



## **BUILDER PROGRAM**

## *Marketing*

- \* Logo Design
- \* Website Creation
- \* Website Upkeep
- \* Signage
- \* Social Media Presence
- \* Google Analytics Tracking



**ABC Homes**

*The crap a builder doesn't really care about,  
but is what the public sees and Southland  
makes the builder look good.*

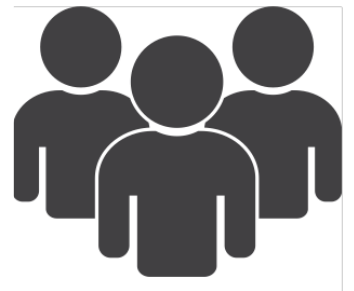


- \* Specific To Builder Construction Contract (COURT TESTED)
- \* Real Time Offer Submittal
- \* Final Summary on Transactions
- \* Auto-Populated Documents
- \* Accountability for correct paperwork on every transaction

*Again, the crap a builder doesn't care about but is  
important to every transaction, and Southland takes full  
accountability for every document of every transaction.*

## *Buyer Management*

- \* Filter dumb questions and requests
- \* Keep buyers out of the way, but informed
- \* Setting Buyer Expectations
- \* Accountability to the transaction (lender, title, etc.)



*Another example of what the builder does not care about but you  
have to have buyers to be a builder, and we manage the buyer.*

## *Trusted 3rd Parties*



- \* Preferred Lender
  - Credit for Buyers
  - Accountability for Buyers Financial Decisions
  - Buyer Coaching
  - Trusted Pre-Approval of Buyers
- \* Title
  - On Time Closings
  - Low Fees
  - NOC Filing
  - Doc/Deed Prep

*Might not be applicable, but these companies are ready and accountable*

## *The Money*

- \* Flat Fee Commission on Every Transaction

*Any Builder's Top Priority*



## *MY HOME Portal*



- \* A Mobile/Real Time System
- \* Easy (small steps) Implementation
- \* Real Time Construction Organization and Changes
- \* Field Employee Tested

*Implementing software/systems are a necessary evil in construction. Builders hate the cost software and hate having to learn to use the new system. . My Home changes all that.*

# **MY HOME PORTAL**

## *All Homes Under Construction Organizer*

| Lot # | Community              | Floor Plan   | Completion Date | Status | Closing Date | Contract Price |
|-------|------------------------|--------------|-----------------|--------|--------------|----------------|
| 243   | Ely Park               | Baldwin      | Mar 16, 2021    | Sold   | Apr 02, 2021 | \$224,900      |
| 12    | Creek Bend Farms       | Stockton     | Mar 19, 2021    | Sold   | Apr 02, 2021 | \$279,900      |
| T42CR | The Preserve           | Breckyn      | Mar 22, 2021    | Sold   | Apr 06, 2021 | \$222,900      |
| 158   | Manor in the Foothills | Hampton      | Mar 22, 2021    | Sold   | Apr 06, 2021 | \$224,900      |
| 29    | Stormcrest             | New Savannah | Mar 23, 2021    | Sold   | Apr 05, 2021 | \$206,000      |
| 244   | Ely Park               | Bainbridge   | Mar 23, 2021    | Sold   | Apr 13, 2021 | \$204,900      |
| 17    | Avalon                 | Avalon       | Mar 23, 2021    | Sold   | Apr 06, 2021 | \$359,900      |
| 39    | Copeland Heights       | Lennon       | Mar 24, 2021    | Sold   | Apr 07, 2021 | \$274,900      |
| 23    | Padgett Hill           | PH Villa MU  | Mar 26, 2021    | Sold   | Apr 09, 2021 | \$234,900      |
| T43AR | The Preserve           | Rymann       | Mar 26, 2021    | Sold   | Apr 09, 2021 | \$242,900      |

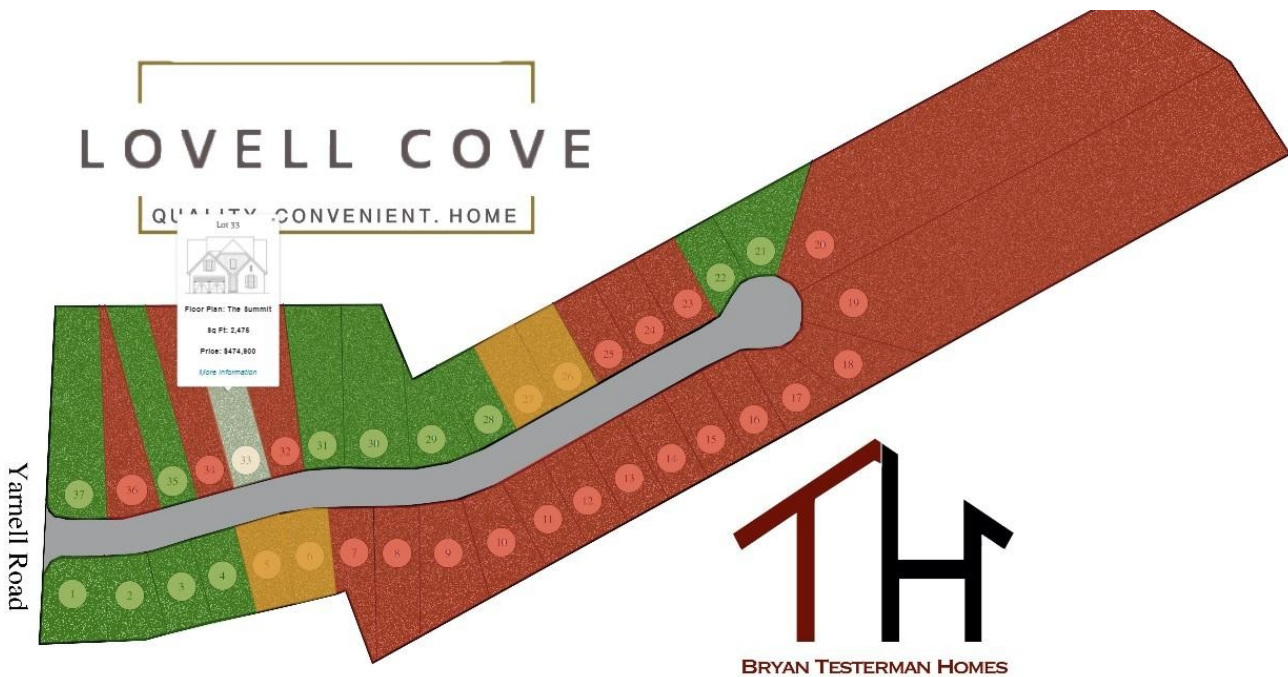
## *Build Schedule Report*

| Community              | Lot # | Progress  | Completion Date |
|------------------------|-------|---|-----------------|
| Padgett Hill           | 24    | Next Step: Yard (04-02-2021)<br><div><div style="width: 95%;">95%</div></div>         | 04/06/2021      |
| The Preserve           | T44CR | Next Step: Utilities (03-05-2021)<br><div><div style="width: 70%;">70%</div></div>    | 04/09/2021      |
| Avalon                 | 15    | Next Step: HW/Carpet (03-11-2021)<br><div><div style="width: 85%;">85%</div></div>    | 04/09/2021      |
| Manor in the Foothills | 343   | Next Step: HW/Carpet (03-30-2021)<br><div><div style="width: 85%;">85%</div></div>    | 04/09/2021      |
| The Preserve           | 134   | Next Step: Yard (04-07-2021)<br><div><div style="width: 95%;">95%</div></div>         | 04/09/2021      |
| Stormcrest             | 33    | Next Step: Paint/SetOut (03-25-2021)<br><div><div style="width: 75%;">75%</div></div> | 04/12/2021      |
| Ely Park               | 247   | Next Step: Paint/SetOut (03-25-2021)<br><div><div style="width: 75%;">75%</div></div> | 04/13/2021      |

# Warranty Tracker

| Lot # | Closing Date | Floor Plan | Walkthrough   | 90 Day  | Year End                                      | Immediate                     |
|-------|--------------|------------|---------------|---|---|-------------------------------|
| 93    | 10/11/2019   | Selestian  | Complete      | Complete                                      | 10/14/2020 🚫<br>Incomplete: 0<br>Scheduled: 6 | Incomplete: 0<br>Scheduled: 0 |
| 5     | 10/22/2019   | Franklin   | Complete      | 09/22/2020 🚫<br>Incomplete: 4<br>Scheduled: 0 | Not Closed                                    | Incomplete: 0<br>Scheduled: 0 |
| 6     | 10/29/2019   | Madison    | Signed        | Signed  | 11/06/2020 🚫<br>Incomplete: 7<br>Scheduled: 0 | Incomplete: 0<br>Scheduled: 0 |
| 2     | 11/04/2019   | Lennon     | Not Submitted | Complete                                      | Complete                                      | Incomplete: 0<br>Scheduled: 0 |
| 8     | 11/04/2019   | Lennon     | Complete      | Complete                                      | ETA: 11/05/2020 🚩                             | Incomplete: 0<br>Scheduled: 0 |
| 9     | 11/13/2019   | Walton     | Signed        | 02/12/2020 🚫<br>Incomplete: 3<br>Scheduled: 0 | 11/10/2020 🚫<br>Incomplete: 0<br>Scheduled: 1 | Incomplete: 0<br>Scheduled: 0 |
| 10    | 11/15/2019   | Selestian  | Complete      | Complete                                      | 03/06/2021<br>Incomplete: 21<br>Scheduled: 0  | Incomplete: 1<br>Scheduled: 0 |

# Real Time Maps



# Community Documents

## COMMUNITY DOCUMENTS

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[add documents](#)

Plat (Copeland Phase 1):

[document](#)

Plat (Copeland Phase 2):

[document](#)

As-Built (Copeland heights Electrical AS Built):

[document](#)

One Calls:

[document](#)

Amenity Plans:

[document](#)

Entry Sign Plans:

[document](#)

Shingle Counts:

[document](#)

CCRs:

[document](#)

Entrance Sign Sketch:

[document](#)

Mailbox Housing:

[document](#)

Pool House Plans:

[document](#)

# Transaction Documents

| Details | Stipulations | Agent Info | Documents |
|---------|--------------|------------|-----------|
|---------|--------------|------------|-----------|

## Transaction Documents

[add documents](#)

Commission:

[document](#)

Buyer Contract:

[document](#)

Earnest Money Receipt:

[document](#)

Amendment (Price Addendum 7 - Signed):

[document](#)

# **Contract Sample**





## NEW CONSTRUCTION PURCHASE AND SALE AGREEMENT

1. **Purchase and Sale.** For and in consideration of the mutual covenants herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned buyer \_\_\_\_\_ ("Buyer") agrees to buy and the undersigned seller ABC Construction d.b.a ABC Homes ("Seller") agrees to sell the land described below, with such improvements as are located thereon:

Lot # \_\_\_\_\_ of \_\_\_\_\_ subdivision

\_\_\_\_\_ (Street Address)  
 \_\_\_\_\_ (City), Tennessee, \_\_\_\_\_ (Zip Code)

together with \_\_\_\_\_ (FLOOR PLAN), all fixtures, landscaping, improvements, and appurtenances, all being hereinafter collectively referred to as the "Property."

2. **Purchase Price, Method of Payment and Closing Expenses.** Buyer warrants that, except as may be otherwise provided herein, Buyer will at Closing have sufficient cash to complete the purchase of the Property under the terms of this New Construction Purchase and Sale Agreement (hereinafter "Purchase and Sale Agreement" or "Agreement"). The purchase price to be paid is:

\$ \_\_\_\_\_, \_\_\_\_\_ U.S.  
 Dollars, ("Purchase Price")

which shall be disbursed at Buyer's expense and paid to Seller or Seller's Closing Agency by: (i) wire transfer; (ii) cashier's check; OR (iii) such other form as is approved by the Seller in writing.

The Purchase Price includes a Lot Premium of \$ \_\_\_\_\_.

- A. **APPRAISAL:** This Agreement IS CONTINGENT upon the appraised value either equaling or exceeding the agreed upon Purchase Price. If the appraised value of the Property does not equal or exceed the Purchase Price, Buyer may terminate this Agreement by providing written notice to Seller and providing written proof of the same (for example, this written proof could include, but is not limited to, a copy of appraisal or a signed letter from Lender). Upon Termination, Buyer is entitled to refund of the Earnest Money unless the failure of the appraised value to equal or exceed the Purchase Price may be attributed to Change Orders and/or Upgrades and/or Closing Costs requested by the Buyer. The Buyer is not entitled to a refund of any money deposited for Change Orders and/or Upgrades and/or Closing Costs. In the event the Property does not appraise due to Change Orders and/or Upgrades and/or Closing Costs, Buyer shall either assume responsibility for producing the additional funds necessary to Close or may either terminate the Agreement and forfeit all Earnest Money.

### B. Closing Costs and Discount Points.

1. **Seller Expenses.** Seller shall pay all existing loans and/or liens affecting the Property, including all penalties, release preparation costs, and applicable recording costs; any accrued and/or outstanding association dues or fees; fees (if any) to obtain lien payoff/estoppel letters/statement of accounts from any and all associations, property management companies, mortgage holders or other liens affecting the Property; Seller's closing fee, document preparation fee and/or attorney's fees; fee for preparation of deed; and notary fee on deed.

Seller is not a foreign person subject to tax withholding under the Foreign Investment and Real Property Tax Act and shall sign, as a condition of Closing, appropriate affidavits certifying that Seller is not subject to the same.



2. **Buyer Expenses.** Seller shall pay up to \$\_\_\_\_\_ of Buyer's closing cost expenses including pre-pays. If these expenses are less than the amount provided for by the preceding sentence, Buyer cannot apply any surplus funds to any other fee not considered a closing cost (i.e., origination fee, discount points, rate points, etc.). Buyer shall pay all other expenses and any closing costs in excess of the amount paid by Seller to include transfer taxes and recording fees on deed of conveyance and deed of trust; document preparation fee and/or attorney's fees; preparation of note, deed of trust, and other loan documents; mortgage loan inspection or boundary line survey; credit report; required premiums for private mortgage, hazard and flood insurance; required reserved deposits for insurance premiums and taxes; prepaid interest; re-inspection fees pursuant to appraisal; and any costs incident to obtaining and closing a loan, including but not limited to: appraisal, origination, discount points, application, commitment, underwriting, document review, courier, assignment, photo, tax service and notary fees. Buyer's closing fee
3. **Title Expenses.** Cost of title search of abstract, mortgagee's policy and owner's policy shall be paid by Buyer.

Title Company for Buyer: \_\_\_\_\_  
Contact Info: \_\_\_\_\_  
Closing Agency/Title Company for Seller: \_\_\_\_\_  
Contact Info: \_\_\_\_\_

- C. **Financial Contingency – Loan To Be Obtained:** This Agreement is conditioned upon Buyer's ability to obtain a loan(s) in the principal amount up to \_\_\_\_\_% of the Purchase Price listed above to be secured by a deed of trust on the Property. "Ability to obtain" as used herein means that Buyer is qualified to receive the loan based upon Lender's customary and standard underwriting criteria. In the event Buyer, having acted in good faith, is unable to obtain financing by the Closing Date, Buyer may terminate this Agreement by providing written notice and a copy of Lender's loan denial letter. Upon termination, Buyer is entitled to a refund of the Earnest Money less the cost of any unfunded Change Orders or Upgrades already performed, installed, or in the process of being performed or installed by the Seller on or for the Property.

Buyer shall be obligated to Close this transaction if Buyer has the ability to obtain a loan for which Buyer has applied and been approved.

**Type of loan (select box)**

☐ FHA: Addendum attached ☐ USDA ☐ Conventional ☐ VA: Addendum attached ☐ OTHER: \_\_\_\_\_

Loan Obligations: The Buyer agrees and/or certifies as follows:

- (1) Prior to executing this agreement, Buyer has applied for a loan and has instructed Lender to order a credit report.
- (2) Within 3 days after the Agreement Date, Buyer shall provide Seller with a pre-approval letter from the Lender for an amount not less than the Purchase Price. In the event Buyer fails to timely provide the pre-approval letter to Seller, Buyer acknowledges and agrees that the Earnest Money shall be nonrefundable should Buyer ultimately be unable to obtain financing by the Closing Date.
- (3) Within 15 (fifteen) days before Closing Date, Buyer shall warrant and represent to Seller in writing that:
  - a. Buyer has secured evidence of hazard insurance which will be effective at Closing and Buyer shall notify Seller of the name of the hazard insurance company;
  - b. Buyer has notified Lender of an Intent to Proceed with Lender and has available funds to Close per the signed Loan Estimate; and
  - c. Buyer has requested that the appraisal be ordered and affirms that the appraisal fee has been paid.
- (4) Buyer shall pursue qualification for and approval of the loan diligently and in good faith;
- (5) Buyer shall continually and immediately provide requested documentation to Lender;
- (6) Unless otherwise stated in this Agreement, Buyer represents that this loan is not contingent upon the lease or sale of any other real property and the same shall not be used as the basis for loan denial; and



- (7) Buyer shall not intentionally make any material changes in Buyer's financial condition which would adversely affect Buyer's ability to obtain the loan referenced herein.

Buyer's failure to timely comply with Sections 2.C.(1) or 2.C.(3) above and to provide required notices to Seller shall be considered a default by the Buyer and Seller's obligation to sell shall be terminated.

**THE BELOW FINANCING CONTINGENCY WAIVER SHALL ONLY BE A PART OF THIS AGREEMENT IF THE BOX IS CHECKED.**

☐ Financing Contingency Waived (e.g. "All Cash", etc.): Buyer's obligation to close shall not be subject to any financial contingency. Buyer reserves the right to obtain a loan. Buyer will furnish proof of available funds to close by either bank statement or Lender's commitment letter within five (5) days after Agreement Date. Should Buyer fail to do so, Buyer shall be considered in default and Seller's obligation to sell shall be terminated. Failure to Close due to lack of funds shall be considered default by Buyer.

3. **Earnest Money.** Buyer has paid or will pay within 3 days after the Agreement Date to \_\_\_\_\_ (name of Holder) ("Holder") located at \_\_\_\_\_ (address of Holder) a deposit of \$ \_\_\_\_\_ by check ("Earnest Money").

A. **Failure to Receive Earnest Money.** In the event Earnest Money is not timely received by Holder or Earnest Money check or other instrument is not honored for any reason by the bank upon which it is drawn, Holder shall promptly notify Buyer and Seller of Buyer's failure to deposit the agreed upon Earnest Money. Buyer shall then have one (1) day to deliver Earnest Money in immediately available funds to Holder. In the event Buyer does not deliver such funds, Buyer is in default and Seller shall have the right to terminate this Agreement by notifying Buyer in writing. In the event Buyer delivers the Earnest Money in immediately available funds to Holder before Seller elects to terminate, Seller shall be deemed to have waived his right to terminate, and the Agreement shall remain in full force and effect.

B. **Handling of Earnest Money upon Receipt by Holder.** Earnest Money is to be deposited promptly after the Agreement Date or as specified in the Special Stipulations paragraph contained at paragraph 21 herein. Holder shall disburse Earnest Money only as follows:

- (a) at Closing to be applied as a credit toward Buyer's Purchase Price;
- (b) upon a written agreement signed by all parties having an interest in the funds;
- (c) upon a reasonable interpretation of the Agreement; or
- (d) upon order of a court having jurisdiction over the matter or to the clerk upon the filing of an interpleader action.

In the event of an interpleader action, Holder shall be reimbursed for, and may deduct from any funds interpleaded, its costs and expenses, including reasonable attorney's fees. Earnest Money shall not be disbursed prior to fourteen (14) days after deposit unless written evidence of clearance by bank is provided.

4. **Closing, Prorations, Special Assessments and Warranties Transfer.**

- a. **Closing Date.** Unless otherwise provided herein, the consummation of the purchase and sale of the Property shall occur after the "Completion" of the Improvements as provided herein, which is to be on \_\_\_\_\_, (the "Closing" or "Closing Date", which shall be evidenced by delivery of warranty deed and payment of Purchase Price).
- b. **Third Party Delays.** Buyer has the right to choose any mortgage company or title company for this transaction; however, if Buyer chooses a title company other than Southland Residential Title or a mortgage company other than a Seller Preferred Lender and the chosen title company causes a delay or the mortgage company cannot fund the loan and complete the transaction on Closing Date, at Seller's discretion, Seller can elect to not extend this Agreement and Property shall be re-listed on the market.
- c. **Possession.** Possession of the Property is to be given with delivery of warranty deed and payment of Purchase Price. If the parties agree to permit early occupancy by stipulation in Paragraph 21 below, such occupancy



shall be conditioned upon Buyer having obtained appropriate hazard insurance and transferring all utilities into the name of Buyer prior to such occupancy.

- d. **Household Goods.** The movement of any household goods or other materials by Buyer into the Property will not be permitted until the Property has been completed and Seller gives written permission for Buyer to move household goods prior to closing date.
- e. **Prorations.** Real estate taxes, rents, dues, maintenance fees, and association fees on said Property for the calendar year in which the sale is Closed shall be prorated as of the Closing Date. In the event of a change or reassessment of taxes for the calendar year after Closing, the parties agree to pay their recalculated share. Real estate taxes, rents, dues, maintenance fees, and association fees for prior years and roll back taxes, if any, will be paid by Seller.
- f. **Impact Fees or Adequate Facilities Taxes.** Seller has paid \$\_\_\_\_\_ in adequate facility taxes or impact fees on the property.
- g. **Special Assessments.** Special assessments approved or levied prior to the Closing Date shall be paid by the Seller at or prior to Closing.
- h. **Closing Certifications.** Buyer and Seller shall execute and deliver such certifications, affidavits, and statements as are required at Closing to meet the requirements of the Lender and of federal and state law.
- i. **Warranties Transfer.** Seller, at the option of Buyer and at Buyer's cost, agrees to transfer Seller's interest in any manufacturer's warranties, service contracts, termite bond or treatment guarantee and/or similar warranties which by their terms may be transferable to Buyer.

5. **Title and Conveyance.**

- A. Seller warrants that at the time of Closing, Seller will convey or cause to be conveyed to Buyer good and marketable title to the Property by general warranty deed, subject only to:

- (1) Zoning;
- (2) Setback requirements and general utility, sewer, and drainage easements of record on the Agreement Date upon which the improvements do not encroach; and
- (3) Subdivision declarations, covenants, restrictions, and easements of record on the Agreement Date.

If title examination, closing or loan survey, boundary line survey, or other information discloses material defects, Buyer may, at Buyer's discretion:

- (1) accept the Property with the defects OR
- (2) require Seller to remedy such defects prior to the Closing Date. Buyer shall provide Seller with written notice of such defects. If defects are not remedied by the Closing Date or any mutually agreed upon extension thereof, this Agreement shall terminate, and Buyer shall be entitled to refund of Earnest Money.

Good and marketable title as used herein means title which a title insurance company licensed to do business in Tennessee will insure at its regular rates, subject only to standard exceptions. Seller agrees to execute such appropriate affidavits and instruments as may be required by the issuing title insurance company.

- B. Deed is to be made in the name(s) of \_\_\_\_\_.

6. **Limitations.** The home shall be constructed in accordance with good building practices and substantial accordance with the plans and specifications selected and approved by the Buyer. Seller expressly reserves the right to make such changes or substitutions in the construction of the home:



- (a) as may be required, authorized, or approved by governmental agencies having jurisdiction therefore, without the Buyer's consent;
- (b) as Seller may deem appropriate so long as materials of equal or better quality are used, without the Buyer's consent; and/or
- (c) as may be otherwise reasonably required as long as changes which affect the aesthetics or livability of the home shall be subject to Buyer's written approval.

7. **Contractors and/or Suppliers.** All work and materials to be performed or supplied under this Agreement shall be performed and supplied by Seller's own contractors, subcontractors, employees, agents, materialmen and suppliers. Buyer shall not have the right to have any work performed or supplies delivered to the Property at Buyer's own direction prior to Closing without written approval and consent of Seller. Seller agrees to transfer to Buyer, at Closing, subject to Buyer's acceptance thereof, Seller's interest in any manufacturer's warranties, service contracts, and/or other similar warranties which by their terms may be transferable to Buyer.
8. **Decorative Selections.** If there are decorative selections yet to be selected in the completion of the residence, Buyer shall have the option to make those selections from available stock at Seller's normal sources of supply. Buyer understands that it is Buyer's responsibility to make all selections on or before \_\_\_\_\_ (if left blank, Buyer will be informed via phone call, email, or text by Seller or Seller's agent of date) and further understands that if the selections have not been made by said date, that Seller may make such selections. Seller choices are hereby deemed agreed to and acceptable to Buyer.
9. **Nonrefundable Deposits.** Buyer agrees that any request for changes or alterations ("Change Orders") to the residence will be set forth in writing and delivered to Seller. Any requested Change Order must be in writing and signed by Buyer and Seller in order to be binding. No subcontractor, workman or materialman has authority to agree on behalf of Seller to any Change Order. Buyer agrees that all Change Order requests must be presented to Seller so as to allow Seller adequate lead time to schedule the Change Orders into the normal building sequence. Seller has the right to refuse to make requested changes or alterations. Buyer agrees to pay Seller in advance of the performance of work necessitated by agreed Change Orders which will include the cost for both labor and materials and further understands that there will be no refunds, under any circumstances, of payments made by Buyer for Change Orders. Buyer further acknowledges that any work done on the home pursuant to Change Orders or additions may not increase the appraised value of the Property. Seller shall not be responsible if increases in the price of the Property due to Change Orders or additions are not reflected in the appraised value of (and resulting available loan for) the Property. In the event the Property does not appraise due to Change Orders and upgrade items, Buyer shall be responsible for producing the additional funds needed to Close.
10. **Delays.** Seller shall have no liability for any delays in construction caused by strikes, acts of God or nature, or delays directly caused by Buyer's Change Orders and/or selection of materials. In the event of such delays, the Closing Date may be extended by the number of days resulting from such delays, not to exceed 30 calendar days; Seller shall notify Buyer of any such delays.
11. **Homeowner Association.** Seller represents that there is a required association fee in the approximate amount of \$\_\_\_\_\_ per year to prorated at Closing. Buyer acknowledges that Property is subject to the restrictive covenants and homeowner association bylaws "CCRs".
12. **Completion.** Seller will provide Buyer with copies of all building codes inspections and the final Use and Occupancy Letter from the appropriate Codes Authority, if applicable. The construction shall be deemed to be completed at such time as such inspections and approvals have been supplied and Buyer has inspected and confirmed that the contract is substantially completed. "Substantial Completion" shall mean that all matters of substance except minor touch-up matters have been completed. The construction shall be completed in accordance with all applicable governmental regulations, ordinances and codes, and shall be in compliance with all applicable restrictions, covenants and conditions, including, without limitation, any public or private architectural controls and restrictions. If the reasonable cost of completion of the Punch List items exceeds \$5,000.00, the job shall not be deemed to be substantially complete.





The Substantial Completion Date for Property is \_\_\_\_\_. If unforeseen delays have caused Seller to not meet the Substantial Completion Date, and Seller cannot complete the home within 30 days after the Substantial Completion Date (or longer if permitted under section 10), then Buyers only available action is to terminate the contract, at which point all earnest money and upgrade money will be returned to Buyer, and neither party will have any further obligations to one another and the provisions of Section 17 shall not apply

13. **Inspection by Buyer.** Within 10 days after Substantial Completion Date, Buyer and/or Buyer's designated inspector/representative, while accompanied by a Seller's representative, shall completely inspect the improvements ("Improvements"). Following the inspection, Buyer shall submit a written list of matters which Buyer reasonably deems to be incomplete or defective, hereinafter referred to as the "Punch List". Subject to Seller's acceptance, Seller shall diligently attempt to complete or repair items identified on the Punch List within prior to Closing Date. In the event Seller does not agree with Buyer's Punch List items, the parties agree to negotiate in good faith to resolve such disagreement. No changes to the Punch List may be made after its submission to Seller. If Buyer subsequently discovers any matter s/he believes incomplete or defective, Buyer may identify such defects to Seller for repair under the Builder's Limited Warranty as provided in Paragraph 15 below. Said Punch List must be signed by Buyer prior to closing acknowledging all Punch List items have been addressed. If Buyer proceeds with closing without signing Punch List, Punch List is hereby deemed agreed to and acceptable to Buyer.
14. **Insurability.** It is the right and responsibility of Buyer to determine the insurability, coverage and the cost of insuring the Property. It is also the responsibility of Buyer to determine whether any exclusions will apply to the insurability of said Property.
15. **Limited Builder Warranty.** Seller warrants the Property against defective workmanship or materials (normal wear and tear excepted) for a period of one (1) year from Closing Date and against major structural defects. Seller agrees to correct any covered defects identified by Buyer by repair list timely submitted via Seller's website or mail during one of two allotted callback periods. The first callback period shall be ninety (90) days following Closing. The second callback period shall begin thirty (30) days prior to the one-year period ending on the first anniversary of Closing and end on the first anniversary of Closing. Seller shall deliver a copy of this warranty in written form to Buyer at Closing. Seller, at option of Buyer, shall further transfer all warranties and guaranties of manufacturers covering any of the Property which are, by their nature, transferable to Buyer. After receiving Buyer's 90 Day List via website submittal or mail, Seller will contact Buyer to schedule repairs. Repairs will take place during regular business hours Monday-Friday.
16. **Brokers Disclaimer.** It is understood and agreed that the real estate firms and real estate licensee(s) representing or assisting Seller and/or Buyer, their brokers, and the real estate firms (collectively referred to as "Brokers") do not have or assume liability for the performance or nonperformance of Seller or Buyer.
17. **Default.** Should Buyer default hereunder, the Earnest Money shall be forfeited as damages to Seller and shall be applied as a credit against Seller's damages. Seller may elect to sue, in contract or tort, for additional damages or specific performance of the Agreement, or both. Should Seller default, Buyer's Earnest Money shall be refunded to Buyer. In addition, Buyer may elect to sue, in contract or tort, for damages or specific performance of this Agreement, or both. In the event that any party hereto shall file suit for breach or enforcement of this Agreement (including suits filed after Closing which are based on or related to the Agreement), the prevailing party shall be entitled to recover all costs of such enforcement, including reasonable attorney's fees. In the event that any party exercises its right to terminate due to the default of the other pursuant to the terms of this Agreement, the terminating party retains the right to pursue any and all legal rights and remedies against the defaulting party following termination.
18. **Other Provisions.**
  - A. **Binding Effect, Entire Agreement, Modification, Assignment, and Agreement Date.** This Agreement shall be for the benefit of, and be binding upon, the parties hereto, their heirs, successors, legal representatives and assigns. This Agreement constitutes the sole and entire agreement between the parties hereto and no modification of this Agreement shall be binding unless signed by all parties or assigns to this Agreement. No representation, promise, or inducement not included in this Agreement shall be binding upon any party hereto. Any assignee



shall fulfill all the terms and conditions of this Agreement. The Agreement Date shall be the date upon which this Agreement is signed by the last party thereto.

- B. **Survival Clause.** Any provision contained herein, which by its nature and effect is required to be performed after Closing shall survive the Closing and delivery of the deed, and shall remain binding upon the parties to this Agreement and shall be fully enforceable thereafter.
- C. **Governing Law and Venue.** This Agreement is intended as a contract for the purchase and sale of real property and shall be interpreted in accordance with the laws and in the courts of the State of Tennessee.
- D. **Time of Essence.** Time is of the essence in this Agreement.
- E. **Terminology.** As the context may require in this Agreement: (1) the singular shall mean the plural and vice versa; (2) all pronouns shall mean and include the person, entity, firm or corporation to which they relate; (3) the masculine shall mean the feminine and vice versa; and (4) the term day(s) used throughout this Agreement shall be deemed to be calendar day(s) ending at 11:59 p.m. local time unless otherwise specified in this Agreement. Local time shall be the current time applicable to Knoxville, Tennessee. In the event a performance deadline, other than the Closing Date (as defined in paragraph 4 herein) or Date of Possession (as defined in paragraph 4 herein), occurs on a Saturday, Sunday or legal holiday, the performance deadline shall extend to the next following business day. Holidays as used herein are those days deemed federal holidays. In calculating any time period under this Agreement, the commencement day shall be the day following the initial date (e.g. Agreement Date).
- F. **Responsibility to Cooperate.** Buyer and Seller agree to **timely take** such actions and produce, execute, and/or deliver such information and documentation as is **reasonably necessary** to carry out the responsibilities and obligations of this Agreement. Except as to matters which are occasioned by clerical errors or omissions or erroneous information, the approval of the Closing documents **by the parties** shall constitute their approval of any differences between this Agreement and the Closing. Buyer and Seller agree that if requested after Closing, they will correct any documents and pay any amounts due where such corrections or payments are appropriate by reason of mistake, clerical errors or omissions, or the result of erroneous information.
- G. **Notices.** Except as otherwise provided herein, all notices and demands required or permitted hereunder shall be in writing and delivered either (1) in person, (2) by a prepaid overnight delivery service, (3) by facsimile transmission (FAX), (4) by the United States Postal Service, postage prepaid, registered or certified, return receipt requested or (5) Email. NOTICE shall be deemed to have been given as of the date and time it is actually received. Receipt of notice by the real estate licensee or their Broker assisting a party as a client or customer shall be deemed to be notice to that party for all purposes under this Agreement as may be amended, unless otherwise provided in writing.
- H. **Risk of Loss.** The risk of hazard or casualty loss or damage to Property shall be borne by Seller until transfer of title. If casualty loss prior to Closing exceeds 10% of the Purchase Price, Seller or Buyer may elect to terminate this Agreement with a refund of Earnest Money to Buyer.
- I. **Equal Housing.** This Property is being sold without regard to race, color, sex, religion, handicap, familial status, or national origin.
- J. **Severability.** If any portion or provision of this Agreement is held or adjudicated to be invalid or unenforceable for any reason, each such portion or provision shall be severed from the remaining portions or provisions of this Agreement, and the remaining portions or provisions shall be unaffected and remain in full force and effect. In the event that the contract fails due to the severed provisions, then the offending language shall be amended to be in conformity with state and federal law.
- K. **Contract Construction.** This Agreement or any uncertainty or ambiguity herein shall not be construed against any party but shall be construed as if all parties to this Agreement jointly prepared this Agreement.



L. **Other.** A party seeking to invoke his/her right to terminate this Agreement pursuant to a contingency stated herein shall, upon request of the other party, provide copies of documentation supporting the invoking party's right to exercise said contingency. Such supporting documents shall be for the use of the requesting party to determine if the conditions of the contingency have been met and shall not be disseminated to third parties.

19. **Exhibits and Addenda.** All exhibits and/or addenda attached hereto, listed below, or referenced herein are made a part of this Agreement:

Addendum 1: Confirmation of Agency Status

Addendum 2: Residential Property Condition Exemption Notification

Addendum 3: Affiliated Business Disclosure Statement

Addendum 4: Wire Fraud Warning

Addendum 5: Construction Policy (Buyer contact information is required)

Addendum 6: New Subdivision Disclosure

Addendum 7: Decorative Selections Amendment and/or Invoice (If Applicable)

Addendum 8: (Not applicable if blank)

20. **Special Stipulations.** The following Special Stipulations, if conflicting with any preceding paragraph, shall control:

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21. **Contingency Contract:** If the parties stipulate to an additional contingency making the Buyer's obligation to finalize the purchase of Property contingent upon the sale of Buyer's current home, Seller shall have the right to terminate this Agreement and sell the Property to another buyer if Buyer fails to waive this contingency within twenty-four (24) hours of receiving notification via email or text that Seller has received a competing offer on Property. In the event of Seller's termination, Buyer shall receive a full refund of Earnest Money. It is acknowledged that payments to Seller for "Change Orders" which include any upgraded items shall be non-refundable and retained by Seller.

☐ This offer IS Contingent

☐ This offer is NOT contingent

If contingent; List, the address of the buyer's contingent property and choose one of the following options:

Address of Buyer's Contingent Property:

\_\_\_\_\_(Street Address)  
\_\_\_\_\_(City), \_\_\_\_\_(State), \_\_\_\_\_(Zip Code)

☐ Buyer's Contingent Property is NOT currently listed on local MLS.

☐ Buyer's Contingent Property is currently listed on local MLS but not under contract.

☐ Buyer's Contingent Property is currently listed on the local MLS and/or is under contract with a closing date of \_\_\_\_\_.

22. **Method of Execution.** The parties agree that signatures and initials transmitted by facsimile, other photocopy transmittal, or by transmittal of digital signature as defined by the applicable State or Federal law will be acceptable and may be treated as originals and that the final Purchase and Sale Agreement containing all signatures and initials may be executed partially by original signature and partially on facsimile, other photocopy documents, or by digital signature as defined by the applicable State or Federal law.

23. **Time Limit of Offer:** This offer may be withdrawn at any time before the acceptance with Notice. Offer terminates if not counted or accepted by \_\_ o'clock \_\_ on \_\_\_\_\_.





THIS IS A LEGAL CONTRACT AND THE BUYER HERETO SHALL BE ADVISED TO SEEK LEGAL COUNSEL FOR SPECIFIC ADVICE BEFORE SIGNING THIS CONTRACT. THE BUYER AGREES THAT IT HAS NOT RELIED UPON ANY REPRESENTATION MADE BY A BROKER OR AGENT IN DESCRIBING THE PROPERTY OR INTERPRETING THE TERMS OF THIS CONTRACT.

NOTE: Any provisions of this Agreement which are preceded by a box "☐" must be marked to be a part of this Agreement. By affixing your signature below, you also acknowledge that you have reviewed each page and have received a copy of this Agreement.

**Buyer hereby makes this offer:**

\_\_\_\_\_  
BUYER SIGNATURE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
DATE

\_\_\_\_\_  
BUYER SIGNATURE

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
DATE

**Seller hereby:**

☐ ACCEPTS ☐ COUNTERS ☐ REJECTS

\_\_\_\_\_  
SELLER

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

Executed By:

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Date)



## ADDENDUM 1

### CONFIRMATION OF AGENCY STATUS & COMMISSION COMPENSATION

Every real estate licensee ("Licensee") is required to disclose his or her agency status in a real estate transaction to any buyer who is not represented by an agent and with whom the Licensee is working directly in the transaction. The purpose of this Confirmation of Agency Status is to acknowledge that this disclosure occurred. Copies of this confirmation shall be provided to any signatory thereof. Notice is hereby given that the agency status of this Licensee (or Licensee's company) is as follows in this transaction:

The real estate transaction involving the property located at:

PROPERTY ADDRESS \_\_\_\_\_

SELLER NAME: ABC Homes LICENSEE NAME: \_\_\_\_\_

in this consumer's current or prospective transaction is serving as: ☒ **Designated Agent for the Seller.**

BUYER NAME: \_\_\_\_\_ LICENSEE NAME: \_\_\_\_\_

LICENSE NUMBER: \_\_\_\_\_

in this consumer's current or prospective transaction is serving as:

- |  |   |
|--|---|
| <p><input type="checkbox"/> <b>Transaction Broker or Facilitator.</b><br/>(not an agent for either party)</p> <p><input type="checkbox"/> <b>Agent for Buyer.</b></p> <p><input type="checkbox"/> <b>Disclosed Dual Agent (for both parties),</b><br/>with the consent of both the Buyer and the Seller<br/>in this transaction.</p> | <p><input type="checkbox"/> <b>Buyer is Unrepresented.</b></p> <p><input type="checkbox"/> <b>Designated Agent for Buyer.</b></p> |
|--|---|

**Cooperating Compensation:** All Sky Castle homes are listed by Southland Realtors. The cooperating commission for ALL Sky Castle homes is a flat fee listed on MLS.

This form was delivered in writing, as prescribed by law, to any unrepresented buyer prior to the preparation of any offer to purchase. This document also serves as confirmation that the Licensee's Agency or Transaction Broker status was communicated orally before any real estate services were provided and serves as a statement acknowledging that the buyer was informed that any complaints alleging violation(s) of Tenn. Code Ann. § 62-13-312 must be filed within the applicable statute of limitations set out in Tenn. Code Ann. § 62-13-313(e) with the Tennessee Real Estate Commission, 710 James Robertson Parkway, 3rd Floor, Nashville, TN 37232, PH: (615) 741-2273. This notice by itself, however, does not constitute an agency agreement or establish any agency relationship.

By signing below, parties acknowledge receipt of confirmation of Agency relationship disclosure by Licensee acting as Agent/Broker OR pursuant to the National Association of Realtors® Code of Ethics and Standards of Practice.

|                           |      |
|---------------------------|------|
| Seller Signature          | Date |
| <u>Southland Realtors</u> |      |
| Listing Company           | Date |
| Listing Licensee          | Date |

|                  |      |
|------------------|------|
| Buyer Signature  | Date |
| Buyer Signature  | Date |
| Selling Licensee | Date |
| Selling Company  |      |



## ADDENDUM 2

### TENNESSEE RESIDENTIAL PROPERTY CONDITION EXEMPTION DISCLOSURE

Property Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_

Buyer: \_\_\_\_\_

Seller: \_\_\_\_\_

Unless a property transfer is specifically excluded, the Tennessee Residential Property Disclosure Act requires sellers of residential real property with one to four dwelling units to furnish to a buyer one of the following: (1) a residential property disclosure statement (the "Disclosure"), or (2) a residential property disclaimer statement (permitted only where the buyer waives the required Disclosure). The undersigned Seller does hereby notify Buyer that said property is being offered without Residential Property Condition Disclosure Statement as provided by the Tennessee Residential Property Disclosure Act. This transfer is excluded under Tenn. Code Ann. § 66-5-209 for the following reason:

☒ This is a transfer involving the first sale of a dwelling provided that the builder offers a written warranty.

A complete copy of the Act may be found at <http://www.tn.gov/regboards/trec/law.shtml>. (See Tenn. Code Ann. § 66-5-201, et seq.)

The party(ies) below have signed and acknowledge receipt of a copy of this notice.

\_\_\_\_\_  
**SELLER**

\_\_\_\_\_  
**SELLER**

\_\_\_\_\_ at \_\_\_\_\_ o'clock ☐ am/ ☐ pm

am/ ☐ pm

**Date**

\_\_\_\_\_ at \_\_\_\_\_ o'clock ☐

**Date**

The party(ies) below have signed and acknowledge receipt of a copy.

\_\_\_\_\_  
**BUYER**

\_\_\_\_\_  
**BUYER**

\_\_\_\_\_ at \_\_\_\_\_ o'clock ☐ am/ ☐ pm

**Date**

\_\_\_\_\_ at \_\_\_\_\_ o'clock ☐ am/ ☐ pm

**Date**



**ADDENDUM 3**  
**Affiliated Business Disclosure Statement**

To: Client or Customer from Southland Realtors Inc.

244 N. Peters Rd Knoxville TN. 37923 Office Phone Number (865)693-6961

**Property Address**\_\_\_\_\_

**Agent** \_\_\_\_\_ **Date** \_\_\_\_\_

**Personal Interest Disclosure:** This is to give you notice that Southland Realtors Inc. owners have an ownership interest in Southland Residential Title LLC. Because of this relationship, this referral may provide Southland Realtors Inc. and/or its owners a financial or other benefit.

Set forth below is the estimated charge or range of charges for the settlement services listed. You are NOT required to use the listed provider(s) as a condition for the purchase of the subject property. THERE ARE OTHER SETTLEMENT SERVICE PROVIDERS AVAILABLE WITH SIMILAR SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE YOU ARE RECEIVING THE BEST SERVICE AND THE BEST RATE FOR THESE SERVICES.

| Provider                        | Settlement Services | Estimated Cost |
|---------------------------------|---------------------|----------------|
| Southland Residential Title LLC | Closing and Doc Fee | \$200 to \$250 |

Other fees will apply to buyers such as Title Searches, Title Insurance, and recording fees in the County and fees required by the lender you chose for financing. The cost to you will be based on the purchase price of Real Estate and your loan cost.

Movement Mortgage: Southland Realtors Inc. or its owners do not have an ownership or a financial interest in Movement Mortgage. Movement Mortgage rents office space in the Southland Building. The owners of Southland Realtors Inc. receive rent for the office space. Movement Mortgage is a preferred service provider for Southland Realtors Inc. and Sky Castle Homes. You are NOT required to use Movement Mortgage as a condition of the purchase or sale of the subject property. THERE ARE SEVERAL COMPANIES THAT PROVIDE SIMILAR MORTGAGE SERVICES. YOU ARE FREE TO SHOP AROUND TO DETERMINE YOU ARE RECEIVING THE BEST SERVICES AND THE BEST RATES FOR THESE SERVICES.

I/WE have read this disclosure form and understand that Southland Realtors Inc. is referring me/us to the listed above service providers and may receive a financial or other benefit.

\_\_\_\_\_  
Client or Customer

\_\_\_\_\_  
Date

\_\_\_\_\_  
Client or Customer

\_\_\_\_\_  
Date



## ADDENDUM 4 WIRE FRAUD WARNING

Criminals use many methods to steal our money, even when we are buying or selling a home – particularly involving wire fund transfers. Scammers typically will send an email that APPEARS to be from your agent, broker, lender, or the closing attorney/ closing agency. Be on the lookout for:

- Phony email addresses (e.g., a slight change in the domain name), authentic-looking fake websites, phony fax numbers, texts, calls or social media messages from scammers.
- Any communication requesting information or directing you to a fake website, a criminal's email address or a criminal's bank account.

In preparation for closing, Buyers will often need to wire transfer funds from their personal bank to the closing attorney/closing agency. **NEVER ACCEPT WIRING INSTRUCTIONS FROM YOUR AGENT OR BROKER.** Rather, you should receive wiring instructions prior to closing from the closing attorney/closing agency or your lender. If the instructions are sent by email they should be in a secured manner. **DO NOT TRANSFER FUNDS UNTIL** you have verified the authenticity of the wiring instructions by at least one other independent means, including but not limited to the following:

- Call the phone number you used on all your prior calls (if the number came from a personally recognized or known source), or
- Call the closing attorney/ closing agency or lender after verifying their phone number from a known third party source, such as the entity's official website and/or public directory assistance (do not take the phone number directly from the wiring instruction form you received), or
- Make a personal visit to their office at the address you previously met with them.

If you send wiring instructions by email or any electronic means to anyone at your bank or other financial institution in preparation for closing, DO NOT TRANSFER ANY FUNDS until after you verify that the correct instructions were received by a known representative at your financial institution. Also, it is important to confirm with the financial institution that the wire instructions ARE NOT TO BE SUBSTITUTED WITHOUT YOUR PRIOR CONSENT. Any wiring instructions sent should be sent in a secured manner.

Be especially aware of any request to change any of the original wiring/money transfer information, change in the person you have been working with on the transaction, or a subtle difference in their behavior, speech, or grammar. These are some signs of a potential scam. Wiring instructions for closing attorneys, title companies and lenders rarely if ever change, so any request to change this information should be handled with caution.

If you suspect you may be a victim of wire fraud or that you may have received suspicious phone calls, emails, text messages, faxes, social media messages, emails from a fake address, a change in contact person at your bank or mortgage company, or changes to wire transfer or financing institutions:

- IMMEDIATELY call your bank and/or mortgage company at the phone number you used in all prior calls.
- Then, call your agent at the phone number you used in all prior calls.

\_\_\_\_\_  
**BUYER**

\_\_\_\_\_  
**BUYER**

\_\_\_\_\_  
DATE

\_\_\_\_\_  
DATE



## **ADDENDUM 5 CONSTRUCTION POLICY**

Congratulations on the purchase of your new home! We would like to thank you for trusting ABC Homes as your new home builder. We are providing you our Construction Policy as a guide to our procedures throughout the construction process. ABC Homes' decisions and drawings take precedent in guiding the construction of each home. All construction plans are the property of ABC Homes and are not available for distribution. Installation of materials and all construction procedures must be furnished and installed by ABC Homes. Structural changes are limited and must be addressed before your real estate agent presents the sales contract to ABC Homes. Approved changes will be priced accordingly.

At no point during construction can any job site superintendents nor field employees discuss or negotiate construction procedures with buyers. All interior and exterior design selections have been pre-selected for all homes. **There comes a time in the construction process when design selections cannot be changed.**

### **Upgrades**

**ABC Homes REQUIRES PREPAYMENT ON ALL SELECTED UPGRADES.** Selection and prepayment of upgrades must be received prior to ordering. If you delay in making your selections and/or your prepayment, your closing date may need to be extended or the pre-selected items will be installed. Voiding the sales contract does not release the buyer from the responsibility of payment for upgraded selections. Builder reserves the right to deny any upgrade requests.

### **ABC Homes OFFERS TWO OPTIONS FOR PAYMENT:**

**ADDENDUM** - Cost of upgraded options to be added to your loan amount. You must immediately contact your mortgage company and obtain approval for the amount of the upgraded options. If the overage is approved, a check for the full amount must be received before the items will be ordered. This check will be returned to you after the closing. If the overage is not approved and you still want to include the options in your home, you can choose the invoice option. Your check will be cashed on the day of closing for invoiced overages. **If you void the sales contract, the check will be cashed for payment of the overages.**

**INVOICE** - A check for the full amount must be received prior to upgrade items being ordered.

The payment for any overages, whether by invoice or addendum, is not a deposit and will never be construed as such. The cost of upgraded items does not amend the sales contract in relation to real estate commission based on the sales price.

### **Limited One-Year Builder's Warranty**

ABC Homes is providing a copy of the Limited One-Year Builder's Warranty with this Construction Policy. In addition to quality craftsmanship and materials, we provide two callbacks during the one-year warranty period for construction and material defects. **Only items listed in the warranty booklet will be covered.** The first callback should be scheduled 90 days after closing. The second callback should be scheduled one year after closing. Please submit your 90 Day List and Year End List via our website: <https://southlandrealtors.com/abchomes/> Once the list(s) are received, you will be contacted to schedule repairs.

### **Walk-thru**

When your home is under construction, there are many different stages until we reach the final finished project. Many items may appear to go unnoticed. A specialized crew will touch up and fine-tune your home before the walk-thru is scheduled. A Southland Realtors representative will provide access to the home for your scheduled walk-thru. The earliest date the "walk-thru" can occur is one calendar day after the



Substantial Completion Date of \_\_\_\_\_. Any and all items needing to be addressed must be listed on the ABC Home's walk-thru form that will be provided to you. Items listed on any other forms will not precede ABC Home's form and will not alter the original contract. Please leave your list on the kitchen counter if any items are found.

### Access

**You must contact the listing agent for access to the home.** Keys will not be given out during construction. You will receive your keys at closing. Prior to closing buyer may not install and/or store any items in the home, unless given written consent from ABC Homes.

### Website

Please use/refer to ABC Homes inclusive website for any and all issues. Through the website, a buyer can:

- Ask the builder a question.
- Submit warranty requests
- Contact their HOA
- Review Builder's Warranty
- View all floor plans
- View all communities

**For construction communication purposes ONLY, please provide the following information:**

**Buyer Name** \_\_\_\_\_

**Buyer Name** \_\_\_\_\_

**Buyer Email** \_\_\_\_\_

**Buyer Phone** \_\_\_\_\_

**Mortgage Company** \_\_\_\_\_

**Lender Name** \_\_\_\_\_

**Lender Phone** \_\_\_\_\_

**Lender Email** \_\_\_\_\_

*Buyer hereby acknowledges having read and agrees to the Construction Policy*

**Buyer Signature** \_\_\_\_\_

**Buyer Signature** \_\_\_\_\_





**Addendum 6**  
**New Subdivision Disclosure**

ABC Homes hereby discloses and Buyer hereby acknowledges the Property (lot and home collectively) is part of a NEW SUBDIVISION of which one, multiple or all the following may apply.

1. **Communication Infrastructure Disclosure:** Communication infrastructure/services including but not limited to Cable, Internet, Phone are not guaranteed to be installed and/or active in New Subdivision. Buyer is encouraged to contact the communication service provider of the area to verify the current and future status of communication infrastructure.
2. **Utilities Disclosure:** All Properties (Lots and Homes) of New Subdivision will have working sewer, water, gas (if applicable) and electric services. All services have been designed by qualified engineers, and approved by the utility providers relevant to New Subdivision. All services are installed, inspected and functional prior to closing of the home. It is the buyer's responsibility to transfer the service of all related utilities into Buyer's name same day as closing. Furthermore, Seller discloses to Buyer that all utility districts/service providers operate and bill differently. Prior to closing, Buyer is encouraged to contact the service provider of each applicable utility to verify the current and future operations of the utility district; including but not limited to Initial Deposit, Rates, Future Increases, Minimum Use Fees, Billing Cycles, Grinder/E1 Pump Fees, Irrigation/Pool Use Fees, Peak Seasonal Fees. You can find a utility provider contact list on our website by clicking on the specific subdivision of which your contracted property is located.
3. **Mailbox Disclosure:** The United States Postal Service (USPS) no longer delivers mail to individual mailboxes of homes in New Subdivisions. The USPS requires the developer of New Subdivisions to install a Cluster Box Unit (CBU) in a central area of the New Subdivision accessible to all Lot/Home owner. If required CBU not already installed by developer, Buyer is encouraged to contact the USPS or the Listing Agent of New Subdivision to verify the planned location of the CBU.
4. **Developer Bond(s):** New Subdivision is comprised of newly installed infrastructure including but not limited to road(s), sidewalk(s) (if applicable), utilities, drainage. All infrastructure is bonded individually by the developer at a price determined by the governing municipality. It is the sole discretion of the governing municipality to determine if each infrastructure installed by developer is 100% complete and satisfies all municipal requirements. If deemed satisfactory by the governing municipality then the bond in place for each infrastructure will be released back to the developer. Once bond is released to developer, the governing municipality will be responsible to maintaining the roads, road signs, curbs, catch basins, and sidewalks, and the Homeowner Association (HOA) is responsible to maintain the drainage infrastructure and common areas, which are listed in the New Subdivision Covenant and Restrictions (CCRs), the governing documents of the HOA. Prior to closing, Buyer is encouraged to review the CCRs of New Subdivision. Furthermore, the developer may at any time relinquish control of the HOA and require all homeowners elect a board to enforce the CCRs (refer to By Laws in CCRs for more information). The control of HOA is not subject to any bond being released back to developer, nor is the HOA responsible for the bond or installation of any infrastructure of New Subdivision. The developer works diligently to release all bonds in a timely manner but is not restricted to a certain timeframe or completion date.

---

Buyer

Date

---

Buyer

Date





# **Warranty Sample**



## LIMITED ONE YEAR WARRANTY

### 1. Site Work

#### A. Site Grading

1. Possible Deficiency – Settling of ground around foundation, utility trenches or other areas.  
Performance Standard – Settling of ground around foundation walls, utility trenches or other filled areas shall not interfere with water drainage away from the Home.  
Responsibility – If the Builder has provided final grading: upon request by the Home Owner, Builder shall fill settled areas affecting proper drainage, one time only, during first year of the Limited Warranty period. Home Owner shall be responsible for removal and replacement of shrubs or other landscaping affected by placement of such fill.

#### B. Site Drainage

1. Possible Deficiency – Improper drainage of the site.  
Performance Standard – The necessary grades and swales shall have been established by the Builder to insure proper drainage away from the Home. Standing or ponding water shall not remain for extended periods in the immediate area after a rain (generally no more than 24 hours), except that in swales that drain other areas, or in areas where sump pumps discharge, a longer period can be anticipated (generally no more than 48 hours). The possibility of standing water after an unusually heavy rainfall should be anticipated. No grading determination shall be made while there is frost or snow on the ground, or while the ground is saturated.  
Responsibility – The Builder is responsible only for initially establishing the proper grades and swales. The Home Owner is responsible for maintaining such grades and swales once they have been properly established.

### 2. Concrete

#### A. Cast-in Place Concrete

1. Possible Deficiency – Cracking of slab in attached garage.  
Performance Standard – Cracks in garage slabs in excess of 1/4 inch in width or 1/4 inch in vertical displacement shall be repaired. Responsibility – Builder will repair cracks exceeding maximum tolerances by surface patching or other methods as required.



2. Possible Deficiency – Uneven concrete floors/slabs.  
Performance Standard – Except for basement floors or where a floor or portion of floor has been designed for specific drainage purposes, concrete floors in rooms designed for habitability shall not have pits, depressions or areas of unevenness exceeding 1/4 inch in 32 inches.  
Responsibility – Builder will correct or repair to meet the Performance Standard.
3. Possible Deficiency – Cracks in concrete slab-on-grade floors with finish flooring.  
Performance Standard – Cracks which rupture the finish flooring material shall be repaired.  
Responsibility – Builder will repair cracks, as necessary, so as not to be readily apparent when the finish flooring material is in place.
4. Possible Deficiency – Pitting, scaling or spalling of concrete work covered by this Limited Warranty.  
Performance Standard – Concrete surfaces shall not disintegrate to the extent that the aggregate is exposed and loosened under normal conditions of weathering and use.  
Responsibility – Builder will take whatever corrective action necessary to repair or replace defective concrete surfaces. Builder is not responsible for deterioration caused by salt, chemicals, mechanical implements and other factors beyond its control.
5. Possible Deficiency – Settling, heaving, or separating of stoops, steps or garage floors.  
Performance Standard – Stoops, steps or garage floors shall not settle, heave or separate in excess of 1 inch from the house structures.  
Responsibility – Builder will take whatever corrective action is required to meet the Performance Standard.
6. Possible Deficiency – Standing water on stoops.  
Performance Standard – Water should drain from outdoor stoops and steps. The possibility of minor water standing on stoops for a short period after rain can be anticipated.  
Responsibility – Builder shall take corrective action to assure drainage of steps and stoops.



7. Possible Deficiency – Basement or foundation wall cracks.  
Performance Standard – Shrinkage cracks are not unusual in concrete foundation walls. Such cracks greater than 1/8 inch in width shall be repaired.  
Responsibility – Builder will repair cracks in excess of 1/8-inch width.
8. Possible Deficiency – Cracking of basement floor.  
Performance Standard – Minor cracks in concrete basement floors are normal. Cracks exceeding 3/16 inch in width or 1/8 inch in vertical displacement shall be repaired.

### 3. Masonry

#### A. Unit Masonry

1. Possible Deficiency – Basement or foundation wall cracks  
Performance Standard – Small cracks not affecting structural stability are not unusual in mortar joints of masonry foundation walls. Cracks greater than 1/8 inch in width shall be repaired. Responsibility – Builder will repair cracks in excess of 1/8 inch by pointing or patching. These deficiencies shall be reported and repairs made during the first year of the Limited Warranty period.
2. Possible Deficiency – Cracks in masonry walls or veneer.  
Performance Standard – Small hairline cracks due to shrinkage are common in mortar joints in masonry construction. Cracks greater than 3/8 inch in width are considered excessive.  
Responsibility – Builder will repair cracks in excess of Performance Standard by pointing or patching. These repairs shall be made during the first year of Limited Warranty period. Builder will not be responsible for color variation between old and new mortar.

### 4. Wood and Plastic

#### A. Rough Carpentry

1. Possible Deficiency – Floors squeak or subfloor appears loose.  
Performance Standard – Floor squeaks and loose subfloor are often temporary conditions common to new construction, and a squeak-proof floor cannot be guaranteed.  
Responsibility – Builder will correct the problem only if caused by an underlying construction defect.
2. Possible Deficiency – Uneven wood floors.



Performance Standard – Floors shall not have more than 1/4-inch ridge or depression within any 48-inch measurement when measured parallel to the joists. Allowable floor and ceiling joist deflections are governed by the applicable building code.

Responsibility – Builder will correct or repair to meet Performance Standard.

3. Possible Deficiency – Bowed walls.

Performance Standard – All interior and exterior walls have slight variances on their finished surfaces. Bowing of walls should not detract from or blemish the wall's finished surface. Walls should not bow more than 1/4 inch out of line within any 48-inch horizontal or vertical measurement.

Responsibility – Builder will repair to meet Performance Standard.

4. Possible Deficiency – Out-of plumb walls.

Performance Standard – Walls should not be more than 1/4 inch out of plumb for any 32-inch vertical measurement.

Responsibility – Builder will repair to meet the Performance Standard.

**B. Finish Carpentry (Interior)**

1. Possible Deficiency – Poor quality of interior trim workmanship. Performance Standard – Joints in moldings or joints between moldings and adjacent surface shall not result in open joints exceeding 1/8 inch in width.

Responsibility – Builder will repair defective joints, as defined. Caulking is acceptable.

**C. Finish Carpentry (Exterior)**

1. Possible Deficiency – Poor quality of exterior trim workmanship. Performance Standard – Joints between exterior trim elements, including siding and masonry, shall not result in open joints in excess of 3/8 inch. In all cases the exterior trim, masonry and siding shall be capable of performing its function to exclude the elements.

Responsibility – Builder will repair open joints, as defined. Caulking is acceptable.



## 5. Thermal and Moisture

### A. Insulation

1. Possible Deficiency – Insufficient insulation.
2. Performance Standard – Insulation shall be installed in accordance with applicable energy and building code requirements. Responsibility – Builder will install insulation in sufficient amounts to meet Performance Standard.

### B. Louvers and Vents

1. Possible Deficiency – Leaks due to snow or rain driven into the attic through louvers or vents.  
Performance Standard – Attic vents and/or louvers must be provided for proper ventilation of the attic space of the structure.  
Responsibility – None

### C. Roofing and Siding

1. Possible Deficiency – Ice build-up on roof.  
Performance Standard – During prolonged cold spells, ice build-up is likely to occur at the eaves of a roof. This condition occurs when snow and ice accumulate and gutters and downspouts freeze up.  
Responsibility – Prevention of ice build-up on the roof is a Home Owner maintenance item.
2. Possible Deficiency – Roof or flashing leaks.  
Performance Standard – Roofs or flashing shall not leak under normally anticipated conditions, except where cause is determined to result from ice build-up or Home Owner action or negligence.  
Responsibility – Builder will repair any verified roof or flashing leaks not caused by ice build-up or Home Owner action or negligence.
3. Possible Deficiency – Standing water on flat roof.  
Performance Standard – Water shall drain from flat roof except for minor ponding immediately following rainfall or when the roof is specifically designed for water retention.  
Responsibility – Builder will take corrective action to assure proper drainage of roof.
4. Possible Deficiency – Delamination of veneer siding or joint separation.  
Performance Standard – All siding shall be installed according



to the manufacturer's and industry's accepted standards. Separations and delamination shall be repaired or replaced.

Responsibility – Builder will repair or replace siding as needed unless caused by Home Owner's neglect to maintain siding properly. Repaired area may not match in color and/or texture. For surfaces requiring paint, Builder will paint only the new materials. The Home Owner can expect that the newly painted surface may not match original surface in color.

#### **D. Sheet Metal (if provided for houses equipped with gutters)**

1. Possible Deficiency – Gutters and/or downspouts leak.  
Performance Standard – Gutters and downspouts shall not leak but gutters may overflow during heavy rain.

Responsibility – Builder will repair leaks. It is a Home Owner responsibility to keep gutters and downspouts free of leaves and debris which could cause overflow.

2. Possible Deficiency – Water standing in gutters.  
Performance Standards – When gutter is unobstructed by debris, the water level shall not exceed on (1) inch in depth.

In industry practice is to install gutters approximately level. Consequently, it is entirely possible that small amounts of water will stand in certain sections of gutter immediately after a rain.

Responsibility – Builder will correct to meet Performance Standard.

#### **E. Sealants**

1. Possible Deficiency – Leaks in exterior walls due to inadequate caulking.

Performance Standards – Joints and cracks in exterior wall surfaces and around openings shall be properly caulked to exclude the entry of water.

Responsibility – Builder will repair and/or caulk joints or cracks in exterior wall surfaces as required to correct deficiencies once, during the first year of the Limited Warranty period. Even properly installed caulking will shrink and must be maintained during the life of the Home.

#### **F. Waterproofing**

1. Possible Deficiency – Leaks in basement.  
Performance Standard – Leaks resulting in actual trickling of water shall be repaired. Leaks caused by improper landscaping





or failure to maintain proper grades are not covered by this Limited Warranty. Dampness of the walls or floors may occur in new construction and is not considered a deficiency.

Responsibility – Builder will take such action as necessary to correct basement leaks except where the cause is determined to result from Home Owner action or negligence.

## 6. Doors and Windows

### A. Wood and Plastic Doors

1. Possible Deficiency – Warpage of exterior doors.  
Performance Standards – Exterior doors will warp to some degree due to temperature differential on inside and outside surfaces. However, they shall not warp to the extent that they become inoperable or cease to be weather resistant or exceed National Woodwork Manufacturers Association Standards (1/4 inch, measured diagonally from corner to corner).  
Responsibility – Builder will correct or replace and refinish defective doors, during the first year of the Limited Warranty period.
2. Possible Deficiency – Warpage of interior passage and closet doors.  
Performance Standard – Interior doors (full openings) shall not warp in excess of National Woodwork Manufacturers Association Standards (1/4 inch, measured diagonally from corner to corner).  
Responsibility – Builder will correct or replace and refinish defective doors to match existing doors as nearly as possible, during the first year of the Limited Warranty period.
3. Possible Deficiency – Shrinkage of insert panels show raw wood edges.  
Performance Standard – Panels will shrink and expand and may expose unpainted surface.  
Responsibility – None.
4. Possible Deficiency – Split in door panel.  
Performance Standard – Split panels shall not allow light to be visible through the door.  
Responsibility – Builder will, if light is visible, fill split and match paint or stain as closely as possible, one time in first year of the Limited Warranty period.





## **B. Glass**

1. Possible Deficiency – Broken glass. Performance Standard – None.  
Responsibility – Broken glass not reported to the Builder prior to closing is the Home Owner's responsibility.

## **C. Garage Doors on Attached Garages**

1. Possible Deficiency – Garage doors fail to operate properly, under normal use.  
Performance Standard – Garage doors shall operate properly.  
Responsibility – Builder will correct or adjust garage doors as required, except where the cause is determined to result from Home Owner action or negligence.
2. Possible Deficiency – Garage doors allow entrance of snow or water.  
Performance Standard – Garage doors shall be installed as recommended by the manufacturer. Some entrance of the elements can be expected under abnormal conditions.  
Responsibility – Builder will adjust or correct garage doors to meet manufacturer's recommendations.

## **D. Wood, Plastic and Metal Windows**

1. Possible Deficiency – Malfunction of windows.  
Performance Standard – Windows shall operate with reasonable ease, as designed.  
Responsibility – Builder will correct or repair as required.
2. Possible Deficiency – Condensation and/or frost on windows.  
Performance Standard – Windows will collect condensation on interior surfaces when extreme temperature differences and high humidity levels are present. Condensation is usually the result of climatic/humidity conditions, created by the Home Owner. Responsibility – Unless directly attributed to faulty installation, window condensation is a result of conditions beyond the Builder's control. No corrective action required.

## **E. Weatherstripping and Seals**

1. Possible Deficiency – Air infiltration around doors and windows. Performance Standard – Some infiltration is normally noticeable around doors and windows, especially



during high winds. Poorly fitted weather-stripping shall be adjusted or replaced. It may be necessary for the Home Owner to have storm doors and windows installed to provide satisfactory solutions in high wind areas. Responsibility – Builder will adjust or correct poorly fitted doors, windows and poorly fitted weather-stripping.

## 7. Finishes

### A. Gypsum Wallboard

1. Possible Deficiency – Defects that appear during first year of the Limited Warranty such as nail pops, blisters in tape, or other blemishes.  
Performance Standard – Slight “imperfections” such as nail pops, seam lines and cracks not exceeding 1/8 inch in width are common in gypsum wallboard installations and are considered acceptable.  
Responsibility – Builder will repair only cracks exceeding 1/8 inch in width, one time only, during the first year of the Limited Warranty period.

### B. Ceramic Tile

1. Possible Deficiency – Ceramic tile cracks or becomes loose.  
Performance Standard – Ceramic tile shall not crack or become loose.  
Responsibility – Builder will replace cracked tiles and re-secure loose tiles unless the defects were caused by the Home Owner action or negligence. Builder will not be responsible for discontinued patterns or color variations in ceramic tile.
2. Possible Deficiency – Cracks appear in grouting of ceramic tile joints or at junctions with other materials such as a bathtub.  
Performance Standard – Cracks in grouting of ceramic tile joints are commonly due to normal shrinkage conditions.  
Responsibility – Builder will repair grouting if necessary one time only, during the first year of the Limited Warranty period. Builder will not be responsible for color variations or discontinued color grout. Re-grouting of these cracks is a maintenance responsibility of the Home Owner within the life of the Home.

### C. Finished Hard Wood Flooring

1. Possible Deficiency – Cracks developing between floor boards. Performance Standard – Cracks in excess of 1/8-inch width shall be corrected.



Responsibility – Builder will repair cracks in excess of 1/8 inch within the first year of the Limited Warranty period, by filling or replacing, at Builder's option.

#### **D. Resilient Flooring**

1. Possible Deficiency – Nail pops appear on the surface of resilient flooring.

Performance Standard – Readily apparent nail pops shall be repaired.

Responsibility – Builder will correct nail pops that have broken the surface. Builder will repair or replace, at Builder's sole option, resilient floor covering in the affected area with similar material. Builder will not be responsible for discontinued patterns or color variations in the floor covering. Spot patching is acceptable.

2. Possible Deficiency – Depressions or ridges appear in the resilient flooring due to subfloor irregularities.

Performance Standard – Readily apparent depressions or ridges exceeding 1/8 inch shall be repaired. The ridge or depression measurement is taken as the gap created at one end of a six-inch straightedge placed over the depression or ridge with three inches of the straightedge on one side of the defect, held tightly to the floor.

Responsibility – Builder will take corrective action as necessary, to bring the defect within acceptable tolerance so that the affected area is not readily visible. Builder will not be responsible for discontinued patterns or color variations in floor covering.

3. Possible Deficiency – Resilient flooring loses adhesion. Performance Standard – Resilient flooring shall not lift, bubble or become unglued.

Responsibility – Builder will repair or replace, at Builder's sole option, the affected resilient flooring as required. Builder will not be responsible for discontinued patterns or color variations of floor covering, or for problems caused by Home Owner neglect or abuse Painting

4. Possible Deficiency – Exterior paint peels, deteriorates or fades. Performance Standard – Exterior paints should not fail during the

first year of the Limited Warranty period. However, fading is normal and the degree is dependent on climatic conditions.

Responsibility – If paint is defective, Builder will properly



prepare and refinish affected areas, matching color as close as possible. Where finish deterioration affects the majority of the wall area, the whole area will be refinished.

5. Possible Deficiency – Painting required as corollary repair because of other work,  
Performance Standard – Repairs required under this Limited Warranty shall be finished to match surrounding areas as closely as practicable.  
Responsibility – Builder will finish repair areas as indicated.
6. Possible Deficiency – Deterioration of varnish or lacquer finishes. Performance Standard – Natural finishes on interior woodwork shall not deteriorate during the first year of the Limited Warranty period. However, varnish type finishes used on the exterior will deteriorate rapidly and are not covered by the Limited Warranty. Responsibility – Builder will retouch affected areas of natural finish interior woodwork, matching the color as closely as possible.
7. Possible Deficiency – Mildew or fungus on painted surfaces. Performance Standard – Mildew or fungus will form on a painted surface if the structure is subject to abnormal exposures (i.e., rainfall, ocean, lake or river front). Responsibility – Mildew or fungus formation is a condition the Builder cannot control and is a Home Owner maintenance item unless it is a result of noncompliance with other sections of the Performance Standard.

#### **E. Wall Covering**

1. Possible Deficiency – Peeling of wall covering. Performance Standard – Peeling of wall covering shall not occur. Responsibility – Builder will match existing paper to best of ability.
2. Possible Deficiency – Edge mismatching in pattern of wall covering.  
Performance Standard –  
None. Responsibility –  
None.

#### **F. Carpeting**

1. Possible Deficiency – Open carpet seams.  
Performance Standard – Carpet seams will show. However, no visible gap is acceptable.  
Responsibility – Builder will correct.



2. Possible Deficiency – Carpeting becomes loose, seams separate or stretching occurs.  
Performance Standard – Wall to wall carpeting, installed as the primary floor covering, when stretched and secured properly shall not come up, become loose, or separate from its points of attachment.  
Responsibility – Builder will re-stretch or re-secure carpeting as needed, if original installation was performed by Builder.
3. Possible Deficiency – Spots on carpet, minor fading.  
Performance Standard – Exposure to light may cause spots on carpet and/or minor fading.  
Responsibility – None.

#### **G. Special Coatings**

1. Possible Deficiency – Cracks in exterior stucco wall surfaces.  
Performance Standard – Cracks are not unusual in exterior stucco wall surfaces. Cracks greater than 1/8 inch width shall be repaired. Responsibility – Builder will repair cracks exceeding 1/8 inch in width, one time only, during the first year of the Limited Warranty period.

### **8. Specialties**

#### **A. Louvers and Vents**

1. Possible Deficiency – Inadequate ventilation of attics and crawl spaces.  
Performance Standard – Attic and crawl spaces shall be ventilated as required by the approved building code.  
Responsibility – The Builder shall provide for adequate ventilation. Builder will not be responsible for alterations to the original system.

#### **B. Fireplaces**

1. Possible Deficiency – Fireplace or chimney does not draw properly.  
Performance Standard – A properly designed and constructed fireplace and chimney shall function properly. It is normal to expect that high winds can cause temporary negative draft situations. Similar negative draft situations can also be caused by obstructions such as large branches of trees too close to the chimney. Some homes may need to have a window opened slightly to create an effective draft, if they have been insulated and weatherproofed to meet high energy conservation criteria.  
Responsibility – Builder will determine the cause of malfunction and correct, if the problem is one of design or construction of the fireplace.



2. Possible Deficiency – Chimney separation from structure to which it is attached.  
Performance Standard – Newly built fireplaces will often incur slight amounts of separation. Separation shall not exceed 1/2 inch from the main structure in any 10 foot vertical measurement.  
Responsibility – Builder will determine the cause of separation and correct if standard is not met. Caulking is acceptable.
3. Possible Deficiency – Firebox paint changed by fire. Performance Standard – None.  
Responsibility – None. Heat and flames from “roaring” fires will cause cracking.

## 9. Equipment

### A. Residential Equipment

1. Possible Deficiency – Surface cracks, joint delamination and chips in high pressure laminates on vanity and kitchen cabinet countertops.  
Performance Standard – Countertops fabricated with high pressure laminate coverings shall not delaminate.  
Responsibility – Builder will replace delaminated coverings to meet specified criteria. Builder will not be responsible for chips and cracks noted following first occupancy.
2. Possible Deficiency – Kitchen Cabinet malfunctions.  
Performance Standard – Warpage not to exceed 1/4 inch as measured from face frame to point of furthest warpage with door or drawer front in closed position.  
Responsibility – Builder will correct or replace doors or drawer fronts.
3. Possible Deficiency – Gaps between cabinets, ceiling or walls.  
Performance Standard – Acceptable tolerance 1/4 inch in width. Responsibility – Builder will correct to meet Performance Standard.

## 10. Plumbing

### A. Water Supply System

1. Possible Deficiency – Plumbing pipes freeze and burst.  
Performance Standard – Drain, waste and vent, and water





pipes shall be adequately protected, as required by applicable code, during normally anticipated cold weather, and as defined in accordance with ASHRAE design temperatures, to prevent freezing.

Responsibility – Builder will correct situations not meeting the code. It is the Home Owner's responsibility to drain or otherwise protect lines and exterior faucets exposed to freezing temperatures.

## **B. Plumbing System**

1. Possible Deficiency – Faucets or valve leak.  
Performance Standard – No valve or faucet shall leak due to defects in workmanship or materials.  
Responsibility – Builder will repair or replace the leaking faucet or valve.
2. Possible Deficiency – Defective plumbing fixtures, appliances or trim fittings.  
Performance Standard – Fixtures, appliances or fittings shall comply with their manufacturer's standards.  
Responsibility – Builder will replace any defective fixture or fitting that does not meet acceptable standards, as defined by the manufacturer.
3. Possible Deficiency – Noisy water pipes.  
Performance Standard – There will be some noise emitting from the water pipe system, due to the flow of water. However, water hammer shall be eliminated.  
Responsibility – Builder cannot remove all noises due to water flow and pipe expansion. Builder will correct to eliminate "water hammer."
4. Possible Deficiency – Cracking or chipping of porcelain or fiberglass surfaces.  
Performance Standard – Chips and cracks on surfaces of bathtubs and kitchen sinks can occur when surface is hit with sharp or heavy objects.  
Responsibility – Builder will not be responsible for repairs unless damage has been reported to Builder prior to first occupancy.



## 11. Heating and Cooling

### A. Heating

1. Possible Deficiency – Inadequate heating.  
Performance Standard – Heating system shall be capable of producing an inside temperature of 70 degrees F, as measured in the center of each room at a height of 5 feet above the floor.  
Responsibility – Builder will correct heating system to provide the required temperatures. However, the Home Owner shall be responsible for balancing dampers, registers and other minor adjustments.

### B. Refrigeration

1. Possible Deficiency – Inadequate cooling.  
Performance Standard – Where air-conditioning is provided, the cooling system shall be capable of maintaining a temperature of 78 degrees F, as measured in the center of each room at a height of 5 feet above the floor. In the case of outside temperatures exceeding 95 degrees F, a differential of 18 degrees F from the outside temperature will be maintained.  
Responsibility – Builder will correct cooling system to meet temperature conditions, in accordance with specifications.

### C. Condensation Lines

1. Possible Deficiency – Condensation lines clog up. Performance Standard – None.  
Responsibility – Condensation lines will clog eventually under normal use. This is a Home Owner maintenance item. Builder shall provide unobstructed condensation lines at time of first occupancy.

## 12. Ventilation

### A. Air Distribution

1. Possible Deficiency – Noisy ductwork.  
Performance Standard – When metal is heated it expands and when cooled it contracts. The result is “ticking” or “cracking” which is generally to be expected.  
Responsibility – None.
2. Possible Deficiency – Oilcanning.  
Performance Standard – The stiffening of the ductwork and the gauge of the metal used shall be such that ducts do not “oilcan.” The booming noise caused by “oilcanning” is not acceptable.  
Responsibility – Builder will correct to eliminate this sound.





### 13. Electrical

#### A. Electrical Conductors, Fuses and Circuit Breakers

1. Possible Deficiency – Fuses blow or circuit breakers (excluding ground fault interrupters) “kick out.”  
Performance Standard – Fuses and circuit breakers shall not activate under normal usage.  
Responsibility – Builder will check wiring circuits for conformity with local or electrical code requirements. Builder will correct circuitry not conforming to code specifications.

#### B. Outlets, Switches and Fixtures

1. Possible Deficiency – Drafts from electrical outlets.  
Performance Standard – Electrical junction boxes on exterior walls may produce airflow whereby the cold air can be drawn through the outlet into a room. The problem is normal in new home construction.  
Responsibility – None.
2. Possible Deficiency – Malfunction of electrical outlets.  
Performance Standard – All switches, fixtures and outlets shall operate as intended.  
Responsibility – Builder will repair or replace defective switches, fixtures and outlets.

#### C. Service and Distribution

1. Possible Deficiency – Ground fault interrupter trips frequently. Performance Standard – Ground fault interrupters are sensitive safety devices installed into the electrical system to provide protection against electrical shock. These sensitive devices can be tripped very easily.  
Responsibility – Builder shall install ground fault interrupter in accordance with approved electrical code. Tripping is to be expected and is not covered, unless due to a construction defect.



## SYSTEMS FIRST YEAR ONLY

### 14. Plumbing System

#### A. Water Supply

1. Possible Deficiency – Water supply system fails to deliver water. Performance Standard – All on-site service connections to municipal water main and private water supply shall be the Builder's responsibility. Private systems shall be designed and installed in accordance with all approved building, plumbing and health codes.  
Responsibility – Builder will repair if failure is the result of defective workmanship or materials. If conditions beyond Builder's control disrupt or eliminate the sources of the supply, the Builder has no responsibility.

#### B. Septic Tank System

1. Possible Deficiency – Septic system fails to operate properly. Performance Standard – Septic system shall function adequately during all seasons, under climatic conditions normal or reasonable anticipated (based on local records) for the location of the home. Septic system shall be designed and installed to comply with applicable, Local Health Code Requirements.  
Responsibility – Builder will repair, or otherwise correct, a malfunctioning or non operating system, if failure is caused by inadequate design, faulty installation, or other cause relating to actions of the builder or contractors or subcontractors under the builder's control. Builder will not be responsible for system malfunction or damage which is caused by owner negligence, lack of system maintenance, or other causes attributable to actions of the owner or owner's contractors, not under the control of the builder; including, but not necessarily limited to; the addition of fixtures, items of equipment, appliances or other sources of waste or water to the plumbing system served by the septic system; and damage, or changes, to the septic system installation or surrounding soil conditions critical to the system's functioning.

#### C. Piping

1. Possible Deficiency – Leakage from any piping. Performance Standard – No leaks of any kind shall exist in any soil, waste, vent or water pipe. Condensation on piping does not constitute leakage, and is not covered.  
Responsibility – Builder will make repairs to eliminate leakage.



2. Possible Deficiency – Stopped up sewers, fixtures and drains.  
Performance Standard – Sewers, fixtures and drains shall operate properly.  
Responsibility – Builder will not be responsible for sewers, fixtures and drains that are clogged through the Home Owner negligence. If a problem occurs, the Home Owner should consult Builder for a proper course of action. Where defective construction is shown to be the cause, Builder will assume the cost of the repair; where Home Owner negligence is shown to be the cause, the Home Owner shall assume all repair costs.
3. Possible Deficiency – Refrigerant lines leak.  
Performance Standard – Refrigerant lines shall not develop leaks during normal operation.  
Responsibility – Builder will repair leaking refrigerant lines and re-charge unit, unless damage was caused by the Home Owner.

## 15. Ventilation System

### A. Air Distribution

1. Possible Deficiency – Ductwork separates or becomes unattached. Performance Standard – Ductwork shall remain intact and securely fastened.  
Responsibility – Builder will re-attach and re-secure all separated or unattached ductwork.

## 16. Electrical System

### A. Wiring

1. Possible Deficiency – Failure of wiring to carry its designed load. Performance Standard – Wiring should be capable of carrying the designed load for normal residential use.  
Responsibility – Builder will check wiring for conformity with local, electrical code requirements. Builder will repair wiring not conforming to code specification.



## II. ITEMS THAT ARE NOT COVERED BY THIS WARRANTY.

- A. Landscaping (including sodding, seeding, shrubs, trees, and planting); off- site improvements; or any other improvements not a part of the home itself;
- B. Any damage to the extent it is caused or made worse by:
  - 1. Negligence, improper maintenance or improper operation by anyone other than the Builder, its employees, agents or subcontractor; or
  - 2. Changes of the grading of the ground by anyone other than the Builder, its employees, agents or subcontractors; or
  - 3. Changes, alterations or additions made to the Home by anyone after the Limited Warranty Commencement Date stated on the Certificate; or
  - 4. Failure by the Home Owner or by anyone other than the Builder, its employees, agents or subcontractors to comply with the warranty requirements of manufacturers of appliances, fixtures and items of equipment; or
  - 5. Failure by the Home Owner to give notice to the Builder of any defects within a reasonable time.
- C. This Limited Warranty completely excludes coverage for losses arising from wet rot, dry rot, bacteria, fungi, or protests, categories which encompass mold and other living organisms, whether occurring naturally, as a result of negligence, improper maintenance or improper operation by the Builder, its employees, agents, or subcontractors, or as a result of any construction defects in the Premises. Coverage is excluded for personal and/or bodily injury and property damage arising from direct or indirect contact with or the ingestion or the inhalation of mold and the other listed organisms, as well as any toxic chemicals released by the organisms. Coverage for personal and/or bodily injury claims is excluded, however remote such claims may be. Also excluded are clean-up costs or costs for testing for the listed organisms or conditions and any costs due to claims by government authorities.
- D. Normal wear and tear or normal deterioration;
- E. Loss or damage caused by or resulting from accidents, riot and civil commotion, fire, explosion, smoke, water escape, falling objects,



aircraft, vehicles, Acts of God, lightning, wind storm, hail, flood, mudslide, earthquake, volcanic eruption, wind-driven water and changes in the underground water table which were not reasonably foreseeable.

- F. Loss or damage that arises while the home is being used primarily for nonresidential purposes.
- G. Any condition which does not result in actual physical damage to the home, including, but not limited to: uninhabitability or health risk due to the presence or consequence of unacceptable levels of radon gas, formaldehyde or other pollutants and contaminants; or the presence of hazardous or toxic on-site materials;
- H. Loss or damage caused by or resulting from abnormal loading on floors by the Home Owner that exceeds design loads as mandated by codes.
- I. Exterior concrete such as walks, drives, and patios, except for scaling and structural failure causing movements of sections of 3/4" or more, vertically from one section to the next.
- J. Loss or damage that the Home Owner has not taken timely action to minimize;
- K. Any defect in, caused by, or resulting from materials or work supplied by anyone other than the Builder, its employees, agents or subcontractors.
- L. Loss or damage, not otherwise exclude under this Limited Warranty, which does not constitute a defect in the construction of the Home by the Builder, its employees, agents or subcontractors;
- M. Loss or damage caused by or resulting from soil movement for which compensation is provided by legislation or which is covered by other insurance;
- N. Bodily injury or damage to personal property;
- O. Costs of shelter, transportation, food, moving, storage or other incidental expenses related to inconvenience or relocation during repairs.
- P. Consequential damages (except where required by state law)



# **Flat Fee Structure**



## BUILDER INCENTIVE

| Gross Sales Price (Including Upgrades) | Flat Fee    |             | Total Fee   |
|--|-------------|-------------|-------------|
|  | Sell Side   | List Side   |             |
| 150,000-174,999                        | \$ 3,250.00 | \$ 3,250.00 | \$ 6,500.00 |
| 175,000-199,999                        | \$ 3,750.00 | \$ 3,750.00 | \$ 7,500.00 |
| 200,000-224,999                        | \$ 4,250.00 | \$ 4,250.00 | \$ 8,500.00 |
| 225,000-249,999                        | \$ 4,750.00 | \$ 4,750.00 | \$ 9,500.00 |
| 250,000-274,999                        | \$ 5,250.00 | \$ 5,250.00 | \$10,500.00 |
| 275,000-299,999                        | \$ 5,750.00 | \$ 5,750.00 | \$11,500.00 |
| 300,000-324,999                        | \$ 6,250.00 | \$ 6,250.00 | \$12,500.00 |
| 325,000-349,999                        | \$ 6,750.00 | \$ 6,750.00 | \$13,500.00 |
| 350,000-374,999                        | \$ 7,250.00 | \$ 7,250.00 | \$14,500.00 |
| 375,000-399,999                        | \$ 7,750.00 | \$ 7,750.00 | \$15,500.00 |
| 400,000-424,999                        | \$ 8,250.00 | \$ 8,250.00 | \$16,500.00 |
| 425,000-449,999                        | \$ 8,750.00 | \$ 8,750.00 | \$17,500.00 |
| 450,000-474,999                        | \$ 9,250.00 | \$ 9,250.00 | \$18,500.00 |
| 475,000-499,999                        | \$ 9,750.00 | \$ 9,750.00 | \$19,500.00 |
| 500,000-524,999                        | \$10,250.00 | \$10,250.00 | \$20,500.00 |
| 525,000-549,999                        | \$10,750.00 | \$10,750.00 | \$21,500.00 |
| 550,000-574,999                        | \$11,250.00 | \$11,250.00 | \$22,500.00 |
| 575,000-599,999                        | \$11,750.00 | \$11,750.00 | \$23,500.00 |
| 600,000-624,999                        | \$12,250.00 | \$12,250.00 | \$24,500.00 |
| 625,000-649,999                        | \$12,750.00 | \$12,750.00 | \$25,500.00 |
| 650,000-674,999                        | \$13,250.00 | \$13,250.00 | \$26,500.00 |
| 675,000-699,999                        | \$13,750.00 | \$13,750.00 | \$27,500.00 |
| 700,000-724,999                        | \$14,250.00 | \$14,250.00 | \$28,500.00 |
| 725,000-749,999                        | \$14,750.00 | \$14,750.00 | \$29,500.00 |

**IT TAKES NO MORE WORK, TIME OR EFFORT TO SELL A \$200,000 HOME AS IT DOES TO SELL A \$500,000.....THAT'S WHY WE CHARGE A FLAT FEE...**

**....AND WE COVER ALL YOUR MARKETING....**

**...AND WE PROVIDE YOU WITH "SOUTHLAND TECHNOLOGY"....**

**...LET SOUTHLAND SHOW YOU HOW WE CAN SAVE YOU  
MONEY, TIME AND HEADACHES...**

**TRY US OUT BEFORE YOU LIST WITH US, BY ALLOWING US TO MARKET  
YOUR HOMES VIA SOUTHLAND WEBSITE....ALL WE NEED IS PERMISSION  
TO USE YOUR LOGO AND WE WILL DO THE REST  
WE WILL PROVE TO YOU WE CAN HANDLE YOUR BUYERS**



# NEW CONSTRUCTION EMOTIONAL ROLLERCOASTER

WE'RE NOT TRYING TO TELL YOU HOW TO FEEL, BUT THIS IS WHAT YOU CAN EXPECT

