

Building Construction Agreement

THIS AGREEMENT made this _____ day of _____, 20____

By an between _____,
Hereinafter referred to as "builder",
and _____ hereinafter referred to as "owner", the builder and
the owner, for the considerations hereinafter named, agrees as follows:

1. **The Scope of the Contract:** The builder shall furnish to the owner all of the labor and material required for the erections of a new residence building to be erected at _____,

According to the plans and specifications attached hereto and forming a part of this contract, subject only to tolerances and deviations customary in the building industry. The builder shall provide and pay for all materials, labor and tools needed to complete the residence, unless otherwise stated herein. In the event that builder is unable to obtain from its usual or ordinary sources of supply the exact materials specified in said plans and specifications, builder shall have the right to substitute said materials with materials of similar pattern, design and quality.

2. **Construction Loan and Financing Arrangements:** The owner either has or will obtain a construction loan to finance the work to be performed under this Agreement. If adequate financing has not been arranged within 30 days of the date of this Agreement, or the owner cannot provide evidence to the builder of other financial ability to pay the full amount of the contract, then the builder at his option may treat this Agreement an null and void, and retain the down payment made on the execution of this Agreement.
3. **Contract Sum and Payment:** The owner shall pay to the builder for furnishing the labor and materials and for the construction of this residence the sum of \$ _____, paid as follows:

\$ _____, down payment on the signing of this Agreement, the balance in draws upon states of completion as stated below:

\$ _____

\$ _____

\$ _____

\$ _____

per lender. s disbursement schedule if inserted above and agreed to by the parties. The final payment shall be made upon completion of the work and before occupancy.

4. **Start of construction and completion:** The builder shall commence construction of the residence as soon as practical after signing of this Agreement and adequate financial arrangements satisfactory to the builder have been made. The builder shall complete construction as expeditiously as possible, provided that nothing contained herein shall render the builder liable for any delay caused by acts of arbitration, failure of any subcontractor or material man, fire, strikes, legal acts of public authorities, war, inclement weather, allocation of materials or material priorities, delays or defaults by public or private carriers, shortages of material or labor, acts of owner or persons employed or hired by owner, Acts of God, or other work stoppages, casualties, or other causes beyond the control of the builder, the foregoing list is illustrative of causes for delay in construction and is not intended to be all inclusive.
5. **Supervision of Work:** Owner agrees that the direction and supervision of the working force including subcontractor, rests exclusively with the builder, or his duly designated agent, and owner agrees not to issue any instructions to, or otherwise interfere with, same. The owner further agrees not to negotiate for additional work with the builder. s subcontractors nor to engage other builders or subcontractors except with the builder. s consent and in such manner as will not interfere with builder. s completion of work under this agreement.
6. **Changes, Alterations, and Extras:** All changes in or departures from the plans and/or specifications shall be in writing. Where changes in, or departure from, plans and specifications requested in writing by owner, will result in furnishing of additional labor and materials the owner shall pay the builder for such extras at a price agreed upon in writing before commencement of said change. Where such change results in the omitting of any labor or materials, the builder shall allow the owner a credit therefore at a price agreed to in writing before commencement of said changes. Any changed,

alterations or extras from the plans or specifications which may be required by any public body or inspector, shall constitute and extra and shall be paid for the same as any other extra as provided in this paragraph.

7. **Possession of Residence Upon Completion:** On final payment by owner and upon owner's request builder will provide owner with affidavit stating that all labor, materials and equipment used in the construction have been paid for or will be paid for in full by the builder unless otherwise noted. Builder shall not be required to give possession of the residence to the owner before final payment by owner. Final payment constitutes acceptance of the residence as being satisfactorily completed unless a separate escrow agreement is executed between the parties stipulating the unfinished items.
8. **Fire Insurance With Extended Coverage:** The owner shall effect and maintain fire insurance with extended coverage upon the entire structure on which the work of this contract is to be done to one hundred (100%) percent of the insurable value thereof covering all work incorporated in the building, all labor and materials connected therewith whether in or adjacent to the structure insured, and materials in place or to be used as part of the permanent construction. The loss, if any, is to be made adjustable with and payable to the owner as trustee for the insured and builder and subcontractors as their interests may appear, except in such cases as may require payment of all or a portion of said insurance to be made to a mortgagee as his interest may appear. Certificates of such insurance shall be filed with the builder. If the owner fails to effect or maintain insurance as above, the builder may insure his own interest and that of his subcontractors and charge the cost thereof to the owner. If a loss occurs, whether covered by insurance or not, replacement of injured work shall be ordered and executed as provided for in the case of changes in the work. It is specifically agreed that the original contract price shall be adjusted to reflect increases in labor, materials, overhead and other costs, since the date of the original contract, in calculating payment for replacement of injured work.
9. **Owner's Responsibility: Exclusions:** The owner is solely responsible for the purchase and installation of any septic tank or other individual subsurface sewage disposal system that may be required on the property.

The owner also agrees that there is excluded from this contract the following items, for which the builder shall have no responsibility.

10. **Late Charge on Delinquent Payments:** Should the owner fail to pay any draw when due as agreed to herein, or fail to pay for any change, alteration or extra before commencement of the work as provided herein, or fail to pay the final payment upon completion of the work all said delinquent payments or any unpaid portion thereof, shall be subject to a late charge calculated at the rate of one and one-half (1 ½ %) percent per month until paid, and the owner agrees to pay said late charge to the builder.
11. **Builder's Right to Terminate the Contract:** Should the work be stopped by any public authority for a period of thirty days or more, through no fault of the builder, or should the work be stopped through act or neglect of the owner for a period of seven days, or should the owner fail to pay the builder any payment within seven days after it is due, then the builder upon seven days written notice to the owner, may stop work or terminate the contract and recover from the owner payment for all work executed and any loss sustained and reasonable profit and damages.

The Owner acknowledges that he has read and fully understands the provisions of this Agreement.

IN WITNESS WHEREOF, the builder and owner have hereunto set their hands this ____ day of _____ 20 ____

BUILDER

OWNER