



AGREEMENT FOR PURCHASE AND SALE OF LAND

THIS AGREEMENT, including any and all addenda attached hereto ("Agreement"), is by and between First Choice Homes, LLC, a North Carolina Limited Liability Company ("Buyer"), and Lake Royale Property Owners Association, Inc., a North Carolina Not-for-Profit Corporation ("Seller").

(NOTE: If the Buyer or Seller is an entity, in order to form a binding agreement and complete a transaction, the entities listed as Buyer or Seller in this Agreement should be validly formed and in good standing with the Secretary of State in the State of formation of the entity.)

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Terms and Definitions: The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a) "Property": (Address) All properties set forth on Exhibit A, attached hereto, plus an additional fifteen (15) lots to be determined later by mutual agreement, not to include any waterfront lots, or lots deemed "strategic" by Seller for Seller's operational considerations within Lake Royale.

Plat Reference: Lot(s) Multiple, as shown on Exhibit A.

If this box is checked, "Property" shall mean that property described on Exhibit A attached hereto and incorporated herewith by reference.

(For information purposes: (i) the tax parcel number of the Property is: as shown on Exhibit A.

together with all buildings and improvements thereon and all fixtures and appurtenances thereto.

\$ 100,000.00 (b) "Purchase Price" shall mean the sum of One Hundred Thousand and no/00 Dollars, together with fee simple, unencumbered title to all properties set forth on Exhibit B, attached hereto.

\$ n/a (i) "Earnest Money" shall mean \_\_\_\_\_ Dollars or terms as follows: \_\_\_\_\_

The Earnest Money shall be deposited in escrow with \_\_\_\_\_ (name of person/entity with whom deposited- "Escrow Agent") within five (5) calendar days of the Contract Date, to be applied as part payment of the Purchase Price of the Property at Closing, or disbursed as agreed upon under the provisions of Section 10 herein. Should Buyer fail to deliver the Earnest Money by the date required hereunder, 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 of such dishonor to deliver cash, official bank check, wire transfer or electronic transfer to the Escrow Agent. If Buyer fails to deliver the required funds within one (1) banking day after written notice, then Seller may terminate this Agreement by written notice to Buyer at any time thereafter, provided Seller has not then received acknowledgement by Escrow Agent of its receipt of funds from Buyer. If the Escrow Agent has not delivered to the Seller the acknowledgement of Earnest Money on the last page of this Agreement by the calendar day following the date the Earnest Money is required to be delivered hereunder, it shall be presumed that the Earnest Money was not delivered by the required time (unless, upon the written request of Seller, Escrow Agent can provide proof of its receipt of the Earnest



This form jointly approved by: North Carolina Bar Association North Carolina Association of REALTORS®, Inc.

STANDARD FORM 580L-T Adopted 7/2020 © 7/2020

Buyer Initials MM Seller Initials LD

Money by the required time). Buyer and Seller consent to the disclosure by the Escrow Agent, to the parties to this Agreement, the Broker(s) and any Buyer lender, of any material facts pertaining to the Earnest Money.

ANY EARNEST MONEY DEPOSITED BY BUYER IN A TRUST ACCOUNT MAY BE PLACED IN AN INTEREST BEARING TRUST ACCOUNT, AND: (check only ONE box)

ANY INTEREST EARNED THEREON SHALL BE APPLIED AS PART PAYMENT OF THE PURCHASE PRICE OF THE PROPERTY AT CLOSING, OR DISBURSED AS AGREED UPON UNDER THE PROVISIONS OF SECTION 10 HEREIN. (Buyer's Taxpayer Identification Number is: \_\_\_\_\_)

ANY INTEREST EARNED THEREON SHALL BELONG TO THE ACCOUNT HOLDER IN CONSIDERATION OF THE EXPENSES INCURRED BY MAINTAINING SUCH ACCOUNT AND RECORDS ASSOCIATED THEREWITH.

\$ \_\_\_\_\_ (ii) Delivery of a promissory note secured by a deed of trust, said promissory note in the amount of \_\_\_\_\_ Dollars being payable over a term of \_\_\_\_\_ years, with an amortization period of \_\_\_\_\_ years, payable in monthly installments of principal, together with accrued interest on the outstanding principal balance at the rate of \_\_\_\_\_ percent ( \_\_\_\_\_ %) per annum in the amount of \$ \_\_\_\_\_ with the first principal payment beginning on the first day of the month next succeeding the date of Closing, or such other terms as may be set forth on Exhibit B. At any time, the promissory note may be prepaid in whole or in part without penalty and without further interest on the amounts prepaid from the date of such prepayment. (NOTE: In the event of Buyer's subsequent default upon a promissory note and deed of trust given hereunder, Seller's remedies may be limited to foreclosure of the Property. If the deed of trust given hereunder is subordinated to senior financing, the material terms of such financing must be set forth on Exhibit B. If such senior financing is subsequently foreclosed, the Seller may have no remedy to recover under the note.)

\$ 100,000.00 (iii) Cash balance of Purchase Price, at Closing in the amount of One Hundred Thousand and no/100 Dollars.

Buyer, at Buyer's expense, shall be entitled to pursue qualification for and approval of any loan Buyer intends to obtain in connection with the transaction contemplated by this Agreement. (Note: Buyer's obligations under this Agreement are not conditioned upon obtaining or closing any loan. Therefore, Buyer is advised to consult with Buyer's lender prior to signing this offer to assure that the Examination Period allows sufficient time for Buyer's lender to provide Buyer sufficient information to decide whether to proceed with or terminate the transaction.)

(c) "Closing" shall mean the date of completion of the process detailed in Section 11 of this Agreement. Closing shall occur on or before October 3, 2020 or MM

(d) "Contract Date" means the date this Agreement has been fully executed by both Buyer and Seller.

(e) "Examination Period" shall mean the period beginning on the first day after the Contract Date and extending through 5:00pm (based upon time at the locale of the Property) on \_\_\_\_\_ TIME IS OF THE ESSENCE AS TO THE EXAMINATION PERIOD.

(f) "Broker(s)" shall mean: N/A ("Listing Agency"), \_\_\_\_\_ ("Listing Agent" - License # \_\_\_\_\_)

Acting as:  Seller's Agent;  Dual Agent

Buyer Initials MM Seller Initials MS

and N/A ("Selling Agency"),  
\_\_\_\_\_  
("Selling Agent"- License # \_\_\_\_\_)

Acting as:  Buyer's Agent;  Seller's (Sub)Agent;  Dual Agent

(g) "Seller's Notice Address" shall be as follows:

\_\_\_\_\_  
9022 Lake Royale, Louisburg, NC 27549  
e-mail address: TClav@lrpoa.com fax number: \_\_\_\_\_  
except as same may be changed pursuant to Section 12.

(h) "Buyer's Notice Address" shall be as follows:

\_\_\_\_\_  
e-mail address: \_\_\_\_\_ fax number: \_\_\_\_\_  
except as same may be changed pursuant to Section 12.

- (i) If this block is marked, additional terms of this Agreement are set forth on Exhibit C attached hereto and incorporated herein by reference. (Note: Under North Carolina law, real estate agents are not permitted to draft conditions or contingencies to this Agreement.)
- (j) If this block is marked, additional terms of this Agreement are set forth on the Additional Provisions Addendum (Form 581-T) attached hereto and incorporated herein by reference.
- (k) If this block is marked, additional terms of this Agreement are set forth on the Back Up Agreement Addendum (Form 581A-T) attached hereto and incorporated herein by reference.

**Section 2. Sale of Property and Payment of Purchase Price:** Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price.

**Section 3. Proration of Expenses and Payment of Costs:** Seller and Buyer agree that all property taxes (on a calendar year basis), leases, rents, mortgage payments and utilities or any other assumed liabilities as detailed on attached Exhibit C, if any, shall be prorated as of the date of Closing, except as otherwise set out on said Exhibit C. Seller shall pay for preparation of a deed and all other documents necessary to perform Seller's obligations under this Agreement, excise tax (revenue stamps), and other conveyance fees or taxes required by law, any fees required for confirming Seller's account payment information on owners' association dues or assessments for payment or proration; any fees imposed by an owners' association and/or a management company as agent of the owners' association in connection with the transaction contemplated by this Agreement other than those fees required to be paid by Buyer in this Section 3 below, and the following:

Seller's legal and due diligence expenses

Buyer shall pay recording costs, costs of any title search, title insurance, survey, the cost of any inspections or investigations undertaken by Buyer under this Agreement, charges required by an owners' association declaration to be paid by Buyer for Buyer's future use and enjoyment of the Property, including, without limitation, working capital contributions, membership fees, or charges for Buyer's use of the common elements and/or services provided to Buyer, any costs or charges for determining restrictive covenant compliance, and the following:

Buyer's legal and due diligence expenses

Each party shall pay its own attorney's fees.

**Section 4. Deliveries:** Seller agrees to use best efforts to deliver to Buyer, as soon as reasonably possible after the Contract Date, copies of all material information relevant to the Property in the possession of Seller, including but not limited to: information regarding matters detailed on Form 502- Land Information Worksheet, title insurance policies (and copies of any documents referenced therein), surveys, soil test reports, environmental surveys or reports, site plans, civil drawings, building plans, maintenance records and copies of all presently effective warranties or service contracts related 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. If Buyer does not consummate the Closing for any reason other than Seller default, then Buyer shall return to Seller all hard copy materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Seller's request, following release of the Earnest Money, provide to Seller copies of (subject to the ownership and copyright interests of the preparer thereof) any and all studies, reports, surveys and other information relating directly to the Property prepared by or at the request of Buyer, its employees and agents, without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof. Notwithstanding the above provisions regarding delivery and return of information and documentation, should there exist a separate non-disclosure, confidentiality, or similar agreement between Buyer and Seller, the terms of which conflict with this provision insofar as delivery and return of information and documentation, then the terms of such non-disclosure, confidentiality, or similar agreement shall control as to the delivery and return of information and documentation.

**Section 5. Evidence of Title:** Seller agrees to convey fee simple insurable title to the Property without exception for mechanics' liens, free and clear of all liens, encumbrances and defects of title other than: (a) zoning ordinances affecting the Property, (b) Leases (as defined in Section 7, if applicable) and (c) specific instruments on the public record at the Contract Date agreed to by Buyer (not objected to by Buyer prior to the end of the Examination Period), which specific instruments shall be enumerated in the deed referenced in Section 11 (items 5(a), 5(b) and 5(c) being collectively "Permitted Exceptions"); provided that Seller shall be required to satisfy, at or prior to Closing, any encumbrances that may be satisfied by the payment of a fixed sum of money, such as deeds of trust, mortgages or statutory liens. Seller shall not enter into or record any instrument that affects the Property after the Contract Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

**Section 6. Conditions:** This Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon fulfillment (or waiver by Buyer, whether explicit or implied) of the following conditions:

(a) **Title Examination:** After the Contract Date, Buyer shall, at Buyer's expense, cause a title examination to be made of the Property before the end of the Examination Period. In the event that such title examination shall show that Seller's title is not fee simple insurable, subject only to Permitted Exceptions, then Buyer shall promptly notify Seller in writing of all such title defects and exceptions, in no case later than the end of the Examination Period, and Seller shall have thirty (30) days to cure said noticed defects. If Seller does not cure the defects or objections within thirty (30) days of notice thereof, then Buyer may terminate this Agreement and receive a return of Earnest Money (notwithstanding that the Examination Period may have expired). If Buyer is to purchase title insurance, the insuring company must be licensed to do business in the state in which the Property is located. Title to the Property must be insurable at regular rates, subject only to standard exceptions and Permitted Exceptions.

(b) **Same Condition:** If the Property is not in substantially the same condition at Closing as of the date of the offer, reasonable wear and tear excepted, then the Buyer may (i) terminate this Agreement and receive a return of the Earnest Money or (ii) proceed to Closing whereupon 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.

(c) **Inspections:** Buyer, its agents or representatives, at Buyer's expense and at reasonable times during normal business hours, shall have the right to enter upon the Property for the purpose of investigating matters such as those detailed on Form 502- Land Information Worksheet, conducting timber cruises, and examining and surveying the Property; provided, however, that Buyer shall not conduct any invasive testing of any nature without the prior express written approval of Seller as to each specific invasive test intended to be conducted by Buyer. Buyer shall conduct all such on-site inspections, examinations, testing, timber cruises and surveying of the Property in a good and workmanlike manner, at Buyer's expense, shall repair any damage to the Property caused by Buyer's entry and on-site inspections and shall conduct same in a manner that does not unreasonably interfere with Seller's or any tenant's use and enjoyment of the Property. In that respect, Buyer shall make reasonable efforts to undertake on-site inspections outside of the hours Seller's or any tenant's business is open to the public. Buyer shall provide Seller or any tenant (as applicable) reasonable advance notice of and Buyer shall cause its agents or representatives and third party service providers (e.g. inspectors, surveyors, etc.) to give reasonable advance notice of any entry onto the Property. Buyer shall be obligated to observe and comply with any terms of any tenant lease which conditions access to such tenant's space at the Property. Upon Seller's request, Buyer shall provide to Seller evidence of general liability insurance. Buyer shall also have a right to review and inspect all contracts or other agreements affecting or related directly to the Property and shall be entitled to review such books and records of Seller that relate directly to the operation and maintenance of the Property, provided, however, that Buyer shall not disclose any information regarding this Property (or any tenant therein) unless required by law, and the same shall be regarded as confidential, to any person, except to its attorneys, accountants, lenders and other professional advisors, in which case Buyer shall obtain their agreement to maintain such confidentiality. Buyer assumes all responsibility for the acts of itself and its agents or representatives in exercising its rights under this Section 6(c) and agrees to indemnify and hold Seller harmless from any damages resulting therefrom. This indemnification obligation of Buyer shall survive the Closing or earlier termination of this Agreement. Except as provided in Section 6(a) above, Buyer shall have from the Contract Date through the end of the Examination Period to perform the above inspections, examinations and testing. **IF BUYER CHOOSES NOT TO PURCHASE THE PROPERTY, FOR ANY REASON OR NO REASON, AND PROVIDES WRITTEN NOTICE TO SELLER THEREOF PRIOR TO THE EXPIRATION OF THE EXAMINATION PERIOD, THEN**



**THIS AGREEMENT SHALL TERMINATE, AND BUYER SHALL RECEIVE A RETURN OF THE EARNEST MONEY.**

**Section 7. Leases (Check one of the following, as applicable):**

If this box is checked, Seller affirmatively represents and warrants that there are no Leases (as hereinafter defined) affecting the Property.

If this box is checked, Seller discloses that there are one or more leases affecting the Property ("Leases"), and the following provisions are hereby made a part of this Agreement.

(a) A list of all Leases shall be set forth on Exhibit B. Seller represents and warrants that, as of the Contract Date, there are no other Leases, oral or written, recorded or not, nor any subleases affecting the Property, except as set forth on Exhibit B;

(b) Seller shall deliver copies of any Leases to Buyer pursuant to Section 3 as if the Leases were listed therein;

(c) Seller represents and warrants that, as of the Contract Date, there are no current defaults (or any existing situation which, with the passage of time, or the giving of notice, or both, or at the election of either landlord or tenant could constitute a default) either by Seller, as landlord, or by any tenant under any Lease ("Lease Default"). In the event there is any Lease Default as of the Contract Date, Seller agrees to provide Buyer with a detailed description of the situation in accordance with Section 3. Seller agrees not to commit a Lease Default as Landlord after the Contract Date; and agrees further to notify Buyer immediately in the event a Lease Default arises or is claimed, asserted or threatened to be asserted by either Seller or a tenant under the Lease.

(d) During the Examination Period, Buyer and Seller shall cooperate in good faith to determine if any Lease shall be terminated prior to Closing or shall continue after Closing. As to any Lease determined to continue after Closing, Seller shall deliver an assignment of Seller's interest in such Lease to Buyer in form and content acceptable to Buyer (with tenant's written consent and acknowledgement, if required under the Lease). Seller agrees to deliver such assignment of Lease at or before Closing, with any security deposits held by Seller under any Leases to be transferred or credited to Buyer at or before Closing. The assignment shall provide: (i) that Seller shall defend, indemnify and hold Buyer harmless from claims, losses, damages and liabilities (including, without limitation, court costs and attorneys' fees) asserted against or incurred by Buyer which are caused by or the result of any default by Seller under any Lease prior to the date of Closing, and (ii) that Buyer shall defend, indemnify and hold Seller harmless from claims, losses, damages and liabilities (including, without limitation, court costs and attorneys' fees) asserted against or incurred by Seller which are caused by or the result of any default by Buyer under any Lease after the date of Closing.

(e) Seller also agrees to work diligently to obtain any tenant signatures on any estoppel certificates in such form as Buyer may reasonably request and to work diligently to obtain any subordination, nondisturbance and attornment agreements in such form as Buyer may reasonably request.

**Section 8. Environmental/Physical Aspects of Property:** Seller represents and warrants that it has no actual knowledge of the presence or disposal, except as in accordance with applicable law, within any structures on the Property or on the Property of hazardous or toxic waste or substances, which are defined as those substances, materials, and wastes, including, but not limited to: those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR Part 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302.4) and amendments thereto, or such substances, materials and wastes, which are or become regulated under any applicable local, state or federal law, including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a Hazardous Substance pursuant to Section 311 of the Clean Water Act of 1977 (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act of 1977 (33 U.S.C. §1317), (v) defined as a hazardous waste pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6903) or (vi) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601). Seller has no actual knowledge of any contamination of the Property from such substances as may have been disposed of or stored on neighboring tracts.

**Section 9. Risk of Loss/Damage/Repair:** Until Closing, the risk of loss or damage to the Property, except as otherwise provided herein, shall be borne by Seller. Except as to maintaining the Property in its same condition, Seller shall have no responsibility for the repair of the Property, including any improvements, unless the parties hereto agree in writing.

**Section 10. Earnest Money Disbursement:** In the event that any condition hereto is not satisfied, then the Earnest Money shall be refunded to Buyer. In the event of breach of this Agreement by Seller, the Earnest Money 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 Agreement by Buyer, the Earnest Money shall be paid to Seller as liquidated damages and as Seller's sole and exclusive remedy for such breach, but without limiting Seller's rights under Section 6(c) or Section 22 of this Agreement. It is acknowledged by the parties that payment of the Earnest Money to Seller in the event of a breach of this Agreement by Buyer is compensatory and not punitive,

such amount being a reasonable estimation of the actual loss that Seller would incur as a result of such breach. The payment of the Earnest Money to Seller shall not constitute a penalty or forfeiture but actual compensation for Seller's anticipated loss, both parties acknowledging the difficulty determining Seller's actual damages for such breach.

NOTE: In the event of a dispute between Seller and Buyer over the disposition of the Earnest Money held in escrow, a licensed real estate broker is required by state law (and Escrow Agent, if not a broker, hereby agrees) to retain the Earnest Money 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 is holding the Earnest Money, 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.

Seller and Buyer hereby agree and acknowledge that the Escrow Agent assumes no liability in connection with the holding of the Earnest Money pursuant hereto except for negligence or willful misconduct of Escrow Agent. Escrow Agent shall not be responsible for the validity, correctness or genuineness of any document or notice referred to under this Agreement. Seller and Buyer hereby agree to indemnify, protect, save and hold harmless Escrow Agent and its successors, assigns and agents pursuant to this Agreement, from any and all liabilities, obligations, losses, damages, claims, actions, suits, costs or expenses (including attorney fees) of whatsoever kind or nature imposed on, incurred by or asserted against Escrow Agent which in any way relate to or arise out of the execution and delivery of this Agreement and any action taken hereunder; provided, however, that Seller and Buyer shall have no such obligation to indemnify, save and hold harmless Escrow Agent for any liability incurred by, imposed upon or established against it as a result of Escrow Agent's negligence or willful misconduct.

**Section 11. Closing:** At or before Closing, Seller shall deliver to Buyer a special warranty deed unless otherwise specified on Exhibit B and other documents customarily executed or delivered by a seller in similar transactions, including without limitation, an owner's affidavit, lien waiver forms (and such other lien related documentation as shall permit the Property to be conveyed free and clear of any claim for mechanics' liens) and a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act), and Buyer shall cause to be delivered the funds necessary to pay to Seller the Purchase Price. The Closing shall be conducted by Buyer's attorney or handled in such other manner as the parties hereto may mutually agree in writing. Possession shall be delivered at Closing, unless otherwise agreed herein. The Purchase Price and other funds to be disbursed pursuant to this Agreement shall not be disbursed until the Buyer's attorney's (or other designated settlement agent's) receipt of authorization to disburse all necessary funds.

**Section 12. Notices:** Unless otherwise provided herein, all notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing (which shall include electronic mail) and shall be deemed to have been properly given and received (i) on the date delivered in person or (ii) the date deposited in the United States mail, registered or certified, return receipt requested, to the addresses set out in Section 1(g) as to Seller, and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith, (iii) at such time as the sender performs the final act to send such transmission, in a form capable of being processed by the receiving party's system, to any electronic mail address or facsimile number, if any, provided in Section 1(g) as to Seller, and in Section 1(h) as to Buyer or (iv) on the date deposited with a recognized overnight delivery service, addressed to the addresses set out in Section 1(g) as to Seller, and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith. If a notice is sent by more than one method, it will be deemed received upon the earlier of the dates of receipt pursuant to this Section.

**Section 13. Counterparts; Entire Agreement:** This Agreement may be executed in one or more counterparts, which taken together, shall constitute one and the same original document. Copies of original signature pages of this Agreement may be exchanged via facsimile or e-mail, and any such copies shall constitute originals. This Agreement constitutes the sole and entire agreement among the parties hereto and no modification of this Agreement shall be binding unless in writing and signed by all parties hereto. The invalidity of one or more provisions of this Agreement shall not affect the validity of any other provisions hereof and this Agreement shall be construed and enforced as if such invalid provisions were not included.

**Section 14. Enforceability:** This Agreement shall become a contract when signed by both Buyer and Seller and such signing is communicated to both parties; it being expressly agreed that notice given in accordance with Section 12 is not required for effective communication for the purposes of this Section 14. The parties acknowledge and agree that: (i) the initials lines at the bottom of each page of this Agreement are merely evidence of their having reviewed the terms of each page, and (ii) the complete execution of such initials lines shall not be a condition of the effectiveness of this Agreement. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns and their personal representatives.

**Section 15. Adverse Information and Compliance with Laws:**

(a) **Seller Knowledge/Assessments:** Seller has no actual knowledge of (i) condemnation(s) affecting or contemplated with respect to the Property; (ii) actions, suits or proceedings pending or threatened against the Property; (iii) changes contemplated in any applicable laws, ordinances or restrictions affecting the Property; (iv) governmental special assessments, either pending or confirmed, for sidewalk, paving, water, sewer, or other improvements on or adjoining the Property, and no pending or confirmed owners'

association special assessments or (v) any caves, mineshafts, tunnels, fissures, open or abandoned wells, gravesites, pet cemeteries, animal burial pits or landfill operations (past or present) located at the Property, except as follows (Insert "None" or the identification of any matters relating to (i) through (v) above, if any):

None, except as set forth in Exhibit C

**Note:** For purposes of this Agreement: (i) a "special assessment" is defined as 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 pending or confirmed; (ii) a "confirmed" special assessment is defined as an assessment that has been approved by a governmental agency or an owners' association for the purpose(s) stated, whether, at the time of Closing, it is payable in a lump sum or future installments; (iii) a "pending" special assessment is defined as an assessment that is under formal consideration by a governmental agency or an owners' association but which has not been approved prior to Closing. Seller shall pay, in full at Closing, all confirmed governmental or association special assessments, provided that the amount thereof can be reasonably determined or estimated. The payment of such determined or estimated amount shall be the final payment between Buyer and Seller as to any confirmed special assessments. If the amount of any special assessment cannot be reasonably determined or estimated, the special assessment shall be deemed a pending special assessment. Buyer shall take title subject to all pending special assessments disclosed by Seller herein, if any.

(b) **Compliance:** To Seller's actual knowledge, (i) Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property; (ii) performance of the Agreement will not result in the breach of, constitute any default under or result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property is bound; and (iii) there are no legal actions, suits or other legal or administrative proceedings pending or threatened against the Property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

(c) **Owners' Association:** If the Property is subject to regulation by an owners' association, Seller shall deliver the following information to Buyer pursuant to Section 4 as if the same were listed therein (or Seller shall state that Seller does not have same in their possession or that such item is not applicable): (i) the name of the owners' association; (ii) the amount of regular assessments (dues); (iii) the name, address and telephone number of the president of the owners' association or of the association manager or management company; (iv) the owners' association website address; (v) the Seller's statement of account; (vi) the master insurance policy showing the coverage provided and the deductible amount; (vii) copies of any Declaration and/or Restrictive Covenants; (viii) the Rules and Regulations, (ix) the Articles of Incorporation and Bylaws of the owners' association; (x) the current financial statement and budget of the owners' association; (xi) the parking restrictions and information; and (xii) the architectural guidelines. Seller authorizes and directs any owners' association, any management company of the owners' association, any insurance company and any attorney who has previously represented the Seller to release to Buyer, Buyer's agents, representative, closing attorney or lender true and accurate copies of the foregoing items affecting the Property, including any amendments thereto.

**Section 16. Survival of Representations and Warranties:** All representations, warranties, covenants and agreements made by the parties hereto shall survive the Closing and delivery of the deed. Seller shall, at or within six (6) months after the Closing, and without further consideration, execute, acknowledge and deliver to Buyer such other documents and instruments, and take such other action as Buyer may reasonably request or as may be necessary to more effectively transfer to Buyer the Property described herein in accordance with this Agreement.

**Section 17. Applicable Law:** This Agreement shall be construed under the laws of the state in which the Property is located. This form has only been approved for use in North Carolina.

**Section 18. Assignment:** This Agreement is freely assignable unless otherwise expressly provided on Exhibit B.

**Section 19. 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, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

**Section 20. Memorandum of Contract:** Upon request by either party, the parties hereto shall execute a memorandum of contract in recordable form setting forth such provisions hereof (other than the Purchase Price and other sums due) as either party may wish to incorporate. Such memorandum of contract shall contain a statement that it automatically terminates and the Property is released from any effect thereby as of a specific date to be stated in the memorandum (which specific date shall be no later than the date of Closing). The cost of recording such memorandum of contract shall be borne by the party requesting execution of same.

**Section 21. Authority:** Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement and such instruments as may be necessary to effectuate any transaction contemplated by this Agreement on behalf of the party for whom he or she signs and that his or her signature binds such party.

**Section 22. Brokers:** Except as expressly provided herein, Buyer and Seller agree to indemnify and hold each other harmless from any and all claims of brokers, consultants or real estate agents by, through or under the indemnifying party for fees or commissions arising out of the sale of the Property to Buyer. Buyer and Seller represent and warrant to each other that: (i) except as to the Brokers designated under Section 1(f) of this Agreement, they have not employed nor engaged any brokers, consultants or real estate agents to be involved in this transaction and (ii) that the compensation of the Brokers is established by and shall be governed by separate agreements entered into as amongst the Brokers, the Buyer and/or the Seller.

**Section 23. Attorneys Fees:** If legal proceedings are instituted to enforce any provision of this Agreement, the prevailing party in the proceeding shall be entitled to recover from the non-prevailing party reasonable attorneys fees and court costs incurred in connection with the proceeding.

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:**

**SELLER:**

Individual

Individual

\_\_\_\_\_  
Date: \_\_\_\_\_

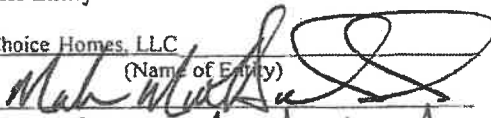
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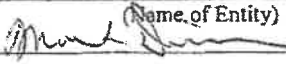
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Date: \_\_\_\_\_

Business Entity

Business Entity

1st Choice Homes, LLC  
(Name of Entity)  
By:   
Name: MARK McADAMS  
Title: MANAGER  
Date: 10/5/2020

Lake Royale Property Owners Association, Inc.  
(Name of Entity)  
By:   
Name: Mark Divens  
Title: President  
Date: October 5, 2020

**WIRE FRAUD WARNING**

**To Buyers:** Before sending any wire, you should call the closing agent's office to verify the instructions. If you receive wiring instructions for a different bank, branch location, account name or account number, they should be presumed fraudulent. Do not send any funds and contact the closing agent's office immediately.

**To Sellers:** If your proceeds will be wired, it is recommended that you provide wiring instructions at closing in writing in the presence of the closing agent. If you are unable to attend closing, you may be required to send an original notarized directive to the closing agent's office containing the wiring instructions. This directive may be sent with the deed, lien waiver and tax forms if those documents are being prepared for you by the closing agent. At a minimum, you should call the closing agent's office to provide the wire instructions. The wire instructions should be verified over the telephone via a call to you initiated by the closing agent's office to ensure that they are not from a fraudulent source.



Whether you are a buyer or a seller, you should call the closing agent's office at a number that is independently obtained. To ensure that your contact is legitimate, you should not rely on a phone number in an email from the closing agent's office, your real estate agent or anyone else.

The undersigned hereby acknowledges receipt of the Earnest Money set forth herein and agrees to hold said Earnest Money in accordance with the terms hereof.

\_\_\_\_\_ None \_\_\_\_\_  
(Name of Escrow Agent)

Date: \_\_\_\_\_ By: \_\_\_\_\_

Escrow Agent's contact/notice information is as follows:

\_\_\_\_\_

e-mail address: \_\_\_\_\_ fax number: \_\_\_\_\_

except as same may be changed pursuant to Section 12.

POA Lots to 1st Choice

PIN	ParID	NUMBER	STREET NAME	LOT #
2840-10-1541	23589	112	ACOMA DR	2966R
2840-00-9032	21846	124	ACOMA DR	2926R
2831-61-8231	23865	104	ATOKA DR	2689R
2831-70-1937	19354	113	ATOKA DR	2674R
2831-70-1595	22826	124	ATOKA DR	2699R
2831-71-1106	20387	109 & 107	ATOKA DR (recombined lots)	2676R & 2677R
2830-49-3392	22305	108	BLACKFOOT DR	0792R
2840-14-9552	23173	126	BUCKAROO DR	1792R
2840-14-7616	22531	129	BUCKAROO DR	1772R
2840-14-7735	21108	133	BUCKAROO DR	1771R
2840-16-0767	19246	188	BUCKAROO DR	1969R
2831-32-9688	23766	117	BUCKSKIN DR	1105R
2840-08-7636	22364	100	CHANUTE CIR	2413R
2840-08-8693	19638	104	CHANUTE CIR	2415R
2830-75-5260	21937	112	COMANCHE DR	0369R
2830-74-8922	20464	122	COMANCHE DR	0374R
2830-82-2821	19685	115	DEER CROSS DR	1487R
2830-82-4671	23043	120	DEER CROSS DR	1443R
2840-06-2994	23696	116, 118 & 120	DIEGO DR (recombined lots)	2371R, 2372R &
2840-15-5360	20078	139	HATCHET COVE	1907R
2840-25-4550	22908	115	HATCHET DR	1874R
2840-11-2439	20895	112	HORSEMAN DR	1579R
2840-12-5498	23553	145	HORSEMAN DR	1640R
2840-13-8038	22659	162	HORSEMAN DR	1604R
2840-13-5300	20832	172	HORSEMAN DR	1609R
2831-33-9559	21541	129	HURON DR	1207R
2831-43-0268	21001	137	HURON DR	1203R
2830-97-8022	23101	105	INCA DR	2353R
2830-98-5482	23651	136	MAYAN DR	2218R
2830-98-6536	23460	140	MAYAN DR	2216R
2830-88-5391	19920	102	MEDICINE CV	2211R
2840-07-2712	22692	114	MOHAWK DR	2304R
2830-97-7975	19111	125	MOHAWK DR	2274R
2840-08-0147	23272	132	MOHAWK DR	2297R
2840-08-0470	20214	138	MOHAWK DR	2294R
2830-75-1524	22838	113	MOHICAN DR	0160R
2831-70-6372	19409	108	NAKOMA DR	2628R
2831-70-7929	19955	134	NAKOMA DR	2637R

2831-71-6223	21330	135	NAKOMA DR	2662R
2831-81-1292	23135	148	NAKOMA DR	2644R
2831-81-3479	21115	158	NAKOMA DR	2649R
2831-80-1238	21430	116	NASHUA DR	2536R
2831-80-5828	23560	148	NASHUA DR	2546R
2831-81-5698	20443	169	NASHUA DR	2590R
2831-80-6986	21463	152 & 154	NASHUA DR (recombined lots)	2548R & 2549R
2840-11-7002	21419	115	OSAGE DR	2835R
2840-10-7954	21951	117	OSAGE DR	2836R
2840-20-0791	20121	125, 127 & 129	OSAGE DR (recombined lots)	2840R, 2841R &
2831-80-6113	6462	112	OSWEGO DR	2483R
2831-80-3421	19463	119	OSWEGO DR	2519R
2831-80-9847	23856	141	OSWEGO DR	2508R
2831-81-9028	21503	165	OSWEGO DR	2552R
2831-80-6421	22858	122 & 128	OSWEGO DR (recombined lots)	2486R & 2487R
2830-88-8781	20262	115	OTTAWA DR	2167R
2830-98-0726	20042	119	OTTAWA DR	2165R
2830-98-4941	20206	131	OTTAWA DR	2159R
2830-98-5986	23426	135	OTTAWA DR	2157R
2830-99-8066	25743	143	OTTAWA DR	2153R
2831-32-3738	21194	102	PUEBLO DR	1094R
2840-12-4824	19416	121	QUARTERHORSE DR	1635R
2840-14-5625	20149	108	RAWHIDE DR	1767R
2840-25-0234	19110	119	RAWHIDE DR	1894R
2840-25-7192	21296	138	RAWHIDE DR	1808R
2840-25-9134	22103	142	RAWHIDE DR	1810R
2840-35-2169	22505	150	RAWHIDE DR	1814R
2840-35-3966	22471	170	RAWHIDE DR	1824R
2840-36-0203	19350	216	RAWHIDE DR	1830R
2840-25-6995	19967	225	RAWHIDE DR	1851R
2840-26-4165	20024	230	RAWHIDE DR	1837R
2831-71-3984	21910	1424	SAGAMORE DR	2749R
2831-72-4149	23646	1429	SAGAMORE DR	2767R
2830-49-3143	19147	105	SENECA DR	0755R
2830-49-6142	21167	113	SENECA DR	0759R
2840-09-6090	22798	162	SEQUOIA DR	2338R
2840-09-6460	22798	172	SEQUOIA DR	2333R
2840-09-1697	21906	206	SEQUOIA	2442R
2830-99-5453	3958	224	SEQUOIA DR	2451R
2830-99-2044	22509	235	SEQUOIA DR	2127R
2830-89-9292	22743	240	SEQUOIA DR	2459R

2830-88-9922	21682	245 & 243	SEQUOIA DR (recombined lots)	2122R & 2123R
2840-17-6524	23511	138	SHAMAN DR	2991R
2840-17-4286	25783	148	SHAMAN DR	2994R
2840-17-2266	25784	154	SHAMAN DR	2996R
2831-24-6378	25709	98	SHAWNEE DR	1304R
2831-30-7765	21188	219	SHAWNEE DR	0947R
2830-54-8785	23507	473	SHAWNEE DR	0192R
2830-62-9861	20451	545	SHAWNEE DR	1505R
2830-81-0993	23122	611	SHAWNEE DR	1415R
2830-81-3737	19950	617	SHAWNEE DR	1412R
2830-81-3278	23397	629	SHAWNEE DR	1406R
2830-80-6934	19065	646	SHAWNEE DR	1388R
2830-48-1616	22538	318 - 320	SHAWNEE DR	00743R/
2830-62-8575	23777	546 & 548	SHAWNEE DR	1356R &
2831-40-7028	19122	122	SHOSHONE DR	0883R
2831-32-5230	20534	103	SOUIX DR	1117R
2831-82-2443	19152	109	UTE DR	2577R
2830-65-1091	23023	103 - 105	WAGON WHEEL CIRCLE	0186R /
2840-10-0366	21861	100	WHITE HORSE DR	2964R
2840-00-8492	22727	104	WHITE HORSE DR	2962R
2840-00-7154	21968	105	WHITE HORSE DR	2930R
2831-71-7863	3948	106	WICHITA WAY	2742R
2831-71-4776	20522	114	WICHITA WAY	2738R
2830-53-9369	21478	120 & 122	SACRED FIRE RD (recombined lots)	3064 & 3065
2830-34-7493	23011	230	SACRED FIRE RD	
2830-43-1683	4600	115	BLACK CLOUD DR	
2830-43-7521	25469	120	CLEAR WATER	
2830-43-9538	22766	117	CLEAR WATER	
2830-42-9853	4836	117	TAOPI DR	
2830-43-7124	20124	129	CLEAR WATER	
2830-54-4413	22166	146	SACRED FIRE RD	



**TOTAL LOTS TRADED FROM 1st CHOICE HOMES TO LR.POA (97):**

	<u>Lot #</u>	<u>Address</u>	<u>Street #</u>	<u>LOT TYPE</u>
1	3295	Clear Water Rd	162	4 LOTS - TRADED TO LR.POA
2	3363	Clear Water Rd	163	4 LOTS - TRADED TO LR.POA
3	3403	Red Dog Dr	132	4 LOTS - TRADED TO LR.POA
4	3404	Red Dog Dr	134	4 LOTS - TRADED TO LR.POA
5	3533	Bear Cove	102	TRADED TO LR.POA (93 LOTS)
6	3531	Bear Cove	103	TRADED TO LR.POA (93 LOTS)
7	3532	Bear Cove	104	TRADED TO LR.POA (93 LOTS)
8	3556	Gray Sky Rd	100	TRADED TO LR.POA (93 LOTS)
9	3555	Gray Sky Rd	102	TRADED TO LR.POA (93 LOTS)
10	3554	Gray Sky Rd	104	TRADED TO LR.POA (93 LOTS)
11	3553	Gray Sky Rd	106	TRADED TO LR.POA (93 LOTS)
12	3528	Gray Sky Rd	107	TRADED TO LR.POA (93 LOTS)
13	3552	Gray Sky Rd	108	TRADED TO LR.POA (93 LOTS)
14	3529	Gray Sky Rd	109	TRADED TO LR.POA (93 LOTS)
15	3551	Gray Sky Rd	110	TRADED TO LR.POA (93 LOTS)
16	3550	Gray Sky Rd	112	TRADED TO LR.POA (93 LOTS)
17	3549	Gray Sky Rd	114	TRADED TO LR.POA (93 LOTS)
18	3548	Gray Sky Rd	116	TRADED TO LR.POA (93 LOTS)
19	3547	Gray Sky Rd	118	TRADED TO LR.POA (93 LOTS)
20	3546	Gray Sky Rd	120	TRADED TO LR.POA (93 LOTS)
21	3545	Gray Sky Rd	122	TRADED TO LR.POA (93 LOTS)
22	3544	Gray Sky Rd	124	TRADED TO LR.POA (93 LOTS)
23	3539	Gray Sky Rd	125	TRADED TO LR.POA (93 LOTS)
24	3543	Gray Sky Rd	126	TRADED TO LR.POA (93 LOTS)
25	3540	Gray Sky Rd	127	TRADED TO LR.POA (93 LOTS)
26	3542	Gray Sky Rd	128	TRADED TO LR.POA (93 LOTS)
27	3521	Long Run Rd	100	TRADED TO LR.POA (93 LOTS)
28	3522	Long Run Rd	101	TRADED TO LR.POA (93 LOTS)
29	3520	Long Run Rd	102	TRADED TO LR.POA (93 LOTS)
30	3523	Long Run Rd	103	TRADED TO LR.POA (93 LOTS)
31	3519	Long Run Rd	104	TRADED TO LR.POA (93 LOTS)
32	3524	Long Run Rd	105	TRADED TO LR.POA (93 LOTS)
33	3518	Long Run Rd	106	TRADED TO LR.POA (93 LOTS)
34	3525	Long Run Rd	107	TRADED TO LR.POA (93 LOTS)
35	3517	Long Run Rd	108	TRADED TO LR.POA (93 LOTS)
36	3526	Long Run Rd	109	TRADED TO LR.POA (93 LOTS)
37	3516	Long Run Rd	110	TRADED TO LR.POA (93 LOTS)
38	3527	Long Run Rd	111	TRADED TO LR.POA (93 LOTS)
39	3515	Long Run Rd	112	TRADED TO LR.POA (93 LOTS)
40	3514	Long Run Rd	114	TRADED TO LR.POA (93 LOTS)
41	3513	Long Run Rd	116	TRADED TO LR.POA (93 LOTS)
42	3512	Long Run Rd	118	TRADED TO LR.POA (93 LOTS)

43	3511	Long Run Rd	120	TRADED TO LR.POA (93 LOTS)
44	3463	Long Run Rd	123	TRADED TO LR.POA (93 LOTS)
45	3464	Long Run Rd	125	TRADED TO LR.POA (93 LOTS)
46	3510	Long Run Rd	126	TRADED TO LR.POA (93 LOTS)
47	3465	Long Run Rd	127	TRADED TO LR.POA (93 LOTS)
48	3466	Long Run Rd	129	TRADED TO LR.POA (93 LOTS)
49	3467	Long Run Rd	131	TRADED TO LR.POA (93 LOTS)
50	3509	Long Run Rd	132	TRADED TO LR.POA (93 LOTS)
51	3468	Long Run Rd	133	TRADED TO LR.POA (93 LOTS)
52	3508	Long Run Rd	134	TRADED TO LR.POA (93 LOTS)
53	3469	Long Run Rd	135	TRADED TO LR.POA (93 LOTS)
54	3507	Long Run Rd	136	TRADED TO LR.POA (93 LOTS)
55	3470	Long Run Rd	137	TRADED TO LR.POA (93 LOTS)
56	3506	Long Run Rd	138	TRADED TO LR.POA (93 LOTS)
57	3471	Long Run Rd	139	TRADED TO LR.POA (93 LOTS)
58	3505	Long Run Rd	140	TRADED TO LR.POA (93 LOTS)
59	3472	Long Run Rd	141	TRADED TO LR.POA (93 LOTS)
60	3504	Long Run Rd	142	TRADED TO LR.POA (93 LOTS)
61	3473	Long Run Rd	143	TRADED TO LR.POA (93 LOTS)
62	3474	Long Run Rd	145	TRADED TO LR.POA (93 LOTS)
63	3503	Long Run Rd	146	TRADED TO LR.POA (93 LOTS)
64	3475	Long Run Rd	147	TRADED TO LR.POA (93 LOTS)
65	3476	Long Run Rd	149	TRADED TO LR.POA (93 LOTS)
66	3502	Long Run Rd	150	TRADED TO LR.POA (93 LOTS)
67	3477	Long Run Rd	151	TRADED TO LR.POA (93 LOTS)
68	3501	Long Run Rd	152	TRADED TO LR.POA (93 LOTS)
69	3478	Long Run Rd	153	TRADED TO LR.POA (93 LOTS)
70	3500	Long Run Rd	154	TRADED TO LR.POA (93 LOTS)
71	3479	Long Run Rd	155	TRADED TO LR.POA (93 LOTS)
72	3499	Long Run Rd	156	TRADED TO LR.POA (93 LOTS)
73	3480	Long Run Rd	157	TRADED TO LR.POA (93 LOTS)
74	3498	Long Run Rd	158	TRADED TO LR.POA (93 LOTS)
75	3481	Long Run Rd	159	TRADED TO LR.POA (93 LOTS)
76	3497	Long Run Rd	160	TRADED TO LR.POA (93 LOTS)
77	3496	Long Run Rd	162	TRADED TO LR.POA (93 LOTS)
78	3482	Long Run Rd	163	TRADED TO LR.POA (93 LOTS)
79	3495	Long Run Rd	164	TRADED TO LR.POA (93 LOTS)
80	3494	Long Run Rd	166	TRADED TO LR.POA (93 LOTS)
81	3483	Long Run Rd	167	TRADED TO LR.POA (93 LOTS)
82	3493	Long Run Rd	168	TRADED TO LR.POA (93 LOTS)
83	3492	Long Run Rd	170	TRADED TO LR.POA (93 LOTS)
84	3484	Long Run Rd	171	TRADED TO LR.POA (93 LOTS)
85	3491	Long Run Rd	172	TRADED TO LR.POA (93 LOTS)
86	3490	Long Run Rd	174	TRADED TO LR.POA (93 LOTS)
87	3485	Long Run Rd	175	TRADED TO LR.POA (93 LOTS)
88	3489	Long Run Rd	176	TRADED TO LR.POA (93 LOTS)
89	3488	Long Run Rd	178	TRADED TO LR.POA (93 LOTS)
90	3487	Long Run Rd	180	TRADED TO LR.POA (93 LOTS)

91	3486	Long Run Rd	182	TRADED TO LR.POA (93 LOTS)
92	3538	Taopi Dr	155	TRADED TO LR.POA (93 LOTS)
93	3537	Taopi Dr	157	TRADED TO LR.POA (93 LOTS)
94	3534	Taopi Dr	158	TRADED TO LR.POA (93 LOTS)
95	3536	Taopi Dr	159	TRADED TO LR.POA (93 LOTS)
96	3535	Taopi Dr	161	TRADED TO LR.POA (93 LOTS)
97	3530	Taopi Dr	166	TRADED TO LR.POA (93 LOTS)

EXHIBIT C  
Applicable to Properties to be Sold to Buyer

The following terms and conditions are a material part of this Agreement for Purchase and Sale of Land ("Agreement") and shall apply to the properties listed in Exhibit A only, subject to the conditions and limitations set forth herein.

1. Annual Dues. All relevant provisions of the Restrictive Covenants and/or Bylaws regarding the payment of annual dues applicable to the Lake Royale Subdivision shall be administratively suspended and replaced with the following:
  - a. Through and including April 1, 2021, no dues shall be owed to the Lake Royale Property Owners Association, Inc. or its successors and assigns ("LRPOA") unless a Certificate of Occupancy ("C/O") has been duly issued by Franklin County as to that property, at which point dues shall be due and owing for that property at the regular rate, pro rata from that date forward.
  - b. Effective April 1, 2022, dues shall be due and owing to LRPOA at the regular rate for (i) any properties for which a C/O has been duly issued, pro rata from that date forward; (ii) lots sold to another individual or entity and (iii) additional lots that would equal between (i), (ii) and (iii) a total of fifty-five (55) properties. No dues shall be due for any properties not included in (b)(i), (ii) or (iii).
  - c. Effective April 1, 2023, dues shall be due and owing to LRPOA at the regular rate for (i) any properties for which a C/O has been duly issued, pro rata from that date forward; (ii) lots sold to another individual or entity and (iii) additional lots that would equal between (i), (ii) and (iii) a total of one hundred ten (110) properties. No dues shall be due for any properties not included in (b)(i), (ii) or (iii).
  - d. Effective April 1, 2024, dues shall be due and owing to LRPOA at the regular rate for (i) any properties for which a C/O has been duly issued, pro rata from that date forward; (ii) lots sold to another individual or entity and (iii) additional lots that would equal between (i), (ii) and (iii) a total of one hundred sixty-five (165) properties. No dues shall be due for any properties not included in (b)(i), (ii) or (iii).
  - e. From April 1, 2025 forward, all properties purchased from PNC of North Carolina, Inc. and those listed in Exhibit A shall owe dues at the regular rate.
  - f. Notwithstanding any provision herein, any of the properties purchased from PNC of North Carolina, Inc. and those listed on Exhibit A which are no longer owned by Buyer shall immediately be subject to dues at the regular rate, pro rata from the date Buyer no longer owns said property. Further, all other provisions of the Restrictive Covenants and Bylaws not relevant to the payment of annual dues to LRPOA shall at all times be fully in force as to Buyer and the lots purchased and owned by Buyer.
2. Non-buildable Lots. Should a lot identified in Exhibit A be determined not to be buildable due to inability to secure a septic permit, building permit or other necessary approval to construct a home of the size and type contemplated by the terms of this Exhibit C below, such lot shall be conveyed back to Seller for no consideration, free and clear of any liens or encumbrances, in substantially the same condition as when acquired by Buyer.
3. Advance Procurement of Certain Building Permits. It shall be a material precondition to closing on this Agreement that Buyer be able to obtain a minimum of eight (8) building permits on specific lots and have the permits be reviewed and approved to ensure that Buyer's intended plans and specifications for homes Buyer intends to build are acceptable to the relevant planning and zoning authorities.



4. Design Parameters and Considerations.

- a. All homes to be built will be "stick built" homes framed, constructed and finished on-site.
- b. Prior to submitting any home plans for any lot, Buyer must submit a soil erosion/driveway application, to include driveway pipe and a temporary construction driveway. Said application must be approved and the soil erosion measures, driveway pipe and temporary construction driveway installed and said installation approved prior to the commencement of construction. It may be possible to develop and submit a standard soil and erosion application for pre-approval with the Building Committee to outline the specific measures to be used by Buyer.
- c. Plans and specifications for each home to be built on the properties acquired by Buyer shall be submitted to LRPOA for review, including one or more proposed elevation options. LRPOA will review and approve said plans and specifications, and if approved will indicate which of the proposed elevation options are acceptable. If no proposed elevation options are acceptable, the plans and specifications will not be approved and will have to be resubmitted. If after approval, Buyer desires to modify any material element of the plans, specifications or elevation, Buyer must resubmit the full modified plans, specifications and proposed elevations(s) to LRPOA for review and approval. LRPOA shall maintain a list of approved plans, specifications and elevation options acquired during the review process, and shall make said list available to Buyer and Buyer's contractors to assist them in obtaining permits.
- d. A maximum of twelve (12) homes with the same exact front elevation may be built on the properties acquired by Buyer. Changes to colors or building materials will constitute changes in elevations. These shall be distributed within the subdivision as follows; Two (2) at The River, Five (5) on the front side of the Lake and five (5) on the back side of the Lake. Front and back sides of the Lake are defined as being on the West and East sides, respectively, of the bridge at the North end of the Lake and the dam at the South end of the Lake. Buyer will not build the exact same elevation next door or across the street from the exact same elevation.
- e. Homes of the exact same elevation on Shawnee Drive and Sagamore Drive may be no closer than 0.5 miles from each other, by radius. On any other road within the Lake Royale subdivision, homes with the same elevation may be no closer than 0.25 miles from each other, by radius.
- f. All homes in The River, on the golf course shall be no less than 2500 square feet. Home size shall be calculated based on finished, heated square footage, exclusive of porches, patios and garages.
- g. Lots which are up to 0.35 of an acre will require a minimum of six (6) trees, four (4) bushes and one (1) mulched bed by the time the home is substantially completed. Lots larger than 0.35 acre will require a proportionally greater number of said landscaping items.
- h. Model homes may be located on Lots R-3293, R-3294, R-3364, R-3365, R-3341 & R-3366 initially with other model home sites to be agreed upon at a later date.

EXHIBIT C – Page 3

5. Additional Properties to be conveyed.

a. Post closing, Seller is required to deliver 15 additional lots (not to include any waterfront lots or lots deemed strategic by Seller for Sellers operational consideration within Lake Royale.

b. In the event Seller is unable to deliver the 15 lots before Buyer sells 200 lots, then Buyer shall receive compensation for any lots undelivered in the amount of \$6,000 per undelivered lot. The compensation can come in the form of cash or dues credits as determined by Seller.

c. Buyer will have the right of first refusal to purchase any additional lots that the Seller acquires. This right of first refusal shall expire at the end of twelve (12) months of when the last home is sold by Buyer.

Exceptions to this are lots that are requested by adjacent lot owners to increase their property size.