



4.1 NEW CONSTRUCTION ADDENDUM

1 **1. Property Address or Description:** _____

2 **2. Names of Parties to this Agreement:**

3 **Buyer** _____ **Seller** _____

4 **Buyer** _____ **Seller** _____

5 **Buyer** _____ **Seller** _____

6 **Buyer** _____ **Seller** _____

7 **3. New Construction Addendum.** This addendum involves a dwelling for which:

8 Construction is or will be completed (as defined in ORS 87.045) within **90 Calendar Days** before Closing; or

9 Construction is or will be completed (as defined in ORS 87.045) more than **90 Calendar Days** before Closing; or

10 \$50,000.00 or more in improvement costs have or will be incurred within **90 Calendar Days** before Closing (if this box is
11 checked, Sections 9-16 of this Addendum do not apply unless otherwise agreed in writing by the Parties).

12 **4. Early Issue Title Insurance.** If Buyer's lender requires Early Issue Title Insurance, the policy will be paid for by Buyer Seller.

13 **5. Seller Status.** Seller is:

14 **An Oregon licensed contractor** performing or hiring other contractors to perform the construction, alterations or repairs.
15 Seller's CCB #: _____.

16 **Not an Oregon- licensed contractor.** By checking this box, Seller represents that (i) Seller did not perform or arrange for the
17 construction, alterations or repairs of the Property in the pursuit of an independent business or for compensation; (ii) Seller
18 has not contracted for one or more licensed contractors to perform work wholly or partially within the same calendar year
19 on more than three existing residential structures of the owner; and (iii) any work requiring a building permit was
20 performed by, or under the direction of, a licensed residential general contractor.

21 **If Seller is not a licensed contractor, Buyer may not be entitled to standard protections and remedies available through the
22 Oregon Construction Contractor's Board (CCB). Buyer should consult an attorney.**

23 **6. Representations Regarding Seller and Contractor(s).** If Seller is licensed contractor, Seller represents that, at the start of work on
24 the Property, Seller and all contractors performing work on the Property are licensed and bonded in the appropriate manner with the
25 CCB and have the appropriate endorsements for constructing the Property; that Seller and contractors are in compliance with all state
26 and federal laws; that Seller and contractors have not been sanctioned or disciplined by the CCB, have not been found civilly or
27 criminally liable for construction-related damages, and have no pending CCB or construction-related civil or criminal complaints; that
28 Seller and contractors' bonds have not been reduced, exhausted or cancelled; that Seller and contractors are insured for public liability,
29 personal injury, worker's compensation, and property damage at amounts required by Oregon law, and Seller's and contractors'
30 insurance policies have not been reduced, exhausted, or cancelled; that Seller and contractors will or have only used licensed
31 subcontractors on the Property and all subcontractors have appropriate endorsements for the work being performed. If any of the
32 above statements are not true, Seller shall disclose such information to Buyer in a separate written statement prior to entering this
33 Agreement. Seller shall Promptly update Buyer if Seller obtains actual knowledge that any of the above representations are false.

34 **If Seller is not a licensed contractor and has hired contractor(s) to perform the construction, alterations or repairs,** Seller will provide
35 Buyer written evidence that contractor(s) and Seller have expressly agreed in the construction contract(s) that (i) Buyer is a third-party
36 beneficiary of the contract(s) and that Buyer's status as third-party beneficiary cannot be revoked without Buyer's written consent
37 and/or (ii) Seller's rights to pursue remedies against contractor(s) for negligent work, improper work and breach of contract are
38 assignable and Seller will duly assign those rights to Buyer prior to Closing.

39 If Seller is found to have falsely represented any information in this provision or failed to promptly update Buyer as required under
40 this Section, Buyer shall have the right to terminate the Sale Agreement at any time before Closing by providing Seller with **Form 5.3**
41 **Buyer's Notice of Termination** indicating termination because Seller misrepresented material information about contractor(s).

42 If Seller used contractors for work on Property, Seller shall provide contractors' CCB #s and a description of each contractors' work in
43 this section: _____

Buyer Initials _____ **Seller Initials** _____

44
45
46

47 **7. Buyer's Contractors.** Buyer may hire contractors or subcontractors to work on Property only with Seller's written approval. Buyer
48 shall be responsible for all compliance and acts of Buyer's contractors and Buyer's subcontractors, and shall not have the right to
49 terminate the Sale Agreement for insurance, licensing, bonding or compliance failures by Buyer's contractors or subcontractors.

50 **8. Homebuyer Protection Act and Construction Liens.** If the Property includes a single family residence, condominium unit or
51 residential building (containing four or fewer dwelling units) that either (i) is new or (ii) has at least \$50,000 worth of improvements,
52 additions or remodeling completed within **90 Calendar Days** before Closing, then Seller must provide Buyer with a signed "Notice of
53 Compliance with the Homebuyer Protection Act" (<https://www.oregon.gov/ccb/Documents/pdf/HPAform.pdf>). On this notice, Seller
54 must indicate which method in ORS 87.007(2) Seller used to protect Buyer from claims of lien that arise before Closing but become
55 perfected after Closing. In addition to compliance with the Homebuyer Protection Act, Seller shall pay in full or obtain a release of
56 rights to lien from all contractors, subcontractors, suppliers, and other parties who performed work or provided material, labor or
57 services on the Property before Closing.

58 **9. New Construction Contractor's Warranty.** ORS 701.320 requires contractors constructing or selling a new residential structure to
59 make a written offer of warranty against defects in materials and workmanship for the structure or dwelling to the property owner or
60 first purchaser. The owner/first purchaser may refuse the offer of warranty. If the offer of warranty is refused before the Contractor
61 and property owner sign a written construction contract, the Contractor may withdraw the offer to construct the structure or dwelling.
62 Buyer has:

- 63 Received Seller's written offer of warranty and accepts it.
- 64 Received Seller's written offer of warranty and refuses it.
- 65 Not yet received Seller's written offer of warranty. Seller shall provide offer of warranty within _____ **Business Days**.

66 **10. Maintenance Schedule.** Seller shall provide a Moisture Intrusion & Water Damage document and recommended maintenance
67 schedule to Buyer that is in compliance with ORS 701.335 and OAR 812-012-0120.

68 **11. Insulation Disclosures.** Under 16 C.F.R. 460.16, new home sellers must disclose the type, thickness, and R-value of insulation
69 installed in each part of the house. If the Buyer signs the sale contract before the type of insulation is known by the Seller, Seller can
70 provide Buyer with a receipt stating the type, thickness, and R-value of the insulation as soon as it is known. If the below space is
71 insufficient for a full disclosure of type, thickness, and R-value of insulation and locations of the insulation, Seller should attach a **Form**
72 **2.2 General Addendum** with the required insulation disclosure information.

73 Location: _____ Type: _____ Thickness: _____ R-Value: _____
74 Location: _____ Type: _____ Thickness: _____ R-Value: _____
75 Location: _____ Type: _____ Thickness: _____ R-Value: _____
76 Location: _____ Type: _____ Thickness: _____ R-Value: _____

77 **12. Required Oregon Disclosures.** Seller shall provide Buyer with completed copies of any documents required to be provided to Buyer
78 under Oregon law or rule, and Seller shall work with contractor(s) to ensure contractor(s) provide Buyer with copies of any required
79 documents. Required notices can be found at <https://www.oregon.gov/ccb/contractor/Pages/requirednotices.aspx>.

80 **13. Plans and Specifications.**

- 81 Construction is complete and this Agreement is not contingent upon additional plans or specifications.
- 82 Buyer and seller have already agreed to plans and specifications for Property. A document memorializing the agreed upon
83 plans and specifications is attached to, and thereby incorporated into, this Addendum.
- 84 Buyer has **10 Business Days** or _____ **Business Days to reach a written agreement with Seller on plans and**
85 **specifications and associated increases or modifications to costs and deposits, or to terminate the Sale Agreement by**
86 **giving Seller a Form 5.3 Buyer's Notice of Termination** stating failure to reach agreement on plans and specifications, in
87 which case all Earnest Money shall be returned to Buyer ("Plans and Specifications Contingency"). If Buyer and Seller reach
88 a written agreement on plans and specifications and associated increases or modifications to costs and deposits, the Plans
89 and Specifications Contingency period ends the Buyer no longer has a right to terminate or retain Earnest Money under

Buyer Initials _____ **Seller Initials** _____



90 this section. Nothing in this section prevents Buyer and Seller from mutually agreeing to additional specifications or
91 upgrades after the end of the Plans and Specifications Contingency.

92 **14. Appraisal.** If the Parties included the Plans and Specifications Contingency, the “Appraisal Deadline” provision in the Sale
93 Agreement is modified as follows: Buyer shall authorize lender to order appraisal no later than the Business Day following the end of
94 the Plans and Specifications Contingency period.

95 **15. Professional Inspections Upon Completion** (choose one).

96 The “Due Diligence Contingency” section of the Sale Agreement applies (for use if construction is already completed).

97 Buyer waives the “Due Diligence Contingency” contained in the Sale Agreement and the Parties agree that the following inspection
98 procedures and timelines apply to this transaction in lieu of the procedures and timelines described in the Due Diligence Contingency
99 section of the Sale Agreement: upon written notification from Seller of substantial completion (as defined in OAR 812-002-0740),
100 Buyer may have the Property and all Fixtures, systems, and structures inspected by one or more professionals at Buyer’s expense.
101 Buyer shall have **10 Business Days** or _____ **Business Days** to perform these professional inspections (“Professional Inspection
102 Period”) and provide Seller and Contractor with a written punch-list containing items Buyer’s inspectors believe to be inconsistent
103 with building codes found at <https://www.oregon.gov/bcd/codes-stand/Pages/index.aspx> or industry standards, or inconsistent with
104 plans or specifications agreed upon by Buyer and Seller. If Buyer does not provide a punch-list during the Professional Inspection
105 Period, Buyer shall be deemed to have accepted the Property “As-Is, Where-Is,” except that in no instance shall Seller be relieved of
106 the obligation to deliver the Property to Buyer at Closing in a habitable condition and with a final occupancy permit or certification
107 issued, and if Seller cannot do so Buyer may terminate the Sale Agreement using a **Form 5.3 Buyer’s Notice of Termination**.

108 Seller or Contractor may dispute Buyer’s inspectors’ punch-list of items at CCB mediation by arguing that the punch-list repairs were
109 performed to code, as described in the respective link on <https://www.oregon.gov/bcd/codes-stand/Pages/index.aspx>. Any further
110 dispute unresolved by the Parties must be resolved pursuant to the Dispute Resolution provisions below.

111 **16. Closing Date.**

112 Closing Date remains unchanged from Sale Agreement

113 Closing Date in Sale Agreement automatically extends by **20 Business Days** or _____ **Business Days** if Closing cannot
114 occur by Closing Date through no fault of Seller

115 **17. Dispute Resolution.** In the event of negligently or improperly performed work or breach of contract by Seller or contractor(s)
116 (including disputes over punch-list items), Buyer may have rights to file a claim against Seller or contractor(s) with the CCB. Buyer’s
117 claim must be filed within the timelines described in ORS 701.143. All disputes not resolved through the CCB shall be resolved through
118 the Dispute Resolution procedures of the Sale Agreement. Buyer is advised to see <https://www.ccb.state.or.us> and consult an attorney
119 to determine the best dispute resolution process for Buyer’s situation, including with respect to timelines for claims and recovery of
120 attorney’s fees.

121 **18. Additional Provisions.** _____
122 _____
123 _____
124 _____
125 _____
126 _____

127 Attach **Form 2.2 General Addendum** for additional provisions, if necessary.

128 **19. By signing below, the Parties agree to the terms of this addendum and make it part of the above referenced Sale Agreement:**

129 Buyer: _____ Dated: _____ Seller: _____ Dated: _____
130 Buyer: _____ Dated: _____ Seller: _____ Dated: _____
131 Buyer: _____ Dated: _____ Seller: _____ Dated: _____
132 Buyer: _____ Dated: _____ Seller: _____ Dated: _____