

BILL RECTOR INC

AGREEMENT OF SALE CONTRACT TO BUILD A HOME

Bill Rector, DBA, Bill Rector, Inc., hereinafter called "Seller" or "Contractor" and

Hereinafter called "Buyer" or "Owner agrees as follows:

1. Seller agrees to sell and Buyer agrees to buy a house to be constructed and described as the residence of \_\_\_\_\_, to be erected on owners land in Dearborn County. Said house shall be constructed in accordance with plans and building specifications listed in the bid estimate, allowances, the building plan and any in process written change orders.

2. Buyer agrees to pay the total sum for the house of ( \$ \_\_\_\_\_ ) Payable as follows:

EARNEST MONEY ( \$ \_\_\_\_\_ ) \_\_\_\_\_% Of the total purchase price with the execution of this agreement which shall be applied to the purchase price at closing and the balance by Buyer obtaining a construction loan (within thirty days of date of accepted contract, with a lender of their choice and with all terms to be acceptable by Buyers) with monthly draws until completion. Builder to meet with buyer's lender to review and accept the terms of the construction loan prior to the start of construction. If this offer is accepted and Buyer fails or refuses to close the transaction, without legal cause, the earnest money shall be forfeited by Buyer to Seller as liquidated damages, and Seller may pursue any other legal and equitable remedies. The Seller holding any earnest money is absolved from any responsibility to make payment to the Seller or Buyer unless the parties enter into a Mutual Release or a Court of competent jurisdiction issues an order for payment. If the parties do not mutually consent to a release of the earnest money, then they agree that the Seller holding the earnest money may file an interpleader action with a court regarding disposition of the earnest money and that the payment of the Seller's resulting costs (including attorney's fees) incurred in connection with such interpleader are a priority claim against the earnest money regardless of the Court's apportionment of the balance of the earnest money.

2. The work to be performed by Seller shall be completed on or before 300 days after receipt by the Seller of the following: (1) all deposit money as provided in Paragraph 1; (2) Buyer's approval of plans and specifications; (3) granting of the building permit; and (4) written commitment of mortgage for Buyer, which the Buyer acknowledges will be attached to agreement as exhibits and made a part hereof.

3. If the above mentioned exhibits are not completed and delivered to the Seller within (30) thirty days of the date of this agreement, the Seller may cancel this contract at his option or assign a new delivery date at an increased sales price equal to one percent (1 %) per month for each month said completion of exhibits exceeds thirty (30) days.

4. The Seller shall not be liable for any delay in the prosecution or completion of the work caused by the act of neglect or default of the Buyer or by damage by fire, earthquake, weather or other casualty for which the Seller is not responsible, or strike, walkouts, or any other acts of employees or suppliers of labor or materials over which the Seller has no control or for which the Seller is not responsible. In any such event, the time herein fixed for the completion of the work shall be extended for such a period equivalent to the time lost by reason of any of the causes aforesaid. Provided further, that nonperformance of this agreement by Seller is excused when such non-performance is caused by any governmental control, regulations, restrictions, allocations of labor, supplies and materials instituted by any state or municipal or Governmental agency for any of the causes aforesaid, or non-performance of developer or contractor engaged in constructing or installing streets and utilities.

5. In the event that the Seller is unable to obtain the exact materials specified on the plans, specifications, or options through the Seller's ordinary and usual source of supply, the Seller shall have the right to substitute materials of similar pattern, design, and quality. If Buyer requires a supplier or sub-contractor that is not one of Seller's approved suppliers or subcontractors, the Buyer is totally responsibly for material, labor, delivery, tax, installation, any financing charges, and any damages caused by supplier or sub-contractor.

6. Possession to be given on receipt in full of all monies due the Seller, by terms of this contract. The Buyer, prior to such time, shall have no right to enter upon or occupy the premises without the written approval of the Seller.

7. If lot is owned by Seller, Seller to furnish a General Warranty Deed, free and clear of all encumbrances, except for utility easements, assessments, and restrictions running with the land and common to the subdivision. Real Estate Taxes: Seller to pay next tax installment due prior to closing and Buyer shall assume the taxes due thereafter.

8. The Owner will pay for all permits and licenses necessary for the performance of the work hereunder. Seller may remove such trees from the lot as necessary to construct the home and shall not be responsible for any damage to remaining trees during or resulting from construction.

9. The parties agree that the house shall be considered completed when the structure has been substantially completed in accordance with plans, bid estimate, specifications and selection sheet or when the structure has been given final approval by the lender or by Federal Housing Administration, if applicable, or other appropriate governmental authority. Final inspection of the building by the Building Inspector and mortgage appraiser, if any, shall be mutually accepted by the parties as conclusive evidence that the house has been substantially completed according to the plans and the bid estimate. Upon completion, Buyer agrees to make full payment of the balance of the purchase price within 10 days of the date of such completion, or approval. Minor adjustments and corrections resulting from a pre-settlement inspection shall not be considered cause to postpone closing and will be completed by Seller within a thirty (30) day period following closing.

10. In the event that, on the settlement date scheduled in accordance with this agreement, the dwelling shall be otherwise habitable, but weather conditions are such that landscaping, exterior concrete, and exterior painting cannot be completed, settlement shall be consummated on the date so scheduled. Seller agrees that such uncompleted items shall be completed when weather conditions permit.

11. All monies paid to Seller pursuant to this agreement will be applied to the purchase price when the sale is closed except that in the event that the Buyer fails or refuses to pay the balance of the purchase price as provided herein such balance shall draw interest at the rate of 18% per annum from the date of Buyer's failure to pay and all monies previously paid by the Buyer shall be retained by the Seller and applied to said charge, which shall in no way prejudice the rights of the Seller in any action for damages or specific performance.

12. The Seller agrees to carry adequate commercial general liability policy up to time of closing, this insurance to be non transferable.

13. There shall be a pre-drywall inspection between the seller and buyer to confirm location of electric outlets & switches, cable-outlets, and all lighting fixtures.

14. Seller is an independent contractor and is not the partner, joint venturer, agent or employee of Buyer.

15. Without invalidating this agreement, Buyer may from time to time, order additions, deletions or revisions in the construction work. These will be authorized by written change orders. Upon receipt of a written change order, Seller will proceed with the work involved. If any change order causes an increase or decrease in the contract price, an equitable adjustment will be made. All change orders are subject to a standard 10% general contracting fee in addition to the cost of the change order.

16. All work under this agreement is to be performed in all respects in compliance with building laws, ordinances, and regulations of any and all governmental agencies entitled to impose the same, and all such work shall be done in a good and workmanlike manner.

17. If the Buyers exceed the allowance listed for any particular items, they are responsible to pay the difference. If the full allowance is not used, there will be a refund on the remaining amount. Any unused allowance may be applied toward another purchase. Refunds only apply to items listed as allowances.

18. Any anticipated overages shall be paid to Bill Rector Inc. at least five business days prior to the work being performed. Failure to pay promptly may result in construction delays or the inability to complete the anticipated overages, additions, or constructions change requests.

19. The house plan and the bid estimate are to be considered part of this contract.

All rights, duties, and obligations of the parties shall survive the passing of title to, or an interest in, the property. This agreement shall be construed under and in accordance with the laws of the State of Indiana and is binding upon the parties respective heirs, executors, administrators, legal representatives, successors, and assigns. This agreement constitutes the sole and only agreement of the parties and supercedes any prior understandings or written or oral agreements the parties respecting the transaction and cannot be changed

except by their written consent.

Buyer \_\_\_\_\_

Date \_\_\_\_\_

Buyer \_\_\_\_\_

Date \_\_\_\_\_

Seller \_\_\_\_\_

Date \_\_\_\_\_

Witness \_\_\_\_\_

Date \_\_\_\_\_

### **ALLOWANCES:**

(All costs above those listed herein shall be borne by Purchasers in addition to the contract price.)

- |     |  |                  |
|-----|--|------------------|
| 1.  | Lighting                                   | \$1,750          |
| 2.  | Brick                                      | \$275/1000 brick |
| 3.  | Appliances                                 | \$6,000          |
| 4.  | Interior Exterior concrete flatwork        | \$18,304         |
| 5.  | Plumbing Fixtures                          | \$2,956          |
| 6.  | Exterior windows and doors                 | \$9,064          |
| 7.  | Interior trim, doors, steps, door hardware | \$5,368          |
| 8.  | Kitchen cabinets                           | \$12,839         |
| 9.  | Shelving, mirrors and shower doors         | \$1,162          |
| 10. | Interior flooring                          | \$7,854          |

## House Location Approval

We the undersigned are satisfied with the location of the house as it is staked on the lot, and authorize Bill Rector Inc to begin construction.

Owner \_\_\_\_\_

Date \_\_\_\_\_

Owner \_\_\_\_\_

Date \_\_\_\_\_

## Color Selection Sheet

1. Shingles \_\_\_\_\_
2. Brick \_\_\_\_\_
3. Exterior Windows \_\_\_\_\_
4. Exterior of Doors \_\_\_\_\_
5. Exterior Soffit \_\_\_\_\_
6. Exterior Columns and Porch \_\_\_\_\_
7. Interior Doors \_\_\_\_\_
8. Interior of Windows \_\_\_\_\_
9. Interior Casing and Baseboard \_\_\_\_\_
10. Interior Stair Parts \_\_\_\_\_
11. Interior Door Hardware \_\_\_\_\_

Owner \_\_\_\_\_

Date \_\_\_\_\_

Owner \_\_\_\_\_

Date \_\_\_\_\_