



CONSTRUCTION CONTRACT FOR NEW HOME (Without Lot)



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RECEIPT

1. Received from _____ ("Owner").

2. **Agency Confirmation:** Broker named on Line 17-18 is the agent of (check one):
3. the Owner exclusively; or the Contractor exclusively; or both the Owner and Contractor.

4. **Earnest Money:** Earnest money shall be held by Broker until offer is accepted. Upon acceptance, Broker shall promptly deposit the
5. earnest money as indicated below. If the check is payable to Broker, Broker may deposit the check in Broker's trust account or endorse
6. the check without recourse and deposit it with a duly licensed escrow company. Owner agrees that, if Owner breaches this Contract,
7. any earnest money is subject to forfeiture. If any check for earnest money is dishonored for any reason, Contractor may, at Contractor's
8. option, immediately cancel this Contract pursuant to Lines 232-241. Unless otherwise provided herein, all earnest money is consid-
9. ered to be part of the purchase price for construction of a New Home on the Property described below.

10. a. Amount of _____ b. Form of Personal Check c. Deposited Broker's Trust Account
11. Earnest \$ _____ Earnest Money: Other: _____ With: Escrow Company: _____
 Contractor

12. **ADVANCED DEPOSITS:** OWNER IS ADVISED THAT ANY EARNEST MONEY DEPOSITS, DOWN PAYMENTS AND OTHER
13. ADVANCED MONIES PAID DIRECTLY TO THE CONTRACTOR MAY BE USED BY THE CONTRACTOR. THIS MEANS THE
14. OWNER ASSUMES A RISK OF LOSING SUCH MONIES IF THE CONTRACTOR IS UNABLE OR UNWILLING TO PERFORM
15. UNDER THE TERMS OF THE CONTRACT.

16. _____ (OWNER'S INITIALS REQUIRED) SAMPLE SAMPLE
OWNER OWNER

17. Received By: _____ (PRINT SALESPERSON'S NAME AND AGENT CODE) _____ (SALESPERSON'S SIGNATURE) _____ (MO/DA/YR)

18. _____ (PRINT NAME OF FIRM) _____ (OFFICE CODE) _____ (TELEPHONE)

OFFER

19. Owner and _____, a licensed contractor,
20. Arizona Contractor's License # _____ and Bond # _____ in the State of Arizona ("Contractor")
21. agree as follows: Contractor agrees to construct a New Home on the following real property owned by the Owner ("Property").

22. New Home Address: _____ Assessor # _____
23. City: _____ County: _____ AZ, Zip Code: _____
24. Legal Description: _____

25. **Personal Property Included:** _____
26. Personal property included herein shall be transferred with no monetary value, in AS-IS CONDITION, FREE AND CLEAR OF ANY
27. LIENS OR ENCUMBRANCES, and CONTRACTOR MAKES NO WARRANTY of any kind, express or implied (including, without
28. limitation, ANY WARRANTY OF MERCHANTABILITY).

29. Owner agrees to pay Contractor as follows.

30. a. \$ _____ Full Contract Price, payable as outlined below:

31. b. \$ _____ Earnest Money as indicated above Non-refundable (OWNER'S INITIALS REQUIRED) SAMPLE SAMPLE
OWNER OWNER

32. c. _____

33. d. \$ _____ Balance of down payment to be paid by Owner on or before start of construction; or
34. to Escrow Company Broker's Trust Account Contractor;

35. _____ (OWNER'S INITIALS REQUIRED) SAMPLE SAMPLE
OWNER OWNER

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CONTRACTOR CONTRACTOR

Initials: SAMPLE / SAMPLE
OWNER OWNER

- 36. e. \$ _____ Balance due on Contract Price (final payment) shall be paid by:
- 37. Certified check at Closing Date
- 38. Cash (with draws as indicated on Lines 43-54.)
- 39. Net Proceeds of a new first loan which shall be:
- 40. Conventional (refer to Lines 55-83)
- 41. FHA [Note: Terms of FHA financing to be negotiated by separate agreement between Owner, Contractor and Lender].
- 42. VA [Note: Terms of VA financing to be negotiated by separate agreement between Owner, Contractor and Lender].

CASH

- 43. If this is an all-cash sale with draws, the draw schedule shall be as follows:
- 44. **Draw Schedule:** The Balance due as indicated on Line 36 shall be paid by certified funds directly to the Contractor, based upon the following
- 45. schedule with inspections of completed items to be performed by _____ (INSPECTOR'S NAME)
- 46. within two business days of request for draw.
- 47. \$ _____ First Draw, to be delivered to Contractor upon completion of _____
- 48. \$ _____ Second Draw, to be delivered to Contractor upon completion of _____
- 49. \$ _____ Third Draw, to be delivered to Contractor upon completion of _____
- 50. \$ _____ Fourth Draw, to be delivered to Contractor upon completion of _____
- 51. \$ _____ Fifth Draw and Final Payment, to be delivered to Contractor **within five (5) days of completion of**
- 52. construction of the New Home, per Lines 116-127.
- 53. Contractor agrees to provide: notarized lien waivers to the Owner for the completion of work performed for each successive draw; or
- 54. _____

FINANCING

- 55. **Type of Financing:** Conventional FHA VA _____
- 56. This sale is contingent upon Owner qualifying for permanent loan only permanent loan and interim loan
- 57. **Conditional Loan Approval:** Conditional Loan Approval ("CLA") is attached, or shall be delivered to Contractor within _____ days
- 58. after acceptance of the Contract. The written CLA from the Owner's lender must be based on a loan application and Trimerged
- 59. Residential Credit Report ("TMRCR"). Owner agrees to supply all documentation required by the lender. If such Conditional Loan
- 60. Approval is not received within the time specified, then Contractor may give Owner a five (5) day written notice to perform. If Owner does
- 61. not deliver to Escrow Company written conditional loan approval within said five (5) days, then this Contract shall be deemed cancelled
- 62. and all earnest money shall be released to Owner without further written consent of the parties and without regard to cancellation provi-
- 63. sions provided for elsewhere in this Contract. Owner instructs lender to send copies of such approval to Broker(s) and Contractor. Owner
- 64. authorizes the lender to provide loan status updates to Broker(s).
- 65. **Permanent Loan Amount:** \$ _____ If applicable, upfront MIP or VA funding fee may be added to the loan.
- 66. **Term of Loan:** _____
- 67. **Type Of Loan:** Fixed Rate Adjustable Rate Other _____
- 68. **Interim Loan:** If an interim loan is required, within **twenty (20)** days or _____ days after acceptance of this Contract, Contractor
- 69. and Owner shall agree with the lender upon the terms, conditions and costs of the interim loan.
- 70. **Appraisal:** The Buyer's obligation to complete this contract is contingent upon an appraisal of the Premises by an appraiser acceptable to
- 71. the lender for at least the sales price. The party responsible for paying for the appraisal shall do so within **five (5) days after Contract**
- 72. **acceptance or** _____. Failure to pay for appraisal within the time specified shall
- 73. constitute a material breach of this Contract rendering the Contract subject to cancellation as provided in Lines 232-241 of this Contract.

74. **Loan Costs:** Private Mortgage Insurance is required for certain types of loans and will be paid by Buyer at the Close of Escrow in a
 75. manner acceptable to lender. The following may be paid by either party:

76. **Discount points paid by:** Owner Contractor Other _____

77. **Discount points shall not exceed:** _____ total points. (does not include origination fee)

78.

	Owner Contractor		Owner Contractor
79. A.L.T.A. Lender Title Insurance Policy..... <input type="checkbox"/> <input type="checkbox"/>	Loan Origination Fee (Not to exceed _____% of loan amount) <input type="checkbox"/>
80. Credit Report <input type="checkbox"/> <input type="checkbox"/>	
81. Appraisal Fee..... <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>Paid by Owner and..... <input type="checkbox"/>Paid by Contractor and
82.	reimbursed by Contractor at closing	reimbursed by Owner at closing
83. Any additional loan costs not otherwise agreed upon by Contractor shall be paid by Owner.			

GENERAL LOAN PROVISIONS

84. **Occupancy:** Owner intends to occupy the New Home as: primary residence; secondary residence; or
 85. Owner does not intend to occupy the Premises.

86. **Release of Broker:** Any loan described in this Contract will be independently investigated and evaluated by Owner, who hereby
 87. acknowledges that any decision to enter into any loan arrangements with any person or entity will be based solely upon such indepen-
 88. dent investigation and evaluation. Owner and Contractor further release, hold harmless and indemnify Broker(s) from any and all liability
 89. regarding loan arrangements and acknowledge that no Broker is responsible for Owner's or Contractor's decisions concerning the desir-
 90. ability or acceptability of any loan or any terms thereof.

91. **Changes:** Owner shall not make any changes in the loan program or financing terms described in this Contract without the prior written
 92. consent of Contractor unless such changes do not adversely affect Owner's ability to qualify for the loan, increase Contractor's costs, or
 93. delay the closing date.

94. **Return of Earnest Money:** Unless otherwise provided herein, Owner is entitled to a return of the earnest money, if after a diligent and
 95. good faith effort, Owner does not qualify for a loan(s) described in this Contract. Owner is aware that the failure to have the funds nec-
 96. essary to obtain the loan and close this transaction shall be considered a material breach of contract and not a failure to qualify for the
 97. loan. Owner acknowledges that pre-paid items paid separately from the earnest money are not refundable.

TITLE AND ESCROW

98. **Escrow:** This Contract will be used as escrow instructions. The Escrow Company employed by the parties to carry out the terms of this
 99. Contract shall be:
 100. _____ ("ESCROW COMPANY") (TELEPHONE) _____

101. **Title Insurance:** Owner acknowledges that Owner has the responsibility to acquire Owner's title insurance for the value of the New
 102. Home. Terms of Owner's title policy to be negotiated by separate agreement between Owner and Escrow Company.

CONSTRUCTION TERMS

103. **Construction:** The construction of the New Home shall be completed in compliance with the plans and specifications in any Addendum
 104. referenced on Lines 316-317 and in compliance with any applicable governmental regulations or deed restrictions. Contractor shall have the
 105. right to substitute any materials or fixtures specified in the plans and specifications with those of substantially comparable or of better quality
 106. upon notice to Owner.

107. **Governmental Fees:** Contractor shall be responsible for payment of taxes, license fees, permit fees, inspection fees, and any other
 108. governmental fees or charges.

109. **Tests and Surveys:** Owner and Contractor acknowledge that responsibility for soil tests, percolation tests, surveys, and/or staking
 110. and flagging shall be by separate written agreement.

111. **Insurance:** Owner Contractor shall provide Course of Construction Insurance and Liability Insurance from start of construction
 112. until construction is complete. If applicable, Contractor agrees to provide Owner proof of insurance at least five (5) days prior to start of
 113. construction. Owner may wish to carry additional liability insurance during course of construction. Owner's shall have the appropriate
 114. insurance in place at completion of construction. Contractor and Owner specifically release Broker(s) from any obligations relating to
 115. such insurance.

116. **Construction Schedule:** (a) Contractor will complete construction of the New Home within _____ days from date of Conditional Loan
 117. Approval or _____ days from _____. The final inspection and approval of the New Home by
 118. the applicable governmental authority, as evidenced by the issuance of a Certificate of Occupancy or other final approval, shall constitute

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CONTRACTOR CONTRACTOR

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OWNER OWNER

173. **SQUARE FOOTAGE: OWNER IS AWARE THAT ANY REFERENCE TO THE SQUARE FOOTAGE OF THE NEW HOME IS APPROXIMATE.**
174. **IF SQUARE FOOTAGE IS A MATERIAL MATTER TO THE OWNER IT MUST BE VERIFIED PRIOR TO CLOSING DATE.**

175. **Notice to Owner of Swimming Pool Barrier Regulations (Initials Required):** Contractor and Owner acknowledge that the State of
176. Arizona has swimming pool barrier regulations which are outlined in the Arizona Department of Health Services Private Pool Safety Notice.
177. A swimming pool is defined as an above or below ground swimming pool or contained body of water intended for swimming, exclusive of
178. public or semi-public swimming pools ("Swimming Pool"). The parties further acknowledge that the county or municipality in which the
179. New Home is located may have different swimming pool barrier regulations than the state. Prior to Close of Escrow, Owner agrees to
180. investigate all applicable state, county, and municipal Swimming Pool barrier regulations and, unless otherwise agreed in writing, agrees
181. to comply with and pay all costs of compliance with said regulations prior to possession of the New Home. **OWNER'S INITIALS**
182. **ACKNOWLEDGE 1) EXISTENCE OF SWIMMING POOL BARRIER REGULATIONS and 2) IF THIS NEW HOME CONTAINS A SWIM-**
183. **MING POOL, RECEIPT OF THE ARIZONA DEPARTMENT OF HEALTH SERVICES APPROVED PRIVATE POOL SAFETY NOTICE**
184. **AS REQUIRED BY A.R.S. §36-1681 (E). (OWNER'S INITIALS REQUIRED) SAMPLE SAMPLE**
OWNER OWNER
185. Owner and Contractor expressly relieve and indemnify Broker(s) from any and all liability and responsibility for compliance with the
186. applicable swimming pool barrier regulations.

187. **Contractor Warranties:** Contractor expressly warrants that all work performed by Contractor in connection with the construction of the
188. New Home will be performed in a workmanlike manner and be of a quality which is standard in the industry, and in conformance with the
189. requirements of the Arizona Registrar of Contractors. Contractor warrants the construction of the New Home against defects in workman-
190. ship and materials as provided for by Arizona law and Contractor will, at Contractor's own expense, make any and all repairs and replace-
191. ments made necessary as a result of defective workmanship of materials, provided however, Contractor is granted reasonable access to
192. the New Home during normal business hours. This warranty is applicable only to requests for repair and replacement reported in writing to
193. Contractor. This warranty does not apply to defects caused by normal wear and tear, insubstantial variances or defects, acts of God, faulty
194. maintenance, operation or abusive use, or other acts or events beyond Contractor's control. Contractor's warranty shall in no event extend
195. to any consumer product, appliance, air conditioning unit, furnace, water heater, or other products included in the New Home that are con-
196. sidered "consumer products" as defined by the Federal Trade Commission for purposes of the Magnuson Moss Warranty - Federal Trade
197. Commission Improvement Act (15 U.S.C §§ 2301, et seq.) that may be included in this transaction. Contractor hereby assigns to Owner
198. any manufacturer's warranty issued to Contractor, to be effective upon closing, without recourse to Contractor, all rights under said manu-
199. facturers' warranties, as are assignable, on appliances and any other consumer products included in the New Home. **OWNER MAY**
200. **HAVE ADDITIONAL RIGHTS, REMEDIES, AND WARRANTIES BEYOND THOSE CONTAINED IN THIS CONTRACT.**

REMEDIES

201. **Remedies for Breach:** If either party breaches in any respect on any material obligations under this Contract, the non-breaching party
202. may elect to be released from all obligations under this Contract by cancelling this Contract as provided in Lines 232-241. The non-
203. breaching party may thereafter proceed against the party in breach upon any claim or remedy which the non-breaching party may have
204. in law or equity including, but not limited to, any and all remedies available to the non-breaching party through the Arizona Registrar
205. of Contractors. In the case of the Contractor, because it would be difficult to fix actual damages in the event of Owner's breach, the
206. amount of the earnest money may be deemed a reasonable estimate of the damages; and Contractor may at Contractor's option
207. accept the earnest money deposit, subject to any compensation to Broker(s), as Contractor's sole right to damages. In the event that
208. the non-breaching party elects not to cancel this Contract, the non-breaching party may proceed against the party in breach for spe-
209. cific performance of this Contract or any of its terms, in addition to any claim or remedy which the non-breaching party may have in
210. law or equity. In the event that either party pursues specific performance of this Contract, that party does not waive the right to cancel
211. this Contract pursuant to Lines 232-241 at any time and proceed against the breaching party as otherwise provided herein, or in law
212. or equity. If Owner or Contractor files suit against the other to enforce any provision of this Contract or for damages sustained by rea-
213. son of its breach, all parties prevailing in such action, on trial and appeal, shall receive their reasonable attorneys' fees and costs as
214. awarded by the court. In addition, both Contractor and Owner agree to indemnify and hold harmless all Brokers against all costs and
215. expenses that any Broker may incur or sustain in connection with any lawsuit arising from this Contract and will pay the same on
216. demand unless the court grants judgment in such action against the party to be indemnified. Costs shall include, without limitation:
217. attorneys' fees, expert witness fees, fees paid to investigators and court costs.

218. **Liquidated Damages for Delay:** Should Owner not timely perform all of Owner's obligations on Closing Date as provided in
219. Lines 154-156, Owner shall pay to Contractor to compensate Contractor for the delay, as liquidated damages and not as a penalty, the
220. amount of \$ per day from the day following completion of construction until Owner's obligations are performed, unless
221. Contractor elects to pursue Contractor's remedies as set forth on Lines 201-217, or unless such non-performance by the Owner
222. is caused by the Contractor's non-performance of any terms or conditions hereof. Should Contractor not timely perform all of
223. Contractor's obligations hereunder, including, but not limited to, the failure to complete construction by the date set forth on
224. Lines 116-127, Contractor shall pay to Owner, to compensate Owner for the delay, as liquidated damages and not as a penalty,
225. the amount of \$ per day from the date construction should have been completed, until the date that completion of
226. construction actually occurs, unless Owner elects to pursue Owner's remedies as set forth on Lines 201-217, or unless such non-
227. performance by the Contractor is caused by the Owner's non-performance of any terms or conditions hereof.

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OWNER OWNER

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SAMPLE

316. **Addenda incorporated:** Contractor's Construction Specifications Addendum; Plan dated _____; or
 317. Other _____

318. **Entire Agreement:** This Contract, and any addenda and attachments, shall constitute the entire agreement between Contractor and
 319. Owner, and shall supersede any other written or oral agreement between Contractor and Owner. This Contract can be modified only by a
 320. writing signed by Contractor and Owner. A fully executed facsimile copy of the entire agreement shall be treated as an original Contract.
 321. The failure to initial any page of this Contract will not affect the validity or terms of this Contract. This Contract may be executed in any
 322. number of counterparts, and will become effective upon delivery as provided for herein. All counterparts shall be deemed to constitute one
 323. instrument, and each counterpart shall be deemed an original. Neither Contractor, Owner nor any Broker shall be bound by any under-
 324. standing, agreement, promise or representation, express or implied, written or verbal, not specified herein. The Contractor and the
 325. Owner acknowledge that the Broker(s) are third-party beneficiaries of this Contract.

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CONTRACTOR CONTRACTOR

Initials: SAMPLE / SAMPLE
OWNER OWNER

326. **Release of Broker(s):** CONTRACTOR AND OWNER HEREBY EXPRESSLY RELEASE, HOLD HARMLESS AND INDEMNIFY ALL
327. **BROKER(S) IN THIS TRANSACTION FROM ANY AND ALL LIABILITY AND RESPONSIBILITY REGARDING THE CONDITION,**
328. **SQUARE FOOTAGE, LOT LINES OR BOUNDARIES, VALUE, ENVIRONMENTAL PROBLEMS, SANITATION SYSTEMS, ROOF,**
329. **WOOD INFESTATION AND WOOD INFESTATION REPORT, COMPLIANCE WITH BUILDING CODES OR OTHER GOVERNMENTAL**
330. **REGULATIONS, OR ANY OTHER MATERIAL MATTERS RELATING TO THE NEW HOME.**

331. **Acceptance:** Unless acceptance is signed by Contractor and a signed copy delivered in person, by mail, or facsimile, and received
332. by Owner or by Broker named on Lines 17-18 by _____, _____ at _____ AM/PM, MST, or
333. unless this offer has been previously withdrawn by Owner, this offer shall be deemed withdrawn and the Owner's earnest
334. money shall be returned.

335. **THIS OFFER CONTAINS EIGHT (8) PAGES EXCLUSIVE OF ADDENDA AND ATTACHMENTS. PLEASE ENSURE THAT YOU**
336. **HAVE RECEIVED AND READ ALL EIGHT (8) PAGES OF THIS OFFER AS WELL AS ANY ADDENDA AND ATTACHMENTS.**

337. **The undersigned agrees to the terms and conditions for the construction of the New Home acknowledges receipt of a copy hereof.**

<p>338. SAMPLE</p> <p>OWNER'S SIGNATURE _____ MO/DA/YR _____</p> <p>339. ADDRESS _____</p> <p>340. CITY, STATE, ZIP CODE _____</p>	<p>338. SAMPLE</p> <p>OWNER'S SIGNATURE _____ MO/DA/YR _____</p> <p>339. ADDRESS _____</p> <p>340. CITY, STATE, ZIP CODE _____</p>
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ACCEPTANCE

341. **Agency Confirmation:** The following agency relationship(s) is hereby confirmed for this transaction:

342. Listing Broker: _____
(PRINT SALESPERSON NAME AND AGENT CODE) (PRINT FIRM NAME AND OFFICE CODE) (TELEPHONE)

343. Is the agent of (check one): the Contractor exclusively; or both the Owner and Contractor

344. **Contractor Receipt of Copy:** The undersigned acknowledge receipt of a copy hereof and grant permission to Broker named
345. on Lines 17-18 to deliver a copy to Owner.

346. Counter Offer is attached, and is incorporated herein by reference. Contractor should sign both the Contract and the Counter
347. Offer. If there is a conflict between this Contract and the Counter Offer, the provisions of the Counter Offer shall
348. be controlling.

349. **The undersigned agree to construct the New Home on the terms and conditions herein stated.**

<p>350. SAMPLE</p> <p>CONTRACTOR'S SIGNATURE _____ MO/DA/YR _____</p> <p>351. CONTRACTOR'S NAME PRINTED _____</p> <p>352. ADDRESS _____</p> <p>353. CITY, STATE, ZIP CODE _____</p>	<p>350. SAMPLE</p> <p>CONTRACTOR'S SIGNATURE _____ MO/DA/YR _____</p> <p>351. CONTRACTOR'S NAME PRINTED _____</p> <p>352. ADDRESS _____</p> <p>353. CITY, STATE, ZIP CODE _____</p>
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For Broker Use Only:

Brokerage File/Log No. _____ Manager's Initials _____ Broker's Initials _____ Date _____
MO/DA/YR

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