

NEW CONSTRUCTION ADDENDUM
(For Completed Construction)
This form is not for use when Buyer owns the Property

NOTE: This form is designed for use when Seller is a licensed contractor who has completed construction of a “spec” dwelling (including a townhouse but not a condominium) on property owned or to be owned by Seller who will convey improved property to Buyer, and should be attached as an addendum to the Offer to Purchase and Contract (Form 2-T). **If construction of the dwelling is not completed or if extensive additional improvements are to be made or appraisal is dependent on their value, the parties should use the Offer to Purchase and Contract—New Construction (Form 800-T) instead of this form.**

Property: _____

Seller: _____

Buyer: _____

This Addendum is attached to and made a part of the Offer to Purchase and Contract (“Contract”) between Seller and Buyer for the Property.

NC contractor’s license #: _____ classification: _____ limit: _____

1. CONSTRUCTION OF HOUSE. Seller has completed construction of a dwelling and related improvements (hereinafter “House”) on the Property. Seller represents and certifies that Seller was licensed to construct the House and is licensed to construct any additional improvements that may be made by Seller pursuant to this Contract. Seller shall provide to Buyer a certificate of occupancy (“CO”) for the House and any additional improvements made thereto no later than Settlement.

2. ADDITIONAL IMPROVEMENTS.

(a) Description. The parties agree that Seller will make the following additional minor improvements to the Property (describe all improvements; insert “N/A” if no additional improvements are to be made) (hereinafter collectively the “Additional Improvements”) **(As noted above, if extensive additional improvements are to be made, the parties should use the Offer to Purchase and Contract—New Construction (Form 800-T) instead of this form):**

(b) Construction. Seller shall construct the Additional Improvements in compliance with all laws, regulations, codes, and ordinances applicable to the construction of the Additional Improvements and in a good and workmanlike manner with new, good quality materials and components.

(c) Changes. Seller shall not make any significant deviation or change in the Additional Improvements without the prior written consent of Buyer.

(d) Costs of Construction. Seller shall provide and pay for all labor, materials, equipment, tools, clean-up, utilities, transportation, facilities, permits, fees, licenses and all other costs, charges and expenses whatsoever in connection with or related to the construction of the Additional Improvements.



3. COMPLETION OF ADDITIONAL IMPROVEMENTS. Seller shall diligently pursue the construction of the Additional Improvements, and shall complete construction of the Additional Improvements on or before Settlement. If Seller is delayed at any time in the progress of construction by: (a) any act or neglect of Buyer, (b) any changes ordered in the construction, (c) material shortages, adverse weather conditions, or delays in transportation which were not reasonably anticipated or (d) acts of God, then the time for completion of construction of the Additional Improvements and the Settlement Date shall be extended automatically by a reasonable time to account for the delay experienced. Seller shall notify Buyer in writing within five (5) days after the commencement of the delay; otherwise the right to an extension shall be waived. The construction of the Additional Improvements shall be deemed completed when they have been completed in accordance with the terms of this Contract and a CO(s) of occupancy has/have been issued by the appropriate governmental authority having jurisdiction over the construction of any of the Additional Improvements.

4. INSPECTIONS. Buyer or Buyer's designated representative may enter and inspect the Additional Improvements at reasonable times and in such manner as not to interfere with the progress of construction for the limited purpose of determining whether the work performed or being performed conforms to the terms of this Contract. In the event that during construction the Buyer shall reasonably determine that construction is not proceeding in accordance with this Contract, Buyer shall give written notice to Seller specifying the particular deviation, deficiency, or omission, and the 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 Additional Improvements in accordance with this Contract.

5. PURCHASE PRICE AND BUILDING DEPOSIT.

(a) Purchase Price. The purchase price set forth in Paragraph 1(d) of the Contract includes the purchase price of the Additional Improvements, if any.

(b) Building Deposit. The Building Deposit, if any, referred to in Paragraph 1(d) of the Contract is not an Earnest Money Deposit and will be used by Seller in the construction of the Additional Improvements. The Building Deposit shall be paid to the Seller by cash or immediately available funds such as official bank check or wire transfer no later than the first banking day following the end of the Due Diligence Period and 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, the nonfulfillment of the condition set forth in Paragraph 11 of the Contract, or if the Contract is terminated under Paragraph 12. Should the Buyer fail to deliver the Building Deposit in accordance with the terms of this subparagraph, Buyer shall have one (1) banking day after written notice to deliver the Building Deposit 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. Seller and Buyer agree that the "Acknowledgment Of Receipt Of Building Deposit" section 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.

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.

6. WARRANTIES.

(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 House, whichever comes first, Seller will make all necessary repairs and corrections to the House and any Additional Improvement, either interior or exterior, structural or nonstructural, that shall become necessary by reason of faulty construction, labor or materials. 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.

(b) Warranties of Components. Seller shall assign and deliver to Buyer at Closing all guarantees and warranties of all components comprising the House and any Additional Improvements to the extent the same are assignable. Buyer shall be responsible for compliance with any notice and claim procedures set forth therein.

7. INSULATION OF HOUSE:

	WALLS	CEILINGS	FLOORS
TYPE			
THICKNESS			
R-VALUE			

IN THE EVENT OF A CONFLICT BETWEEN THIS ADDENDUM AND THE CONTRACT, THIS ADDENDUM SHALL CONTROL EXCEPT THAT IN THE CASE OF SUCH A CONFLICT AS TO THE DESCRIPTION OF THE PROPERTY OR THE IDENTITY OF THE BUYER OR SELLER, THE CONTRACT SHALL CONTROL.

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.

Date: _____

Date: _____

Buyer: _____

Seller: _____

Date: _____

Date: _____

Buyer: _____

Seller: _____

Entity Buyer:

Entity Seller:

(Name of LLC/Corporation/Partnership/Trust/etc.)

(Name of LLC/Corporation/Partnership/Trust/etc.)

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

ACKNOWLEDGMENT OF RECEIPT OF BUILDING DEPOSIT

Seller: _____ (“Seller”)

Buyer: _____ (“Buyer”)

Property Address: _____ (“Property”)

SELLER ACKNOWLEDGMENT OF RECEIPT OF BUILDING DEPOSIT

Paragraph 5(b) of the New Construction Addendum (Form 2A3-T) between Buyer and Seller for the sale of the Property provides for the payment to Seller of a Building Deposit in the amount of \$_____, receipt of which Seller Hereby acknowledges.

Individual Seller(s):

Seller: _____
(Signature)

Date: _____

Seller: _____
(Signature)

Date: _____

Entity Seller:

Name: _____
(Name of LLC/Corporation/Partnership/Trust/etc.)

By: _____

Name: _____

Title: _____

Date: _____

