERETO. SEE LIST OF STANDARD FORM ADDENDA AVAILABLE.)

17. 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 Property 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 returned 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 the Seller's insurance proceeds payable on account of the damage or destruction applicable to the Property being purchased.

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

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

20. 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.

21. 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.

22. EXECUTION: This offer shall become a binding contract when signed by both Buyer and Seller. This contract is executed under seal in signed multiple originals, all of which together constitute one and the same instrument, with a signed original being retained by each party and each REALTOR or broker hereto, and the parties adopt the word "SEAL" beside their signatures below.

IF YOU DO NOT UNDERSTAND THIS OFFER TO PURCHASE AND CONTRACT 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 acknowledges having made an on-site personal examination of the Property prior to the making of this offer.

Buyer (SEAL) Seller (SEAL)
SS/Tax ID# SS/Tax ID#
Buyer (SEAL) Seller (SEAL)
SS/Tax ID# SS/Tax ID#
Date: Date:

I hereby acknowledge receipt of the earnest money herein set forth and agree to hold and disburse the same in accordance with the terms hereof.

Date Firm:
By:

Selling Agent/Firm/Phone Acting as Buyer's Agent
Seller's (sub)agent
Dual Agent
Seller's (sub)agent
Dual Agent
Listing Agent/Firm/Phone Acting as Buyer's Agent
Seller's (sub)agent
Dual Agent

**GUIDELINES FOR COMPLETING THE
OFFER TO PURCHASE AND CONTRACT FORM
(Standard Form No. 2; Copyright 1999)**

INTRODUCTION: These guidelines are provided to assist agents and attorneys who are completing the Offer to Purchase and Contract form on behalf of Buyers and Sellers. The Offer to Purchase and Contract is the most important document in any real estate sale and it is imperative that it accurately reflect the entire agreement of the Buyer and Seller. An improper contract may have substantial adverse effects on the rights and interests of the parties. These guidelines include general comments about contract completion as well as suggestions and explanations regarding selected contract provisions with which agents often have difficulty. However, situations will frequently arise that are not covered by these guidelines. Agents should always remember that an attorney should be consulted any time there is uncertainty regarding the proper completion of this important form.

USE OF FORM: (1) The Offer to Purchase and Contract form, Copyright 1999, is jointly approved by the NORTH CAROLINA ASSOCIATION OF REALTORS®, INC, and the NORTH CAROLINA BAR ASSOCIATION, as Standard Form No. 2. The version of this form with the REALTOR® logo is produced by NCAR for use by its members, who may NOT reprint the form with any modification that has not been expressly approved by the NORTH CAROLINA ASSOCIATION OF REALTORS®. The version of this form without the REALTOR® logo is produced for the NORTH CAROLINA BAR ASSOCIATION and may be used, only as printed, by attorneys and any real estate agent.

(2) This form may be used in a variety of real estate sales transactions, but it was developed primarily for use in the sale of existing single-family residential properties. Do not use this form as a substitute for an option contract, lease-option agreement, lease-purchase agreement or installment land contract. Also, if a sale involves the construction (or completion of construction) of a new single-family dwelling, use the standard New Construction Addendum or consult a NC real estate attorney.

GENERAL INSTRUCTIONS:

1. Type this form if possible; otherwise print or write legibly in ink.
2. Fill in all blank spaces. If any space is not used, enter "N/A" or "None" as appropriate.
3. Be precise. Avoid the use of abbreviations, acronyms, jargon, and other terminology that may not be clearly understood.
4. Every change, addition or deletion to an offer or contract must be initialed and should be dated by both Buyer and Seller.
5. If numerous changes are made or if the same item (such as the purchase price) is changed more than once, complete a new contract form to avoid possible confusion or disputes between the parties.
6. Review with the parties all contract provisions. Advise the parties to consult their attorney if they have any question about the legal consequences of the contract or any particular provision.

NAMES OF BUYER AND SELLER: Fill in the complete name of each Buyer. If husband and wife, show the names of both (John A. Doe and wife, Mary B. Doe). Do not use "Mr. and Mrs. John A. Doe." Fill in the complete name of each Seller. If husband and wife, show the names of both (John A. Doe and wife, Mary B. Doe). Do not use "Mr. and Mrs. John A. Doe," "Owner of Record," or last name only.

1. **REAL PROPERTY:** Fill in City, County and Street Address. If any are not applicable, indicate by "None". CAUTION: A street address alone is generally not an adequate legal description.

Legal Description: Even if the Property has a street address, include a legal description sufficient to identify and distinguish the Property from all other property. An adequate legal description includes any of the following:

- (1) **Reference to a recorded plat (map):** Include the lot #, block #, name of subdivision, and recording reference for the plat as recorded in the Register of Deeds office and fill in the county (or counties). CAUTION: A reference to a tax map alone is generally not an adequate legal description.
- (2) **Reference to a recorded deed:** Insert the book # and page # of the Deed Book as recorded in the Register of Deeds office and fill in the county (or counties).
- (3) **Metes and bounds description:** Do not attempt to complete a metes and bounds exhibit. An attorney should be consulted prior to completing the Offer to Purchase and Contract if a metes and bounds description is necessary or if any of the above legal descriptions is not available.

Covenants: Before the Buyer signs an offer to purchase for property which is located in a subdivision or development, the selling agent should supply the Buyer with a copy of any document that may limit the use of the Property or govern the Property owner or obligate the Property owner to a financial payment other than the purchase price, taxes, and governmental assessments. If such documents are not available from either the listing agent or the seller, then an attorney should be consulted prior to completing the Offer to Purchase and Contract form.

2. **FIXTURES:** If the Seller wishes to *exclude* from the sale any items that are presently on the Property and are listed in the fixtures clause, or to *exclude* any items that are presently on the Property that may usually be considered to be real property ("fixtures") and are NOT listed in the fixtures clause, list such items. (EXAMPLES: Storage shed; mailboxes; wall/door mirrors; etc.) It is not necessary to cross out items that are listed in the fixtures clause but are not present on the Property. NOTE: Care should be taken to ascertain that any fixtures *included* in the sale are owned by the Seller and are not merely rented. (EXAMPLE: Water treatment/conditioner equipment) It is advisable to list any excluded item about which a dispute may arise.

3. **PERSONAL PROPERTY:** List all items of personal property that are to be included in the sale. (EXAMPLES: Curtains, draperies; etc. free standing appliances such as a refrigerator or range; fireplace tools; window air conditioner; etc.) It is advisable to list any item included in the sale about which some dispute may arise.

4. **PURCHASE PRICE:** Insert the amount of the purchase price in dollars.
Subparagraph (a): Insert the amount of the earnest money deposit in dollars, check the appropriate box for method of payment, and insert the name of the escrow agent designated to hold the earnest money (usually the listing firm), not the name of an individual agent (unless it is to be held by a broker who is a sole practitioner). Note that the name indicated here should also be indicated on the "Firm" line at the bottom of the form under the acknowledgment of receipt of the earnest money. NOTE: Any earnest money check should be made payable to the designated escrow agent.
Subparagraph (b): If an additional earnest money deposit is to be given at a later date, insert the amount of the additional deposit in dollars and insert the due date. NOTE: Time is "of the essence" with respect to the payment of any additional earnest money deposit.
Subparagraph (c): Insert the dollar amount of the existing loan on the Property; complete and attach the Loan Assumption Addendum.
Subparagraph (d): Insert the dollar amount of the financing from the Seller; complete and attach the Seller Financing Addendum.
Subparagraph (e): Insert the dollar amount of the balance due from the Buyer. NOTE: This amount should equal the purchase price minus any dollar amounts inserted in subparagraphs (a), (b), (c), or (d). In the case of a counteroffer which alters any figure in Paragraph 4, all altered figures must be initialed and dated by all parties. Care should be taken to be certain that the figures in subparagraphs (a) through (e), when added, always equal the purchase price.



This form has been jointly approved by the:
North Carolina Bar Association
North Carolina Association of REALTORS®



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5. **CONDITIONS:**

Subparagraph (a): When this financing contingency provision is used, remember the following points:

- (1) If FHA or VA financing is being used, attach the FHA/VA Financing Addendum.
- (2) The date by which the Buyer is to secure the loan commitment letter should allow sufficient time for the Buyer to be able to obtain the loan commitment letter. Check off or insert the type of loan the Buyer will be obtaining.
- (3) The principal amount may be either a specific loan amount expressed as a dollar figure or as a percentage of the purchase price (EXAMPLE: 95% of purchase price).
- (4) Insert the specific term of the desired loan.
- (5) Insert a specific maximum interest rate and a specific maximum percentage for discount points. (Do NOT use "market" or "prevailing")
- (6) If the Seller is to pay any of the Buyer's closing costs, including discount points, up to a certain dollar amount, insert the maximum dollar amount the Seller will pay. (EXAMPLE: "Not to exceed \$1,500") If the Seller is willing to pay a specific item of closing costs, list the item. (EXAMPLE: "Discount Points"; "Loan Origination Fee") A combination of the two descriptions may also be used. (EXAMPLE: "Discount Points not to exceed \$800")

Subparagraph (b): Insert the intended use of the Property by the Buyer. Be specific. (EXAMPLES: Single-family residential; two-family residential; three-family residential; type of business or office use; type of commercial use.) If the intended use is unusual or different from the current allowable use, the Buyer should make an inquiry prior to completing the Offer to Purchase and Contract to determine if there are any zoning ordinances, governmental regulations or restrictive covenants that would prohibit such intended use. If the Buyer indicates that there is more than one intended use of the Property, consult an attorney prior to completing the Offer to Purchase and Contract.

6. **SPECIAL ASSESSMENTS:** This paragraph deals only with special assessments levied by a governmental agency or an owners' association for the purpose(s) stated. A "Confirmed" assessment is defined as an assessment which has been imposed by a governing body. A "Pending" assessment is defined as an assessment that is under consideration by a governing body. Regular owners' association dues are covered in Paragraph 7 (e).

7. **PRORATIONS AND ADJUSTMENTS:** (e) Insert the dollar amount and time period covered by payment of the owners' association dues. In the case of a condominium or townhouse resale, it is recommended that a Condominium/Townhouse Addendum be attached.

12. **PROPERTY DISCLOSURE AND INSPECTIONS:**

Subparagraph (a) **PROPERTY DISCLOSURE:** Indicate the status of the Buyer's receipt of the required Residential Property Disclosure form by checking the appropriate box. If the transaction is exempt from the Property Disclosure Statement, enter ONE of the following: (1) Court Ordered Transfer; (2) Borrower to Lender Transfer; (3) Fiduciary Transfer; (4) Co-owner to Co-owner Transfer; (5) Within Family Transfer; (6) Spouse to Spouse Divorce Decree Transfer (7) Tax Sale (8) Governmental Transfer; (9) Never Inhabited; (10) Lease with Option to Purchase (Caution: See warning under "Use of Form"); (11) Buyer and Seller Agreement; (12) Property to be transferred consists of less than 1 or more than 4 residential units. See NCGS 47E-2 for a complete description of all exemptions.

If the Property is residential property built prior to 1978, the Lead-Based Paint or Lead-Based Paint Hazard Addendum must be attached.

Subparagraph (b) **PROPERTY INSPECTION:** Insert the date by which all Property inspections will be completed by the Buyer and written notice of necessary repairs given to the Seller. Also insert the number of days the Seller has to provide Buyer a written response to Buyer's notice of necessary repairs. It is strongly recommended that the Property inspections be completed within 14 days of formation of the contract unless there are extenuating circumstances that would prohibit such inspections being completed by such time. In all cases, the inspections should be performed as soon as possible.

Subparagraph (c) **WOOD-DESTROYING INSECTS:** Insert any structures on the Property that are not subject to a wood-destroying insect inspection. (NOTE: Lender may not permit exclusions.)

14. **CLOSING:** Insert the desired closing date. The closing date established should provide a reasonable period of time for obtaining inspections, obtaining loan approval, satisfying contract conditions, and preparing closing documents. Also, provide the full name of each grantee in the deed.

15. **POSSESSION:** The contract assumes possession will be delivered at closing. "Closing" is defined in Paragraph 14 as the date and time of recording of the deed. If the parties agree to transfer possession to the Buyer prior to the attorney recording the documents, a Buyer Possession Before Closing Agreement should be completed and attached to the contract. If the parties agree to permit the Seller to remain in possession after recording, a Seller Possession After Closing Agreement should be completed and attached to the contract.

16. **OTHER PROVISIONS AND CONDITIONS:** Indicate by name any attached Addenda. Any Addenda referred to here should be properly identified, signed under seal by the parties, and attached to each original of the contract. Any copy of the contract must always have all Addenda attached. Additional provisions or conditions may be added in this space if necessary. Identify each such provision or condition as (a), (b), etc. If any added provision conflicts with another provision of the contract, clarify which provision is to govern. CAUTION: Agents must be extremely careful when adding contract provisions. The drafting of such provisions could constitute the unauthorized practice of law and could result in disciplinary action against an agent by the North Carolina Real Estate Commission, as could the inclusion of an inadequate or improper provision.

22. **NOTICE AND EXECUTION:** Usually, at least six originals of the completed and signed contract are needed: one each for the Buyer and Seller, the real estate firms involved, the closing attorney and the lender. When using one original contract and making copies for the parties to sign, original signatures should be affixed to each copy as well as the original.

Buyer acknowledges having made an on-site personal examination of the Property prior to the making of this offer: If the Buyer is purchasing the Property without personally having examined it, this sentence should be deleted by marking through it and having the parties both initial and date the deletion.

SIGNATURES AND DATES: All parties with an ownership interest must sign as Seller and all parties named as Buyer must sign as Buyer.

- (1) If a married Buyer is taking title as sole owner, and if the contract contains a financing contingency provision, it is advisable to have the Buyer's spouse join in signing the contract so that the spouse will be obligated to join in signing any deed of trust that may be required by the lender to secure the Buyer's loan. Otherwise, the Buyer may be able to avoid performance of the contract if the spouse refuses to sign the deed of trust.
- (2) If the Seller(s) is married, both the husband and wife always must sign the contract. This is true even if the Property is owned by only one spouse. The non-owner spouse holds a potential "marital life estate" under North Carolina law and must sign the deed in order for the other spouse to convey clear title. The signature of the non-owner spouse on the contract will obligate that spouse to join in signing the deed. Note, however, that the non-owner spouse cannot legally be forced to sign the contract.
- (3) Indicate the dates that the parties actually sign the Offer to Purchase and Contract.

EARNEST MONEY ACKNOWLEDGEMENT: The "Firm" should be the same as the firm indicated as Escrow Agent (usually the listing firm) in Paragraph 4 (a). The agent signing for the firm serving as Escrow Agent must be associated with that firm. (Usually, this will be the listing agent.)

AGENT/FIRM NAMES AND CONFIRMATION OF AGENCY RELATIONSHIP: Enter the names of the selling agent/firm and the listing agent/firm and check the appropriate agency representation box for each. Note that this procedure is confirmation of a prior disclosure of the agency relationship and in no way should be considered as an initial disclosure of agency relationship. Signatures are not necessary.



STATE OF NORTH CAROLINA RESIDENTIAL PROPERTY DISCLOSURE STATEMENT

Instructions to Property Owners

1. North Carolina General Statute 47E requires owners of residential real estate (single-family homes and buildings with up to four dwelling units) to furnish purchasers a property disclosure statement. This form is the only one approved for this purpose. A disclosure statement must be furnished in connection with the sale, exchange, option and sale under a lease with option to purchase (unless the tenant is already occupying or intends to occupy the dwelling). A disclosure statement is not required for some transactions, including the first sale of a dwelling which has never been inhabited and transactions of residential property made pursuant to a lease with option to purchase where the lessee occupies or intends to occupy the dwelling. For a complete list of exemptions, see N.C.G.S. 47E-2.
2. You must check one of the boxes for each of the 20 questions on the reverse side of this form.
 - a. If you check "Yes" for any question, you must describe the problem or attach a report from an engineer, contractor, pest control operator or other expert or public agency describing it. If you attach a report, you will not be liable for any inaccurate or incomplete information contained in it so long as you were not grossly negligent in obtaining or transmitting the information.
 - b. If you check "No", you are stating that you have no actual knowledge of any problem. If you check "No" and you know there is a problem, you may be liable for making an intentional misstatement.
 - c. If you check "No Representation", you have no duty to disclose the conditions or characteristics of the property, even if you should have known of them.
- * If you check "Yes" or "No" and something happens to the property to make your Statement incorrect or inaccurate (for example, the roof begins to leak), you must promptly give the purchaser a corrected Statement or correct the problem.
3. If you are assisted in the sale of your property by a licensed real estate broker or salesman, you are still responsible for completing and delivering the Statement to the purchasers; and the broker or salesman must disclose any material facts about your property which they know or reasonably should know, regardless of your responses on the Statement.
4. You must give the completed Statement to the purchaser no later than the time the purchaser makes an offer to purchase your property. If you do not, the purchaser can, under certain conditions, cancel any resulting contract (See "Note to Purchasers" below). You should give the purchaser a copy of the Statement containing your signature and keep a copy signed by the purchaser for your records.

Note to Purchasers

If the owner does not give you a Residential Property Disclosure Statement by the time you make your offer to purchase the property, you may under certain conditions cancel any resulting contract and be entitled to a refund of any deposit monies you may have paid. 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 the 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.

5. In the space below, type or print in ink the address of the property (sufficient to identify it) and your name. Then sign and date.

Property Address: _____

Owner's Name(s): _____

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

Owner Signature: _____ Date _____, _____

Owner Signature: _____ Date _____, _____

Purchaser(s) acknowledge receipt of a copy of this disclosure statement; that they have examined it before signing; that they understand that this is not a warranty by owner or owner's agent; that it is not a substitute for any inspections they may wish to obtain; and that the representations are made by the owner and not the owner's agent(s) or subagent(s). Purchaser(s) are encouraged to obtain their own inspection from a licensed home inspector or other professional.

Purchaser Signature: _____ Date _____, _____

Purchaser Signature: _____ Date _____, _____

Property Address/Description: _____

[Note: In this form, "property" refers only to dwelling unit(s) and not sheds, detached garages or other buildings.]

Regarding the property identified above, do you know of any problem (malfunction or defect) with any of the following:

Yes* No Representation

- 1. FOUNDATION, SLAB, FIREPLACES/CHIMNEYS, FLOORS, WINDOWS (INCLUDING STORM WINDOWS AND SCREENS), DOORS, CEILINGS, INTERIOR AND EXTERIOR WALLS, ATTACHED GARAGE, PATIO, DECK OR OTHER STRUCTURAL COMPONENTS including any modifications to them? Yes* No Representation
- a. Siding is Masonry Wood Composition/Hardboard Vinyl Synthetic Stucco Other _____
- b. Approximate age of structure? _____
- 2. ROOF (leakage or other problem)? Yes* No Representation
- a. Approximate age of roof covering? _____
- 3. WATER SEEPAGE, LEAKAGE, DAMPNES OR STANDING WATER in the basement, crawl space or slab? Yes* No Representation
- 4. ELECTRICAL SYSTEM (outlets, wiring, panel, switches, fixtures, etc.)? Yes* No Representation
- 5. PLUMBING SYSTEM (pipes, fixtures, water heater, etc.)? Yes* No Representation
- 6. HEATING AND/OR AIR CONDITIONING? Yes* No Representation
- a. Heat Source is: Furnace Heat Pump Baseboard Other _____
- b. Cooling Source is: Central Forced Air Wall/Window Unit(s) Other _____
- c. Fuel Source is: Electricity Natural Gas Propane Oil Other _____
- 7. WATER SUPPLY (including water quality, quantity and water pressure)? Yes* No Representation
- a. Water supply is: City/County Community System Private Well Other _____
- b. Water pipes are: Copper Galvanized Plastic Other _____ Unknown _____
- 8. SEWER AND/OR SEPTIC SYSTEM? Yes* No Representation
- a. Sewage disposal system is: Septic Tank Septic Tank with Pump Community System Connected to City/County System City/County System available Other _____
- 9. BUILT-IN APPLIANCES (RANGE/OVEN, ATTACHED MICROWAVE, HOOD/FAN, DISHWASHER, DISPOSAL, etc.)? Yes* No Representation
- 10. OTHER SYSTEMS AND FIXTURES: CENTRAL VACUUM, POOL, HOT TUB, SPA, ATTIC FAN, EXHAUST FAN, CEILING FAN, SUMP PUMP, IRRIGATION SYSTEM, TV CABLE WIRING OR SATELLITE DISH, OR OTHER SYSTEMS? Yes* No Representation

- 11. DRAINAGE, GRADING OR SOIL STABILITY OF LOT? Yes* No Representation
- 12. PRESENT INFESTATION, OR DAMAGE FROM PAST INFESTATION OF WOOD DESTROYING INSECTS OR ORGANISMS which has not been repaired? Yes* No Representation

Also regarding the property identified above, do you know of any:

- 13. ROOM ADDITIONS OR OTHER STRUCTURAL CHANGES? Yes* No Representation
- 14. ENVIRONMENTAL HAZARDS (substances, materials or products) including asbestos, formaldehyde, radon gas, methane gas, lead-based paint, underground storage tank, or other hazardous or toxic material (whether buried or covered), contaminated soil or water, or other environmental contamination? Yes* No Representation
- 15. COMMERCIAL OR INDUSTRIAL NUISANCES (noise, odor, smoke, etc.) affecting the property? Yes* No Representation
- 16. VIOLATIONS OF BUILDING CODES, ZONING ORDINANCES, RESTRICTIVE COVENANTS OR OTHER LAND-USE RESTRICTIONS? Yes* No Representation
- 17. UTILITY OR OTHER EASEMENTS, SHARED DRIVEWAYS, PARTY WALLS OR ENCROACHMENTS FROM OR ON ADJACENT PROPERTY? Yes* No Representation
- 18. LAWSUITS, FORECLOSURES, BANKRUPTCY, TENANCIES, JUDGMENTS, TAX LIENS, PROPOSED ASSESSMENTS, MECHANICS' LIENS, MATERIALMENS' LIENS OR NOTICE FROM ANY GOVERNMENTAL AGENCY that could affect title to the property? Yes* No Representation
- 19. OWNERS' ASSOCIATION OR "COMMON AREA" EXPENSES OR ASSESSMENTS? Yes* No Representation
- 20. FLOOD HAZARD or that the property is in a FEDERALLY-DESIGNATED FLOOD PLAIN? Yes* No Representation

*If you answered "Yes" to any of the above questions, please explain (Attach additional sheets, if necessary): _____