

STATE OF NORTH CAROLINA

COUNTY OF LEE

CONSTRUCTION INDEMNITY AGREEMENT

This agreement, made this _____ day of _____, 20_____
By and between Sedgemoor PROPERTY OWNERS ASSOCIATION, INC., a
corporation organized and existing under the laws of the state of North Carolina with its
principal 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 Lee, State of NC, hereinafter referred to as “the Owner(s)”, 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 _____, Sedgemoor 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. (Sections:
2,3,4,5,6).

WHEREAS, the Association desires to insure that the appearance of the
subdivision and the roads will be properly maintained during and after
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 and the roads will be properly maintained during and on
completion of construction: and,

**WHEREAS, the builder has submitted a \$3,000. performance security bond
to be held in escrow until construction is satisfactorily completed.**

