

RESIDENTIAL SALE CONTRACT

For Newly Constructed and Completed Residence on the Builder's Lot - Revised 09/01/07

THIS DOCUMENT CREATES IMPORTANT LEGAL OBLIGATIONS THAT YOU SHOULD UNDERSTAND PRIOR TO SIGNING. IF YOU ARE UNCERTAIN ABOUT YOUR RIGHTS OR OBLIGATIONS UNDER THIS CONTRACT, YOU MAY WISH TO CONSULT AN ATTORNEY.

1. PARTIES. _____ (the "Builder"), who is a member currently in good standing with the Custom Builders Council of the Greater Houston Builders Association, and _____ (the "Purchaser") (the Purchaser and Builder together will be referred to as the "Parties") are entering into this Residential Sale Contract (called the "Contract") for the purchase and sale of a residential lot and the single-family residence (the "Home"). The purpose of this Contract is (i) to identify the residential lot and the Home that the Builder has constructed, and (ii) to delineate the general obligations and responsibilities of the Parties incident to this transaction.

2. THE CONSIDERATION TO BE EXCHANGED. Purchaser agrees and promises to pay Builder the specified "Purchase Price" as defined below, plus any additional authorized expenditures as may hereafter be agreed upon. In consideration of such payments, the Builder agrees to convey to Purchaser certain improvements, generally described as the Home, on Lot(s) _____, Block _____, Section _____, and located within the residential subdivision known as _____ in _____ County, Texas and having the following street address: _____ (the "Property").

3. ACCEPTANCE OF THE HOME. The Purchaser has inspected the Home to the full extent desired. Based upon that inspection, *and without reliance* on any other considerations, representations or promises by the Builder, if any, the Purchaser has determined that the Property and the Home are fully satisfactory to Purchaser.

4. PURCHASE PRICE AND PAYMENT PROCEDURE. The "Purchase Price," as that term is used in this Contract, is \$ _____. The Purchaser agrees that the components of the Purchase Price listed below shall be payable to Builder as follows:

(a) An initial sum in the amount of \$ _____ (the "Earnest Money") shall be payable upon execution of this Contract, and shall be credited against the Purchase Price. This deposit is refundable only as prescribed in Paragraphs 5, 6, 12 and and 14(a) of this Contract.



This contract form has been promulgated by the Custom Builders Council (the "Council") of the Greater Houston Builders Association (the "GHBA"). Each page should reflect the GHBA logo. This copyrighted form is solely for use by Council members. Its use, or the replication of contract provisions, by non-members is strictly prohibited. You are encouraged to call the GHBA at 281.970.8970 to confirm the Builder is currently in good standing with the Council and the GHBA.

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(b) The sum of \$_____ (the "Construction Fee") shall be payable upon the Purchaser's securing any necessary financing and approval of title as provided in paragraphs 5 and 6 of this Contract, but in any event no later than _____ days from the execution of this Contract. Prior to receipt of the Construction Fee, the Builder will not initiate any new construction activities on behalf of the Purchaser. The Construction Fee includes, *in part*, the sums required for agreed changes to be made to existing construction and supplementation of the amenities presently within the Home that are detailed in the attached Exhibit "A" (the "Modifications"). In some cases, certain Modifications may be assigned specified budgets or allowances for those Modification whose exact costs cannot presently be established. In cases where an allowance is exceeded, the Builder will request the additional sum needed in a written change order and that sum is to be paid upon the Parties' signing of that change order with a like adjustment to the Construction Fee. The Construction Fee shall **not be refundable** under any circumstances except as provided in Paragraphs 12 and 14(a) of this Contract. The Construction Fee is also paid as consideration for the Builder's costs of contract preparation, budget formulation, research related to specially fabricated items, construction and materials deposits, related overhead, etc. If sums specified for allowances for one or more Modifications are not fully consumed, the Purchaser shall receive a credit for such sums against the Purchase Price at the Closing (as defined below).

(c) The Purchaser shall pay the remaining unpaid portion of the Purchase Price (the "Final Payment") when the Modifications are substantially completed and concurrent with the Builder's transfer of title to the Property to the Purchaser (the event of transferring title is referred to as the "Closing"). Purchaser desires that the Closing occur at the offices of _____ (the "Title Company"). **The Purchaser will attend the Closing on the date specified by Builder (with at least five (5) days advance written notice) following completion of the Modifications to the Home, or if no Modifications are required, upon securing the necessary financing under Paragraph 5 below.** If Purchaser fails or refuses to attend the scheduled Closing, Builder may, at Builder's sole option, (i) treat such as a breach of this Contract and retain the Earnest Money and Construction Fee, or (ii) provide the Purchaser with a new date for Closing. If the Builder elects to delay the Closing, Purchaser shall pay the additional ad valorem taxes and interest costs incurred by Builder because of the delay, which are hereby agreed to be \$_____ per day until paid at the rescheduled Closing.

(d) Purchaser is advised that the timetable for completing the Modifications and the Home is subject to events or conditions that are beyond Builder's control such as availability of required labor, materials, and inclement weather that interferes with the scheduling of construction activities, as well as Purchaser's decisions about the particulars (color, style, etc.) of any Change Order ("Excused Delays"). Accordingly, **BUILDER DOES NOT GUARANTEE THE COMPLETION OF THE MODIFICATIONS OR THE HOME ON ANY SPECIFIC DATE.** The existence of minor cosmetic repairs and adjustments shall not delay the Closing.



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5. **FINANCING.** Purchaser has arranged or will arrange for financing, or otherwise has available sufficient funds, to pay the Purchase Price in full. Purchaser agrees to provide Builder written evidence of the availability of such funds or financing within _____ days after executing this Contract. If within that time the Purchaser cannot qualify for the necessary financing, or the Builder is not reasonably satisfied that the financing condition has been met, either party may terminate this Contract by written Notice (as later defined) and Builder will refund all deposits to Purchaser. Absent written notification within the specified time of the Purchaser's access to (or lack of) necessary financing, this financing contingency is **WAIVED**, and Purchaser shall remit the Construction Fee to Builder.

6. **MATTERS AFFECTING TITLE TO THE PROPERTY.** Purchaser is encouraged to secure and review a title report on the Property from the Title Company. Purchaser may object to any title exception other than the Permitted Exceptions provided in Paragraph 13 of this Contract. Purchaser must object to any title exception and give Notice in writing to request that such exception(s) to title be corrected. If Purchaser fails to object to any title exception within _____ days after executing this Contract, any such objections to title exceptions shall be **WAIVED**. The Builder shall not be required to incur any expense incident to its curative efforts. If the defects in title cannot be corrected, or the Builder is required, but chooses not to incur any expense to cure the title defect, the Contract shall be terminated and the Earnest Money (and the Construction Fee, if paid) shall be returned to Purchaser. The return of these deposits shall be the Purchaser's sole remedy for title defects.

7. **SUITABILITY OF BUILDING SITE/FOUNDATION.** Purchaser is advised that the Builder may have contracted with one or more independent professional engineers (the "Engineer") to (i) conduct soils testing, (ii) prepare an engineered foundation plan, and/or (iii) prepare a framing plan for use in constructing the Home. The Builder is not a professional engineer, and has relied on the Engineer's professional judgment as to the soils on the Property, the adequacy of the building pad, the foundation design and the framing plan. The Builder does not warrant and hereby disclaims any responsibility for such tests, reports or plans. The Builder's reliance on the Engineer for such tests, reports or plans shall relieve the Builder from responsibility for or liability to the Purchaser for the raising, shifting, heaving or settling of the soil or the Home, and any consequential damage to the Home or its contents, *provided* the Builder has constructed the Home in substantial compliance with those plans.

8. **PLANS AND SPECIFICATIONS.** The Purchaser understands and acknowledges that the Builder used a specific set of plans and/or specifications (referenced in the attached addenda) in constructing the Home. Nevertheless, minor variances from those plans and/or specifications may exist. The Purchaser's decision to enter into this Contract is, therefore, not premised on the Builder's strict adherence to those plans and/or specifications. Instead, the Purchaser is relying on inspections of the Home performed by and/or on behalf of the Purchaser in making the decision to purchase the Home.



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9. NO FURTHER MODIFICATIONS BY PURCHASER. The Modifications represent agreed changes and supplementation of the amenities presently within the Home. The Builder and its subcontractors will be allowed to perform the Modifications without interference by Purchaser or Purchaser’s agents. If the Purchaser is required, but fails to make any selections needed to implement Modifications within five (5) days from the request by the Builder, Purchaser hereby authorizes Builder (if it so chooses) to make any and all selections that may be necessary to facilitate the construction and ultimate completion of the Home. The Purchaser agrees not to do or cause any work to be done to any portion of the Home or the Property prior to the Closing and Purchaser’s occupancy of the Home, without the Builder’s express written consent. **ACTS OR OMISSIONS OF, OR LOSSES, DAMAGES OR DELAYS CAUSED BY, THIRD PARTIES RETAINED BY PURCHASER SHALL BE THE RESPONSIBILITY OF PURCHASER, NOT BUILDER. THE BUILDER SHALL NOT WARRANT, IN ANY WAY, THE WORK OR MATERIALS PROVIDED BY PERSONS THAT PURCHASER HAS EMPLOYED OR WITH WHOM PURCHASER HAS CONTRACTED.**

10. LIMITED WARRANTY ON HOME. Builder warrants the Home against defects in workmanship and materials, but only in accordance with, and as limited by, the new home warranty document provided by Builder (the “Limited Warranty”) and to be delivered to Purchaser at the Closing. (A copy of the Limited Warranty is included with this Contract). **UPON COMPLETION OF THE MODIFICATIONS AND PURCHASER’S ACCEPTANCE OF THE HOME, IT IS UNDERSTOOD AND AGREED THAT BUILDER’S RESPONSIBILITY FOR THE CONSTRUCTION OF THE HOME IS CONFINED TO AND LIMITED BY THE STATUTORY WARRANTIES AND THE BUILDING AND PERFORMANCE STANDARDS PROMULGATED BY THE TEXAS RESIDENTIAL CONSTRUCTION COMMISSION PURSUANT TO CHAPTER 430 OF THE TEXAS PROPERTY CODE, AS WELL AS THE PERFORMANCE STANDARDS AND REMEDIES PROVIDED IN THE LIMITED WARRANTY. ACCORDINGLY, THE RESOLUTION OF CONSTRUCTION DEFECT CLAIMS FOLLOWING THE PURCHASER’S OCCUPANCY OF THE HOME WILL BE SUBJECT TO THE ABOVE-SPECIFIED WARRANTY STANDARDS.**

As to items not of Builder’s manufacture, such as any air conditioner, water heater, refrigerator, range, dishwasher and other appliances, equipment or “consumer products,” as defined by the Federal Trade Commission, Builder agrees to assign Purchaser the manufacturer’s warranty, without recourse. Purchaser acknowledges and realizes that Builder itself is making no warranty on such items. **TO THE EXTENT ALLOWED BY LAW, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO IMPLIED WARRANTIES OF FITNESS, MERCHANTABILITY, OR GOOD AND WORKMANLIKE CONSTRUCTION, ARE DISCLAIMED.**



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11. LAND USE AND ENVIRONMENTAL DISCLAIMERS. The Purchaser acknowledges the following:

(a) *Adjacent Land Usage.* The Builder is neither responsible for and has no control of the zoning or the use of the land adjacent to or in the vicinity of the Property, and Purchaser acknowledges receipt of a copy of the declarations for any applicable homeowners' association. The Builder also has no control over and is not responsible for any easements on, adjacent to, or in the vicinity of the Property. Purchaser understands that individuals, corporations, and/or utilities may have specific rights granted by those easements, including but not limited to access to and use of the land within the easements, even though such use may not be evident.

(b) *Membership in Property Owners' Association.* As a purchaser of property in the residential community in which the Property is located, the Purchaser is obligated to become a member of a property owners' association. Restrictive covenants governing the use and occupancy of the Property and the Home and a dedicatory instrument governing the establishment, maintenance, and operation of this residential community have been or will be recorded in the Real Property Records of the county in which the Property is located. Copies of the restrictive covenants and dedicatory instrument can be obtained from the county clerk. The Purchaser is obligated to pay assessments to the property owners' association. The amount of the assessments is subject to change. The Purchaser's failure to pay the assessments could result in a lien on, and the foreclosure of, the Property.

(c) *Possible Annexation.* If the Property is located outside the limits of a municipality, the Property may now or later be included in the extraterritorial jurisdiction of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and extraterritorial jurisdiction. To determine if the Property is located within a municipality's extraterritorial jurisdiction, or is likely to be located within a municipality's extraterritorial jurisdiction, the Purchaser should contact all municipalities located in the general proximity of the Property for further information.

(d) *Risks to Vegetation.* Because of the risk of damage or loss that is inherent from construction activities, Purchaser understands that Builder cannot guarantee the viability of trees and vegetation located on the Property. **PURCHASER THEREFORE ACKNOWLEDGES THE AFOREMENTIONED RISK AND HEREBY RELEASES THE BUILDER FROM ANY CLAIMS FOR DAMAGES TO OR LOSS OF TREES AND VEGETATION RESULTING IN WHOLE OR IN PART FROM THE CONSTRUCTION OF THE HOME.**

(e) *Environmental Risk.* **The Builder makes no warranties, express or implied, about existing or future health hazards or environmental conditions on the Property, in the Home, or from adjacent sources, including, but not limited to, exposure to radon gas, electric and magnetic fields, shifting or instability of the soil and contamination of the Home or the surrounding air, water or soil from any sources, in any manner.**

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Purchaser is advised that the continued presence of moisture on components of the Home (from leaks, condensation, spills, etc.) Can cause the propagation of mold, which may cause allergenic reactions and other health problems in some individuals. Upon assuming possession of the Home, the Purchaser is responsible for implementing an inspection and maintenance program for the identification and elimination of moisture in the Home that could give rise to the growth of mold or other conditions detrimental to functioning of the Home or the health of its occupants. Any leak or the presence of moisture that is covered by the Builder's limited warranty will be corrected pursuant to that warranty. Nevertheless, the Purchaser's failure to implement an effective maintenance program or the failure to promptly notify the Builder of warranty claims will negate the Builder's responsibility (if any) for any property damage, personal injury, or other loss, damage or liability resulting directly or indirectly from the presence of mold or other harmful organisms.

12. RISK OF LOSS. Should the Home be substantially or wholly destroyed by fire, windstorm, or other casualty prior to Closing, the Builder will have the option of (i) repairing any damage or (ii) canceling this Contract and returning all sums paid to the Builder by the Purchaser. If Builder opts to rebuild/repair the Home, Builder shall communicate such to Purchaser in writing within twenty (20) days of the loss, otherwise this Contract shall be cancelled and all sums paid to the Builder by the Purchaser shall be returned. Purchaser agrees that it shall have no claim to or interest in any insurance proceeds attributable to the loss.

13. CLOSING. At Closing, the Builder will convey the Property to Purchaser by special warranty deed containing a reference to the limited warranty on the Home as set forth in Paragraph 10 of this Contract. The Property shall be conveyed free and clear of all liens except those created incident to the funding of the Purchaser's purchase money loan (if any) and free of all other limitations except those covenants and restrictions, easements, and other matters of record which affect the Property and are common to the subdivision within which the Property is located (collectively referred to as the "Permitted Exceptions"). Current year's ad valorem taxes will be prorated to the date of Closing. The special warranty deed shall be prepared and filed at the Builder's expense, and Builder shall pay the brokerage commission, if applicable, upon the funding of the Closing. Purchaser shall be responsible for all remaining Closing costs, including but not limited to, the premium for the Owner's and/or Mortgagee's Policy of Title Insurance, any appraisal fees, discount points, prepaid expenses and reserves.

14. RESOLUTION OF DISPUTES. The Parties desire prompt, inexpensive and efficient dispute resolution procedures and therefore agree that their disputes shall be governed by the following:

(a) Pre-Closing Default/Stipulated Damages. If during Builder's completion of the Home and execution of any Modifications the relationship between the Builder and Purchaser becomes so strained, contentious or otherwise unsupportable (through differences of opinion and/or Excused Delays caused by Purchaser) so as to impact and undermine the continued fulfillment of this Contract, then Builder shall have the option to terminate this Contract.



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Upon written Notice from the Builder terminating this Contract pursuant to this Paragraph, Builder shall return all sums paid by the Purchaser to Builder, plus an additional sum of \$ _____, an amount which the parties agree to be a reasonable and foreseeable estimate of the damages that might be experienced by the Purchaser incident to the cancellation of this Contract (it being difficult if not impossible to ascertain those damages). **UPON SUCH TERMINATION OF THIS CONTRACT BY THE BUILDER AND PAYMENT OF THE STIPULATED DAMAGES, NO CAUSE OF ACTION AGAINST BUILDER OR RIGHT TO THE PROPERTY SHALL ACCRUE TO THE PURCHASER.** Additionally, the Builder shall have no further obligation to complete and sell the Home to Purchaser, and Purchaser shall not be obligated to acquire the Home. The Builder is not required to apply the provisions of this Subparagraph (a) to any breach of this Contract by Purchaser.

(b) Re-Purchase Option. Should the Purchaser discover, during the first five (5) years after Closing, one or more defects in the construction of the Home that exceed in the aggregate _____ percent (___%) of the fair market value of the Home, upon receipt of written notice and an opportunity to inspect the defects, the Builder may elect to re-purchase the Home. If the Builder elects this option, the Purchaser shall be reimbursed the Purchase Price and all Closing costs incurred by the Purchaser, plus reimbursement of the cost of any permanent improvements made by the Purchaser to the Home and the Property, reasonable moving expenses to vacate the Home, and reasonable and necessary attorney's fees and inspection costs incurred by the Purchaser to discover, identify and present the construction defects to the Builder. In return, the Purchaser will deliver a Special Warranty Deed conveying the Home and the Property to the Builder, free and clear of all liens and claims and deliver possession of the Home free of any casualty or damage caused by the Purchaser, normal wear and tear excepted.

(c) State of Texas Administrative Resolution. Construction defect claims related to standards of performance under any applicable warranty will be addressed through the administrative procedures established by the Texas Residential Construction Commission Act. The Parties agree to cooperate and to fully participate in the dispute resolution process that is prescribed by that Act prior to initiating any arbitration.

(d) Statutory Notice. This Contract is subject to Chapter 27 of the Texas Property Code. The Provisions of that Chapter may affect the Purchaser's right to recover damages arising from the performance of this contract. If the Purchaser has a complaint concerning a construction defect arising from the performance of this contract and that defect has not been corrected through normal warranty service, the Purchaser must provide notice required by Chapter 27 of the Texas Property Code to the Builder by Certified Mail, return receipt requested, not later than the 60th day before the date the Purchaser initiates a claim to recover damages in an arbitration proceeding. The notice must refer to Chapter 27 of the Texas Property Code, and must describe the construction defect. If requested by the Builder, the Purchaser must provide the Builder an opportunity to inspect and cure the defect as provided by Section 27.004 of the Texas Property Code.



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(e) Mediation-Binding Arbitration/Waiver of Jury Trial. The Purchaser and Builder agree that all controversies, claims (and any related settlements), or matters in question arising out of or relating to (i) this Contract, (ii) any breach or termination of this Contract, (iii) the construction of the Home and/or its repairs, (iv) any acts or omissions by the Builder (and its officers, directors or agents), and/or (v) any actual or purported representations or warranties, express or implied, relating to the Property and/or the Home (herein referred to collectively as a “Dispute”) shall be submitted to binding arbitration. The Parties will attempt to resolve any Dispute through informal discussions, and the Dispute may be submitted to non-binding mediation under the Construction Industry Mediation Rules of the American Arbitration Association (“AAA”). In the event that one or both Parties do not desire to mediate, or the Dispute is not resolved by direct discussions and/or mediation, the Dispute shall be submitted to the AAA for binding arbitration in accordance with the Construction Industry Arbitration Rules of the AAA. The Parties will share equally all filing fees and administrative costs of the arbitration, however, any Award rendered may equitably reallocate those costs. The arbitration shall be governed by Texas law and the U.S. Arbitration Act, 9 U.S.C. §§ 1-16, to the exclusion of any provisions of state law that are inconsistent with the application of the Federal Act.

In rendering the Award, the arbitrator shall state the reasons therefor, including any computations of actual damages or offsets, if applicable. The Parties agree to abide by and fully perform in accordance with any Award rendered by the arbitrator. If the non-prevailing Party fails to comply with all aspects of the Award within thirty (30) days following issuance of the Award, then the prevailing Party shall be entitled to seek enforcement of the Award in any court of competent jurisdiction. If such enforcement becomes necessary, the prevailing Party in such proceeding shall recover its necessary and reasonable attorney's fees, in addition to any other relief to which that Party is entitled.

15. MUTUAL LIMITATION OF CLAIMS AND REMEDIES. The Parties further desire pragmatic and logical limitations on claims and remedies to ensure effective and realistic dispute resolution. Accordingly:

(a) *Limitation of Claims.* Under no circumstances shall either Party be liable for any special, indirect or consequential damages (including claims of mental anguish). Any action or claim, regardless of form, which arises from or relates to this Contract, the Work and/or the Home is barred unless it is brought by Purchaser or Builder not later than two (2) years and one (1) day from the date the claim or cause of action accrues.

(b) *Waiver of Subrogation.* The Parties agree that the Builder shall carry insurance fully protecting the Home during construction. Upon occupancy, the Purchaser shall secure and maintain insurance covering risk of loss and damage to the Home, however caused. The Parties agree to waive the rights of subrogation in favor of each other with respect to any insurance policy for such insured losses or damage to the Home, its contents, or the Property, including any such loss or damage arising from the negligence or other fault of either Party.



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16. NOTICE OF RELIANCE ON WRITTEN INFORMATION FROM THIRD PARTIES. *BUILDER ADVISES PURCHASER THAT THE BUILDER HAS RELIED UPON WRITTEN INFORMATION FROM VARIOUS THIRD PARTIES, ENGINEERS, ARCHITECTS/DESIGNERS, MANUFACTURERS AND GOVERNMENTAL AGENCIES CONCERNING THE PROPERTY AND THE MATERIALS AND COMPONENTS INCORPORATED INTO THE HOME. THIS WRITTEN INFORMATION CONCERNS MATTERS ABOUT WHICH THESE OTHER PARTIES HAVE SPECIAL KNOWLEDGE NOT POSSESSED BY BUILDER, OR WHICH INFORMATION HAS BEEN PROVIDED TO BUILDER OR DISSEMINATED TO THE PUBLIC PURSUANT TO SPECIFIC STATUTORY OR REGULATORY REQUIREMENTS. THIS WRITTEN INFORMATION PERTAINS TO FLOOD ZONES, DEVELOPMENT OF ADJACENT LAND, THE SUITABILITY OF THE PROPERTY AND THE SURROUNDING SUBDIVISION FOR RESIDENTIAL USE, THE ACCURACY OF THE PLANS AND DIMENSIONS THEREIN, AND THE APPROPRIATENESS OF THE MATERIALS AND COMPONENTS INCORPORATED INTO THE HOME, INCLUDING BUT NOT LIMITED TO ROOFING MATERIALS, SIDING, INSULATION, PLUMBING FIXTURES, PIPING, APPLIANCES, AND HVAC COMPONENTS.*

17. BROKERAGE COMMISSION. Builder and Purchaser represent to each other that, unless specified in an attached addendum, there will be no claims for payment from any real estate broker, finder or other party in connection with this Contract. EACH PARTY HEREBY INDEMNIFIES AND AGREES TO HOLD THE OTHER HARMLESS FROM ANY LOSS, LIABILITY, DAMAGE, COST, OR EXPENSE (INCLUDING REASONABLE ATTORNEY’S FEES) RESULTING FROM A BREACH OF THIS REPRESENTATION.

18. ATTORNEYS’ FEES. If either Party employs an attorney in conjunction with a Dispute related to this Contract, a Party who successfully defends or prosecutes any such claim, or portion of a claim is entitled to reimbursement from the other Party for necessary and reasonable attorneys’ fees, arbitration fees, court costs, expert witness fees, and expenses related to the specific claims successfully defended and/or prosecuted, subject to the provisions of Chapter 27 of the Texas Property Code that impose limitations on the recovery of attorney’s fees.

19. NOTICES. Any notice or demand permitted, required, or desired to be given concerning this Contract (“Notice”) shall be in writing and is effective when received by the addressee (whether faxed, delivered, mailed, or transmitted by electronic mail). The addresses for Notice are reflected under the signatures of the Parties.

20. MISCELLANEOUS. Time is of the essence of this Contract and all specified time limits must be met. No waiver of a right provided by this Contract shall be effective unless in writing and signed by the party against whom enforcement of the waiver is sought. No waiver by a party of any breach of any provision of this Contract



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shall be construed as a waiver of any later breach. If any provision of this Contract is determined to be invalid or unenforceable, the remainder of this Contract shall not be affected.

21. ENTIRE CONTRACT/CONTINUING AGREEMENT. This Contract, together with all attachments, contains the entire understanding between Builder and Purchaser with respect to the construction of the Home, and replaces all prior agreements or understandings, if any. BUILDER IS NOT BOUND BY ANY STATEMENT, PROMISE, CONDITION OR STIPULATION NOT SPECIFICALLY SET FORTH IN THIS CONTRACT. No representative of Builder has any authority to make any oral or written statements that modify, add to or change the terms and conditions of this Contract.

PURCHASER REPRESENTS THAT PURCHASER HAS READ AND UNDERSTANDS THIS ENTIRE CONTRACT, INCLUDING THE AGREEMENT FOR BINDING ARBITRATION OF DISPUTES RELATED TO THIS CONTRACT. PURCHASER ALSO REPRESENTS THAT NO VERBAL STATEMENT, PROMISE OR CONDITION NOT SPECIFICALLY SET FORTH IN THIS CONTRACT IS BEING RELIED UPON BY PURCHASER. IT IS ACKNOWLEDGED THAT BUILDER IS RELYING ON THESE REPRESENTATIONS AND WOULD NOT ENTER INTO THIS CONTRACT WITHOUT THIS UNDERSTANDING.

All representations, agreements, indemnities and disclaimers of Builder and Purchaser that are contained in this Contract shall remain in full effect after the Closing, and shall not be replaced or limited by any other document or agreement. This Contract is binding upon the heirs, executors, administrators, successors and assigns of the respective parties, and those persons who would have a claim by, through or under the parties.

22. BUILDER REGISTRATION.

STATE LAW REQUIRES THAT A PERSON HOLD A CERTIFICATE OF REGISTRATION FROM THE TEXAS RESIDENTIAL CONSTRUCTION COMMISSION IF THE PERSON CONTRACTS TO CONSTRUCT A NEW HOME OR IF THE PERSON CONTRACTS TO CONSTRUCT A MATERIAL IMPROVEMENT TO AN EXISTING HOME OR CERTAIN IMPROVEMENTS TO THE INTERIOR OF AN EXISTING HOME AND THE TOTAL COSTS OF THE IMPROVEMENT IS \$10,000 OR MORE (INCLUDING LABOR AND MATERIALS).

YOU MAY CONTACT THE COMMISSION AT 877.651.8722 TO FIND OUT WHETHER THE BUILDER HAS A VALID CERTIFICATE OF REGISTRATION. THE COMMISSION HAS INFORMATION AVAILABLE ON THE HISTORY OF THE BUILDERS, INCLUDING SUSPENSIONS, REVOCATIONS, COMPLAINTS, AND RESOLUTION OF COMPLAINTS.

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THIS CONTRACT IS SUBJECT TO CHAPTER 426, PROPERTY CODE. THE PROVISIONS OF THAT CHAPTER GOVERN THE PROCESS THAT MUST BE FOLLOWED IN THE EVENT A DISPUTE ARISES OUT OF AN ALLEGED CONSTRUCTION DEFECT. IF YOU HAVE A COMPLAINT CONCERNING A CONSTRUCTION DEFECT YOU MAY CONTACT THE COMMISSION AT THE TOLL-FREE TELEPHONE NUMBER TO LEARN HOW TO PROCEED UNDER THE STATE-SPONSORED INSPECTION AND DISPUTE RESOLUTION PROCESS.

EXECUTED in multiple copies this ____ day of _____, 20__.

PURCHASER:

BUILDER: _____

By: _____

Name/Title: _____

Certificate of Registration No. _____

Tel: (____) _____ Fax: (____) _____

Tel: (____) _____ Fax: (____) _____

Email: _____

Email: _____

SCHEDULE OF EXHIBITS

- A - Modifications
- B - Plans & Specifications
- C - Warranty Sample
- D - Insulation Addendum
- E - Brokerage Addendum

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