

HOME PURCHASE AGREEMENT

Agreement, by and between Custom Built Homes of Maine I, LLC of 123 Christopher Rd., North Yarmouth, ME 04097 ("GC"), and Sophal & Kristen Sao, ("Owners").

1. GC agrees to build the dwelling described in the Customer Preconstruction Worksheet attached hereto and incorporated herein on the lot described in said worksheet (the "Lot"), and Owners agree to buy and accept same at the Closing (defined below). Owners warrant that they hold good and marketable title to the Lot. GC agrees to furnish all necessary labor, materials, equipment, tools and services necessary to build in a workmanlike manner the dwelling as in the Customer Preconstruction Worksheet (the "Project"). GC reserves the right, without notice, to substitute for the materials described in the specifications, materials of equal or better quality. Property shall be delivered, at closing, free and clear of all construction debris, materials and equipment.

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2. Subject to the adjustments hereinafter described, Owner agrees to pay and GC agrees to accept in full payment for the performance of this contract the amount of **\$180,350** payable as follows:

a. **\$1** payment on the signing of this agreement (under 10 M.R.S.A. § 1487(5), the initial down payment cannot be more than one-third of the total contract price unless the parties agree to waive their rights under the statute. Owner to initial here if they agree to a down payment in excess of one-third of the total contract price _____.) In the event that this Contract is terminated by mutual agreement of the parties – and prior to commencement of construction – then said down payment shall be refundable with deductions made for any amounts expended on behalf of the Owner(s) to third party vendors, including, but not limited to, amounts for drafting of plans, costs for septic design, permitting costs, etc. Copies of invoices for any deductions made shall be provided to the Owner(s).

b. **Draws will be requested upon completion of work level(s) as noted in the Construction Budget. Draw levels and payment amounts there for are based on items outlined in the detailed budget as completed and signed by all parties. Draw amount will vary if more or less work is completed at the time request is submitted. Builder may suspend work if payment is not received within ten calendar days of draw request submission.**

c. In addition to the contract sum, Owner shall be responsible for any ledge excavation and any fill that must be brought to the site. Owner agrees to make any such payment upon completion of the foundation.

~~d. If the site is not accessible for material deliveries, Purchaser agrees to bear all costs to bring materials from the nearest accessible point to the site. Purchaser agrees to make any such payment at Closing.~~

e. If Owner fails to make any payment within 10 days such payment is due, interest will accrue on said payment at a rate of 1 ½% per month until full payment is received.

3. GC contemplates that construction shall begin within 60 days from the effective date of this agreement and contemplates that it shall be completed 90 days after construction begins. The effective date of this agreement shall be the later of the date the last party signs this agreement and the date of written approval of the plans and specifications pursuant to paragraph 15. The estimated date of commencement of work and the estimated completion date may be changed if the work cannot begin or end due to circumstances beyond the control of GC, including but not limited to the lack of readiness of the job site or the unavailability of building materials. ~~If for any reason outside of Seller's control, construction does not commence within 45 days from the date of this agreement, Purchaser shall be liable for any increase in materials or labor occasioned by the delay. GC shall not be liable for incidental or consequential damages or damages caused by any delay.~~

4. ~~In the event that seasonal weather conditions or other circumstances beyond Seller's control delay completion of the Project from the estimated completion date set forth in Section 3, Purchaser shall escrow with Norway Savings Bank, Windham, Maine an amount equal to the cost to complete the Project, and shall pay all other sums due under this Agreement Seller at a Closing in accordance with Section 6. The escrow amount shall be limited to the specific delayed work. In the event that Seller fails to complete the delayed work, Norway Savings Bank shall be directed to deliver to Purchaser the escrowed amount. In all events, Norway Savings Bank shall be released and held harmless with respect to any liability for any acts in good faith pursuant to the escrow agreement.~~

5. Any alteration or deviation from the plans and specifications identified in the Preconstruction Worksheet that results in a revision of the contract price will be executed only upon the parties entering into a written change order, signed by both parties, which includes a description of the work to be performed, the previous contract price and the revised contract price. Owner shall pay any increases in the contract price as a result of a change order no later than with the next payment described in Section 2.

6. The final draw payment shall occur within 10 days of issuance of an occupancy permit by the appropriate authority and upon receipt of all required final lien waivers. The Final Draw Payment shall include all sums due. Until the Final Draw Payment is made, all materials and equipment not included in prior draws shall remain the property of GC. If Closing does not occur within said time, Owner shall pay to GC, in addition to all other sums due hereunder, the sum of one hundred fifty dollars a day for each day closing is delayed.

7. GC warrants that the work will be free from faulty materials; constructed according to the standards of the building code applicable for this location; constructed in a skillful manner and fit for habitation or appropriate use. The warranty rights and remedies set forth in the Maine Uniform Commercial Code apply to this contract. GC shall not be liable for consequential or special damages, and the liability of GC on any claim arising in connection with this contract shall not exceed the price of that part of the contract involved in the claim;

the foregoing shall be the sole remedy of Owner (except and only to the extent that the implied warranties of merchantability or fitness for a particular purpose under the Maine Uniform Commercial Code are available and provide further remedies). EXCEPT AS SPECIFICALLY STATED HEREIN, GC MAKES NO WARRANTIES OF ANY NATURE, EXPRESS OR IMPLIED.

8. Owner acknowledges that the presence of radon gas in a home, whether from the ground, from the private water supply or from any other source, may pose certain health risks. Similarly, different molds including airborne molds or spores may come from a variety of sources and may pose health risks. GC makes absolutely no warranty with respect to, and Owner releases GC from all present or future, known or unknown liability relating to presence of radon gas, mold, or mold spores, or relating to any other aspect of the domestic water supply or air quality.

9. Maine law (10 M.R.S.A. § 1411 et seq.) establishes minimum energy efficient standards for new residential buildings and additions to existing buildings. The work which the GC will perform will meet those standards.

10. GC may suspend work or terminate this agreement upon ten days' written notice to Owner for any of the following reasons:

- a. If an order of any court or other public authority causes the work to be stopped or suspended for a period of ninety days through no act or fault to GC or its employees.
- b. If Owner fails to make any payment specified in section 2 within 10 days of receiving written notice that such payment is due.
- c. If Owner fails to make the Final Draw Payment as specified in Section 6.
- d. If Owner falsifies any warranty or statement herein or any statement to a lending institution in connection with financing for this contract; dies; becomes insolvent or seeks the protection of the bankruptcy court; makes an assignment for the benefit of creditors; or liens, encumbers or in any way jeopardizes the safety or security of GC's materials, equipment, the Lot, or the dwelling that are subject to this contract.

Upon termination of this agreement by GC, GC shall be entitled to pursue all its remedies in law and equity and shall specifically be entitled at its option to complete construction of the premises, sell to another purchaser, and to collect from Owner any losses occasioned by Owner's default including costs of sale and any difference in purchase price.

11. If a dispute arises concerning the provision of this contract or the performance by the parties, to the extent that the dispute is not covered by any valid homeowner's warranty insurance, then the parties agree to settle this dispute by jointly paying for one of the following (check only one):

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- a. Binding arbitration in accordance with the Construction Industry Rules of the American Arbitration and paragraph 12 below, with the parties agreeing to accept as final the arbitrator's decision (____);
- b. Nonbinding arbitration, with the parties free to not accept the arbitrator's decision and to seek satisfaction through other means, including a lawsuit (____); or
- c. Mediation, with the parties agreeing to enter into good faith negotiations through a neutral mediator in order to attempt to resolve their differences (____).

If no box is checked, then the parties will resolve any disputes not covered by homeowner's warranty insurance through binding arbitration. In any dispute, whether resolved by arbitration or otherwise, attorneys' fees shall be awarded to the substantially prevailing party.

12. Any arbitration shall be held in Portland, Maine. The award rendered shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof. Except by written consent of the person or entity sought to be joined, no arbitration arising out of or relating to this Agreement shall include, by consolidation, joinder or in any other manner, any person unless it is shown at the time the demand for arbitration is filed that (1) such person or entity is substantially involved in a common question of act or law, (2) the presence of such person or entity is required if complete relief is to be accorded in the arbitration, (3) the interest or responsibility of such person or entity in the matter is not insubstantial. The Agreement herein among the parties or any other written agreement to arbitrate referred to herein shall be specifically enforceable under the prevailing arbitration law.

13. This Agreement may not be assigned by Owner without the prior written consent of GC. Any assignment will not relieve Owner of Owner's obligations hereunder.

14. This contract and the Residential Construction Worksheet attached hereto and the plans and specifications and performance standards identified therein completely express the obligations of the parties, and this contract is entered into by each party after opportunity for investigation, neither party relying on any statements or representations made by the other not contained in this contract. This contract can be modified only by written agreement of both parties.

15. This contract is subject to approval of final plans and specifications by GC and Owner and shall not be effective until both parties have approved the final plans and specifications in writing.

16. Any work and/or items provided by Owner are not warranted by GC.

17. Any work performed by Owner shall be done only with GC's written consent, without hindering GC's schedule, and at Owner's risk. Owner shall defend, indemnify, and hold GC, its agents, owners, employees, subcontractors, lower tier subcontractors, lenders,

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consultants, and suppliers harmless from and against all loss, cost, and expense, including reasonable attorneys' fees, relating in any way to work performed on the Project by Owner or Owner's presence on the Lot, including for injuries or damages caused by GC's negligence. This indemnification obligation shall not be limited by the amount or type of damages payable under workers' compensation laws. At the request of GC, Owner shall provide evidence satisfactory to GC in its sole discretion that Owner is carrying insurance adequate to cover all risk associated with any work Owner performs on the Project, and shall discontinue any such work until it provides such proof.

19. Home to be built at **lot 36 Mitton St., Portland.**

20. Owner certifies that Owner is familiar with their rights under the Maine Home Construction Statute, 10 M.R.S.A. § 1486 *et seq.*, as described on the Attorney General Home Construction Warning attached hereto as Exhibit A. The parties hereby agree to exempt themselves from any provisions of that statute not consistent with this Contract.

GC: CUSTOM BUILT HOMES OF MAINE I, LLC.

By: [Signature] date 5/26/17

OWNER(S):

[Signature] date 5/26/17 S. S. # - -

[Signature] date 5/26/17 S. S. # - -