

**STATE OF NORTH CAROLINA
COUNTY OF LEE**

CONSTRUCTION INDEMNITY AGREEMENT

This agreement made this _____ day of _____, 20 ____, by and between North Shore Property Owners' Association, a corporation organized and existing under the laws of the State of North Carolina with its principle place of business in Lee County, North Carolina (hereinafter referred to as "the Association"), and _____, a natural person or persons residing in the County of _____, State of _____, (hereinafter referred to as "the Owner" or "the Owners"), and _____, a construction company doing business in Carolina Trace, Sanford, Lee County, North Carolina (hereinafter referred to as "the Contractor").

WITNESSETH:

WHEREAS, the owner holds title to Lot _____, North Shore Subdivision, Carolina Trace, Sanford, North Carolina, and desires to perform construction, alter an existing building or make improvements to grounds which require approval of the Architectural Committee as designated in the Reservations and Restrictions, Section (Architectural Control).

WHEREAS, the association desires to insure that the appearance of the subdivision and the roads are properly maintained during the period of construction, and that the area is left clean and free of debris; and

WHEREAS, the owner desires to assure the Association that the appearance of the subdivision will be properly maintained during construction,

NOW, THEREFORE, in consideration of the issuance of a certificate of architectural approval by the North Shore Property Owners' Association, Inc., to the

owner, and in further consideration of the mutual promises and covenants herein contained, the parties to this agreement do agree as follows:

1. Receipt of Reservations and Restrictions. The owner and/or contractor acknowledges that he has received a copy of the statement of Reservations and Restrictions applicable to all property in the North Shore Subdivision, Carolina Trace, Lee County, North Carolina.
2. Submission of Plans. He owner/contractor must submit a complete plot plan and set of final building plans to the North Shore Property Owners' Association Architectural Committee for review and approval. Changes in these plans, the design or scope of work, which in any way alters the exterior, or appearance of the construction project must be approved by the Committee prior to the initiation of such changes.
3. Building Site. During construction, the owner/contractor promises that the building site will be kept clean and neat, and free of any unnecessary unsightly conditions. The owner/contractor promise that they will provide adequate on site trash collection, and that they will, at least weekly, clean up all trash and debris in and around the building site. Not to be used construction materials will be removed or properly stored. Common areas shall not be used for storage of construction equipment or materials without written approval of the Architectural Committee.
4. Road Maintenance. The owner/contractor agree that they will remove any excess dirt or mud as well as any other debris from the road, deposited there as a direct result of their activities, and that they will insure these roads are left in as good condition at the termination of construction as they were at the commencement of construction.
5. Repair of Cuts. Whenever the owner/contractor find it necessary to cut or alter the existing road, a patch of asphalt or other suitable patching material shall be made immediately. Upon completion of construction, the owner/contractor, as soon as possible thereafter, shall restore the road which has been cut or altered to equal or better standards than the remainder of the road.

6. Subcontractors. The owner/contractor agree to be responsible for actions of and subcontractor working on construction, and to insure that all such subcontractors maintain the jobsite and roads to the same standards as they are required to keep them.
7. Completion Time Requirements. It is understood and agreed that all phases of construction (exterior) will be completed within six (6) months from the time of ground breaking, and all construction equipment and/or building supplies should be removed from the exterior of the premises within a reasonable time from the completion of exterior construction. If there are circumstances that render this time restriction unattainable or pose an undue hardship, the owner/contractor must infer the Architectural Committee in writing of these conditions or circumstances and request an extension of time, which will not be unreasonably withheld. Penalty for noncompliance is \$25 a day for the first thirty (30) days, \$50 a day for the next thirty (30) days and \$100 a day thereafter.
8. Contractor's Failure. If any contractor or subcontractor shall fail to perform any work as required by this agreement, then the contractor and owner agree that the Association may perform such work and charge to the contractor and the owner, jointly or severally, the cost of performing such work. The contractor and the owner, jointly and severally, agree to promptly reimburse the Association for nay costs expended under this agreement, together with interest at 1.5% per month from and after the date of the expenditure of funds by the Association, together with reasonable Attorney's fees of the Association incurred in collection.

9. Upon Completion of Construction. The owner/contractor shall notify the Architectural Committee for a final review of their compliance with the Construction Indemnity Agreement and the Reservations and Restrictions.

This the _____ day of _____, 20_____.

ACCEPTED:

Owner

Owner

Contractor

APPROVED:

North Shore Property Owners' Assoc, Inc.
Chairman, Architectural Committee

Note: It is suggested that during negotiations with a prospective contractor, the property owner discuss the terms of this agreement and incorporate these terms into any construction agreement or contract.