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CONSTRUCTION CONTRACT

This Construction Agreement (Agreement) is made and entered into this _____ day of _____, 200____,

by and between _____, (Owner),

and _____, (Contractor).

WHEREAS

The Contractor has represented to the Owner that the Contractor has the necessary qualifications, experience and abilities to provide services to the Owner.

The Owner is agreeable to engaging the services of the Contractor, on the terms and conditions as set out in this Agreement

IN CONSIDERATION OF the matters described below and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the parties to this Agreement agree as follows:

SECTION ONE

STRUCTURE AND SITE

Contractor shall furnish all labor and materials necessary to construct a

_____, upon the

following described property, which owner warrants he owns, free and clear of liens and encumbrances. The property is located at:

SECTION TWO

PLANS

Contractor shall construct the structure in conformance with the plans, specifications; breakdown and binder receipt signed by contractor and owner, and will do so in a workmanlike manner. Contractor is not responsible for furnishing any improvements other than the structure, such as landscaping, grading, walkways, painting, sewer or water systems, steps, driveways, patios and aprons, etc., unless they are specifically stated in the breakdown.

SECTION THREE

PAYMENT

Owner shall pay contractor the sum of _____ Dollars (\$_____) in installments as set forth in the escrow instructions or the primary lender's schedule (whichever is applicable) signed by owner. If required by Owner as a condition to payment, each progress billing shall be accompanied by receipted invoices; by releases or waivers of lien, duly executed by each subcontractor and materialman, covering labor and materials furnished through the last day of the period for which Owner has previously made progress payments; and/or such other reasonable information and documentation as Owner may require.

3.1 Late Payments

If any payment is not made to Contractor as required under SECTION THREE of this Agreement, Contractor may suspend work until such payment is made. Without prejudice to the Contractor's right to cease work upon default of payment by the Owner, if any of the installments set out in the payment schedule shall remain unpaid by the Owner at the expiration of Fourteen (14) days from the date of the Contractor's notification of claim on progressive payment, interest on such unpaid installment(s) shall commence immediately thereafter and be payable by the Owner, such interest to be calculated at the rate of ten percent (10%) per annum from the due date until the date of full payment, or, if less, the maximum rate of interest allowed by law. No interest shall accrue on monies withheld to the extent they relate to work subject of a bona fide dispute

SECTION FOUR

PREPARATION

Prior to the start of construction, owner shall provide a clear, accessible building site, properly excavated and correctly zoned for the structure, and shall identify the boundaries of owner's property by stakes at all corners. Owner shall maintain such stakes in proper position throughout construction. In the event contractor cannot obtain a building permit within thirty (30) days of the date of this agreement, contractor may declare the agreement of no further force or effect.

SECTION FIVE

UTILITIES

Prior to the start of construction, and at all times during construction, owner shall provide and maintain, at owner's sole expense, an all-weather roadway to the building site, and water and electrical service, including 220 amp outlet. Owner shall, at owner's expense, connect permanent electrical service, gas service or oil service, whichever is applicable, and tanks and lines to the structure upon acceptable cover inspection and prior to wall covering. Owner shall, at owner's expense, connect sewage disposal and water lines to the structure within fifteen (15) days after the rough plumbing is complete.

SECTION SIX

RESPONSIBILITY / INDEMNITY

Contractor shall not be responsible for claims arising out of improper placement or positioning of boundary stakes or house stakes; nor shall contractor be responsible for damages to persons or property occasioned by owner or his agents, third parties, acts of God or other causes beyond contractor's control. Owner shall hold contractor completely harmless from, and shall indemnify contractor for, all costs, damages, losses, and expenses, including judgments and attorneys fees, resulting from claims arising from causes enumerated in this paragraph.

SECTION SEVEN

POSSESSION

Owner shall not have possession of the structure until such time as all payments or other obligations required to them as set forth in this agreement have been fully paid or performed by them. If possession of structure is taken by owner before the above obligations are met, without the written consent of contractor, it shall be considered as acceptance of the structure, by the owner, as complete and satisfactory.

SECTION EIGHT

FINANCING

Owner agrees to promptly complete the necessary requirements to obtain financing and to prepare the site for construction.

SECTION NINE

INSURANCE

9.1 Unless otherwise provided, Owner shall purchase and maintain property insurance upon the entire Work at the site to the full insurable value. This insurance shall include the interest of the owner, Contractor, Subcontractors in the Work and shall insure against the perils of Fire, Vandalism and Malicious Mischief. This insurance does not cover construction tools and equipment and temporary construction facilities owned by Contractor or his Subcontractors.

9.2 Before any work is started, Contractor must satisfactorily furnish to owner evidence of insurance coverage by executing a Certificate of Insurance. Contractor shall maintain insurance in such amounts and for such coverages as shown on the Certificate of Insurance until final completion of the Work and shall ensure that Owner is added as additional insured on the coverage.

9.3 Contractor shall require any and all subcontractors to purchase and maintain liability insurance.

SECTION TEN

PERMITS, LAWS AND TAXES

Contractor, at its expense, shall obtain all licenses, permits and authorizations required for the prosecution of the Work, shall comply with all federal, state and local laws, codes and regulations which apply to the Work, and shall pay all taxes, including sales and use taxes which pertain to the Work.

SECTION ELEVEN

CLEANING UP

Contractor shall at all times keep the Work site free from accumulations of waste material or rubbish. At the completion of the Work, Contractor shall remove all of its construction equipment, tools, surplus materials, personal belongings, waste materials and rubbish from the Work site. Contractor shall also clean all glass surfaces and leave the Work site "broom clean" or its reasonable equivalent.

SECTION TWELVE

ACCOUNTING RECORDS

The Contractor shall keep efficient and accurate records of all costs incurred in performing the work, including all alterations, additions or deductions, for a period of two (2) years after said work is performed. The Owner or its authorized representative shall have the right at its request to audit and inspect all such records during the above period.

SECTION THIRTEEN

FORCE MAJEURE

Neither party shall be considered in default of this Agreement or be liable for damages, for any failure of performance hereunder occasioned by an act of God, force of nature, war or warlike activity, insurrection or civil commotion, labor dispute, transportation delay, governmental regulatory action whether or not with proper authority or other cause similar or dissimilar to the foregoing and beyond its reasonable control, provided the party so affected gives prompt notice to the other.

SECTION FOURTEEN

GENERAL

14.1 Assignment

Neither the Owner nor Contractor shall have the right to assign any rights or interest occurring under this agreement without the written consent of the other, nor shall the Contractor assign any sums due, or to become due, to him under the provisions of this agreement.

14.2 Termination

The Owner shall have the right to terminate the work for any reason, upon notice in writing to the Contractor. Should the Owner exercise this right in accordance with the terms of this Agreement, Contractor shall be paid its actual costs for the portion of work performed to the date of termination and for all incurred costs of termination, including but not limited to demobilization and any termination charges by vendors and subcontractors.

14.3 Notice

Any notice or other communication required or permitted hereunder shall be in writing and shall be deemed given and received on the date of delivery or on the third (3rd) business day following the day of mailing of the same, or on the day of fax transmission or other form of recorded communication service. All such notices shall be addressed as follows:

If to Owner:

If to Contractor:

or such other address as may be designated by either party by written notice to the other as hereinabove provided.

14.4 Relationships

The parties are independent contractors, and nothing in this Agreement shall be deemed or construed to create, or have been intended to create a partnership, joint venture, employment or agency relationship between the parties. Each party agrees that it neither has nor will give the appearance or impression of possessing the legal authority to bind or to commit any other party in any way except as provided in this Agreement.

14.5 Interpretation

This Agreement has been fully reviewed and negotiated by the parties and their respective legal counsel. Accordingly, in interpreting this Agreement, no weight shall be placed upon which party or its counsel drafted the provision being interpreted.

14.6 Modification

No provision of this Agreement or the documents referred to in Sections Two and Three may be modified, waived or amended except by a written instrument duly executed by each of the parties.

14.7 Counterparts

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

14.8 Waiver

Any failure on the part of either party to insist upon the performance of this Agreement or any part of this Agreement, shall not constitute a waiver of any right under this Agreement.

14.9 Survival

All representations made herein shall survive the termination of this Agreement and shall remain in full force and effect. All of a party's rights and privileges, to the extent they are fairly attributable to events or conditions occurring or existing on or prior to the termination of this Agreement, shall survive termination and shall be enforceable by such party and its successors and assigns.

14.10 Attorney fees

Attorney's fees and court costs shall be paid by the defendant in the event that judgment must be, and is, obtained to enforce this agreement or any breach thereof.

14.11 Entire Agreement

This Agreement represents the entire agreement between the Contractor and the Owner regarding the work described herein, and supersedes any prior written or oral agreements, contracts or representations as to that work. There are no understandings or agreements between contractor and owner other than those set forth in this agreement and in the documents referred to in Sections Two and Three.

14.12 Own Will

The parties have entered into this Agreement in their own will and no statement, representation or promise has been made to induce either party to enter into this agreement.

14.13 Confidentiality

Except as otherwise required by applicable federal and state securities laws, each party shall keep the information regarding the details of this Agreement confidential.

14.14 Headings

Headings are inserted for the convenience of the parties only and are not to be considered when interpreting this Agreement.

14.15 Gender

Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

14.16 Severability

If any provision of this Agreement is held to be or becomes invalid, illegal, or unenforceable, such provision or provisions shall be reformed to approximate as nearly as possible the intent of the parties, and the remainder of this Agreement shall not be affected and shall remain valid and enforceable to the greatest extent permitted by law.

14.17 Choice of Law

The substantive laws of the State of _____ applicable to contracts shall govern (i) the validity and interpretation of this Agreement, (ii) the performance by the parties of their respective obligations hereunder, and (iii) all other causes of action (whether sounding in contract or in tort) arising out of or relating to this Agreement or the termination of this Agreement.

IN WITNESS WHEREOF, the parties set their hands and seals the day and year first written above.

OWNER'S NAME: _____

OWNER'S ADDRESS: _____

OWNER'S PHONE NUMBER _____

OWNER'S SIGNATURE: _____

CONTRACTOR'S NAME: _____

CONTRACTOR'S ADDRESS: _____

CONTRACTOR'S LICENSE NUMBER: _____

CONTRACTOR'S PHONE NUMBER: _____

CONTRACTOR'S SIGNATURE: _____

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* Your State law may require anyone who contracts to do construction work to be licensed by the Contractors' State License Board in the license category in which the Contractor is going to be working – if the total price of the job is \$500 or more (including labor and materials).

* Your State law may require specific language regarding mechanic's lien rights be included in a construction contract with the Owner in order to preserve the Contractor's lien rights.