

## CONTRACT AGREEMENT

Revised 8/12/2015

### **Parties and addendums**

This is a Contract between The ANV Construction Group (Contractor) and

\_\_\_\_\_ (Owner or Homeowner)

residing at \_\_\_\_\_.

Official Contract date and time: \_\_\_\_\_.

The home described below is to be built on \_\_\_\_\_.

There is a purchase time line agreement for this home. The agreement is attached (see initial lock worksheet).

The purchased home and options (if any) are purchased at initial lock, step #1:

#### **A) Property rights**

- 1) All non-construction services rendered are property of the ANV Group. This includes but is not limited to copyrights of floor plans, any marketing such as logos, slogans or the like.
- 2) If the Owner or any related party gives any ideas, suggestions, comments, re-designs, marketing, or the like it, is property of the ANV Group, unless otherwise stated.

#### **B) Liens**

- 1) **Zelnick & Erickson** will be the designated "Mechanics Lien Agent".
- 2) ANV will be responsible for any liens filed against the property if ANV is clearly and with no doubt responsible for paying for services rendered.

#### **C) Mutual release**

##### 1) Earnest Money Deposit

This Contract will be validated with a \$10,000 (ten thousand dollar) Earnest Money Deposit (EMD), which will transfer from the Owners' account to the Contractor's via check. These EMD funds will be considered by the Owners' lender as part of the down payment requirement for their loan and will be treated as a credit by the lender.

##### 2) Before Construction

The Homeowner or Contractor may cancel this Contract for any reason before the start of construction, and they would no longer be bound by the terms of this Contract. If ANV cancels this Contract before lock #3, all monies will be returned. If the Homeowner cancels this

Contract, prior to Lock #3 being ratified \$2,500.00 of the earnest money deposit will be retained by the Contractor as compensation and reimbursement for expenses relating to services rendered by Contractor on behalf of Owner. If the Homeowner cancels the Contract after Lock #3 has been ratified, the Contractor may retain the entire deposit. These include any copyrights, floor plans, home designs, renderings and marketing materials; Owner is expressly forbidden to use any ANV floor plans, designs, elevations, footprints, and all other such proprietary property. Any payments that Contractor has made on behalf of the Homeowner and which have not been paid by the Homeowner will be due and payable to the Contractor by the Homeowner.

In the event that the Owner cancels this Contract, and subsequently enters into a future Contract with Contractor within twelve (12) months, the retained Earnest Money Deposit will be applied to the new Contract deposit.

### 3) Full Release of Deposit

- a.) In the event that the Owner is unable to qualify for financing prior to lock 3 of the Contract being signed, all \$10,000.00 deposit will be returned to the client
- b.) If, after receiving site work estimates, the estimates exceed \$100,000.00 and the Homeowner wishes not to continue, all \$10,000.00 deposit will be return.
- c.) If the client Locks section 3, the Contractor will return some of the \$10,000 deposit based on the Contractors discretion on how much paperwork was completed. The rest will be released.
- d.) If the Owner is able to secure lending and the site work estimate from ANV vendors is less the one hundred thousand dollars, \$2,500.00 is kept by the Contractor in all cases

### 4) During construction

If, for any reason, the Homeowner wants ANV to permanently leave the construction, the Owner shall owe ANV for services rendered based on the line item draw schedule and 11% management fee of the amount of services rendered.

## **D) Payment**

- 1) ANV will always do the work first, and then get paid for their activities. The payment amounts are based on the line item draw schedule to follow.
- 2) A third party inspector, which may be chosen by the Homeowner, will be called to check the status of the work before each draw is released.
- 3) The Homeowner is responsible for the inspection fees. This prevents a conflict of interest with ANV.
- 4) Any funds allocated to the Contractor must be used to make payments to the Contractor. The funds can not be used for any other reasons. Failure to release funds to the Contractor for services rendered and approved though the third party inspector will result in a lien on the property, stoppage

of work on the project, and settlement through arbitration. There will be a \$20,000 project restart fee if the payment is withheld by the Homeowner, resulting in the project being stopped and a lien being issued on the property.

5) Permitting: All counties in the state of Virginia require fees and bonds for new construction. These fees are the sole responsibility of the Homeowner. All fees will need to be paid by check, in full before the permit can be released. No work can start with out a permit. The additional monies required by county must be delivered to the ANV Group.

**(This section pertains to those taking a construction loan)**

1) The Owner is to get a construction loan. ANV does not request information from the lender regarding the loan or the applicant. This includes job description, income, marital status or the like. ANV is to ask the bank if the Homeowner is qualified for the required amount for construction, the suggested amount for site work, and other expenses. ANV is to make sure the Homeowners name and the loan applicants name match. ANV takes no responsibility for any information on the loan application, such as whether or not the Homeowner is in a financial position to purchase the home.

2) It is the Homeowner's responsibility to convert the loan into a traditional mortgage.

3) Once the Contract is finalized and the price is agreed upon, the line item draw schedule is sent to the bank.

4) Once the inspector approves certain activities, the bank will send the funds directly to ANV.

5) The first draw of 5% will be at the time the loan is closed, as stated in the draw schedule agreement, and will account for all architectural drawings, engineering stamps, County management, and administrative fees.

6) The Homeowner can stop future funds for any reason. They must do so via certified mail or similar official notice to both the bank and ANV, with the understanding that construction will come to a halt. However, any work complete is to be paid to the Contractor. The Owner cannot stop funds for work that has been complete unless under arbitration. The definition of what is complete comes from the banks inspector.

7) If the bank, the inspector, and the Contractor agree that certain activities are complete, the funds will then be released to the Contractor. The Homeowner agrees that there will be no need for the Homeowner to sign or approve any notices - either written or verbal - every time a draw is requested. The Homeowner will be notified via the contact information given above. Messages will be left if the Homeowner cannot be reached. Once again, the Homeowner can stop future payments via certified mail or similar official notice, at any time, for any reason.

8) If the Homeowner requests that the job be stopped or the Contractor stops the job for any reason, then any work complete is to be paid to the Contractor immediately. The Owner can not stop funds for work that has been complete unless under arbitration.

9) Should the Homeowner desire to pay for any option outside of the construction loan for work to be performed by ANV, the entire amount of those funds must be paid directly to the ANV Construction group prior to the start of construction.

### **E) Draw schedule process**

1) ANV may pull a draw for any line item that is complete at any time with verification of the inspector.

2) ANV will have completed the line item task at 90% or better in order to receive the payment for that line item. However, the home has to be considered complete (see section O) before final payment may be received by ANV.

3) ANV reserves the right to file a lien on the property if the final draw is not paid within 5 days of an approved final county inspection.

4) The ANV Draw Schedule is an agreement between the ANV Construction Group and the Homeowner. The banks that work with the ANV Group may also require the Homeowner to sign off on their own draw schedule that should be reflective of the ANV draw schedule. This agreement is between the Homeowner and their bank. If the Homeowner's bank does not prepare a draw schedule that is reflective of the ANV Group draw schedule then:

- A. the bank will need to comply with the ANV Group draw schedule to move forward or
- B. The Homeowner will be forced to choose another bank who will work within the terms of the ANV Group draw schedule.

Itemized lists in the draw schedule are shown in a general order to which the draws will be pulled during construction. Occasionally items listed in the ANV draw schedule may be moved and pulled during another draw. No two home projects are executed exactly the same and the draw schedule is created in this manner so that the construction process can be flexible and efficient. The Homeowner is required to follow the ANV Construction draw process. Any fees associated with the bank, including any wire transfer fees for a draw release, will be the responsibility of the Homeowner. ANV will pull 8 draws, total including a soft draw and a final. If any additional draws are required, the bank inspection will be paid for by the ANV Group.

### **F) Discount/commissions**

1) There will be no discounts or third party commissions, including but not limited to: closing discounts, option discounts etc., unless pre-specified at the time of signing of the Contract listed on the initial lock sheet (step #1).

Real estate commissions: (One real estate commission per agent per home)

To receive real estate commission, the Homeowner's real estate agent must fulfill all of the following three conditions:

1) The real estate agent must be listed on the original offer letter and must be present at the first meeting with ANV

2) If the real estate agent is not listed on the original offer letter or was not present for the first

meeting with ANV and one is then later used, it is the responsibility of the Homeowner to pay for the real estate agent's commission and/or fees.

3) The real estate agent must negotiate their commission with the ANV group at the first meeting and must be approved by ANV prior to the first offer letter. The Homeowner must be present at this meeting.

#### **G) Unauthorized construction, trespassing**

1) No construction, except what is in this Contract, can take place anywhere on the property while the Contractor is building, unless it directly relates to the items listed in the Homeowner responsibility section, or unless approved by ANV. This includes, but is not limited to, any attached or detached structures such as garages, additions, apartments, living or non-living spaces, sheds, pools, patios, tree houses etc.

2) Back door deals are not permitted. The Homeowner is not to go to any ANV vendor, tradesman or employee and attempt to request work before during or after the construction on the home is complete. The ANV vendor, tradesman, or direct employee will be terminated without any further notice, the construction on the Homeowner's home will immediately stop, line item tasks will be paid by the Homeowner and ANV will walk away from the construction of the home if a back door deal is made - no exceptions.

3) Any added items, options, or changes, that are not in this Contract and do not have the written consent of the President of The ANV Construction Group will be considered a violation of this Contract and will be removed and/or modified at the expense of the Homeowner.

4) The Contractor does not connect any utilities. The Contractor stubs each line out two to ten feet based on the location the Owner has chosen. It is the Homeowner's responsibility to schedule the utility companies as soon as possible as it can take up to 4-12 weeks for connections. The Homeowner should start this process prior the start of framing during construction.

5) Every non-construction individual, including the Homeowner, can only enter the home at specified scheduled times. Entry at all other times will be considered trespassing, especially when tradesman are on the site. ANV reserves the right to stop construction if it so chooses when this condition is violated.

6) During Construction the Homeowner will not communicate with any ANV employee or ANV vendor except the appointed Superintendent/ Assistant Superintendent. This is intended to insure that proper communication is maintained. Should the Owner violate this condition, the Contractor may consider such a violation a breach of this agreement and has the right to walk away from the project after being paid for the line item schedule.

7) At no time, will the Owner, or any person sent by the Owner, enter the construction site without the prior approval of the Contractor. ANV reserves the right to stop construction if it so chooses when this condition is violated. (This provision pertains to the actual home itself. The Homeowner and the Contractor agree that the Homeowner may be on the property itself, but will not communicate with anyone outside the Superintendent and will not enter the home for any reason whatsoever.)

## H) Time for completion

- 1) Before construction can begin, all locks must be ratified and architectural and engineering drawings must be prepared, reviewed and stamped. The time frame to complete this is 2 to 4 months. ANV provides both a peer reviewer and permit running service (Fairfax County only) to expedite the permitting process. Typical permitting time is 30 to 60 days, but can vary greatly. ANV does not have control over county permitting times.
- 2) The work to be performed by the Contractor shall be substantially completed within 180 to 220 business days from the start of framing. Homes with finished basements will require an additional 30-60 days, estate homes will require an additional 30-60 days, and mansion series homes will require an additional 120-160 days time.
- 3) ANV is not responsible for the Homeowner's expenses for bank extensions in the case that their loan matures prematurely to the acquisition of an occupancy permit for any reason whatsoever.
- 4) The parties agree and acknowledge that due to normal variations in the construction process, including the ordering, manufacturing and installation of the Owner's selections, the completion date may be earlier or later than projected.
- 5) The Contractor will inform the Owner of the final move-in date approximately thirty days before the scheduled completion date. This date is only an estimate as there are too many variables in the construction process to account for an exact timeline.
- 6) The Homeowner understands that before the insulation and drywall and after the electrical, there will be a minimum delay of approximately 3 weeks for county inspections to occur. Inspections may include framing, HVAC, plumbing, electrical, and others, as well as ANV's quality control inspection process.
- 7) ANV will not restart the construction process until all utilities are brought to the home.
- 8) Insulation **will not** be placed into the home until all the pre-drywall inspections (this includes any Homeowner inspections) have taken place and the Homeowner (or Homeowner's vendor) has connected all utilities.
- 9) Utilities are the responsibility of the Homeowner and will not count in the 220 days finish time as stated above.

## I) Placement of building excavation

- 1) The Owner will, at his/her own cost, stake out the foundation on his/her lot using approved grading plans as to the placement and elevation of structure. The Contractor assumes no liability for location of buildings on the lot. The Contractor's responsibility starts at the erection of the foundation.
- 2) The Owner shall, prior to start of construction, provide the Contractor with a grading plan

and survey prepared by a registered professional surveyor or engineer and the Owner shall cause the boundaries and limits of the lot to be marked with stakes or pins installed (brick points highly recommended) upon the lot by a registered professional surveyor or engineer, and the basement to be excavated. The Contractor requires a 4' to 10' over-dig for the foundation and at least a 15' clearance from the edge of the foundation to provide room for construction. Any existing structures in the 15' area, including retaining walls, sheds, garages, homes etc., may be damaged and will not be the responsibility of The ANV Construction Group or its vendors.

3) Any construction entrances, culvert pipes and silt fences that are installed and are damaged during construction are not the responsibility of The ANV Construction Group unless it is determined that the damage was caused by The ANV Construction Group.

4) Lots require proper construction entrances. This is the responsibility of the Homeowner's site work company. Some lots may not be able to have a proper entrance. If a proper entrance can not be made, then it is the Homeowner's responsibility to have the items delivered from the street to the site. If damage occurs to a neighboring property due to delivery trucks, it is the responsibility of the delivery company to make the necessary repairs. If no company claims responsibility or there is no evidence, then it is the Homeowner's responsibility to make the repairs via their site work company. The Homeowner must acquire a Builders Risk Insurance to cover potential damages to include neighboring properties. See section K1

**J) Unusual conditions; compliance with code, custom work**

1) Upon discovery of an unusual condition such as rock, quicksand, water, springs, designs not meeting organizational requirements (such as Home Owners Association or govt. requirements), the Owner shall give notice to the Contractor or the Contractor will give notice to the Owner. If it is a requirement for ANV to adjust the home design or engineering, at that time, ANV and the Homeowner will decide whether to perform the work at an agreed price or terminate the Contract. If the Homeowner wishes to terminate the Contract due to unusual conditions they must do so by sending a certified letter to the Contractor explaining the condition. The Contractor will then:

a) Release the Homeowner from the terms of the Contract. If the certified letter is sent prior to both parties ratifying lock 2 of the Contract, the Contractor will then return \$7,500.00 of the earnest money deposit within 30 business days of receiving the letter.

b) Release the Homeowner from the terms of the Contract. If the certified letter is sent after both parties have ratified lock 3, and the Contractor will then return 1/2 the earnest money deposit within 30 business days of receiving the letter.

c) Release the Homeowner from the terms of the Contract. If the certified letter is sent after lock 4 of the Contract is ratified by both parties, the Contractor will then retain the full earnest money deposit for services rendered.

2) In the event that additional concrete is required for deeper footers because of site conditions, the Owner hereby authorizes the Contractor to supply and install the additional concrete and Owner agrees to compensate the Contractor for any additional costs based on vendor invoices plus a 15% management fee. ANV must have a third party engineering report, or county request.

- 3) The home includes brick and stone 2 feet below the top of the foundation wall. If the Homeowner's grade requires more brick they can then chose exposed foundation wall, or cover that area with matching brick or stone. The price for the brick or stone is listed in the General Options Brochure.
- 4) The home comes standard with two extra wide steps at the front door (three risers) and six eight foot wide steps in the walk up condition. If the home requires more steps, the Homeowner is required to purchase the additional steps (see General Options Brochure)
- 5) Minor adjustments in the field may occur due to engineering, code, and unusual circumstances.
- 6) The Contractor shall have the right to adjust bathroom vanity sizes +/-3 inches based on adjustments in the field due to engineering (truss systems, wall sizes, and county code stipulations).
- 7) ANV is not a custom builder and installs materials only offered in the General Options Brochure. No other materials may be substituted or added.
- 8) ANV must comply with code in reference to standard windows and doors. Depending on local government code restrictions, there may be some changes to the location and/or amount of windows that may be used. The layouts and outlines that the Homeowner chooses may be adjusted to meet these requirements. There will be no credits for standard windows or doors if these adjustments must be made.
- 9) The Homeowner understands that after the utilities are connected to the home, the lights, AC, and/or heating will be run day and night during the remainder of the construction process. It is the Homeowner's responsibility to pay for the service of these utilities during the construction process.
- 10) Standard ceiling heights, upgraded ceiling heights and room dimensions do not account for drywall, floor coverings, concrete slabs, or other options and materials that may affect the dimensions of this feature. Ceiling heights are measured from sub-floor to joist. Room dimensions are measured across the span of wall studs.
- 11) Due to inconsistency and changes at the county level, wind bracing code may affect windows in large rooms such as the family room. Windows may need to be adjusted, sized differently, or omitted due to the engineering related to wind bracing. These adjustments may be necessary if called upon while being reviewed at the county and the changes necessary will require an approval stamp from a structural engineer resulting in an additional 1-2 week time delay during pre-construction.

**K) Insurance risk of loss**

- 1) Homeowner must obtain Builder's Risk insurance regardless of cash or loan purchase prior to start of construction. (See your insurance provider)
- 2) The Owner must maintain insurance on the property during the construction of the home. This insurance is purchased by the landowner (Actual builder). This is a bank requirement if a loan is in place.

3) The builders risk insurance should cover the following: intentional damage, vandalism by a third party, fire, flooding, or other acts of nature. Builders risk protects the Homeowner and builder against claims, actions or suits either at law or equity for injury to persons or damages to property outside of workman's compensation, and general liability. The Owner must obtain Builder's Risk Insurance prior to closing on any construction loan.

4) If this transaction is a commercial real estate but not a retail transaction, general liability insurance may be required by the Homeowner.

#### **L) Substitution of materials**

In the event that the Contractor is unable to obtain the exact materials specified by this agreement through the Contractor's ordinary and usual sources of supply;

1) The Contractor shall have the right to substitute materials of the similar pattern, design, and equal quality and cost, based on the manufacturer.

#### **M) Inspection occupancy**

1) The Contractor shall, at any reasonable time, permit the Owner to inspect the construction of the home. However, the Homeowner shall not be entitled to keys or possession of the building prior to payment of all sums due under this agreement.

2) All cosmetic items such as cracks, dents, chips, scratches, cuts, burns, stains etc., must be noted on the pre-settlement cosmetic and home demonstration inspection. Otherwise the Homeowner releases the Contractor of responsibility for such cosmetic items. However, all warranties still apply. Once movers have entered the home, all cosmetic items will not be fixed unless noted on the pre-settlement itinerary.

3) The ANV Construction Group will not be responsible for settlement of property or home due to normal environmental changes to the construction material or ground conditions. ANV will do its best to correct issues that arise from home settlement at the 120 day inspection. The most common occurrences are nail pops, drywall seams, grout in tiles separating, caulk around tubs / toilets and the like separating, doors and windows sticking, trim joints separating, and small cracks in concrete walls or slabs. Every home will "settle" under any circumstance.

4) If occupancy permit is denied by the local government agency due to incomplete or defective work items for which the Homeowner is responsible, then the Contractor is not responsible in any way, and the Homeowner agrees to release all the funds.

5) The Owner can request to have a third party inspector come at times during the construction process. However, it is understood that the Contractor attempts to fix all issues at once so the best times to do the inspections are at these two times:

A) Before drywall and after insulation.

B) At the Homeowner's cosmetic walk through and home demonstration.

6) The Contractor will have multiple inspections on the home. Three will require the Owner(s) to

be present, or have written documentation that they release the inspection to another party or the other Owner if there are two Owners who signed this Contract as follows:

A) Pre-construction inspection. This meeting will have all options, standard features, grading plans, processes and the like discussed before the construction begins.

B) The pre-settlement and cosmetic walk-through. All cosmetic items have to be noted on this inspection or the cosmetic item will not be warranted.

C) The 120 day inspection. The Contractor will fix all non-essential warranty issues. Essential warranty issues like leaks in pipes or heat not working should be brought to the Contractor's attention right away. ANV will also attempt to fix settlement issues that are not under warranty (see one year warranty item #4). If the Homeowner refuses ANV to run the 120 day inspection for any reason then ANV will not be held responsible to run this inspection in the future, nor will ANV be responsible for fixing any settlement issues that are not under warranty.

6) In no event shall the Owner occupy or take possession before final payment has been made and/or the Owner obtains prior written consent of the Contractor. In the event the Owner breaches this provision the Owner shall be deemed to have accepted the home "as is" and does thereby waive any claims against the Contractor to complete the building. All the warranties will be voided, yet payments will be due until arbitration has been completed.

#### **N) Notice of completion**

Except as set forth above, the Contractor's final payment will be required when constructed in conformity with the plans and specifications or if (1 & 2) or 3 occur:

- 1) An approved final county home inspection (For ANV's responsibilities only)  
(Owner's responsibilities not required for Contractor payment)
- 2) House passes inspection by the lending institution or escrow agent
- 3) The home is being occupied or has gone to the settlement. The Contractor's duty is then complete with warranty and pre-settlement inspection still outstanding to be completed.

#### **O) Limitations of liability**

It is understood and agreed that the Contractor's liability is limited to the information provided in the

- 1) Builder's Uniform One Year Limited Warranty
- 2) Two Year Warranty
- 3) Ten Year Warranty
- 4) ANV does its best to select environmentally conscious products that are used nationally. However, we are not responsible for any material that is environmentally hazardous such as radon, formaldehyde, lead, asbestos or the like. The safety of the material used is the

responsibility of the manufacturer of the products.

**P) Unused materials:** It is understood and agreed that the Owner shall not be entitled to any unused material that has not been incorporated into the construction.

**Q) Agreement not assignable:** This agreement shall not be assigned by the Owner to any other party, or to another lot unless specified in this Contract.

**R) Verbal agreements, Emails, letters, unofficial offers are non-binding.** All changes, addendums, deletions or additions must be approved in writing from the President/Vice President, no other agreements exist. There are thousands of potential combinations. The Owner understands that confusion and pricing mistakes happen often due to the vast potential of combinations. If there are any timelines, promises or the like information agreements, they must be contained in this Contract.

**S) Lenders:** To avoid major delays in the construction process, the Contractor has a mandatory lenders list, unless pre-approved by ANV Management. Therefore, the Contractor reserves the right to void any Contract where a lender other than one approved by the Contractor is used.

**T) Price lock:** Due to the monthly changes in construction material pricing and other outside influence, the ANV Construction Group reserves the right to change the Contract price if the Homeowner does not obtain a building permit within 180 days (six months) of the initial signing of the Contract.

#### **U) Homeowner responsibility**

1) No liability for work outside of ANV's responsibility: ANV assumes no liability for the performance of work done by third party vendors. Any third party vendors recommended by ANV, outside of the contracted scope of work, such as decks, patios, site work, demo, pool, or grading plan vendors, are suggestions for the Owner's benefit or convenience.

2) The Owner has the right to use any certified vendor with the proper licenses and insurances except for lenders, settlement companies, and mechanics lien agents which must be approved by the Contractor.

3) ADVICE NOT BINDING: Any advice about the Owner's responsibility & preferences given by an ANV representative is not in any way the responsibility of the ANV Construction Group. They are just suggestions to the best of our abilities. (such as: color selections, pools, outside vendors, tree services, excavating, and grading plan services).

4) Cleaning and maintaining the gutters after the Homeowner moves in is the sole responsibility of the Homeowner. Gutters of all sizes have the tendency to overflow in severe weather due to the pitch and size of the roof as well as the amount of rain that is falling.

5) Requirements that are shown on the site plans are the sole responsibility of the Homeowner as they are specifically made to adhere within the Counties codes and restrictions related to the plans.

6) It is the Homeowner's responsibility to pay a \$10,000 fee when changes are made to the grading plan that results in changes to the architectural drawings. This change will create

a minimum two week delay as a result. This is only after an approved grading plan has been complete.

7) It is the Homeowners responsibility to purchase a third HVAC zone if the county and/or home require it. Please refer to the General Options Book for pricing on this option. ANV must follow the County and HVAC requirements to pass final inspection.

8) It is the Homeowners sole responsibility to make sure that all potential options that they are interested in are chosen during the correct timelines and locking procedures. All options pricing will have a lock number as well as an item number to identify the option and at what phase of the Contract the option should be purchased. ANV takes no responsibility for options that have not been chosen and signed off on during prior locks that have been ratified. A \$10,000 reopening fee will apply to make any changes to prior locks.

9) Standard windows are typically located on the rear and front of the home as well as the family room and master bedroom. All optional windows and casement windows will be noted as such on the marketing floor plans for the Homeowners to choose. Basement windows will be chosen at lock 4 of the Contract after a preliminary grading plan is complete.

10) It is the sole responsibility of the Homeowner to contact their utility companies and acquire disconnect letters for the purpose of a demo permit. Disconnection from utilities can vary greatly, sometimes 6-16 weeks, and ANV recommends that Homeowners who require this service act on it as early as possible in order to not delay the project.

**V) Utility meters, panels, and connections:**

- 1) All utilities **will** be located as per the Owner's selections made. If the Homeowner has no specific area for the locations of the utilities, ANV will attempt to place the panel in the most common, feasible area.
- 2) Sewer and water should be placed on the grading plan.
- 3) Electrical and gas will be placed, based on the gas tank or the gas meter near the street.
- 4) Electrical will be placed near the garage side of the home as long as there is an electrical pole or meter on that side.
- 5) ANV is not responsible for calling and schedule meetings or service requests with utility companies. This is the responsibility of the Homeowner as they request private information. If a utility stub out has to be moved it will be moved at the expense of the Homeowner.

**W) Start of house:** The Contractor will begin construction approximately two to four weeks after ANV has received an approved building permit, all Homeowner's responsibilities up to this point have been taken care of, and there are no excused delays such as weather or an industry shortage of construction material.

**X) Showing the house:**

1) ANV has the right to show the house to perspective customers during construction and until the final draw has been released to ANV. All perspective customers will be accompanied by an ANV representative.

**Y) Storage in house:** The Homeowner shall not at any time during construction store any items inside the house, its adjoining structures, garage or basement of the home unless approved by ANV and the county.

**Z) Final grade:**

1) Most final grading issues such as landscaping, final driveways, sod, seeding or the like, should be done once the carpet goes in, or as recommended by the superintendent.

2) Equipment and vehicles that destroy sod, seed, planting beds, landscaping, driveways, construction entrance, culvert pipes, etc is not the responsibility of The ANV Construction Group or its trade's people, unless it is determined that damage was caused by The ANV Construction Group or their vendors. The Homeowner agrees to coordinate the scheduling of landscaping with driveway construction with The ANV Construction Group. The Homeowner's failure to notify, cooperate, and coordinate will fully indemnify The ANV Construction Group from any damages.

3) The Homeowner should consult with the project manager or superintendent on the best time for these activities.

**AA) Unfinished basement:**

1) ANV will do our best to clean the unfinished basement. The basement will be swept clean and construction debris will be removed.

2) ANV will not power wash, use any water or seal the basement slab. Lot conditions vary for each individual home.

3) Some basements may be in areas that are susceptible to damp air.

4) Flooding of the unfinished basement is normally caused by the grade of the property outside the home. It is common and in most all cases, causes no damage to the home itself. (See Homeowner responsibility #19)

**AB) Mildew / Mold:**

1) It is the responsibility of the Homeowner to get a mold test, before the home is complete.

2) If there is mold or mildew found, it is the responsibility of ANV to remove it, get another test done, and repeat the process until the mold has been removed to normal levels.

3) If the Homeowner does not get a mold/mildew test done before the construction is complete or within 30 days after the home is turned over to the Owner, they waive their right to collect damages in the future based on mold and/or mildew.

**AC) Arbitration:**

- 1) Any and all claims, disputes or controversies arising under or relating to this Agreement, the services provided, or workmanship, shall go to arbitration based on the provisions of the Federal Arbitration Act 1(9 U.S.C. §1, et seq.)
- 2) A panel of three arbitrators may conduct an arbitration proceeding with the consent of all parties involved.
- 3) The decision of the arbitrators shall be final and binding and may be entered as a judgment in any State or Federal court of competent jurisdiction.
- 4) The decision of two such arbitrators shall be sufficient for a decision.
- 5) The administrative fee charged by the arbitration service shall be borne equally between the parties involved.

**AD) Entire agreement/ other agreement:**

- 1) It is understood and agreed that the entire agreement of the parties is contained in the construction agreement, plans, and specifications.
- 2) The parties warrant that there exists no other agreements, written or oral pertaining to this transaction by anyone in the ANV construction group.
- 3) Any other written agreements required should be signed and dated by both the parties and a witness before finalization of this Contract and must be contained under this agreement. .
- 4) Emails, faxes, verbal agreements, unauthorized notes are non-binding. All agreements must be made in this Contract. Signatures of sales people (Home Advisors) are for commission purposes only, and do not constitute an agreement.
- 5) An ANV officer, Vice President, or Owner has to sign and agree to the Contract, offers, or the like for it them be valid.
- 6) The Contractor reserves the right to refuse to approve changes to the plans and specifications after this agreement is ratified.
- 7) Any changes agreed upon by the Contractor after the loan is closed shall require payment before construction begins.
- 8) Further, such changes may cause delay in completion of construction.
- 9) All change requests must be completed by the finalization of this Contract and before construction begins, unless under unusual conditions. There will be no changes or additions to the Contract after construction begins unless approved by the president of ANV.
- 10) If an option or standard feature is not constructed on Owner's property but has been purchased, the Homeowner will be credited in full for that option.

**AE) Showroom selections:** All items for the home must be selected solely from our showroom or from items provided by The ANV Group. The showroom is by invitation only and there are no substitutions, swaps or credits.

**AF) Natural Products:** All natural products such as hardwood floors, tile, stone, brick, grout, granite and mortar will vary in color, shape, and size. ANV will not be liable for any variation due to these variances.

- 1.) Hardwood floors may crack and will separate at humidity below 30% to 35%. ANV does not warranty hardwood floors due to separation from humidity. If hardwood floor gapping is not noted at pre-settlement walkthrough then all claims made on hardwood floors are null and void.
- 2.) Granite is a product of the earth and is not hand made. Each piece of granite is unique and will vary greatly in color, patterns, and style. ANV will not be held responsible for any Homeowner's granite selections that do not represent the exact color, pattern, and style of the selections made in the ANV showroom.
- 3.) The proper maintenance of all natural products is the responsibility of the Homeowner and ANV will not be held responsible for any natural product installed in the home that is not noted during the final walk through.

**AG) Signage:** The Homeowner agrees to permit ANV to erect an ANV sign on the property prior to the start of construction and as soon as mutually agreeable between parties. ANV will be responsible for any damages or liabilities related to the construction of this sign. The sign will be removed prior to the final move-in date of the Homeowner.

*Note: In rare cases, an ANV Construction Group representative may tell/promise you something that conflicts with this Contract. Please, report this to the management of The ANV Construction Group. The Contract is the only thing that is binding between both parties.*

The Owner acknowledges that the Owner has read and understands this agreement. The Owner agrees to be bound by all of its addendums & items which constitutes an offer to the Contractor and that this agreement shall not be binding upon the Contractor until executed by the President or Vice President, and the \$2,500.00 consideration fee is transferred into an ANV account.

\_\_\_\_\_  
ANV Home Advisor                      Date

\_\_\_\_\_  
Homeowner                                      Date

\_\_\_\_\_  
ANV President/Vice President      Date

\_\_\_\_\_  
Homeowner                                      Date