



ADDENDUM TO PURCHASE AND SALE AGREEMENT

MAINE HOME CONSTRUCTION CONTRACT

This is a Home Construction Contract (the "Agreement") between **Graiver Homes Inc.**, a Maine corporation and the undersigned buyer(s) for the construction of a home described in Exhibit B. This Agreement is an **addendum** to the Purchase and Sale Agreement (the "Purchase and Sale Agreement") between Graiver Homes, Inc. and the "Buyer" identified in Paragraph 1 below. In the event of any inconsistency between the terms and conditions of the Purchase and Sale Agreement and this Agreement, the terms and conditions of this Agreement shall govern and control the relationship between the parties.

The parties to this Agreement hereby agree as follows:

- Names of Parties:** The Home Construction Contractor is Graiver Homes, Inc., a Maine corporation with a business address of 40 Farm Gate Road, Falmouth, Maine 04105 ("Contractor"). The buyer under this Agreement is _____ and _____ with a mailing address of _____ ("Buyer"). If more than one individual is named as Buyer, each individual shall be jointly and severally liable under the terms of this Agreement. Each individual Buyer acknowledges the other individual Buyer has authority to be signing singly to bind the other in all respects concerning this Agreement, including modification of this Agreement, Change Orders, or receiving information concerning this Agreement.
- Location of Construction Property:** The location of the property upon which the construction work which is the subject of this Agreement is Lot#: _____ in **Grist Mill Subdivision** (the "Premises").
- Purchase Price:** All of the work to be performed under the terms of this Agreement shall be completed in accordance with this Agreement for the sum identified in the Purchase and Sale Agreement. That sum is the total amount to be paid by the Buyer for the work to be performed under this Agreement and for the premises as described in the Purchase and Sale Agreement, unless otherwise agreed by all parties in writing. That sum shall be referred to in this Agreement as the "Purchase Price." The Purchase Price is the same amount identified in Paragraph 5 of the Purchase and Sale Agreement.
- Description of the Work:** The work to be performed by Contractor, and to be paid for by Buyer, under this Agreement is for the construction of the following:



- 1) One single family dwelling be built according to drawings shown in Exhibit B. These drawings are incorporated as part of this Agreement and are attached hereto as Exhibit B to this Agreement.
- 2) A specification sheet is attached hereto as Exhibit A to this Agreement and is incorporated as part of this Agreement. All labor and materials listed on specification sheets are included in this Agreement. Contractor shall have the right to substitute materials of substantially similar quality based on the availability and pricing of materials at the time of purchase or ordering.
- 3) All specifications listed on Exhibit A and all pricing are based on the Exhibit B drawings. Any changes or modifications in such Exhibit B drawings may cause the Purchase Price to change. All other changes or additional work will be executed upon written change order forms signed by both parties, as defined in Section 10 of this Agreement.

B. Work by Buyer. N/A.

C. Contractor's Authority. Buyer is specifically reminded that all construction materials, vehicles, supplies, tools and equipment used to construct the home, and the Premises are owned by Contractor or its contractors until the closing. Contractor shall have the sole authority to direct the completion of the work in all respects, including the ordering of materials and supplies, and the hiring and scheduling of all subcontractors. Buyer shall not interfere with the completion of the work in any manner and shall not direct workmen, suppliers or subcontractors. Any items identified in subsection B, above (if permitted by Contractor), shall be done at the time designated by Contractor to Buyer. All communications or inquiries regarding the work under this Agreement shall be directed to Contractor. Buyer shall have the right to make reasonable inspections of the work, but subject to the Buyer's compliance with this Subsection C and subject to the agents, employees, brokers (as may be identified in the Purchase and Sale Agreement), contractors, subcontractors, shareholders, officers or other persons authorized by Contractor accompanying the Buyer or any person or entity acting on behalf of the Buyer during such inspections.

5. **Work Dates (Commencement and Substantial Completion)**: Contractor shall initiate on-site construction within a reasonable time after Contractor and Buyer have signed this Agreement. The Buyer shall be obligated to pursue any loan application that is the subject of a financing contingency as described in the Purchase and Sale Agreement with reasonable diligence and also, to provide Contractor with evidence of the Buyer's pursuit of financing upon Contractor's request. If the Buyer fails to pursue financing with reasonable diligence or fails to obtain financing as required by this Agreement or by the Purchase and Sale Agreement, then Contractor may elect, in its sole and exclusive discretion, to terminate this Agreement. Buyer consents to Contractor's direct communication with the Buyer's lender or proposed lender for purposes of describing the



construction to be completed, for identifying any phase of completion of any construction work, to describe any outstanding work to be completed or for coordinating inspection or review of any contracts, documents or drawings. The Buyer shall cooperate in good faith with Contractor and the lender or proposed lender to provide any information or additional consents as may be required by any lender or proposed lender for any and all purposes described in this Section 5. The work under the Agreement shall be substantially completed by _____ [date]. The date of substantial completion is contingent upon strikes, accidents, weather conditions, road postings, infrastructure delays, delays caused by Buyer, work change orders or delays beyond the control of Contractor.

6. **“Turnkey Project;” Payment:** Payment under this Agreement shall be made by Buyer or any lender of the Buyer to Contractor in certified or bank check, wire transfer or checks drawn against the account of any settlement agent, as follows:

A. **Down payment.** Upon execution of this Agreement and the Purchase and Sale Agreement, Buyer shall pay Contractor a non-refundable down payment in the amount identified in the Purchase and Sale Agreement under paragraph 26, which amount shall be applied to the Purchase Price. The Down Payment must be delivered via overnight mail to: 40 Farm Gate Road, Falmouth Maine 04105.

B. **Payment for Work.** The balance of the Purchase Price shall be payable upon the closing of the purchase and sale of the completed residence constructed on and about the Premises in accordance with this Agreement and in accordance with the Purchase and Sale Agreement.

C. **Substantial Completion; Delivery of Possession.** Contractor’s Project Manager will do a walk through with Buyer one (1) to five (5) days prior to closing to create a mutually agreed upon and reasonable punch list (the “Punch List”), which Punch List shall include blue tape or mobile pictures indicating any defects provided, however, that Contractor shall not be responsible for any painting of painting touch-ups after final walk through. Contractor is not responsible for any Radon levels in home and shall be held harmless for any radon related issues. Contractor suggests buyer to test and install radon mitigation system immediately if necessary. Any incomplete items not done prior to closing shall be identified by the parties in the Punch List, as agreed to by Buyer and Contractor and signed by them. If Buyer and Contractor cannot agree on what items are reasonable and included in the Punch List, the brokers involved in the transaction shall select a mutually agreeable builder to make such decision and their decision shall be final. All agreeable Punch List items shall be completed by Contractor within fourteen (14) days of written notice thereof.

7. **Dispute Resolution:** Contractor has notified Buyer of the optional provisions of the "Maine Home Construction Contract Act" regarding disputes.



If a dispute arises concerning the provisions of this Agreement or the performance of the parties under this Agreement, then the parties agree to settle this dispute by jointly paying for one of the following (check only one):

- (A) Binding arbitration as regulated by the Maine Uniform Arbitration Act, with the parties agreeing to accept as final the arbitrator's decision [X];
- (B) Nonbinding arbitration, with the parties free not to 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 [___].

Buyer is specifically notified that the dispute resolution method selected in this Paragraph 7 shall govern disputes arising under this Agreement only. Other dispute resolution procedures (to include mediation as provided for in Paragraph 17 of the Purchase and Sale Agreement) may apply to other disputes arising under the Purchase and Sale Agreement.

8. **Limited Warranty:** A one year (1) limited warranty is included in this Agreement for defects in the work furnished by Contractor. Near the end of the warranty year, Buyer must supply a clearly typed list to Contractor stating any items under warranty that are in need of repair or replacement. Contractor has 30 days, or otherwise agreed upon time, to complete list. Emergency situations, such as heating, water, leaks or electrical, will warrant immediate attention prior to the year-end warranty. If Buyer does not notify Contractor of the defect within the 1 year of receiving the certificate of occupancy, the defect will no longer be covered by this warranty or any other express or implied warranty. This Limited Warranty is not transferable. In addition to any additional warranties agreed to by the parties, Contractor 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 set forth in the Maine Uniform Commercial Code apply to this Agreement. This warranty excludes: Movement of wood, shrinkage, expansion, warping, doors, sheetrock stress cracks, natural characteristics of wood (including floors), paint smudges, chipping, popping of nails, settlement or expansion, shrinkage or warping of materials that occur, lawn and driveway quality, damage due to ordinary wear and tear, abusive use, or lack of proper maintenance of the property, defects in items separately purchased or installed by Buyer, or anyone else except by Contractor. This warranty shall not apply to mechanical items such as heaters, appliances, fixtures and like when such items are covered by the warranty of the manufacturer or other warranties, express or implied. The Contractor does not warrant conditions of hardwood floors due to shrinkage or expansion. Any hardwood warranties provided by distributor will be null and void if Buyer has failed to run a dehumidifier year-round in basement of the home. Builder is not responsible for allergies, asthma or other respiratory ailments affected by newly constructed homes. Contractor is not responsible for mold. Contractor is not responsible for cracks in the foundation, floors or walls



unless do to leaks. Contractor is not responsible for leaks due to snow covered roofs which are not shoveled or frozen pipes due to Buyer's failure to maintain adequate heat. The Contractor warranties do not cover maintenance or conditions resulting from accidents, wear and tear, misuse or negligence of Buyer, or other persons. Buyer is responsible for maintaining home's air quality post-closing. It is understood between the parties that Contractor makes no representations, either written or verbal, with respect to the construction and the work other than those set forth in this Agreement unless such representation is set forth in a written agreement executed by and between the parties after the date hereof. Buyer agrees that Contractor shall not be liable for any representation made by any person or persons which are not specifically confirmed in writing by Contractor (including any warranties or representations made by suppliers or subcontractors), and Buyer shall not hold Contractor liable or responsible for any such third-party representation not expressly confirmed in writing by Contractor.

9. **Warranty Procedures.** During the first twelve (12) months after receiving the certificate of occupancy for the Premises and possession is taken by Buyer, Contractor will, at its sole election, (i) repair, or (ii) replace any damage resulting from any material or substantial structural defect in the work, without charge to Buyer, provided that such defect shall be reported to Contractor in writing and that all such repairs or replacements are to be made by Contractor or its duly authorized agent. Replacement items or components will be substantially similar to those replaced, and Contractor will correct defects in such a manner as conditions permit.

10. **Change Orders:** Any alteration or deviation from the construction specifications contained herein or attached hereto that involve a revision to the Purchase Price will be executed only upon the parties entering into a written change order. The change order shall operate as an amendment to this Agreement. Each change must be in writing and shall become a part of and shall be in conformance with this Agreement unless otherwise stated in the change order. All work under a change order shall be performed under the same terms and conditions specified in this Agreement unless otherwise stipulated. The change order must detail all changes to the original Agreement that result in a revision of the Purchase Price, state the previous Purchase Price, state a revised Purchase Price, and shall be signed by Contractor and Buyer.

11. **Energy Standards:** Contractor and Buyer acknowledge that 10 M. R. S. Section 1411 *et seq.* established minimum efficiency standards for new residential construction. Contractor warrants that the home which is the subject of the Agreement shall meet or exceed minimum energy efficiency building standards for new residential construction as provided in 10 M. R. S. Section 1411 *et seq.*

12. **Default:** In the event of payment default or other default by Buyer, Buyer shall be liable to Contractor for any damages it may suffer, together with Contractor's costs of collection, including reasonable attorneys fees and costs of suit. In the event of any default, Contractor may, in its sole discretion, stop construction, and the Agreement completion time shall be extended by the period of time the construction is stopped or delayed as a result of such default. It is expressly understood



that re-scheduling the work after such a stoppage may result in a delay longer than the period of delay in non-payment.

13. **Duplicates, controlling law and entire agreement:** This Agreement, executed in duplicate originals, shall be governed and construed in accordance with the laws of the State of Maine and sets forth the entire agreement and contract between the Contractor and Buyer.

14. **Time:** Time is of the essence of this Agreement, and all covenants and agreements herein contained shall extend and inure to the benefit of and binding upon the heirs, assigns, successors, devisees, and personal representatives of the parties.

15. **Exhibits:** This Agreement includes the following exhibits or attachments:

- 1) Exhibit A (New Construction Specification Sheet) revised through _____
- 2) Exhibit B (drawings, plans, blueprints)
- 3) Exhibit C (Kitchen & Bath Design)

16. **Other Terms:**

A. **Utilities.** Buyer is responsible for final hook up of telephone, cable and/or other connection source. Buyer is responsible to change all utility accounts over to Buyer's name as of the closing date. Buyer agrees to pay any and all utility bills due to the failure of Buyer switching over at the time of closing. This includes but not limited electricity, gas, water and sewer, if applicable.

B. **Flooring.** Contractor is not responsible for the condition of wood flooring chosen by Buyer.

C. **Cleaning of Home.** Contractor will do a professional cleaning of home prior to closing with a cleaning company of Contractor's choice. Contractor is not responsible for foot traffic mess after the final cleaning.

D. **Mail Box.** Cluster mailbox.

E. **Side Deals With Workers.** Buyer shall not pay any subcontractors to do any side work on this property.

F. **Photography.** Contractor reserves the right to photograph the home for future marketing purposes. Also, Contractor reserves the right to show property to prospective buyers of other properties during construction period, until closing date.

G. **Receipt of Documents.** Buyer hereby acknowledges receipt and acceptance of the subdivision plan, stormwater maintenance agreement, declaration of restrictions, bylaws and/or



association covenants, if any. Buyer also hereby acknowledges receipt and acceptance of and real estate disclosures, house plans, copy of existing deed, and all attachments provided on the multiple listing service.

H. Dehumidifiers. Relative Humidity in the basement of a new home should be 50% or less. All new homes contain moisture as the foundation cures, but also the ground contains water as well that can be absorbed into the foundation causing additional moisture. The Contractor highly recommends the Buyer install a dehumidifier that should run consistently to reduce basement moisture regardless of time of year. It is suggested that it could require two dehumidifiers to run up to two years to fully cure the basement and achieve the desired humidity levels. Maintaining the humidity levels in the basement is fully the responsibility of the Buyer. Contractor is not responsible for any future basement moisture and problems in home to due to said moisture.

This is a legally binding Contract. Read it carefully. You may wish to consult an attorney before signing this document. A copy of this Agreement is to be received by both parties, and by signature, receipt of a copy is acknowledged. Note: By signing below you acknowledge that you have accepted all 12 pages of this Agreement.

Upon signing this New Construction Specification Sheet, Buyer agrees they have reviewed and agree upon ALL terms of the Builder's Brochure. <https://graiverhomes.com/wp-content/uploads/2018/03/heath-overlook-options.pdf>

Buyer also hereby agrees that NO changes are to be made to the said plans, unless marked up and agreed in writing by both buyer and Contractor. Any changes to plans are to be signed and initialed at the time of signing this Agreement. (See attached approved plan). Any request for a change order of the plan after the signing of this agreement is subject to a \$500 charge in addition to material and labor costs, to be paid upon written approval of said request. Contractor must approve any change requests in writing and has the right to deny any request.

Buyer hereby authorizes Contractor to furnish those materials and labor enumerated herein and agrees to pay Contractor for performance according to the price and upon the terms and



conditions provided for herein, and agrees to perform any other promises or covenants made by Buyer and contained herein:

Dated: _____
_____ *signature (Buyer)*

(Printed Name)

Dated: _____
_____ *Signature (Buyer)*

(Printed Name)

Contractor agrees to perform and complete the improvements described under this Agreement at the price and upon the terms and conditions set forth herein, and to perform any other promise or covenants made by Contractor and contained herein.

GRAIVER HOMES INC.

Dated: _____ By: _____

(Printed Name)
Its _____
(Title)



**THE FOLLOWING IS REQUIRED PURSUANT TO THE MAINE HOME
CONSTRUCTION CONTRACT ACT**

Home Construction & Repair: Maine Attorney General Home Construction Warning

Contractors Must Include This Statement With Any Home Construction Contract for More Than \$3,000

If you are thinking about building a new home or repairing your existing home, here are some things you should know.

Contractors Are Not Licensed - Buyer Beware!

While there are a great many competent, ethical home contractors in Maine, it is up to *you*, the consumer, to find one. Home contractors are not licensed or regulated by the State of Maine. The old saying "Buyer Beware" applies. You should also keep in mind that the lack of state licensing allows the worst contractors to compete for your business alongside the best. The Attorney General's Consumer Mediation Program ranks home contractors among the top three most complained about businesses every year.

Although home construction contractors are not licensed, some building trades are licensed. Architects, engineers, plumbers, electricians, oil burner technicians, manufacturers, dealers and installers of mobile and modular homes are licensed in Maine. For more information on these licensed trades, go to www.maine.gov/pfr/pfrhome.htm.

When hiring a contractor, we recommend that you:

- Seek referrals and keep good notes. The best source of references may be:
 - friends
 - co-workers
 - independent trade contractors
 - engineers
 - family
 - building material suppliers
 - neighbors



- architects
- home inspectors
- local lenders
- banks
- contractor's existing customers
- When meeting with a builder, be sure to ask for:
 - Number of years in business
 - Permanent business location
 - Proof of general liability insurance
 - Professional affiliations
 - Educational designations
 - List of last 5 customers
 - Proof of workers' compensation insurance for employees and liability insurance

We *strongly* recommend that you ask any contractor you are considering hiring for several references and that you follow up on them.

Building Codes

While some towns and cities have adopted building codes and enforced them, others have not. We recommend that you talk to your town's code officials before you begin construction.

Written Contracts Are Required

For all home construction and home improvement projects over \$3,000, Maine law requires a written contract with a specific provision that prohibits payment up front of more than one third of the contract price. When a contractor asks you for any money up front, make sure that the money is being used to purchase materials for your project. Ask for receipts and for a lien waiver from subcontractors. A model home construction contract that meets State law can be found in [Chapter 18 of the *Maine Attorney General's Consumer Law Guide*](#).

Be Careful with Construction Loans

If a lender is financing your construction project, make sure that you know your lender and that you understand how your loan proceeds will be disbursed and how subcontractors will be paid.

Home Contractor Complaints Received by the Attorney General



You can find out if a particular contractor has been the subject of a consumer complaint that the Attorney General attempted to mediate by contacting the Attorney General's Consumer Protection Division at 1-800-436-2131 or at consumer.mediation@maine.gov. Keep in mind that just because the Attorney General has accepted a complaint for mediation does not necessarily mean the consumer was right and the contractor was wrong.

Home Contractors the State Has Sued

In the recent past the State has successfully sued the following home contractors for poor workmanship or failure to complete jobs. The files below require the free [Adobe Reader](#) :

- [State of Maine v. Daniel B. Tucci, a/k/a Dan the Handyman, and TPDF, LLC : Judgement \(PDF\)](#)
- [State of Maine v. Daniel B. Tucci, a/k/a Dan the Handyman, and TPDF, LLC : Complaint \(Word\)](#)
- [In re: Thomas J. Hutchinson Contractor, Inc. and Thomas J. Hutchinson: Assurance of Discontinuance \(Word\)](#)
- [State of Maine v. Joel David Poirier: Complaint \(Word\)](#)
- [State of Maine v. Joel D. Poirier and Poirier Construction Company, Inc.: Judgment by Default \(PDF\)](#)
- [State of Maine v. Maine Coast Log Homes, Timber Pine Construction, and Mark A. Holmes: Order Granting Judgment \(PDF\)](#)
- [State of Maine v. Maine Coast Log Homes, Timber Pine Construction, and Mark A. Holmes: Complaint \(PDF\)](#)
- [State of Maine v. CBS Enterprises \(PDF\)](#) (Kimberly Mark Smith and David J. Blais),
- [Default Judgment in CBS Enterprises \(PDF\)](#),
- [State of Maine v. Frederic Weinschenk \(PDF\)](#) d/b/a Ric Weinschenk Builders, Inc.,
- [State of Maine v. Stephen Lunt \(PDF\)](#) d/b/a Lakeview Builders, Inc.,
- [State of Maine v. Albert H. Giandrea \(PDF\)](#) d/b/a AG's Home Quality Improvements, Inc.,
- [State of Maine v. Al Verdone \(PDF\)](#),
- [State of Maine v. Mikal W. Tuttle \(PDF\)](#), d/b/a MT Construction, DMI Industries, Inc., and MT Construction, Inc.
- [State of Maine v. Jeffrey C. Scott, d/b/a Molunkus Stream Construction \(PDF\)](#)

The Androscoggin County District Attorney has obtained theft convictions against home contractors Harold Soper ([State of Maine v. Harold Soper \(PDF\)](#)) and Mikel Tuttle ([State of Maine v. Mikel W. Tuttle \(PDF\)](#)). Even when our law suits have been successful, we have been unable to collect a significant portion of the judgments because the builders are bankrupt, judgment proof, or have left the state. We strongly recommend that you research a contractor's record before you begin any construction project.



Your Home Construction Rights

[Chapter 17 of the *Maine Attorney General's Consumer Law Guide*](#) explains your rights when constructing or repairing your home. [Chapter 18 of the *Consumer Law Guide*](#) is a model home construction contract that meets the statutory requirements for any home construction contract over \$3,000..

For updates to this warning go to <http://www.maine.gov/ag/>.