**RIDER 13**

**TO PURCHASE AND SALE AGREEMENT**

[Escalation for Materials]

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| **DISCLAIMER: This Rider is not a final or complete instrument, and includes several options which may be included or deleted, and should not be executed in their present form. The HBAA and its local chapters do not assume any liability for damages arising from the use of this document and any exhibits and attachments thereto and give no opinion that any of the terms and conditions in this document or any exhibits and attachments should be accepted by the parties in a particular transaction. Terms and conditions should be negotiated between the parties based upon the respective interests, objectives, and bargaining positions of all interested parties. Seek specific legal advice from your lawyer.** |

The terms of this Rider (the “Rider”) are hereby incorporated into and made a part of the Purchase and Sale Agreement Conventional Form (the “Agreement”) dated the \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_, 20 \_\_\_, by and between \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Seller”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (the “Buyer”). Defined terms as used herein shall have such meaning as may be ascribed to such terms in the Agreement. To the extent of any inconsistency in the terms and conditions of this Rider and the terms and conditions of the Agreement, the terms and conditions of this Rider shall control. Seller and Buyer further agree as follows:

“The contract price for this residential construction project has been calculated based on the current prices for the component building materials. However, the market for the building materials that are hereafter specified is considered to be volatile, and sudden price increases could occur. Contractor agrees to use his best efforts to obtain the lowest possible prices from available building material suppliers, but should there be an increase in the prices of these specified materials that are purchased after execution of contract for use in this residential construction project, Owner agrees to pay that cost increase to Contractor. Any claim by Contractor for payment of a cost increase, as provided above, shall require written notice delivered by Contractor to Owner stating the increased cost, the building material or materials in question, and the source of supply, supported by invoices or bills of sale.

## Specified Building Material / Current Price per (Unit of Measurement) / Date / Supplier

1)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

2)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

3)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

4)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

5)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

6)\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_/\_\_\_\_\_\_\_/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**SPECIAL CIRCUMSTANCES – RIGHT OF TERMINATION**

Should there be a rise in the cost of any specified building material or materials, exclusive of any other price changes, that would cause the total contract price to increase by more than \_\_\_\_\_(%), Contractor shall, before making any additional purchases of specified material or materials, provide to Owner a written statement expressing the percentage increase of the contract price, the building material or materials in question, and the dollar amount of the price increase to be incurred. Owner may then, at his option, terminate the contract by providing within \_\_\_\_\_ business days both written notice of termination to Contractor, and payment to Contractor for all costs expended in performance of the contract to the date of termination, plus payment of a prorated percentage of Contractor's profits based on the percent of completion. Should both notice of termination and full payment not be forthcoming within \_\_\_\_\_ business days, as provided herein, Contractor shall have the option to terminate the contract, or to proceed with the contract and purchase the specified building materials at the increased price. If termination is elected, Contractor shall provide to Owner a written notice of termination, and Owner shall be required to pay Contractor for all his costs expended in performance of the contract to the date of termination, plus payment of a prorated percentage of Contractor's profits based on the percent of completion. If Contractor elects to proceed on the contract, he may then purchase the specified material or materials at the increased price, and Owner shall be required to pay the increased cost incurred.”

 The parties hereto have initialed below evidencing and agreeing that this Rider is a part of the Agreement described above. **SELLER:**

 **\_\_\_\_\_\_\_\_\_\_\_\_**

 **\_\_\_\_\_\_\_\_\_\_\_\_**

 **BUYER:**

 **\_\_\_\_\_\_\_\_\_\_\_\_\_**

 **\_\_\_\_\_\_\_\_\_\_\_\_\_**