

NOT INCLUDED: THE FOLLOWING ITEMS ARE SPECIFICALLY EXCLUDED FROM THIS CONTRACT AND ARE TO BE PROVIDED BY THE OWNER:

ALLOWANCES: The following items, where specific prices are indicated, are included in the Contract Price as allowances for the purchase price of those items to be selected by Owner. Owner and Contractor agree to adjust the Contract Price after verification of actual cost difference (if any) of said items selected by Owner.

\$ _____	\$ _____	\$ _____
\$ _____	\$ _____	\$ _____

ADDITIONAL ALLOWANCE NOTES:

TIME FOR STARTING AND COMPLETING PROJECT: Work shall commence within ten days after the last to occur of the following: (1) Receipt by the Contractor of all necessary building permits; (2) Owner has complied with all Terms and Conditions of the Agreement to date; (3) Receipt of all construction funds by Escrow or Funding Control (if any). Subject to adjustment for the above conditions, work shall begin approximately on _____ and be substantially completed approximately on _____ with additional time to be allowed as detailed in paragraph entitled "Delays" in the Terms and Conditions. Commencement of work shall be defined as

(BRIEFLY DESCRIBE TYPE OF WORK REPRESENTING COMMENCEMENT)

CONTRACT PRICE

PAYMENT: Owner agrees to pay Contractor a total cash price of _____ Dollars (\$_____). OWNER represents that this agreement is a cash transaction wherein no financing is contemplated and Contractor acts in reliance on said representation. The payment schedule will be (1) Down payment of \$ _____, (2) Payment schedule as follows:

All payments will be made within five (5) days after billing. Overdue payments will bear interest at the maximum legal permissible rate. If any payment is not made when due, Contractor may keep the job idle until such time as all payments due have been made. A failure of payment for a period in excess of said five (5) days shall be considered a major breach.

Contractor or Owner prior to commencement of construction and subject to lending institution (if any) approval, may request funds to be placed in an Escrow or Funding Voucher Control Service prior to commencement of work with funds to be disbursed to Contractor in accordance with the escrow instructions or voucher orders signed by the Contractor. In the absence of an Escrow or Funding Control Service, funds will be paid directly to the Contractor in accordance with the progress payments schedule referred to above.

NOTICE TO THE BUYER: (1) Do not sign this Agreement before you read it or if it contains any blank spaces. (2) You are entitled to a completely filled in copy of this Agreement. Owner acknowledges that he/she has read and received a legible copy of this Agreement signed by Contractor, including all Terms and Conditions herein included, before any work was done, and that he/she has read and received a legible copy of every document that owner has signed during the negotiation. If owner cancels this Agreement after the right of recession has expired, and before commencement of construction, owner shall pay Contractor the amount of expenses incurred to that date plus loss of profits.

TERMS AND CONDITIONS

The Terms and Conditions on the following are expressly incorporated into this Agreement. This Agreement constitutes the entire understanding of the parties. No other understanding or representations, verbal or otherwise, shall be binding unless in writing and signed by both parties. This Agreement shall not become effective or binding upon Contractor until signed by Contractor or a principal of Contractor. By Owner's signature below, Owner acknowledges receipt of a fully completed copy of the Agreement.

THIS AGREEMENT CONSISTS OF _____ PAGES AND _____ ATTACHMENTS

	OWNER/BUYER SIGNATURE	DATE
	<u>X</u>	
CONTRACTOR SIGNATURE :	OWNER/BUYER SIGNATURE	DATE
<u>X</u>	<u>X</u>	

TERMS AND CONDITIONS **May be edited**

ASBESTOS / HAZARDOUS MATERIALS

Owner represents that the property being remodeled does not contain asbestos and / or other hazardous materials. This contract does not contemplate the removal of, testing for appropriate corrective work and any other additional expenses incurred by the corrective work.

CONTRACTOR'S RIGHTS AND RESPONSIBILITIES

1. SUBCONTRACTORS. Contractor may subcontract all or any portion of the work.
2. Contractor shall have the right to stop work and keep the job idle if payments are not made when due. Failure to make payment within five (5) days of the date that payment is due will be considered a material breach of this Agreement. If the work shall be stopped for any reason, for a period of sixty (60) days, then Contractor may, at Contractor's option, upon five (5) days written notice, demand and receive payment for all work executed and material ordered or supplied and any other loss sustained including Contractor's usual fee for overhead and profit based upon the contract price. Thereafter, Contractor is relieved from any further liability. In the event of work stoppage for any reason, Owner, shall provide for protection of and be responsible for, any damage, warpage, racking, or loss of material on the premises.
3. Contractor, at Contractor's option, may alter specifications only so as to comply with requirements of governmental agencies having jurisdiction over same. Any alterations or work undertaken to further this end shall be treated as an Extra Work.

CONTRACTOR'S RESPONSIBILITIES AND LIMITED WARRANTY

1. Contractor agrees to furnish the materials for the project and complete the work in a professional manner. All materials furnished under this Agreement shall be construction grade and meet industry standards. Where brand names have been specified, Contractor may select substitutes when such substitutions are due to unavailability or other circumstances beyond Contractor's control. All substitutions shall be consistent in quality and character to the selections previously specified. The liability of the contractor for defective materials or installation is hereby limited to the replacement or correction of said defective material and/or installation, and no other claims, or demands whatsoever shall be made upon or allowed against the contractor. This limited warranty extends only to owner and is not transferable. There is no implied warranty or merchantability nor any implied warranty of fitness for any particular purpose. There are no warranties either expressed or implied which extend beyond the description within this paragraph #1. This warranty shall terminate one year from final building inspection or the date of the completion, whichever is first

Note that equipment, assemblies, or units purchased by contractor, included in this contract are sold and installed subject to the manufacturer's or processor's guarantee or warranties, and not contractor's. To the extent permitted by applicable law, all warranties given by manufacturers pertaining to materials used by contractor in connection with the project will be passed through and inure to the benefit of owner.

2. Contractor shall pay all subcontractors, laborers and material suppliers. Contractor shall, to the best of Contractor's ability, keep Owner's property free of valid labor or material suppliers liens.

ITEMS NOT RESPONSIBILITY OF CONTRACTOR

1. EXISTING VIOLATIONS AND CONDITIONS. Contractor shall not be held responsible for any existing violations of applicable building regulations or ordinances, whether cited by the appropriate authority or not. Contractor is not responsible for any abnormal or unusual preexisting conditions or any unusual or abnormal concrete footings, foundations, retaining walls, or piers required, or any unusual depth required for same, such as, but not limited to that condition caused by poor soil, lack of compaction, hillside, or other slope conditions. Correction of such violations or abnormal conditions by Contractor shall be considered additional work and shall be dealt with as herein provided for under "Extra Work".

2. DELAYS. Contractor agrees to start and diligently pursue work through to completion, but shall not be responsible for delays for any of the following reasons; failure of the issuance of all necessary building permits within a reasonable length of time, funding of loans, disbursement of funds into funding control or escrow, acts of neglect or omission of Owner or Owner's employees

or Owner's agent, acts of God, stormy or inclement weather, strikes, lockouts boycotts, or other labor union activities, extra work ordered by Owner, acts of public enemy, riots or civil commotion, inability to secure material through regular recognized channels, imposition of government priority or allocation of materials, failure of Owner to make payments when due, or delays caused by inspection or changes ordered by the inspectors of authorized governmental bodies, or for acts of independent contractors, or holidays, or other causes beyond Contractor's reasonable control.

3. Contractor is not responsible for matching existing paint or texture and further, there is no guarantee against hairline cracks or discolorization in stucco or concrete.

OWNER'S RESPONSIBILITIES

UTILITIES

1. The Owner is responsible for water, gas, sewer and electric utilities, from the appropriate agency to the metering device, unless otherwise agreed to in writing. It is the Owner's responsibility, at Owner's expense, to provide toilet facilities, electricity and water to the site as needed by the Contractor.

ACCESS TO PROPERTY

2. Owner agrees to keep driveway clear and available for movement and parking of trucks and other equipment during normal working hours. If Owner denies access to any worker or material supplier during the scheduled working hours, the Owner will be held in breach of the Agreement and will be liable for such breach.

FINANCING

3. The Owner is responsible for having sufficient funds to comply with this Agreement. This is a cash transaction.

INSURANCE

4. Owner will purchase insurance at Owner's expense before any work begins. Such insurance will have course of construction, fire, vandalism, malicious mischief and other perils, clauses attached. The insurance must be in an amount at least equal to the contract price and provide that any loss be payable to the Contractor. The insurance is to cover the Owner, Contractor, Subcontractor and Construction Lender in the amount of their respective interests.

If the Owner does not purchase such insurance, the Contractor, as agent for the Owner may purchase it and charge such cost to the Owner.

DAMAGE OR DESTRUCTION

5. If the project or any portion of it is destroyed or damaged by fire, storm, flood, landslide, earthquake, theft, or other disaster or accidents, any work done by the Contractor to rebuild, etc., shall be paid for by Owner as an Extra and dealt with as herein provided for under "Extra Work".

In the event of any of the above occurrences, If the cost of replacement work, for work already done by the Contractor, exceeds twenty (20) percent of the contract price, the Owner has the option to cancel the contract but, if the Owner cancels, the Contractor shall be paid for all costs incurred plus Contractor's usual fee for overhead and profit for all work performed by Contractor to date of cancellation.

OWNER'S PROPERTY

6. It is the Owner's responsibility to remove or protect any personal property including, but not limited to, carpets, drapes, furniture, driveways, lawns, and shrubs, and Contractor will not be held responsible for damages or loss of said items.

BOUNDRY LINES

7. The Owner represents ownership of the property where construction is to occur. It is the Owner's duty to point out boundary lines of the property and Owner is responsible for the accuracy of such lines and how they are represented on drawings. If required, the Owner will pay for a survey to chart boundary lines.

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EASEMENTS, ETC.

8. Prior to construction the Owner is to give the Contractor a copy of any easements, restrictions or rights of way relating to the property. If Owner does not do so, Contractor will assume that none exist.

ENGINEERING AND GEOLOGY

9. Unless specifically agreed upon in writing between Owner and Contractor, and made a part of this Agreement under "Description of Materials", "Specifications" or "Plans", this Agreement does not include any engineering or geology surveys, drawings, studies, reports or calculations as may be required by a public body or building authority as a condition for issuance of a building permit or as a condition to securing final building inspection. The cost of any such required professional services shall be paid by Owner.

OTHER

DRAWINGS AND SPECIFICATIONS

1. The project will be constructed according to drawings and specifications that have been examined by Owner and that have been or may be signed by the parties to this contract. Unless otherwise specifically provided, Contractor will obtain and pay for all required building permits. Owner will pay any assessments and charges required by public bodies and utilities for financing or repaying the cost of sewers, storm drains, water service, or other utilities including sewer and storm drain reimbursement charges, use fees, revolving fund charges, hookup charges and the like.

ITEMS EXCLUDED

2. Unless specifically agreed upon in writing between Owner and Contractor and made part of this Agreement, under "Description of Work", "Description of Material", "Specifications", or "Plans", this contract does not include:

- a. Plumbing, gas, waste and water lines outside foundations of existing buildings or any required relocation or replacement of any such existing lines that may be discovered within the boundaries of any new ground floor addition
- b. Electrical service, other than addition of circuit breakers or fuse blocks to distribute electric current to new outlets;
- c. Any work which may be required regarding cesspools or septic tanks.
- d. Rerouting, relocating or replacing vents, pipes, ducts or conduits not shown or those encountered during construction or changes required to existing wiring, vents, pipes, ducts or conduits in areas undisturbed by construction. Unless specified elsewhere, existing wiring and electrical systems are represented by the Owner as adequate to carry load for existing structure and work to be performed herein;
- e. Any additional work required for excavation or foundations due to inadequate bearing capacity or rock or any other material not removable by ordinary hand tools
- f. Any work to correct damage caused by termites or dry rot;
- g. Changes or alterations from the specifications which may be required by any public body, utility or inspector.
- h. Painting, preparation, filing, finishing, grading, retaining walls, new or relocating gutters and downspouts, screen doors, weather stripping, staining, seeding, landscaping, or decorating. Any work necessary to correct, change, alter or add the above items will be considered additional work and shall be dealt with as herein provided for under "Extra Work".

MEASUREMENTS

3. Measurements, sizes and shapes in plans and specifications are approximate and subject to field verification. Unless otherwise specified, all dimensions are exterior dimensions. In the event of a conflict between the plans, specifications, etc., and the Agreement, this Agreement is controlling. Contractor is not responsible for any existing illegal conditions.

MATERIAL REMOVED AND DEBRIS

4. Unless specifically designated by Owner in writing, prior to commencement of construction, Contractor may dispose of all material removed from structures in course of alteration. Contractor is to remove construction debris at end of project and leave premises in a neat broom-clean condition.

ADDITIONAL REQUIREMENTS FOR COMPLETION

5. Contractor shall promptly notify Owner of any additional requirements necessary to facilitate the project's completion. Any subsequent amendment, modification or agreement, which operates to alter this contract, and which is signed or initialed by Contractor and Owner, shall be deemed a part of this contract and shall be controlling in case of conflict, to the extent that it alters this contract.

EXTRA WORK

6. The Owner and Contractor must agree in writing to any modification or addition to the work covered by this contract. The Contractor shall do no extra work without the written authorization of the Owner. Any written agreement shall list the agreed price and any changes in terms and be signed by both parties. Failure to have written authorization shall not be deemed fatal to the collection of the extra work.

For any extra work performed, Contractor shall be compensated in an amount to be determined before the extra work is performed and such amount including Contractor's usual fee for overhead and profit shall be made as the extra work progresses, concurrently with payments, made under the payments scheduled.

Any change-order forms for changes or extra work shall be incorporated in, and become part of the contract.

STANDARDS FOR SPECIFICATIONS

7. If all or any part of the following is included in this Agreement under specifications, the following will apply: All cabinets to be paint grade, or if same is noted to be other than paint grade, to be of veneer construction. All cabinet doors to be lipped construction. All inside portions such as shelves, bulkheads, and partitions may be of other species than exposed portions, but not limited to solid stock plywood, or particle board with fixed shelves without backs. All plumbing fixtures to be white in color and selected by Contractor. All appliances and fixtures to be Builders models. Medicine cabinets to be single, recessed, and metal. Tile, if ceramic, to be domestic, non-decorator, 4 1/4" x 4 1/4". All fireplaces to be prefab with a metal flue. All extra materials remain the property of the Contractor. If any of the materials used vary from the above, such variation must be agreed upon between Contractor and Owner, in writing and listed in this Agreement under "Specifications", "Description of Materials" or attached to this Agreement and initialed by Owner and Contractor.

CORRECTIVE WORK

8. If minor corrective or repair work remains to be finished after the project is completed, Contractor shall perform work expeditiously and Owner shall not withhold any payment pending completion of such work. If major corrective or repair work remains to be finished after the project is completed, and the cost exceeds one (1) percent of the gross contract price, the Owner may withhold payment sufficient to pay for completion of the work, pending completion of the work, but may not withhold an amount which is greater.

GENERAL

9. This contract, including incorporated documents, constitutes the entire agreement of the parties. No other oral or written agreements between Contractor and Owner, regarding construction to be performed exist.

10. This agreement shall be construed in accordance with, and governed by, the laws of the state.

NOTICE

11. Any notice required or permitted under this contract may be given by ordinary mail sent to the address of either the Owner or Contractor as listed in this contract, but the address may be changed by written notice from one party to the other. Notice is considered received five (5) days after deposited in the mail, postage paid.

ATTORNEY FEES

In the event legal action or arbitration is instituted for the enforcement of any term or condition of this Agreement, the prevailing party shall be entitled to an award of reasonable attorney fees in said action or arbitration, in addition to costs and reasonable expenses incurred in the prosecution or defense of said action or arbitration.