

FIXED FEE CONTRACT
OWNER'S LOT

This Contract dated _____ is made by and between these parties:
_____, referred to as the "Contractor",
and _____,
who is/are referred to as the "Owner(s)".

The Contractor's business address _____
The Contractor's Telephone number _____
The Contractor is licensed (or registered) in ____ (state), license (reg.)# _____
Additional identification information if applicable _____

The Owner(s) address(es) _____

The Owner(s) Telephone number(s) _____

The Owner(s) is possessed of a parcel of real estate, located at the following address
_____,
more particularly described as: _____
_____ (legal description)

This parcel will be referred to as the "Premises" in this Contract.

1. SCOPE OF THE WORK

The Contractor agrees to construct a single family residence ("Home") upon the Premises in accordance with the attached plans and specifications, marked Exhibit A and made part of this Contract. The Contractor shall furnish all the labor and materials for such work, and shall obtain and bear the cost of all required building permits. The Owner(s) shall pay and be responsible for all utility connection fees to the Premises, charges for utilities used on the Premises, and all governmental impact fees, exactions and assessments that may be incurred during construction.

Prior to the commencement of construction and not later than _____
(date), the Owner(s) shall disclose to the Contractor all deed restrictions, subdivision covenants, easements, liens or other encumbrances affecting the Premises, and shall supply the Contractor with a lot survey depicting applicable setback lines. The Owner(s) shall also obtain all necessary approvals from any architectural review board or Home Owners' Association as may be applicable, and shall bear all costs associated with obtaining these approvals. Failure by the Owner(s) to make such disclosures, to supply a lot survey, or to obtain necessary approvals shall constitute default.

2. COMPENSATION

Deposit - Upon execution of this Contract, the Owner(s) shall pay to the Contractor a Deposit in the amount of \$_____. If the Owner(s) defaults on the Contract, in addition to all amounts due for labor performed and all installed or non-returnable materials on order as of the date of default, a portion of the Deposit equal to _____% of the Contract price shall be retained by the Contractor as liquidated damages. Since actual damages would be difficult to precisely determine, it is agreed by the parties that this is a reasonable estimate of the damages that the Contractor

would incur if the Owner(s) defaulted. The Contractor shall be entitled to apply the Deposit as follows: (a) first, toward payment of all labor performed, including the Contractor's margin of profit, and payment of all installed or non-returnable materials on order, as of the date of default, (b) then to the amount of liquidated damages owed. Should there not be enough Deposit funds to honor the specified amount of liquidated damages, then Owner(s) shall be responsible for paying the balance of liquidated damages. Any remaining portion of the Deposit shall be refunded to the Owner(s) within sixty (60) days (or alternatively _____ days) from the date of default.

FINANCING CONTINGENCY - This Contract is contingent on the Owner(s) obtaining approval of a construction loan within _____ days after the Contract date in the amount of \$_____. Owner(s) shall use all reasonable diligence to obtain loan approval, and shall pay all loan expenses. In the event that the Owner(s) fails to obtain construction loan approval after a diligent, good faith effort, either party may by written notice to the other cancel this Contract, and Owner(s) shall be refunded the Deposit. Contractor shall not commence any construction activities until after this contingency is satisfied.

The fixed Contract price is: \$_____

*Note - Additional costs could be incurred due to escalation charges and fuel surcharges (section 3), unforeseen site conditions (section 4), pricing request administrative fees (section 8), or Owner-approved change orders (section 9). These are stand-alone, separate payment items, and will not be reflected by an adjustment to the contract price. Sales taxes incurred will be added to the progress payment.

Yes No

Payment shall be made to the Contractor in accordance with the following provisions:

Progress Payments - In addition to the Deposit, the Owner(s) shall pay to the Contractor progress payments based in accordance with one of the following schedules. A billing statement shall be provided by the Contractor to the Owner(s) on the last day of the schedule period, or as soon thereafter as reasonably possible. Payment shall be made by the Owner(s) not more than ten (10) days (or alternatively _____ days) from the date of billing.

A. Payment schedule based on stated dates:

\$_____ on the date of _____
\$_____ on the date of _____
\$_____ on the date of _____

(add additional payment schedule dates as may be necessary)

Alternatively:

B. Payment schedule based on the start of a stage of construction:

\$_____ to be paid _____ (stage of construction)
\$_____ to be paid _____ (stage of construction)
\$_____ to be paid _____ (stage of construction)

(add additional payment schedule stages of construction as may be necessary)

*Note - The lender may impose a differing schedule based on its requirements.