

**COST-PLUS ADDENDUM TO
RESIDENTIAL CONSTRUCTION AND LAND SALES CONTRACT**

The additional provisions set forth in this Addendum are hereby made a part of the attached Residential Construction and Land Sales Contract made between _____ (“Contractor”) and _____ (“Buyer”).

(Mark the box for each agreed provision and complete the applicable blanks. For inapplicable provisions insert “N/A”).

1. Cost-Plus purchase price: Buyer will pay to Contractor a purchase price as follows:

(a) \$ _____ as the agreed-upon value of the Property in its unimproved condition (“Property Price”);

(b) the Cost of Construction as defined below; and

(c) Either of the following as the Contractor’s Fee:

\$ _____ as a fixed fee for Contractor’s profit and overhead, or

_____ percent of the Cost of Construction as a fee for Contractor’s profit and overhead.

The Property Price, Cost of Construction and Contractor’s Fee are hereinafter referred to collectively as the “Purchase Price.”

2. Guaranteed maximum: Contractor guarantees to Buyer that the Cost of Construction plus Contractor’s Fee will not exceed \$ _____ except as agreed to by the parties pursuant to validly executed written Change Orders.

3. Timing of payment: Buyer will pay the Purchase Price to Contractor as follows:

(a) \$ _____ as an earnest money deposit due upon Buyer’s execution of this Addendum, said amount paid to Contractor and which will be credited to Buyer at Closing. In the event any of the conditions hereto are not satisfied, then all earnest monies shall be returned to Buyer. In the event of a breach of this Agreement by Contractor, all earnest monies shall be returned to Buyer but such return shall not affect any other remedies available to Buyer for such breach. In the event Buyer breaches this Agreement, then all earnest monies shall be forfeited, but receipt of such forfeited earnest monies shall not affect any other remedies available to Contractor for such breach.

(b) \$ _____ as additional earnest money deposit to be paid no later than _____ and time being of the essence with regard to said date.

(c) The balance of the Purchase Price due in cash at Closing.

4. Cost of Construction: Buyer agrees to reimburse the Contractor for the costs incurred by Contractor in constructing the House ("Cost of Construction") plus the Contractor's Fee set forth above. "Cost of Construction" shall mean all essential direct costs incurred by Contractor in constructing the House according to the Contract Documents. Such costs shall be at rates prevailing in the locality of the construction. Costs of Construction to be reimbursed specifically include: (a) compensation paid to, or on account of, Contractor's on-site employees engaged in the construction including wages and employee benefits and Contractor's contributions for taxes, unemployment compensation, and social security; (b) costs, including transportation of all building materials, fixtures, appliances, and equipment incorporated in the House; (c) payments made to subcontractors by Contractor for work or services performed pursuant to the Contract Documents; (d) sales or use taxes on items incorporated in the House; (e) cost of site cleanup; (f) reasonable rental costs for equipment and apparatus essential for construction of the House, excluding hand tools and equipment owned by Contractor; (g) utilities, including temporary connection fees and use fees such as water service and electricity used at the job site before substantial completion; (h) building permit fees and land use permit fees; (i) premiums for insurance required of the Contractor by the Contract Documents.

"Cost of Construction" does not include; (a) any cost or expense relating to Contractor's main and branch offices including compensation and benefits to Contractor's employees at such offices; (b) interest on any of Contractor's capital expended during construction prior to substantial completion of the House; (c) rental charges for equipment and apparatus owned by Contractor or for hand tools; (d) Contractor's profit and overhead (sums paid to officers and employees of contractor for supervision of the work shall be deemed overhead); (e) costs to correct defective construction or construction not in conformity with the Contract Documents, costs of repair or replacement of items the Contract Documents require to be insured by Contractor or for which Contractor has the risk of loss, and costs resulting from the negligence of the Contractor or his subcontractors.

IN WITNESS WHEREOF, the parties have executed this Cost-Plus Addendum to Residential Construction and Land Sales Contract on the dates as set forth below.

CONTRACTOR

Name: _____
By: _____ (SEAL)
Title: _____
Date: _____

BUYER

Date: _____ (SEAL)

BUYER

Date: _____ (SEAL)