

## RESIDENTIAL CONSTRUCTION CONTRACT

**THIS AGREEMENT**, made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_, by and between \_\_\_\_\_, (hereinafter referred to as the “Developer”), and **Florida Land Investments, LLC**, (hereinafter referred to as the “FLI”),

### WITNESSETH

**WHEREAS**, the Developer wishes to engage FLI to construct multiple residential dwellings for a single family home community on property developed by the Developer; and,

**WHEREAS**, the parties agrees to share profits derived from the sale of residential homes constructed under this Agreement;

**NOW, THEREFORE**, in consideration of the mutual covenant and undertakings herein contained, and for other good and valuable consideration, including a \$2,500 sign-up fee paid by Developer to FLI upon execution of this agreement, the parties agree as follows:

### I. SERVICES.

A. Services. FLI agrees to provide the necessary services including materials, labor, equipment, project management and supervision to complete the project.

B . Plans. FLI shall complete all services pursuant to the building plans provided by the Developer, (hereinafter referred to as the “Plans”), which shall be attached to this Agreement as an addendum from time-to-time on a per project basis and shall become an integral part of this Agreement.

C. Permits. FLI shall be responsible for obtaining and keeping in good standing any required approvals for the Plans, the construction site, the construction job itself, or any other permits or requirements imposed by any governmental authority. Notwithstanding the foregoing, the Developer shall be solely responsible for all costs in connection with the issuance of such permits, as well as any costs associated with the compliance with any governmental regulation.

D. Methods. FLI’s methods of meeting the obligations pursuant to this Agreement shall be determined by FLI in its sole and absolute discretion, subject to the provisions and promises of this Agreement, and consistent with the prevailing construction practices existing in the North Central Florida area.

E. Change Orders. Either party may request a change in services by:

(1) providing the other party with a notice describing the requested change.

(2) FLI providing to the Developer an estimated cost for making the change.

(3) Both parties executing the Change Order, confirming that each party has agreed to the change. Such agreement may be evidenced by an email, or other electronic evidence, capable of printing. FLI is not obligated to commence work on any change until such time a valid Change Order has been agreed upon and confirmed in writing by the parties. Change Orders shall become an integral part of this Agreement once the order is prepared in writing and signed by the parties. FLI’s failure to comply with the requirements of this clause does not

preclude the recovery or compensation for services provided based upon legal or equitable remedies designed to prevent unjust enrichment.

F. Completion and Inspection. FLI shall inform the Developer when it reasonably believes that services are completed. Within 14 days thereafter, the Developer shall inspect the property and shall provide to FLI a list of items to be completed or corrected, (hereinafter referred to as the "Punch List"). FLI shall have 30 days within which to complete the additional corrective work pursuant to the Punch List.

## **II. REFERRAL TO DEVELOPER**

A. Referral. FLI shall refer two (2) bona fide buyers each ready, willing and able to purchase a single-family home from Developer (the "Buyer").

(1) Within eighteen (18) months from the date of execution of this Agreement FLI shall refer the first Buyer to Developer. If FLI fails to timely refer the first Buyer, FLI shall compensate Developer by transferring to Developer fee simple title to two single-family lots free and clear of any encumbrances, freehold forever as Developer's sole remedy for FLI's failure to refer a Buyer. The lots shall be of Seller's choosing and of similar size within a 2 square mile radius of the Developer's property.

(2) Within twenty-four (24) months from the date of execution of this Agreement FLI shall refer a second Buyer to Developer. If FLI successfully refers the first Buyer, but fails to timely refer a second Buyer or if FLI fails to refer any buyers within 24 months from the date of execution of this Agreement, FLI shall compensate Developer by transferring to Developer fee simple title to two additional single-family lots free and clear of any encumbrances, freehold forever as Developer's sole remedy for FLI's failure to refer a second Buyer. The lots shall be of Seller's choosing and of similar size within a 2 square mile radius of the Developer's property.

## **III. PAYMENTS AND COMPENSATION**

A. Estimate. FLI shall provide an estimate of the total cost of the work to the Developer, based on the Plans, and a breakdown of the estimate shall be supplied to Developer on a per project basis. The parties agree that the estimate is solely an estimate based upon the Plans and the cost of materials existing at the time of the execution of this contract, and that the true cost of services may be more or less than the estimate.

B. Substitute Properties. Seller retains the right, at its sole and absolute discretion, to substitute the construction on Developer's property with Construction on a comparable lot of Seller's choosing and of similar size within a 2 square mile radius of the Developer's property

C. Payment of Construction Costs.

(1) Prior to the commencement of the services, the Developer shall pay to FLI 30% of the total estimated construction costs.

(2) On the last day of each month of construction, FLI shall provide an itemized invoice for services rendered during the period, the Developer shall pay the amount of such invoice within 10 calendar days following receipt of such invoice.

(3) Final payment for construction costs shall be due 14 calendar days after FLI:

(a) Completes the services provided herein

(b) Provides Developer with final lien releases from FLI and all sub-FLIs and suppliers, conditioned only upon receipt of final payment.

(c) The property has completed all inspections.

D. Taxes. All amounts referred to herein do not include applicable taxes, which shall be paid by the Developer in addition to the above costs.

E. Late Payment. If Developer fails to pay FLI any invoiced amounts due to FLI within 10 days after receipt of FLI's request for payment, FLI retains the right upon providing written notice to the Developer to stop providing services until the amounts due have been received.

F. Compensation for Services. Developer shall pay to FLI as compensation for the performance of the services set forth in this agreement as follows:

(1) A sum equal to FLI's actual construction costs plus 55% of the profits from the sale of the home, if any. Profits shall be calculated as the gross sales price minus the actual marketing, sales and construction costs incurred.

(2) Payment of FLI's 55% profit participation shall be paid directly to FLI from the Escrow account at Closing of the sale of each home.

#### **IV. WORK SCHEDULE.**

A. Commencement of the Work. FLI shall commence the services within 14 calendar days after all applicable licenses and permits have been received and the payment stated above has been paid to FLI.

B. Completion of Work. FLI's services shall be complete within 365 calendar days after the commencement date, subject to allowable delays or extensions caused by Change Orders.

C. Allowable Delay. The following shall be considered allowable delays:

(1) Late payment or nonpayment of construction costs by Developer or Developer's client/home buyer (the "Owner").

(2) Neglect or default by their agents, the Developer, Developer's agent, lender, any other FLI or independent material suppliers.

(3) Governmental action or inaction.

- (4) Any other reasons beyond FLI's reasonable control, including without limitation, damages caused by fire or other casualty, strikes, force majeure events, shortages of materials or labor, transportation delays, weather conditions, or change orders. Where there is an allowable delay, the completion date shall be extended for a period equivalent to the time lost by reason of such delay.

#### **V. RIGHT TO STOP WORK**

A. Insolvency of Owner. If the Owner, should be adjudged bankrupt, or makes a general assignment for the benefit of creditors because of Owner's insolvency, or if a receiver is appointed because of Owner's insolvency, FLI may, without prejudice to any other right or remedy FLI may have, by giving Owner or receiver or trustee in bankruptcy notice in writing, terminate this agreement.

B. Failure to Pay. FLI may notify Owner in writing that Owner is in default of Owner's contractual obligations if Owner fails to pay FLIC when due any amounts owing under this Agreement.

C. Compensation for Default. If FLI terminates this Agreement under the conditions set out in this Section IV, FLI shall be entitled to be paid for all work performed to the date of termination, including reasonable profit, for loss sustained upon products and construction machinery and equipment, and such other damages as FLI may have sustained as a result of the termination of this Agreement.

#### **VI. TERMINATION BY FLI FOR CAUSE.**

A. FLI may provide the Developer with 30 calendar days of notice to cure any default under this agreement. Where the default is not cured by the expiration of the notice date, FLI is entitled to terminate this agreement.

#### **VII. MISCELLANEOUS.**

A. Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes and cancels all prior contemporaneous agreements, commitments, communications, writings, and verbal representations. No amendment or modification of this agreement shall be effective unless it is in writing and signed by both parties.

B. No Waiver. No failure on the part of either party hereto to exercise, and no delay in exercising, any right, remedy, or power under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, remedy, or power preclude any other or further exercise of any other right, remedy, or power.

C. Severability. If any provision or part hereof of this Agreement is determined to be prohibited by or unenforceable under applicable Florida law, then such provision or part hereof shall be deemed amended to conform to an applicable law so as to be valid or enforceable, or if it cannot be amended without materially altering the intention of the parties, such provision or part thereof shall be stricken without invalidating the remainder of such provision or the remaining provisions of the agreement.

D. Assignment. Neither the rights or the obligation under this agreement may be assigned or disposed of without a written consent of the non-assigning party.

E. Notice. For purposes of providing notice under the terms of this agreement, notice shall be directed to the parties at the following addresses:

to Developer at:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

and to FLI at:

Florida Land Investments, LLC  
30 N. Gould Street, #6558  
Sheridan, WY 82801

F. Governing Law. This Agreement is a contract under the laws of the State of Florida and shall for all purposes be governed by and construed in accordance with the laws of the State of Florida, without regard to its principals of conflicts of laws. The Developer and FLI hereby submit to the exclusive jurisdiction and venue of the state and/or federal courts located in Miami-Dade County, Florida for the purposes of all legal proceedings arising out of or relating to this Agreement or the transactions contemplated hereby. The Developer and FLI irrevocably waive, to the fullest extent permitted by applicable law, any objection that the Developer or FLI may now or hereafter have to laying of the venue of any such proceedings brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

**IN WITNESS WHEREOF**, the parties hereby have caused this Agreement to be duly executed and delivered as of the day and year first above written.

**DEVELOPER**

\_\_\_\_\_  
By:

\_\_\_\_\_  
Date

**FLI**

\_\_\_\_\_  
By:

\_\_\_\_\_  
Date