

Exhibit A

Sample Form of Contract

CONSTRUCTION CONTRACT

NHSP AND CONTRACTOR AGREEMENT

This Agreement made this day ____ of _____, 200_, by and between _____, hereinafter referred to as "Contractor" and Neighborhood Housing Services of Phoenix, Inc., hereinafter referred to as "Owner".

The Contractor and the Owner for the considerations named in this contract agree as follows:

1. Identification of the parties:

Neighborhood Housing Services of Phoenix, Inc. also known as "NHSP", has its place of business at 1405 East McDowell Rd., Suite 100, Phoenix, AZ 85006.

The Contractor has its principal place of business at: _____, Arizona _____.
The Contractor's license number is _____.

2. Project:

NHSP owns property located at **725 E. McKinley Street, Phoenix, AZ 85006** hereinafter referred to as the property. NHSP wants to enter into a contract for the construction of a single-family residence on the property, referred to as the project. The Contractor represents that it is properly licensed by the Registrar of Contractors to construct the kind of single-family residence involved herein and has the experience, resources and qualifications to do so.

3. Scope of Work:

The Contractor shall furnish all of the materials and perform all of the work shown on the drawings and/or described in the specifications for the project, as it pertains to work to be done at the property.

4. Start and Completion:

Owner agrees to issue a written Notice to Proceed within thirty (30) days from the date of acceptance of the Contractor's proposal. If the Contractor does not receive the Notice to Proceed within this thirty-day period, the Contractor shall have, as its sole remedy, the option of withdrawing its bid and proposal.

Contractor agrees to start work within 5 calendar days after receipt of the written Notice to Proceed from the Owner and to complete the work on or before **TBD days after start of construction**. Contractor agrees to pay \$50.00 per day for every day the project is not completed after the completion date.

5. Extension of Completion Date:

In agreeing to complete the work within the contract time, Contractor has taken into consideration and made allowance for ordinary delays and hindrances incident to such work, whether growing out of delays of common carriers, delays in securing materials or workers, changes, omissions, alterations, or otherwise.

The time for completion of the contract may be extended due to delays caused through no fault of the Contractor, which are commonly referred to in the construction industry as Acts of God. These excusable delays shall consist of fire, national emergency, extraordinary weather conditions that are beyond the reasonable control of Contractor.

If the contractor is unable to complete any portion of the work due to excusable delay, the completion date may be extended, provided that the Contractor shall notify the Owner in writing not later than two (2) days after the initial occurrence of any excusable cause of delay and the extension time period is agreed to, in advance, in writing by both the Contractor and the Owner.

If any changes requested by the Owner increase the time needed for completion of the project, the Contractor shall request in writing a extension of the time for completion which must be agreed to and signed by the Owner at the same time that a change order for the changed work is signed. If a written extension of the time for completion is not signed by the Owner before the changed work is performed, then the completion date will not be extended.

6. Notice of Default:

If the contractor fails to complete the work as agreed herein, the Owner may declare Contractor in default by providing written notice of the default to Contractor by registered mail or personal service. If the Contractor fails to remedy such default within ten days of such notice, Owner shall have the right to terminate the contract, reserving all rights and remedies, including the right to select a substitute Contractor. **The Owner has the right to file a written complaint with the Arizona Registrar of Contractors for an alleged violation of A.R.S. §32-1154 (A) within the two year period specified at A.R.S. §32-1155(A).**

7. Contract Price:

The Contractor shall be paid the sum of _____ Dollars.

8. Progress payments (Draws):

TBD.

9. Lien Waivers:

Contractor agrees to protect, defend and indemnify Owner from any claims for unpaid work, labor or materials with respect to Contractor’s Performance. Final or progress payments shall not be due until Contractor has delivered to NHSP, complete or partial release of all liens for work completed arising out of Contractor’s Performance or receipt in full covering all labor and materials for which a lien could be filed, or a bond satisfactory to the Owner indemnifying it against any lien.

10. Change Orders:

Contractor and NHSP expressly agree that no material changes or alterations in the work, price or time shall be made unless in writing and agreed to by Contractor and NHSP in advance and prior to starting the work.

11. Owner Contingencies:

Direct Construction Contingencies are Owner allowances of a predetermined percentage of the project budget that are to be included within each bid/proposal. These funds are available to the Owner for the express use and purpose of accommodating and correcting unforeseen conditions (concealed or otherwise), or Owner driven changes to the scope of work during the path of construction. Use of these funds is restricted, and contingencies allocations do not become part of the contract amount, until the Owner authorizes their use, through an approved change order.

12. Permits and Codes:

Contractor agrees to secure and pay for all necessary permits and licenses required and to adhere to applicable local codes and requirements whether or not covered by the Plans and Specifications and any drawings for the work, including the State of Arizona contractor registration requirements.

13. Insurance Requirements:

- **Comply with Exhibit B – Insurance Requirements**

14. General Provisions:

- **Comply with Exhibit C – Construction Requirements**
- **Comply with Exhibit D – Supplemental General Conditions of the Contract Agreement**

15. Equal Opportunity:

The Contractor in performing under this Contract, shall not discriminate against any worker, employee or applicant, or any member of the public, because of race, color, religion, gender, national origin, age or disability, nor otherwise commit an unfair employment practice. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are dealt with during employment without regard to their race, color, religion, gender, national origin, age or disability. Such action shall include, but not be limited to the following: Employment, promotion, demotion or transfer, recruitment or recruitment advertising; layoffs or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor further agrees that this clause will be incorporated in all subcontracts with all labor organizations furnishing skilled, unskilled and union labor, or who may perform any such labor or service in connection with this contract. The Contractor further agrees that this clause will be incorporated in all subcontracts entered into with suppliers of materials or services or who may perform any labor or services in connection with this contract.

Contractor agrees to provide Equal Opportunity to all persons and small business, without discrimination as to race, color, creed, religion, national origin, sex, marital status, age, and status with regard to public assistance or disability. To the greatest extent feasible, opportunities for training and employment shall be given to lower income residents of the project area and contracts (Agreements) for work in connection with the project be awarded to business concerns located in, or owned in substantial part by persons residing in the area of the project, the contractor has a collective bargaining agreement or other contract of understanding, if any, the contractor will send to each labor organization or representative of workers under this agreement, a notice of this commitments under this paragraph and shall post copies of the notice in conspicuous places available to employees and applicants for employment and training.

16. Representation:

Contractor represents that at the time of execution hereof; Contractor's Company in not listed on the disbarred and suspended contractor's list of the U.S. Department of Housing and Urban Development.

17. Warranty:

For good and valuable consideration, Contractor hereby agrees to provide a one-year warranty to the Owner, which shall extend to subsequent owners of the property to be improved. The warranty shall provide that improvements, hardware and fixtures of whatever kind or nature installed or constructed on said property by the Contractor is good quality and free from defects in workmanship or materials. Exceptions to this one-year warranty period shall be as provided by the Registrar of Contractors in its Manual of Minimum Workmanship Standards and for the warranty periods provided by the manufacturers.

All warranties herein in addition to, and not in limitation of, any and all other rights and remedies to which the Owner or subsequent owners may be entitled, at law or in equity, and shall survive the conveyance of title, delivery of, possession of the property, or other final settlement made by the Owner and shall be binding on the undersigned notwithstanding any provision to the contrary contained in any instrument heretofore or hereinafter executed by the Owner.

18. Subcontractors:

Contractor agrees that all subcontractors shall be properly licensed by the Registrar of Contractors. The warranties contained herein shall apply to all work performed under the contract, including that performed by subcontractors. Subcontractors to supply licenses and Certificate of Insurance verification prior to start of any work.

19. Plans and Specifications:

Contractor acknowledges that it has reviewed the *Scope of Work and Specifications* for the proposed improvements and, except as noted, that they are accurate, complete and consistent as to the scope of work to be performed, and that the dwelling can be constructed as designed for the price quoted by the Contractor.

20. Removal of Debris:

Upon the completion of the work, contractor agrees to remove all construction debris and surplus material from the property and leave the property in a neat and broom clean condition with all items final cleaned and ready for owner's immediate use.

21. Lead Base Paint:

If applicable, all work shall comply with the regulations implemented under the Lead Based Paint Poisoning Prevention Act, 42USC4821-4846, as set forth at 24CFR Part 35.

22. Expediency:

Time is of the essence of this contract as to both parties hereto.

Subsequent to the issuance of a 24-hour Notice by the Owner, the Owner may invoke their right to supplement the Awardees resources (subcontracted or otherwise) to the extent they deem necessary, when performance expectations are unacceptable or, if the project fails to maintain the project schedule. The Owners supplementation of workforce rights are at the sole expense of the General Contractor. Back chargeable costs including but not limited to trade/vendor rescheduling, mark-up charges, delivery, storage, loss of Owner's use, rents, or sale, together with additional interest payments, increased construction administrative expenses or any other monetary loss to the Owner, will be recovered from Final Contract Payments and Retention.

23. Davis-Bacon Compliance:

All work on eight or more units shall comply with the Federal Labor Standards Provisions of the Davis-Bacon Act.

24. Contract of Record:

The provision of this Contractor's Agreement shall supersede all other contracts and agreements concerning the work described herein.

All disputes hereunder shall be resolved by binding arbitration in accordance with the construction industry rules of the American Arbitration Association.

Owner in its discretion may require that payments be made directly to subcontractors and material suppliers through joint checks.

25. Conflict of Interest:

No officer, employee, or member of the governing body who exercises any function or responsibilities connected with this agreement shall have any private interest, direct or indirect, in this agreement.

26. Applicable Federal Requirements:

A. During the continuance of the work under this Contract, the Contractor and all subcontractors shall:

1.) Comply with Executive Order 11246 of September 24, 1965 entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967 and as supplemented in Department of Labor regulations (41 CFI S 60).

2.) Comply with the Copeland "Anti-Kickback" Act (18 U.S.C. S874) as supplemented by Department of Labor regulations (29 CFI S 3)

3.) Comply with Sections 103 and 107 of the contract Work Hours and Safety Standards Act (40 U.S.C. SS327-330) as supplemented by Department of Labor regulations (29 CFI S 5).

4.) Provide access to the City of Phoenix, Owner the Department of Housing and Urban Development and the Comptroller General of United States, or any of their duly authorized representatives, to any books, documents, papers and records of the Contractor or sub-contractor which are directly pertinent to this Contract for the purpose of making audit, examinations, excerpts and transcriptions.

5.) Retain all required records for three years after Owner, the Contractor or sub-Contractors make final payments and all other pending matters are closed.

6.) Comply with all applicable standards, orders or requirements issued under section 306 of the Clean Air Act (42 U.S.C. S1857 (h)), section 508 of the Clean Water Act (33 U.S.C. S 1368), Executive Order 11738 and Environmental Protection Agency regulations (40 CFI 15).

7.) Comply with all mandatory standards and policies relating to energy efficiency which are contained in this state energy conservation plan issued in compliance with the energy Policy and Conservation Act (Pub L. 94-163).

B. The Contractor hereby provides the following certifications to with this Contract.

1.) No federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the execution of this Contract.

2.) If any funds other than federal appropriated funds have been paid or will be paid to any person influencing or attempting to influence an officer or employee of any agency, a member of congress, an officer or employee of congress, or an employee of a member of Congress in connection with this Contract, the Contractor will complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions

3.) The Contractor has not paid or given, and will not pay or give, any third person any money or other consideration for obtaining this contract, other than normal costs of conducting business and costs of professional services such as architects, engineers and attorneys.

4.) The Contractor will require that the language in Subsections (a), (b), and (c) above be included in the award documents for all subcontractors and that all subcontractors shall certify and disclose accordingly.

Wrongful diversion of Public Funds, a Public Offense

484b. Any person who receives money for the purpose of obtaining or paying for services, labor, materials or equipment and willfully fails to apply such purpose by either willfully failing to complete the improvements for which funds were provided or willfully filing to pay services, labor, materials or equipment provided incident to such construction and wrongfully diverts the

funds to a use other than that for equipment provided incident to such construction and wrongfully diverts the funds to a use other than that for which the funds were received, shall be guilty of a public offense and shall be punishable by a fine not exceeding five thousand dollars (\$ 5,000), or by imprisonment in the state prison, or in the country jail not exceeding one year, or by both such fine and such imprisonment if the amount diverted is in excess of one thousand dollars (\$1,000), the person guilty of a misdemeanor.

False Voucher, Embezzlement

484c. Any person who receives money for the purpose of obtaining or paying for services, labor, materials or equipment incident to construction improvements on real property and willfully rebates any part of the money to or on behalf of anyone contracting with such person, for provisions of the services, labor, materials of equipment for which the money was given, shall be guilty of a misdemeanor, provided, however that normal trade discount for prompt payment shall not be considered a violation of this section.

Owner's Signature

Date

Contractor's Signature

Date

Contractor Address :
License No. _____

Telephone (Office): _____

Telephone (Mobile): _____

Telephone (Emergency): _____

NOTICE TO PROCEED

Date: _____

Contractor: _____

Property: _____

Dear Contractor:

As we agreed on _____, 20____, you are hereby notified to proceed with the construction on work on the property captioned above. Upon receipt of this notice, you are responsible for the construction work on said property under the terms and conditions of the Agreement, specification and plans, if any.

Please be prepared to begin construction within _____ calendar days from receipt of this notice. Construction to start on _____, 20____.

Krista Schwartz
Director of Real Estate Development

The Notice to Proceed was received on: (Date)_____.

Signature Contractor

SWORN STATEMENT FOR CONTRACTOR TO OWNER

Date:

State of: ARIZONA

County of Maricopa

The undersigned _____ declares that he/she is the legal representative of _____, the contractor of record and that he/she has a contract with Neighborhood Housing Services of Phoenix, Inc., owner(s), for construction improvements on the following described premises in said county, to-wit Maricopa. That, for the purposes of said contract, the following persons have been contracted with, and have furnished, or are furnishing and/or preparing materials for, and have done or are doing labor on said improvement. That there is due and to become them, respectively, the amounts set opposite their names for materials or labor as stated. That this statement is a full, true and complete statement of all such person(s), the amounts paid and the amounts due or to become due to each. That all lien releases submitted by me, the contractor, shall accurately reflect the amount(s) paid to said person(s) prior to each Progress Payment request.

NAME/COMPANY PERSONS		TOTAL AMOUNT DUE

I AGREE TO FURNISH WAIVERS OF LIEN FOR ALL MATERIALS AND SUBCONTRACTORS UNDER MY CONTRACT WITH ALL PROGRESS DRAW REQUEST.

Contractor Signature _____ **Title** _____

Date _____.

**DRAW INSTRUCTIONS – Comply with below requirements and Exhibit C –
Disbursement Agreement**

DOCUMENTS REQUIRED BEFORE START OF JOB

1. Copies of Building Permit(s) for total job
 - If Applicable.

OTHER DOCUMENTS REQUIRED

Sworn Statement completed and in file listing all workmen, subcontractors and suppliers.

Color Selection Sheets, signed and in file

Contractor's General Liability, Auto and Workman's Compensation Insurance certification on file.

REQUIRED DOCUMENTS FOR EACH PROGRESS DRAW

- a. INVOICE (numbered and dated)
 - a. Specific to each line item of the Scope of Work and Specifications for amount of work completed.
 - b. Total the invoice at the bottom.
 - c. Company name and address and job address.
- b. RELEASES (forms from NHSP). Releases may not be Conditional
 - a. Labor release signed by all workers on the payroll of your company
 - b. Lien release signed by all subcontractors working on job
 - c. Lien release signed by all suppliers where material is charged.
 - e. RECEIPT copies for any material costs on self-performed work.

FINAL DRAW

- 1) Submit with Request for FINAL DRAW
 - a. INVOICE (same as Progress Draw)
 - b. BUILDING PERMIT with all Final Inspection Signatures
 - c. PRODUCT WARRANTIES AND INSTRUCTIONS

SUBMIT BEFORE RECEIVING FINAL DRAW CHECK

- f. Punch List completed and signed by owner(s)
- g. Roof Warranty
- h. Contractor's Limited Warranty

RETENTION paid 35 days after Notice of Completion filed

1. Invoice requesting total balance due

The minimum number of progress requisitions allowed shall be two, and the maximum of four, not including the final draw. Requisitions submitted by the Contractor shall be based solely on the percentage of work completed. Owner will not pay for materials stored, but not in place. Payment of requisitions are subject to inspections and acceptance of work by the owner.

I have read and completely understand the above Draw procedure.

Contractor

Date