

CONSTRUCTION CONTRACT

THIS CONSTRUCTION AGREEMENT, herein referred to the "Agreement," and being executed on _____ by and between _____, _____ located at _____, _____ in the County of _____ and whose contact number is _____ whose license number is _____ and _____, _____ located at _____, _____ in the County of _____ and whose contact number is _____.

_____ desires to provide Construction services to _____ and _____ desires to obtain said construction services from _____.

THEREFORE, in consideration of the mutual promises set forth below, _____ and _____ shall agree to the terms and conditions herein contained in this Contract and enumerated as follows:

Detailed Description of Work to Be Performed

_____ agrees to perform in a good and workmanlike manner, all work detailed in the Specifications Sheet which is annexed hereto as Exhibit A, which is incorporated herein by reference. Any modifications or alterations from the herein contained terms and conditions annexed must be done in writing.

Detailed Scope of Work

_____ shall provide all services, materials and labor for the construction of _____ on the property located at _____, _____ hereinafter referred to as the "Worksite."

Detailed Description of Materials to be Used

All materials to be used in the performance of the work herein described in the Specifications Sheet, which has been annexed, must be in writing. All work completed will meet or exceed the Quality Standards for the Professional Builder, as established and set forth by the National Association of Home Builders (www.nahb.org).

In the event that the Contractor is a corporation, then a certificate that the individual executing this contract is duly authorized to sign must accompany this contract.

Price

_____ agrees to complete all work herein described and _____ shall pay the Contractor for the performance of this contract for the total sum of _____ dollars in accordance with the terms of this contract.

Upon the receipt of final payment on this contract, _____ shall be released and discharged from any and all claims against _____ for any work performed hererunder or any alteration hereto.

Payment

_____ agrees to pay _____ interest, at the rate of _____ per annum, on any unpaid balance owed under this contract that is outstanding more than thirty (30) days in the arrears. _____ further agrees to pay all reasonable attorney fees and costs of collection in the event _____ fails to pay _____ any of the amounts due as outlined in EXHIBIT "C."

Checks shall be made payable and sent to:

_____, _____

Commencement and Completion of Work

Contractor will not begin work or order any materials before the third (3) day following the signing of this Agreement, unless otherwise specified here in writing. The Contractor will begin work on, or about _____. Barring any delay caused by circumstances beyond the Contractor's control, the work shall be completed by _____. _____ hereby acknowledges and agrees that the scheduling dates are approximate and that any delay attributable to the presence of hidden conditions or requiring additional work discovered during the course of construction, or delays arising out of the receipt of equipment and/or materials, that are not avoidable by the contractor, shall not be considered as violations of this Agreement.

Any materials to be supplied by _____ shall be delivered to the worksite not less than forty eight (48) hours before the date upon which they will be required by the Contractor in order to continue the work described. Failure of _____ to supply such materials in a timely manner shall also not be considered to be the responsibility of the Contractor.

No Acceleration of Payments – Escrowing Allowed

_____ may not require payments to be made in advance of the time frame specified above for the reason that he deems himself or the payments to be insecure. If, required, as a prerequisite to continuing the work described herein, but the balance of the payments under this contract that are in control of _____ be placed in a joint escrow account that requires the signature of both _____ and _____ for withdrawal.

Insurance

The Contractor agrees to procure and maintain in full force and effect during the term of this Contract, at its own cost, the following coverage:

- Worker's Compensation Insurance as required by the Labor Code of the State of _____ and Employer's Liability Insurance.
- Commercial General Liability Insurance with minimum combined single limits of ONE MILLION DOLLARS (\$1,000,000) each occurrence and ONE MILLION DOLLARS (\$1,000,000) general aggregate. The policy shall be applicable to all premises and operations. The policy shall include coverage for bodily injury, broad form property damage (including completed operations), personal injury (including coverage for contractual and employee acts), blanket contractual, independent contractors, products, and completed operations. The policy shall include coverage for explosion, collapse, and underground hazards.
- Automobile Liability Insurance with minimum combined single limits for bodily injury and property damage of not less than ONE MILLION (\$1,000,000) for any one occurrence, with respect to each of Contractor's owned, hired or non-owned vehicles assigned to or used in performance of the services or work under this Contract.
- Contractor shall procure and maintain, and shall cause any Subcontractor of the Contractor to procure and maintain, the minimum insurance coverage listed herein. Such coverage shall be procured and maintained with forms and insurers acceptable to the Company/Client. All coverage shall be continuously maintained to cover all liability, claims, demands, and other obligations assumed by the Contractor pursuant. In the case of any claims-made policy, the necessary retroactive dates and extended reporting periods shall be procured to maintain such continuous coverage.
- A Certificate of Insurance shall be completed by the Contractor's Insurance Agent(s) as evidence that policies providing the required coverage, condition, and minimum limits are in full force and effect and shall be subject to review and approval by the Company/Client prior to commencement of any services under this Contract. The Certificate shall identify this Contract and shall provide that the coverage afforded under the policies shall not be cancelled, terminated or materially changed until at least thirty (30) days prior written notice has been given to the Company/Client. The Certificate shall name Company/Client, its officers, and its employees as additional insured with respect to the General Liability Insurance. The completed Certificate of Insurance shall be sent to:

_____, _____

- Failure on the part of the Contractor or Subcontractor to procure or maintain policies providing the required coverage, conditions, and minimum limits shall constitute a material Breach of Contract upon which the Company/Client may immediately terminate this Contract, or at its discretion, the Company/Client may procure or renew any such policy or any extended reporting period thereto and may pay any and all premiums in connection therewith, and all monies so paid by the Company/Client shall be repaid by Contractor to the Company/Client upon demand, or Company/Client may offset the cost of the premium against any monies due to Contractor from the Company/Client.
- Company/Client reserves the right to request and receive a certified copy of any policy and any endorsement thereto. Contractor agrees to execute any and all documents necessary to allow the Company/Client access to any and all insurance and endorsements pertaining to this particular job.
- Every policy required above shall be primary insurance, and any insurance carried by the Company/Client, its officers, or its employees shall be excess and not contributory insurance to that provided by the Contractor. The Contractor shall be solely responsible for any deductible losses under the policies required above.
- The Contractor shall not be relieved of any liability, claims, demands, or other obligations assumed pursuant to this Contract by reason of its failure to procure and maintain insurance, or by reason of its failure to procure or maintain insurance in sufficient amounts, duration or types.
- As an independent contractor the Contractor is not entitled to Worker's Compensation benefits under the Company/Client plan. Furthermore, the Contractor is obligated to pay federal and state income tax on any monies' earned pursuant to this contractual relationship.
- The parties hereto understand and agree that the Company/Client, its officers, and its employees, are relying on, and do not waive or intend to waive by any provision of this Contract, the monetary limitation or any other rights, immunities, and protections provided by state and federal laws.

Subcontracting

Contractor agrees that, notwithstanding, any agreement for materials and/or labor between the Contractor and a third party, Contractor is responsible to _____ for completion of all work described in a timely and workmanlike manner.

Construction-Related Permits

The following construction-related permits will be necessary in order to complete the scope of the work included in this Agreement: Building, Plumbing, Electrical, Mechanical, Water, Sewer, Smoke Detector and Gas.

The Contractor, in accordance with current state and federal laws, shall be required to apply for and obtain all construction-related permits. The contractor shall not be deemed responsible for

delays in the work described in this Agreement caused by regulatory, permit granting or inspection agencies, authorities or individuals.

Modification

This Agreement, including the provisions relating to price and payment schedule cannot be changed except by a written statement signed by both _____ and _____. However, cancellation by _____ is allowed in accordance with the Notice of Cancellation as outlined under Rights to Cancellation below.

Rights To Cancellation

The Company/Client has the right to cancel the Contract Agreement, without any penalty or obligation within three (3) business days after signing the contract by ordinary posted mail, by telegram or certified mail, not later than midnight of the third business day of the signing of this agreement.

Warranties

The Contractor agrees to warrant the finished project for one year beginning from the date of completion for one year following. The Contractor agrees to correct any defect during the one (1) year period in a prompt manner from the time the Contractor is notified. The _____ shall notify the Contractor of a defect as soon as the defect is discovered. All notices of defect shall be in writing and shall state with specificity, the defect discovered.

Contractor agrees to provide _____ with all manufacturers' warranties, guarantees, instructional booklets, and other informative literature of the products and materials used in the home.

No employee, agent, or subcontractor is authorized to make any representation or warranty on behalf of the Contractor other than those contained in this Agreement. This warranty is non-transferable.

Miscellaneous Provisions

This Contract is governed by the laws of _____.

Contractor shall not assign this contract. The provisions of the Contract are binding on the heirs, successors or assignees of the parties.

The rights and remedies available under this Contract shall be in addition to any rights and remedies allowed by law.

No failure to enforce any provision of this Contract on account of any breach thereof shall be considered as a waiver of any right to enforce provisions of this Contract concerning any subsequent or continuing breach.

The terms of this Agreement shall remain in full force and effect following final payment.

Completeness of Agreement for Execution

_____ is hereby advised they should not sign this Agreement unless all blank sections have been filled in or marked as void, delete or as not being applicable, and until all exhibits and related or referenced documents that are incorporated herein and attached hereto.

Copy of Agreement to Be Given to Company/Client

This Agreement is governed by current state and federal laws. It must be executed in duplicate, and an original signed copy hereof given to the Company/Client at the time of execution. No work under this Agreement shall begin prior to the signing of this Agreement and transmitted to the Company/Client of copy thereof.

Agreement to Arbitrate in the Extent of Dispute

The Contractor and the Company/Client hereby mutually agree in advance that in the event that the Contractor has a dispute concerning this contract, the contractor may submit such dispute to either the American Arbitration Association or to such other private arbitration service which has been approved by the secretary of the Executive of Consumer Affairs and Business Regulations and the consumer shall be required to submit to such arbitration as provided under current state and federal laws. The decision and award of the arbitrator shall be final. The costs of such proceedings shall be borne equally by both parties.

Severability Clause

The provisions of the Contract shall be deemed to be severable, and if any term, condition, phrase or portion of the Contract shall be determined to be unlawful or otherwise unenforceable, the remainder of the Contract shall remain in full force and effect, so long as the clause severed does not affect the intent of the parties.

Indemnification

The _____ agrees to indemnify and hold harmless _____ and its employees, from and against all liability, claims, demands, and expenses, including court costs and attorney fees, on account of any injury, loss or damage, which may arise out of or are in any manner connected with the work to be performed under this Contract, if any such injury, loss or damage is cause in whole or in part by, or is claimed to be caused in whole or in part by, the negligent acts, errors, or omissions of the Contractor, any Subcontractor of the Contractor, or any officer, employee, or agent of the Contractor. The obligations of this Section shall not apply to damages which _____ shall become liable by final judgment to pay to a third party as the result of the negligent act, error or omission of _____

Executed as our free act and deed on _____.

(Contractor Signature)

(_____)

(Client/Company Signature)

_____)

(Client/Company Signature)

_____)

This contract shall be considered null and void if it is not signed and returned to _____ within ten (10) business days from the date of the contract.

EXHIBIT A
SPECIFICATIONS SHEET

WORK DESCRIPTION

Design and construct a _____ with the following plan details:

ENGINEERING

Prepare and stake off area prior to commencement of work. Survey and draft a design and plan for submission for the Building Department. _____

PLANS & PERMITS

_____ shall supply all required building plans to apply for a building permit from the City of _____ in the Municipality or Township of _____. The plans shall consist of all items necessary to complete the _____.

construction work under this contract. The building permit shall consist of, but not limited to, water, sewer, electric, plumbing and mechanical permit.

LANDCLEARING

Remove the desired trees and shrubbery from the site; all branches shall be ground up and left on site. Any tree stumps shall be dug up and removed from the site to a legal disposal area.

EXCAVATION

SITE WORK

FOUNDATION

CONCRETE FLOORING

FRAMING

Frame the structure in accordance to the approved plans and shall be constructed using the following materials:

ROOFING

WINDOWS

EXTERIOR & INTERIOR DOORS

GARAGE DOORS

BRICKWORK

FIREPLACE

VENTILATION

ELECTRICAL

PLUMBING

HEATING

GAS LINES

CENTRAL VACUUM

SECURITY SYSTEM

AIR CONDITONING

INSULATION

WALL FINISH

INTERIOR TRIM

CABINETS

PAINTING

FLOORING

LANDSCAPING

SPRINKLER SYSTEM

EXTERIOR WALKWAYS

DRIVEWAY

DECK or PORCH

APPLIANCES

BATHROOM

FENCING

TILE

DUCT WORK

MISCELLANEOUS

EXHIBIT B

CORPORATION CERTIFICATE OF AUTHORIZATION

We, _____, Presiding Officer and _____, Secretary of the meeting of the Board of Directors held on _____, a quorum being present, said committee, by majority vote of the members present, did resolve and authorize that _____ as _____ of the Corporation, is authorized and directed to execute and deliver the Agreement on behalf of the Corporation and to do and perform all acts and things which s/he deems to be necessary or appropriate to carry out the terms of the Agreement and documents contemplated by the Agreement.

The undersigned further certifies that _____ now holds the office of _____ and s/he has held that office since _____.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Authority on _____.

Secretary Signature: _____
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EXHIBIT C
PAYMENT SCHEDULE

<u>WORK DESCRIPTION</u>	<u>PERCENT PAYABLE OF TOTAL COST</u>
Deposit to Begin Work	_____ %
Foundation Completion	_____ %
House Deck Completion	_____ %
Framing Completion	_____ %
Roof Sheathing	_____ %
Windows Installed	_____ %
Roofing Completion	_____ %
Brick Delivered & Started	_____ %
Brickwork Completed	_____ %
Plumbing Roughed	_____ %
Electric Roughed	_____ %
Rough Heating System Completed	_____ %
Insulation Completed	_____ %
Plasterwork Completed	_____ %
Finish Heating Completed	_____ %
Interior Trim Installed	_____ %
Interior Doors Installed	_____ %
Kitchen Cabinets & Tops Installed	_____ %
Concrete Floor Completed	_____ %

Ceramic Tile Flooring Completed	_____	%
Carpeting Completed	_____	%
Finish Plumbing Fixtures Completed	_____	%
Bathroom Cabinets & Counter Completed	_____	%
Finish Electric Completed	_____	%
Interior Painting Completed	_____	%
Landscaping Completed	_____	%
Driveway Completed	_____	%
Appliances Installed	_____	%
Sprinkler System Installed	_____	%
Occupancy Permit	_____	%
Final Company/Client Inspection	_____	%

Upon final inspection, the Company/Client shall submit, in writing, a punch list of any item that may need attention by the contractor upon the completion of substantial construction. At that time, the contractor will make any needed adjustments to satisfy the aforementioned punch list as soon as possible. Upon completion of the punch list, the Company/Client will do a final walk through and sign off for payment of the balance of the contract which shall be due.

All selections of materials shall be made from the contractor's vendors and suppliers. Any overages on the allowances given will be charged a 10% fee to cover the contractor's overhead and profit.

Company/Client agrees not to take occupancy of the premises until the contractor has been paid in full unless the contractor has provided written permission to the Company/Client.