

ALLOWANCE DEFINED

Allowance amounts are estimates for the completion of the above-referenced items and are not guaranteed. All allowances will be charged at Builder's total cost plus ___% for Builder's markup. Allowances provided for in this Contract are subject to adjustment upon completion of the particular work involved. When the final costs, including Builder's markup, for allowance items exceed the total allowance, Buyer shall pay the difference within ___ days after the date of Builder's invoice for the additional amount due. Should costs be less than allowance, Buyer will receive credit for the difference at final closing prior to occupancy. Allowance items are estimates and are often affected by unknown and unforeseen conditions which are not under the control of the Builder; therefore, they are difficult to measure. Some allowance items are affected by Buyer's choices.

TOTAL ALLOWANCE (from page 1) _____ \$ _____

TOTAL CONTRACT PRICE _____ \$ _____

DOWN PAYMENTS

7. Total Contract Price of _____ Dollars (\$ _____)
Down payments shall be made in the following manner:
To Be Paid Herewith _____ Dollars (\$ _____)
and an additional down payment of _____ Dollars (\$ _____)
on or before closing of construction or opening of escrow.

SUBTOTAL (DUE BUILDER) _____ Dollars (\$ _____)

WORK CREDITS

8. Buyer shall receive work credits against the total Contract price for labor and/or materials to be performed and/or supplied.

Dollars (\$ _____)

Dollars (\$ _____)

Dollars (\$ _____)

Dollars (\$ _____)

TOTAL WORK CREDITS \$ _____

Buyer agrees to perform the labor and/or furnish materials as set forth within a reasonable time after notice from the Builder that such work must be performed or materials furnished or to provide a cash escrow for such work or materials. Work and/or materials shall be acceptable to the Builder and appropriate inspection authorities. Buyer is responsible for determining that any party other than Builder who performs work and/or supplies material carries worker's compensation insurance to the extent required by law and also liability insurance covering operations at the building site in the amount Builder is required to carry under Paragraph 16 hereof. Buyer agrees to hold Builder harmless from any and all claims, demands, actions, liabilities, losses, and damages to person or property arising out of or related to any act or omission of Buyer or any agent, contractor, or subcontractor of Buyer in, on, or about the building site, in connection with the performance of work or the furnishing of materials for the construction of the building. Buyer is responsible for the protection of, and/or repair of, damage to any materials or labor supplied by Buyer or Buyer's Agent. Buyer or Buyer's subcontractor's work may void the Builder's warranty.

CONSTRUCTION PAYMENTS

9. The balance of the total contract price, less down payment and work credit is \$ _____.
Said balance shall be paid as construction progresses. Builder shall be entitled to _____ draws from the lender or escrow agent and the parties shall enter an escrow agreement reflecting the draw procedures.

The Buyer shall make or authorize payment to the Builder within ___ days after the receipt of each progress payment request provided for above. Builder shall furnish proper waivers of lien to the escrow agent or lender. If required, to the extent of the progress payment authorized. If timely payment is not received, Builder shall be entitled to stop work and/or extend Contract time, which shall be treated as a delay to which Paragraph 19 applies. Buyer will be responsible for all progress payments not authorized and received and shall, in addition thereto, be responsible for all costs of collection including actual attorney's fees. Buyer is responsible for payment in full prior to taking occupancy.

CHANGES & EXTRAS

10. All changes in the plans or specifications will be made upon written order in the form at Exhibit A attached hereto prior to a change being made. Written changes shall be signed by Buyer and shall set forth a description of the change, addition or deletion and the cost or credit. Any changes or extras shall extend the time to complete the construction as provided in the Change Order. Any change, alteration or extra from the plans or specifications, including, but not limited to, erosion control measures or mandated dumpster use, which may be required by any public body or inspector or architectural control committee (or similar authority) or site conditions, which increases costs, shall constitute an extra and shall be paid by Buyer, and shall not require written approval from Buyer as stated above. In addition, Buyer agrees to pay a surcharge of \$ _____ per individual change hereunder occurring after signing of this Contract in addition to Builder's quoted price of the change.

CONTINGENCIES

A. FINANCING

11.A. If financing is required, this offer is contingent upon the Buyer or Builder on Buyer's behalf, securing a _____ mortgage commitment for at least the sum of \$ _____ for a term not less than _____ years, with payment amortized over a period of about _____ years, in monthly installments for principal and interest with interest computed at not more than an initial rate of ___ per annum, plus mortgage insurance premium, if any, plus 1/12 of the estimated real estate taxes and 1/12/ of one (1) year insurance premium. Upon execution of said mortgage, which may include a rate adjustment clause and prepayment clause, interest thereon shall be borne by the Buyer, in addition to all other necessary financing costs charged by the Lender, all of which shall be paid as required. Regardless of whether any delay was caused by Builder, Buyer, or a third-party, Builder cannot be held responsible for change of mortgage interest rate during the building process regardless of time it takes to complete construction. Buyer covenants to attempt to secure financing in good faith and with due diligence.

B. CASH SALE

B. Buyer and Builder understand and agree that financing is not required and that this transaction shall be a cash sale to Buyer. (Strike this paragraph if it is not applicable.)

C. FINANCING COMMITMENT ESCROW

C. If a financing commitment or escrow agreement is not obtained within _____ days from the date hereof, then either party may rescind this Contract, in writing, and all monies paid hereunder shall be refunded to Buyer. However, Buyer shall pay Builder the expenses incurred by Building in carrying out Builder's obligations hereunder, plus mark-up, including, but not limited to, the following: survey, building permits, erosion control, dumpsters, credit report, any required tests, and the cost of plans or specifications prepared for Buyer. Buyer agrees to sign all documents necessary to obtain a mortgage or establish an escrow and to authorize the disbursement of proceeds from same as provided in Paragraph 9 herein.

D. SALE OF OTHER PROPERTY

D. This Contract (is) (is not) contingent upon the sale of other property at: _____

E. OTHER

E. This Contract is further contingent upon: _____

ESCROW

12. In the event no financing is required, the parties agree that the total contract price, less the aforementioned down payment (when paid), shall be deposited with an escrow agent selected mutually by Buyer and Builder naming Builder as escrow proceeds recipient. Buyer shall pay any fees or charges for said escrow and agrees to authorize the disbursement of withdrawals from the escrow as set forth in Paragraph 9. Construction shall not commence until Builder receives written verification, satisfactory to Builder, that the escrow has been established.

CLOSING DATE

13. Financing shall be closed, prior to the start of construction, at the office of the Buyer's mortgagee, on or before the _____ day of _____, _____ or such time and place as may be mutually agreed upon by the parties hereto in writing. Time is hereby made of the essence.

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DEFAULT PRIOR TO START OF CONSTRUCTION	14. In the event Buyer fails to fulfill Buyer's obligations under this Contract prior to the start of construction, all monies paid hereunder shall, at the option of the Builder, be forfeited as liquidated damages. This Section shall not apply if Buyer properly exercises one of its contingencies in Paragraph 11 above.
FINANCING OR CLOSING DELAY	15. The total Contract price provided for in the Contract shall remain in full force and effect only if the financing referred to above is closed as provided above, time being of the essence. In the event financing is not closed on or before the stated date, Builder reserves the right to revise such price to cover any increased material and labor costs. If such increase is not consented to by Buyer, Builder may, at its option, cancel this Contract and return Buyer's funds, less amounts as provided in Paragraph 11.
INSURANCE	16. The Buyer shall, prior to commence of the work and until full payment is made to the Builder, keep the building insured by a Builders Risk Policy Special Form, naming the Builder as additional insured and loss payee in an amount not less than \$_____ and to deposit with Builder a Certificate of Insurance until Contract is fulfilled. If the Buyer fails to effect or maintain insurance as provided above or to deposit the Certificate of Insurance, the Buyer assumes any or all liability, however, the Builder may insure its interest in the construction and charge the cost thereof to the Buyer as an extra. The Builder shall maintain Comprehensive General Liability Insurance of not less than \$1,000,000.00, Bodily Injury/Property Damage and Workers Compensation. Builder shall be not liable for uninsured damages or losses, or any other condition or occurrence which are not within the control of the Builder. Any loss in the amount of the deductible of a Builders Risk Policy hereunder will be paid by the Buyer.
VALIDITY OF LOT OWNERSHIP	17. Where Buyer is the owner of the lot, Buyer shall furnish to the Builder within ten (10) days after acceptance of this Contract a copy of the recorded deed restrictions, easements, and covenants, and evidence of valid title relating to the lot. Buyer shall be responsible for furnishing an approved site for construction called for by this Contract. The Buyer shall hold harmless and indemnify the Builder from any and all liability either to the Buyer or any other person or governmental body concerned if the Buyer fails to comply with the conditions of this paragraph.
LIEN NOTICE	18. As required by the Wisconsin construction lien law, Builder hereby notifies owner that persons or companies performing, furnishing, or procuring labor, services, materials, plans, or specifications for the construction on owner's land may have lien rights on owner's land and buildings if not paid. Those entitled to lien rights, in addition to the undersigned claimant, are those who contract directly with the owner or those who give the owner notice within 60 days after they first perform, furnish, or procure labor, services, materials, plans or specifications for the construction. Accordingly, owner probably will receive notices from those who perform, furnish, or procure labor, services, materials, plans, or specifications for the construction, and should give a copy of each notice received to the mortgage lender, if any. Builder agrees to cooperate with the owner and the owner's lender, if any, to see that all potential lien claimants are duly paid.
CONSTRUCTION SCHEDULE AND STANDARDS	19. Builder agrees to commence excavation of said building within _____ working days after Builder's receipt of down payment (if any), escrow verification, building permits, change orders, plan revisions or subcontractor agreements. The Builder shall be the authority for the proper usage, arrangements and placements of fixtures, equipment and materials in accordance with recognized standards. Said building shall be completed in a good workmanlike manner in quality equal to the standards of the industry as expressed in the Construction Industry Quality Standards published by the _____ (local Association). Construction shall be substantially completed within _____ working days after date of commencement except when Builder shall be prevented from commencing or completing such building by reason of change or delays requested by the Buyer or public authorities, other acts of the Buyer, shortage of labor and materials, abnormal building site conditions, strikes, weather conditions, storms, lightning, hail, flood or similar occurrences, damages caused by riot, civil commotion, vandalism, theft, ware, fire, or any other conditions or occurrences whether similar to the foregoing or not which are not within the control of the Builder. Buyer is cautioned that the failure of Buyer to make selections in a timely manner will extend the construction period. In the event commencement or completion of construction is delayed by reasons of any of the foregoing events occurring during the Contract period and by reason of such delay the costs of labor and materials are increased over original Contract price, the increased costs shall be charged as an extra subject to the terms of Paragraph 10. Builder shall notify Buyer of such increase at the time the increase occurs and upon Buyer's request shall furnish the Buyer with copies of invoices or other documentary evidence to verify such increased costs.
BUILDING SITE CONDITIONS AND MATERIAL COSTS	20. In the event abnormal building site conditions are encountered in conjunction with the foundation, installation of sewer and water laterals or well and septic installation, Buyer agrees to pay the cost of any additional work or materials. This does not constitute change in plans and specifications as detailed in Paragraph 10. Buyer agrees to pay for the additional costs caused or resulting from site conditions including, but not limited to, the following: abnormal soil conditions, removal of trees, providing fill or cutting to grade, trucking excess fill, frost breaking, water pumping, concrete pumping, excavation cave-in corrections, snow removal, and any related costs. Any such extra costs shall be computed as set forth in Paragraph 6. Unless otherwise provided in this Contract, Buyer shall not be reimbursed for any excess ground removal from the site, nor shall Builder be required to remove, store or replace topsoil or other surface objects. Builder will not be held responsible for unknown or unforeseen subsoil conditions that could affect the structure, well and septic, or laterals. Builder reserves the right to increase the Base Price if building material costs to Builder are subject to inordinate market increases.
WEATHER CONDITIONS	21. Buyer agrees to pay Builder all additional charges for additional work and materials which may be required due to weather conditions, including, but not limited to, service trips to hook up furnace before finish, haying footings and foundation, frost breaking, snow plowing, etc.
SUPERVISION OF WORK	22. Buyer agrees that the direction and supervision of the working forces, including subcontractors, rest exclusively with the Builder, and Buyer agrees not to issue any instructions to, or otherwise interfere with the same. The Buyer shall at any reasonable time during working hours have the right to inspect the work. Buyer shall exercise all reasonable diligence in inspecting, discovering and reporting to Builder, as the work progresses, all materials and labor which are not satisfactory to Buyer, so as to avoid unnecessary trouble and costs to Builder. Any objection by Buyer not raised upon inspection shall be deemed to have been waived. Builder shall not be responsible for any injury to Buyer during said inspections. The Buyer further agrees not to negotiate for additional work with the subcontractor nor to engage other builders or subcontractors except with the Builder's prior consent and in such manner as will not interfere with the Builder's completion of work under this Contract. Slight deviations from plans and specifications shall be construed as substantial compliance with the Contract. Builder shall retain exclusive control over all subcontractors, material providers and service providers to the construction site. Subcontractors shall not take direction from the Buyer.
UTILITIES	23. Buyer agrees to promptly apply for and have water, gas, and electric meters installed in his name. Buyer agrees to pay for all utility and heating related costs during construction.
WORK STOPPAGE OR PAYMENT DEFAULT	24. If the work shall be stopped by the order of the Buyer, any court or other public authority, or if the Buyer fails to make payments as herein agreed. Builder shall have the right to stop work or terminate this Contract and receive from the Buyer payment for all work performed and materials ordered or delivered, together with _____% mark-up. If Builder elects to stop work only, stoppage shall be considered a delay, as set forth in Paragraph 19.
POSSESSION AND OCCUPANCY	25. Builder shall have the exclusive possession and control of the real estate from the time work is commenced until all sums due Builder under the Contract have been paid in full. If, pursuant to written permission of Builder, Buyer should occupy the real estate prior to such payment, then Buyer and Builder shall amend the Escrow Agreement to include punchlist items to be completed by the Builder. The amendment shall provide that Buyer shall execute a final draw release and deposit it with the Escrow Holder. Upon completion of all of the items on the pointillist and proper verification and/or inspection or the Escrow Holder, the Escrow Holder shall release the final draw and all

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payments owing to the Builder.

WARRANTY

26A. The home constructed under this Contract shall be warranted as follows (check one):
____(A) After completion of the home, final settlement and execution of the application for an insured warranty plan between Builder and Buyer, the home shall be covered by the provisions of the insured warranty plan as set forth in the applicable documents; or
____(B) The home constructed under this Contract shall be warranted by a one-year warranty from completion or occupancy of the home, whichever occurs first. The warranty shall be governed pursuant to the Construction Industry Quality Standards (as applicable), published by the _____ (local Association). THERE SHALL BE NO OTHER WARRANTY BEYOND WHAT IS STATED HEREIN AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS ARE EXPRESSLY DISCLAIMED BY BUILDER AND ARE EXCLUDED HEREIN.

If neither (A) nor (B) is checked, Section (B) shall be the applicable warranty provision.
Work performed by the Buyer or Buyer's subcontractor may void any warranty identified herein.

NOTICE OF DEFECTS AND RIGHT TO CURE

26B. Builder and Buyer acknowledge that their duties and rights under this Contract are subject to Section 895.07 of the Wisconsin Statutes, the "Right to Cure Law", as more fully explained in the Notice Concerning Construction Defects attached to this Contract as Addendum A and the brochure prepared by the Wisconsin Department of Commerce titled "Wisconsin's Framework for Successful Communications Between Consumers and Contractors."

BUYER ACKNOWLEDGES THAT A COPY OF THE BROCHURE HAS BEEN GIVEN TO THE BUYER PRIOR TO SIGNING THIS CONTRACT.

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26C. Builder shall not be obligated to replace or repair any Construction Defect, as defined below, or pay for the replacement or repair of the same if such Construction Defect is caused, in whole or in part by: (i) Buyer's improper or insufficient maintenance of the Building or improper or insufficient maintenance or operation of any of the Building's systems; (ii) natural occurrences beyond Builder's control; (iii) an act or omission of Buyer or any third parties not under Builder's control, including, but not limited to, work performed by the Buyer or by Buyer's subcontractors; or (iv) normal wear and tear and normal usage. The term "construction defect" shall have the meaning set forth under Section 897.07(1)(e) of the Wisconsin Statutes, as amended from time to time.

IN NO EVENT SHALL BUILDER BE LIABLE TO BUYER WHETHER IN CONTRACT, TORT, OR OTHERWISE FOR ANY SPECIAL, INDIRECT, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY KIND OR NATURE WHATSOEVER ARISING OUT OF OR RELATING TO A CONSTRUCTION DEFECT.

DISPUTES

27. The following provisions apply should any dispute arise between the parties relating in any manner to this Contract, including, but not limited to: the meaning of this Contract; the enforceability of the Contract; the rights or obligations of any party under this Contract; the performance of any aspect of this Contract or the construction work, or any disagreements regarding charges for extras or changes.

MEDIATION

If either the Buyer or Builder requests, in writing, that a dispute be resolved by mediation, the other party must proceed to mediate the dispute(s). If mediation is requested, the mediation shall be conducted by the _____. The parties agree, in the event the dispute proceeds to mediation, that they will make a good faith effort to resolve their dispute(s) through the mediation process. The parties agree that they will abide by the _____ policies and procedures. Proceeding to mediation does not waive or affect the obligation of the parties to resolve their dispute(s) by arbitration in the event mediation is not successful.

ARBITRATION

Any dispute which is either not referred to mediation or is not resolved through mediation (other than enforcement of any insured warranty plan), shall be resolved by arbitration. The arbitration shall be conducted by Construction Arbitration Services under the rules then in effect. The decision of the arbitrator(s) shall be final and binding and may be enforced by any party in a court of competent jurisdiction in accordance with provisions of the Wisconsin Arbitration Act. Disputes arising under any warranty given in connection with the agreement shall be settled in accordance with the claims procedures and dispute settlement mechanism provided in that warranty, if any. The filing of the lien claim shall not be considered an election by the Builder to waive its rights under this provision. **[The decision of the arbitrators shall be binding, final and may be enforced in accordance with the applicable provisions of Chapter 788 of the Wisconsin Statutes.]**

INTERIOR CONDITIONS

28. **WARNING:** Energy efficiency in this home is achieved by construction methods which reduce air infiltration and air changes per hour. This may result in a concentration of water vapor from cooking, showering, etc., which, at excessive levels, can cause property damage. Likewise, concentration of mold, radon or chemical compounds released from soil, household furnishings, personal possessions, and building materials, at excessive levels, may create irritant effects or health hazards. Buyer can minimize adverse effects by proper utilization and maintenance of ventilation fans and/or other ventilation devices installed by the Builder and by opening doors and windows to increase ventilation. **BUYER HEREBY ACKNOWLEDGES THAT BUYER HAS BEEN INFORMED OF SUCH HEALTH RISK AND BUYER ASSUMES ALL RISKS OF DAMAGE OR INJURY WHICH MAY ARISE AS A RESULT OF, OR IN ANY WAY CONNECTED WITH SUCH CONSTRUCTION METHOD AND HEREBY FULLY, FINALLY AND FOREVER RELEASES AND DISCHARGES BUILDER, ITS OFFICERS, EMPLOYEES, SUBCONTRACTORS, AND AGENTS FROM AND AGAINST ALL CLAIMS, LIABILITIES AND EXPENSE AND DAMAGES THEREFROM WHATSOEVER, WHETHER NOW KNOWN OR HEREAFTER KNOWN, WHICH BUYER OR ITS ASSIGNS MAY HEREAFTER HAVE AGAINST BUILDER, ITS OFFICERS, EMPLOYEES, SUBCONTRACTORS, AND AGENTS REGARDING THE MATTER REFERRED TO IN THIS PARAGRAPH. AS IT RELATES TO THIS SECTION 28, BUILDER MAKES NO EXPRESS OR IMPLIED WARRANTY OF HABITABILITY, FITNESS OR GOOD WORKMANSHIP AS TO BUILDING MATERIALS AND/OR CONSTRUCTION METHODS.**

ENVIRONMENTAL ISSUES

29. Builder is not responsible for environmental conditions of the building site, including, but not limited to, stormwater and wetland issues affecting the site. Buyer represents and warrants all permits have been obtained and agrees to indemnify and hold harmless Builder for any and all claims resulting from permits not being obtained. Builder is not responsible for environmental site conditions including radon, existing lead paint, asbestos, molds, or unknown conditions at the site. Buyer represents and warrants the site is not in a floodplain or floodway and that construction will not impede drainage of others.

SAFE DRINKING WATER ACT

30. Unless otherwise expressly provided in writing, Builder does not warrant or guarantee compliance with the provisions of the Safe Drinking Water Act or similar laws or ordinances relating to drinking water. Compliance with any such law is Buyer's responsibility.

SPECIAL CONDITIONS

31. Special Conditions: _____

SIGNATURES

32. The signature of either Buyer (if more than one) subsequent to the signing of this Contract shall be sufficient for all purposes under the Contract, including change orders, if any.

ENFORCEABILITY

33. If any part of this Contract is found to be unenforceable, it shall not affect the enforceability of the remainder of this Contract. The failure of either party to enforce any term or condition of this Contract shall not be deemed to constitute a waiver of any other breach of any right, claim, term or condition of this Contract.

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DEFAULT AND TERMINATION

34. Builder may, on three (3) days written notice to Buyer, terminate this Contract before completion if:
A. Buyer is in default on any payment for a period of ten (10) days or more; or,
B. The work is stopped by the Order of the Buyer, Buyer's architect or engineer, or any court or public authority.
On such termination, Builder may recover payment for all work completed and for any loss sustained for materials, equipment, tools, labor or machinery to the extent of actual loss thereon plus reasonable profit. All sums due and owing more than fifteen (15) days from the due date shall bear interest at an annual rate of Eighteen (18%) percent. Builder shall have the right to collect amounts due hereunder pursuant to all remedies available by law. To the extent not prohibited by law, Buyer shall pay all reasonable costs and expenses of collection, including attorney's fees and other legal expenses, incurred by the Builder in the enforcement of this contract.

COPYRIGHT NOTICE

35. Buyer represents and warrants to Builder that the plans, specifications, drawings and/or blueprints submitted to Builder by Buyer for use in constructing the residence that is the subject of this Contract are either owned by the Buyer or have been properly obtained by the Buyer for use by the Builder. Buyer agrees to indemnify, defend and hold harmless the Builder, its officers, owners and employees from and against any and all claims, debts, obligations, costs, expenses and reasonable attorney fees arising out of or in any way related to any third-party claims relating to said materials or their use, including, but not limited to, copyright infringement, unfair competition and unjust enrichment.

FINAL AGREEMENT

36. This Contract expresses all agreements between the parties concerning the subject matter hereof and supersedes all previous agreements, communications or understandings relating thereto, whether oral or written, including proposals, draft plans and specifications, brochures and other information, and shall be binding upon and shall inure to the benefit of the heirs, administrators, executors, successors and of the parties hereto.

ACCEPTANCES

We have read this Contract carefully before signing and hereby acknowledge receipt of a copy hereof.

BUILDER BUYER
BY _____ BY _____

DOWN PAYMENT RECEIPT

Received of _____ Dollars \$ _____ Date _____

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CONSTRUCTION CONTRACT
ADDENDUM A

NOTICE CONCERNING CONSTRUCTION DEFECTS

Wisconsin law contains important requirements you must follow before you may file a lawsuit for defective construction against the contractor who constructed your dwelling or completed your remodeling project or against a window or door supplier or manufacturer.

Section 895.07 (2) and (3) of the Wisconsin statutes requires you to deliver to the contractor a written notice of any construction conditions you allege are defective before you file your lawsuit, and you must provide your contractor or window or door supplier the opportunity to make an offer to repair or remedy the alleged construction defects. You are not obligated to accept any offer made by the contractor or window or door supplier. All parties are bound by applicable warranty provisions.

Buyer acknowledges receipt of the Notice Concerning Construction Defect and the brochure prepared by the Wisconsin Department of Commerce titled "Wisconsin's Framework for Successful Communications Between Consumers and Contractors."

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