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Home Builders, Inc.

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Construction Contract

(revised 1-22-08)

- 1) This agreement is made between
- 2) Majestic Home Builders Inc. (Seller) of _____ Lemont, IL. 60439 _____
- 3) and _____ (Buyer) of _____
- 4) Buyers agree to purchase from seller, and seller agrees to sell to buyer property commonly known as
- 5) _____ (address may change) City _____, State IL. _____
- 6) Zip code _____ subject to the terms and conditions of this agreement. This contract cannot be
- 7) assigned or encumbered in any way without the express written consent of the contractor
- 8) Purchase price
- 9) The purchase price of this property is \$ _____ with credit of \$ _____ already applied _____
- 10) To be paid to the seller or his duly assigned agent in the following manner: Earnest money deposit of
- 11) \$ 5000.00 _____ to be held by the seller, due upon execution of this contract. An additional \$5,000 shall
- 12) Be due upon rough framing completion and an additional \$5,000 shall be due when drywall is hung Additional
- 13) Monies may come due during the life of this contract from extras or change orders and they are to be paid in
- 14) Full before the change can/will be added or take place. This sale is contingent upon Majestic Home Builders
- 15) Inc. finalizing the purchase of said lot.
- 16) Buyer Late Payment
- 17) Any unpaid portion of the contract price remaining the contractor 5 days after the due date shall bear interest at
- 18) the rate of 2% per month and due the contractor immediately
- 19) All money received for the payment of changes and/or extras shall be non-refundable.
- 20) All money received from the buyers shall be held by the seller in a non interest bearing account and
- 21) Credited to the adjusted purchase price at closing.
- 22) Cancellation of Contract
- 23) Cancellation of this contract by buyer must be made in writing and sent by certified mail, return receipt
- 24) requested.
- 25) Contractor will retain all costs incurred by him to the date of notification, included but not limited to, architectural
- 26) drawings, permit fees, bonds, construction costs, etc. from buyer deposits.
- 27) Mortgage Contingency
- 28) This agreement is subject to the buyers obtaining a written commitment for a loan secured by a
- 29) Mortgage or trust deed on this real estate, within 10 days from the signing of this contract.
- 30) Buyers shall notify seller in writing, within specified time frame that said commitment has been
- 31) Obtained and furnish to seller said commitment. Buyers also commit to applying for a

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- 32) Mortgage within five (5) days of the signing of this contract and to cooperate with the lender by
- 33) Supplying any and all information requested by the lender within five (3) days. Buyers further agree
- 34) To furnish to lender all credit information, execute all mortgage instruments, and perform all acts
- 35) Necessary to obtain such commitment. Any inspection or re-inspection fees required by the lender
- 36) Shall be paid by the buyers. Buyers agree to pay all expenses of obtaining a home loan including but
- 37) Not limited to, all lender fees, title charges and credit reports, in addition to the purchase price.
- 38) Failure of the buyer to act in the manner described shall constitute an act of default under this
- 39) Contract and shall cause this contract to be null and void, and furthermore all monies received by
- 40) Seller shall be retained by seller as partial restitution for the default caused by the buyer.
- 41) Commencement Date
- 42) Construction shall begin by the contractor within 10 business days after the following prerequisites have been
- 43) accomplished.
- 44) All necessary permits shall have been delivered to the contractor, including but not limited to, building permit,
- 45) sanitary or septic permit, subdivision building committee permit, etc. and
- 46) All plans and specifications have been initialed by the buyer to indicate his approval of the content, and
- 47) All funds necessary to complete construction of the home, add 5% contingency monies for a total of (105%) have been placed in a construction escrow account and the contractor has an irrevocable commitment to draw on these funds as construction progresses, and
- 48) All other terms, conditions and responsibilities due from the buyer have been completed.
- 49) Deeds
- 50) Title shall be conveyed to the buyers at closing by a warranty deed subject only to: General taxes not
- 51) Yet due at closing and if applicable special taxes and assessments, zoning and building laws or
- 52) Ordinances, building lines, and public utility and drainage easements of record. Covenants,
- 53) Conditions and restrictions of record, including, without limitation and if applicable, a declaration of
- 54) Covenants, conditions, restrictions, and easements for the subdivision and/or homeowners
- 55) Association which will be binding upon all owners in the subdivision and to include all the
- 56) Amendments to the declaration.
- 57) Evidence Of Title
- 58) Seller shall deliver or cause to be delivered to the buyers or their agents a title commitment from
- 59) Chicago Title Insurance Company in the amount of the purchase price, covering title
- 60) To the real estate on or after the date hereof showing title in the intended grantor subject only to (a)
- 61) The title exceptions set forth above and (b) title exceptions pertaining to liens or encumbrances of a
- 62) Definite or ascertainable amount which may be removed by payment of money at the time of
- 63) Closing, at the election of the seller, and which the seller may so remove at that time using the funds
- 64) To be paid upon the delivery of the deed (all of which are herein referred to as the permitted
- 65) Exceptions). The title commitment shall be conclusive evidence of good title as therein shown as to
- 66) All matters insured by the policy, subject only to the exceptions as therein stated.
- 67) If the title commitment discloses unallowable exceptions, seller shall have thirty (30) days from the
- 68) Date of delivery thereof to the buyer to have exceptions removed from the commitment or to have

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- 69) The title insurer commit to insure against loss or damage that may be occasioned by such exceptions,
70) And, in such event, the time of closing shall be thirty-five (35) days after such delivery or the time
71) Specified, which ever is later. If Seller fails to have the exceptions removed, or the alternative, to
72) Obtain the commitment for title insurance specified above as to such exceptions within the specified
73) Time, Purchasers may terminate contract or may elect, upon notice to Seller within ten (10) days after
74) The expiration of the thirty (30) day period, to take title. If Purchasers do not so elect, this Agreement
75) Shall become null and void without further actions of the parties.
- 76) The Uniform Vendor and Purchase Risk Act of the State of Illinois shall be applicable to this
77) Agreement.
- 78) Purchasers and Seller hereby agree to make all disclosures and do all things necessary to comply
79) With the applicable provisions of the Real Estate Settlement Procedures Act of 1974.
- 80) Limited Warranty
- 81) Contractor warrants to buyer that from the date of the final invoice supplied by the contractor and for
one year
82) thereafter, contractor will repair or replace or pay the reasonable cost of such repair or replacement, at its
sole
83) discretion and option, any defects in such home caused by faulty materials or workmanship supplied by
84) contractor under this contract. Although this warranty begins on the date of the final invoice, no perform-
ance of
85) this warranty will be made until contractor has received payment in full from buyer.
- 86) All workmanship shall conform to the guidelines found in the publication "Illinois Quality Assurance
Builder
87) Standards" second edition 2.1. If an item is not covered in that publication, standard industry practices
shall
88) apply. All requests for warranty work must be requested in the outlined form and prescribed method and
89) procedure as described at the end of this document.
- 90) The warranty does not apply to;
91) Materials or workmanship supplied by the buyer, his suppliers or subcontractors.
92) Materials (including, but not limited to, appliances, plumbing, heating, cooling, and electrical systems)
93) warranted by contractors suppliers. Claims relating to such materials shall be made to such supplier pur-
suant
94) to such supplier's warranty.
- 95) Any collateral damage (B) caused by defect (A) unless written notice of defect (A) is given to contractor
as soon
96) as practical after the first defect (A) appears. The right to file warranty claims on contractors warranty
expires
97) on midnight of the 2nd business day from midnight of the last day of the warranty period.
- 98) Any defects resulting from alteration, modification or improper maintenance of any materials, systems,
99) appliances, equipment or fixtures supplied pursuant to this contract.
- 100) Normal wear and tear, or deterioration of the home.
- 101) Any loss or damage resulting directly or indirectly from misuse, negligence, acts of God, accident or

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casualty.

- 102) Loss or damage which occurs after the home is no longer used primarily as a residence
- 103) Loss or damage to any part of the home that occurs during or after any part of the home has been rented or leased to other people, and/or used for any business activity.
- 104) Insect or rodent, or pet damage of any nature whatsoever.
- 105) All other conditions as listed on attached pages under “non-warrantable conditions”
- 106) This warranty is in lieu of all other warranties including any implied warranties for merchantability or fitness.
- 107) Contractor shall not be liable for any consequential damages to any person or property.
- 108) Bill of Sale
- 109) Seller shall deliver to Purchasers a Bill of Sale at closing for personal property and will
- 110) Also assign to Purchasers, without recourse to seller, any manufacturer’s warranty which Seller
- 111) Receives covering said personal property. AS TO SUCH PERSONAL PROPERTY AND AS TO ANY
- 112) CONSUMER PRODUCT (AS THAT TERM MAY BE DEFINED UNDER APPLICABLE FEDERAL,
- 113) STATE OR LOCAL LAWS) WHICH MAYBE CONTAINED IN THE RESIDENCE, SELLER
- 114) NEITHER MAKES NOR ADOPTS ANY WARRANTY WHATSOEVER AND SPECIFICALLY
- 115) EXCLUDES AND DISCLAIMS EXPRESS OR IMPLIED WARRANTIES OF ANY NATURE,
- 116) INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, OR FITNESS FOR A
- 117) PARTICULAR PURPOSE.
- 118) Prorations.
- 119) General Real Estate taxes shall be adjusted ratably as of the time of closing. General
- 120) Real Estate taxes shall be prorated on the basis of 100% of the last ascertainable tax bill, subject to the
- 121) Following provisions:
- 122) In the event that a separate tax bill is issued (or Seller estimates will be issued) for the Lot as of the
- 123) Date of closing, real estate taxes shall be adjusted ratably based upon the last ascertainable tax bill
- 124) And Purchasers shall receive a credit therefore at closing. Upon issuance of the actual tax bill, the
- 125) Prorated credit shall be determined as aforesaid and any deficiency shall be promptly paid to
- 126) Purchasers upon proof of payment of the tax bill by the Purchasers.
- 127) Real estate taxes shall be adjusted so that Purchasers will be responsible for taxes computed on
- 128) Both land and any improvements thereon, whether or not assessed as fully completed, from and after
- 129) The closing date and Seller shall be responsible for the portion of the tax bill applicable to the period
- 130) Prior to the closing date but only for the assessment attributable to the unimproved land.
- 131) The Seller shall pay at closing the customary State and County Transfer Taxes.
- 132) Conveyance
- 133) Seller shall cause the Purchased Unit to be erected or completed substantially
- 134) According to plans and specifications (“Plans”) on file at the office of Seller: specifically _____
- 135) 742 McCarthy St. Lemont, IL. 60439_____
- 136) And those plans and/or specifications attached hereto as EXHIBIT A. Recognizing that the availability
- of
- 137) Particular materials or designs may be affected by manufacturing and market conditions or interpreta-
- tions of

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- 138) Municipal codes and/or regulations, Purchasers agree that Seller shall at all times have the right to
139) Substitute materials or appliances of like or better quality, utility for those contained in the plans or
140) Models and to make necessary alterations in the installation of such items. The plans are
141) Incorporated herein by reference and made a part hereof. The completed building and purchased
142) Unit may vary from the Plans to the extent consistent with normal trade custom, practice, and
143) Tolerances within the construction industry. By accepting possession, the Purchasers shall be deemed
144) To have accepted any such substitutions or modifications of the Plans.
145) Construction and Occupancy. Purchasers understand and agree to comply with the Builder's
146) Request for color selections within five (5) days after verbal request. If selections are not made by
147) Purchasers within said time period, Builder reserves the right to make color selections so as not to
148) Delay construction schedule or completion of home.
149) It is estimated completion of the Purchased Unit will be on or before _____ 200____
150) Unless such completion shall be delayed or prevented by Acts of God or other causes beyond
151) Seller's reasonable control including but not limited to (1) acts of government authority, (2) weather,
152) (3 strikes, (4) unavailability of materials, manpower, or transportation (5) fire or other casualties (6)
153) Issuance of necessary permits and similar conditions, in which event the date of substantial
154) Completion shall be extended by any period of such delay provided. However, that in the event the
155) Buyers unit is not completed in a nine (9) month period after the execution hereof by the seller,
156) Then, and only then, at the election of either party by written notice to the other prior to closing or
157) Escrow disbursement, this agreement may be terminated. If said event occurs, all earnest money
158) Deposits shall be returned to the buyers, provided that the buyers are not in default under the terms
159) Of this agreement. Requests for special work, i.e. change orders, submitted after commencement of
160) Construction will add days to the completion date of the unit.
161) Seller is to have exclusive possession of the purchased unit until all amounts due seller at closing
162) Have been received and a certificate of occupancy has been issued. It is understood and agreed that
163) The purchasers shall not have the right to occupy the purchased unit, cause or cause to have any personal
164) Property delivered and/or stored in or on the property prior to delivery of possession as provided herein
and
165) Any entry by the buyers shall be at buyer's sole risk.
166) BUYERS SHALL AT THE SOLE RISK OF THE BUYERS HAVE THE RIGHT TO INSPECT THE
167) PURCHASED UNIT DURING CONSTRUCTION PROVIDED; (a) NOT LESS THAN TWO (2)
DAYS
168) NOTICE IS GIVEN THE SELLER, (b) SUCH INSPECTION IS SCHEDULED SO AS NOT TO
169) UNREASONABLY INTERFERE WITH CONSTRUCTION AND/OR TRADESPEOPLE, (c, BUY-
ERS
170) COMPLY WITH THE REASONABLE REGULATIONS OF THE SELLER. THE BUYERS SHALL
171) NOT ENTER UPON THE PREMISES AT ANY TIME PRIOR TO CLOSING, UNLESS
172) ACCOMPANIED BY A REPRESENTATIVE OF THE SELLER. UNDER NO CIRCUMSTANCES
173) SHALL CHILDREN UNDER THE AGE OF SIXTEEN (16) BE ALLOWED ON THE
174) CONSTRUCTION SITE AT ANY TIME FOR ANY REASON.
175) Sellers will have a pre closing inspection and orientation approximately 7 days before the scheduled

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closing

176) Date. Proper maintenance, procedures, and the functionality of the mechanical systems shall be explained to

177) The buyers, along with their responsibilities as outlined in our written warranty. During this walk-through if there

178) Are mutually agreed upon items that are not finished in a workmanlike manner, or not functioning according to

179) Their intended purpose, we will place these items on a "punch list". The remedy to these punch list items shall

180) Be completed no later than 30 days after closing has taken place, to the satisfaction of both parties.

181) Closing

182) The sale shall be closed and the balance of the purchase price paid on or before

183) _____ or within five (5) days after the seller notifies buyers that the

184) Construction of the residence has been substantially completed according to the terms of the

185) Contract. The residence shall be deemed substantially completed for closing purposes in

186) Accordance with said plans and specifications upon issuance of a temporary certificate of

187) Occupancy, or certificate of occupancy permit, or other customary permission to occupy by the

188) Respective governmental body, which shall be conclusive evidence of such completion. The closing

189) Shall take place at the office or location of the seller, or at the office or at the location of the

190) Designated site _____.

191) At closing seller shall deliver to the buyer a foundation survey of the residence indicating no

192) Encroachments across any applicable building or lot lines, (other than any encroachments covered

193) By title insurance endorsements or those encroachments accepted by the title insurance company,

194) Or any other title insurance company licensed to do business within the state in which the property is

195) Located) and shall execute and deliver an affidavit of title in the customary form utilized by the title

196) Insurance company or any other title insurance company licensed to do business in the state in

197) Which the property is located. Buyers are solely responsible for all lender imposed closing fees,

198) Included but not limited to, lender inspections and tax service fees. Home to be delivered in broom

199) Clean condition.

200) Dispute Resolution

201) All claims, disputes and other matters in question arising out of or relating to this agreement, or breach thereof, shall be decided by arbitration, pursuant to the Rules established by the Will-Grundy Home Builders & Associates for the arbitration of such disputes, This paragraph shall be null and void, if at any time of the execution hereof, the contractor is not a member in good standing of the Will-Grundy Home Builders & Associates."

202) General Project Procedures

203) Only subcontractors directly hired by Majestic Home Builders Inc. are allowed on the job site and/or premises

204) Unless specific written permission is given by Majestic Home Builders Inc. The contract price includes one (1)

205) 60 minute meeting per week with the owner or their assigned representative. This assigned representa-

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- tive
- 206) Must be appointed in writing 24 hours previous to the meeting and given the power to act on the owner/s behalf
- 207) And is authorized to perform tasks and authorizations as and for the owner. Any additional meetings will be
- 208) Invoiced at the builders hourly rate of \$125.00 per hour payable immediately upon presentation of the invoice.
- 209) Blueprints, Specifications, and Change Orders
- 210) The home shall be built using the blueprints and written specifications as a guide. In the event of
- 211) Conflict between the blueprints and specifications the written specifications shall prevail. The written
- 212) Specifications shall consist of all notes written on the blueprints by the builder, architect and/or engineer and
- 213) Those contained in this contact. If more than one buyer/owner signs this contract, let it be known only the first
- 214) Signature will be needed to authorize any future documents pertaining to this project, including but not limited
- 215) to
- 216) Change orders and payment authorizations, all owners will be bound.
- 217) And paid for in full. Adjustments may be made to the blueprints and/or the specifications, by the seller and or
- 218) His appointed agents without notice and penalty and furthermore may substitute materials with an equal or
- 219) Better with respect to buyer color selections, (see Conveyance section for further stipulations).
- 220) The home shall have; 5 TV. And 5 phone jacks,
- 221) Basic alarm system to consist of 00 door contacts, 00 motion detectors (non pet) and 00
- 222) Keypad/s. Setup and monitoring fees are buyer's responsibility.
- 223) Appliances to consist of x dishwasher, gas stove, refrigerator, X fan/microwave unit, or
- 224) Allowance Of \$ 0000000 for appliances .
- 225) Carpet allowance is \$ 17.75 per sq. yard .
- 226) Vinyl flooring allowance, \$ 15.00 per sq. yard .
- 227) Hardwood allowance is, \$ 7.25 per sq ft .
- 228) All walls and ceilings will be painted 1 color in flat latex. All finish, i.e. satin, eggshell, and color variations will
- 229) Result in extra charges.
- 230) Landscaping allowance shall be \$00 , or to include final grading, seeding with straw blanket, 1 ornamental
- 231) Tree and 5 bushes, mulch in front and 1 side (3' wide) Sump discharge to be buried and run 10' from house,
- 232) downspouts to discharge to ground .
- 233) All allowances included in the contract are for builder assisted labor and/or material to install or cause to



- be
- 234) Installed various items. These allowances reflect the actual cost of the designated item/s plus nominal
 - 235) Construction management fees, therefore the full amount of the allowance cannot be credited to the buyer as
 - 236) A true credit would be, and items that some allowances are given for, may be, for items that in part or fullness
 - 237) Need to be completed in their entirety to consider the house completed, by the local entity that makes such
 - 238) Determinations. Therefore the builder or his agent will make the final determination for which certain credits
 - 239) Are (1st) allowable and (2nd) the actual amount of those credits.
 - 240) Additional attachments, if none say none. ___ See Addendums _____
 - 241) _____
 - 242) From the date of the signed contract buyers shall have 5 business days for attorney review.

Signed this _____ day of _____ in the year _____.

Seller: _____ Buyer: _____

Addendum
(If applicable)

- (1) ___ This contract replaces any other previous contracts between the parties
- (2) _____
- (3) _____
- (4) _____
- () _____
- () _____
- () _____

Signed this _____ day of _____ in the year of _____.

Seller: _____ Buyer: _____