

CONSTRUCTION CONTRACT

1. 1. Parties and Project

This Construction Contract (the "Contract") is made effective as of [EFFECTIVE DATE] between [OWNER NAME], located at [OWNER ADDRESS] (the "Owner"), and [CONTRACTOR NAME], a [ENTITY TYPE] holding contractor license number [LICENSE NUMBER] and located at [CONTRACTOR ADDRESS] (the "Contractor"). The Contractor will perform the work described in Section 2 at the property located at [PROJECT ADDRESS], legally described as [LEGAL DESCRIPTION OR PARCEL NUMBER] (the "Project"). The Owner and the Contractor are referred to individually as a "Party" and together as the "Parties." Each Party represents that the person signing below has authority to bind it. Notices are effective when delivered in writing to the addresses above and to [OWNER EMAIL] and [CONTRACTOR EMAIL].

2. 2. Scope of Work, Plans, and Specifications

The Contractor will furnish all labor, materials, equipment, supervision, and services necessary to complete the following work: [SCOPE OF WORK DESCRIPTION] (the "Work"). The Work is performed in accordance with the drawings prepared by [DESIGNER OR ARCHITECT NAME] dated [PLAN DATE], sheets [SHEET NUMBERS], and the written specifications attached as Exhibit A. Work that is not shown on those documents and not listed in Exhibit A is excluded, including [EXPRESS EXCLUSIONS, e.g., landscaping, appliances, window coverings, off-site improvements, hazardous material abatement]. The Contractor will perform the Work in a good and workmanlike manner consistent with the standards of the trade in [PROJECT COUNTY AND STATE].

3. 3. Contract Documents and Order of Precedence

The Contract Documents consist of this Contract, Exhibit A (specifications and allowances), Exhibit B (draw schedule), the drawings identified in Section 2, and any change order signed by both Parties. Together they form the entire agreement for the Project and replace all prior bids, proposals, estimates, and conversations. If the documents conflict, they control in the following order: signed change orders (most recent first), this Contract, the specifications, and then the drawings. Figured dimensions on the drawings control over scaled dimensions. The Contractor will notify the Owner in writing before proceeding with any work affected by a conflict, error, or omission discovered in the Contract Documents.

4. 4. Permits, Licensing, and Code Compliance

The Contractor will obtain and pay for the building permit and the trade permits required for the Work, and the permit fees are [INCLUDED IN / IN ADDITION TO] the Contract Price as stated in Exhibit A. The Owner will obtain and pay for any zoning variance, easement, homeowners association approval, or historic district approval required for the Project, and the Contractor is not responsible for delay caused by those approvals. The Contractor will perform the Work in compliance with the building codes and regulations in effect at the Project Address and will schedule all required inspections. The Contractor holds license number [LICENSE NUMBER] issued by [LICENSING AUTHORITY] and will keep that license and any required bond in force for the duration of the Work.

5. 5. Contract Price and Payment Schedule

The Owner will pay the Contractor a total Contract Price of [CONTRACT PRICE], structured as a [FIXED PRICE / COST PLUS [FEE PERCENTAGE] / GUARANTEED MAXIMUM PRICE OF [GMP AMOUNT]]. The Contract Price is payable in draws tied to the milestones in Exhibit B, for example: [DEPOSIT AMOUNT] on signing, [DRAW 1 AMOUNT] at completion of [MILESTONE 1, e.g., foundation and rough grading], [DRAW 2

AMOUNT] at completion of [MILESTONE 2, e.g., framing and dry-in], [DRAW 3 AMOUNT] at completion of [MILESTONE 3, e.g., rough mechanical, electrical, and plumbing inspections], and the balance at Substantial Completion. The Contractor will submit a written draw request identifying the milestone completed, and the Owner will pay within [PAYMENT TERM, e.g., 7 days] of receipt. Amounts not paid when due accrue interest at [LATE FEE PERCENTAGE] per month or the maximum rate permitted by applicable law, whichever is less, and the Contractor may suspend the Work after [SUSPENSION NOTICE, e.g., 7 days] written notice of nonpayment.

6. 6. Retainage, Punch List, and Final Payment

The Owner may withhold retainage of [RETAINAGE PERCENTAGE, e.g., 5 percent] from each draw, held until Final Completion. Substantial Completion occurs when the Work is sufficiently complete that the Owner can occupy or use the Project for its intended purpose and the governing authority has issued a certificate of occupancy or final inspection approval where required. Within [PUNCH LIST PERIOD, e.g., 7 days] after Substantial Completion, the Parties will jointly prepare a written punch list of remaining items, and the Contractor will complete those items within [PUNCH LIST COMPLETION PERIOD, e.g., 30 days]. Final payment, including retainage, is due within [FINAL PAYMENT TERM, e.g., 10 days] after the punch list is complete and the Contractor delivers final lien waivers, warranties, and operating manuals. The Owner may withhold from final payment only an amount reasonably related to specific incomplete or defective items identified in writing.

7. 7. Change Orders

Any change to the scope, materials, schedule, or price of the Work requires a written change order signed by both Parties before the changed work begins. Each change order will state the description of the change, the adjustment to the Contract Price, and the adjustment to the completion date. Changes are priced at [CHANGE ORDER PRICING, e.g., a fixed quoted amount, or cost of labor and materials plus [MARKUP PERCENTAGE] overhead and profit]. Verbal instructions, text messages, and field directions do not modify this Contract, and the Contractor is not obligated to perform changed work without a signed change order. If a change is required by a building official, an inspector, or an unforeseen condition, the Contractor will stop the affected work, notify the Owner in writing within [NOTICE PERIOD, e.g., 3 business days], and proceed only after a change order is signed, except where immediate action is necessary to protect life or property.

8. 8. Schedule, Delays, and Weather

The Contractor will begin the Work on or about [START DATE] and will achieve Substantial Completion on or about [COMPLETION DATE], subject to permitted extensions. The completion date extends day for day for delays caused by change orders, unforeseen or concealed site conditions, acts or omissions of the Owner or of separate contractors hired by the Owner, delayed inspections or approvals, material shortages or supply chain interruptions outside the reasonable control of the Contractor, labor disputes, and weather that is unusually severe for the season at the Project location. The Contractor will notify the Owner in writing of a delay and the estimated extension within [DELAY NOTICE PERIOD, e.g., 5 days] of learning of it. Time-related damages, if any, are limited to [LIQUIDATED DAMAGES AMOUNT] per day beginning [DAYS AFTER ADJUSTED COMPLETION DATE], and are the only remedy for late completion.

9. 9. Site Conditions, Utilities, and Hazardous Materials

The Owner will provide the Contractor with reasonable access to the Project during working hours of [WORKING HOURS] on [WORKING DAYS], along with reasonable use of on-site water and electricity at no charge and a location for a dumpster, material storage, and any required temporary facilities. The Owner will identify in writing all known underground utilities, septic systems, wells, private lines, easements, and buried structures, and the Contractor will call the applicable utility locate service before excavating. If the Contractor encounters a concealed

or unforeseen condition that differs materially from what was reasonably expected — including rot, undocumented structural framing, unmarked utilities, rock, groundwater, failing soils, or code violations from earlier work — the Contractor will promptly notify the Owner and the additional work will be handled as a change order under Section 7. The Contractor is not responsible for damage to items the Owner did not disclose and that were not reasonably visible. This Contract does not include the testing, handling, removal, encapsulation, or disposal of hazardous materials, including asbestos, lead-based paint, mold, contaminated soil, or underground storage tanks; if the Contractor encounters or reasonably suspects any of them, it will stop work in the affected area, secure it, and notify the Owner immediately, and the Owner is responsible for engaging a licensed specialist to test and, where required, abate the material at the expense of the Owner, with the schedule extending for the duration of that work and the affected work resuming only after written clearance. Nothing in this section limits the obligation of the Contractor to comply with applicable renovation, repair, and painting rules for pre-1978 housing where those rules apply to the Work.

10. 10. Insurance and Workers Compensation

Before starting the Work, the Contractor will obtain and maintain, at its own expense, commercial general liability insurance of at least [GENERAL LIABILITY LIMIT, e.g., \$1,000,000 per occurrence and \$2,000,000 aggregate], automobile liability of at least [AUTO LIABILITY LIMIT], and workers compensation coverage at statutory limits for all of its employees. The Contractor will require every subcontractor to carry comparable coverage. On request, the Contractor will deliver certificates of insurance naming the Owner as an additional insured on the general liability policy for the duration of the Work. The Owner will maintain property insurance on the existing structure and, where the Project requires it, builders risk insurance covering the Work in place and materials stored on site. Each Party will notify the other promptly of any cancellation or material reduction in the coverage required by this section.

11. 11. Subcontractors, Suppliers, and Lien Waivers

The Contractor may engage subcontractors and suppliers of its choosing and remains fully responsible for their work, their conduct on site, and their payment. The Contractor will pay all subcontractors, suppliers, and laborers for amounts covered by draws received from the Owner. With each draw request after the first, the Contractor will deliver conditional lien waivers for the current period and unconditional lien waivers for amounts previously paid, from itself and from each subcontractor and supplier furnishing more than [WAIVER THRESHOLD] in labor or materials. The Contractor will keep the Project free of liens arising from its work and will discharge, bond around, or otherwise remove any such lien within [LIEN REMOVAL PERIOD, e.g., 15 days] after written notice from the Owner. The Owner may withhold from a draw an amount sufficient to cover any lien or claim of which it has notice.

12. 12. Warranty

The Contractor warrants that the Work will be free from defects in workmanship for [LABOR WARRANTY PERIOD, e.g., one year] from the date of Substantial Completion. Materials, appliances, fixtures, and equipment carry only the warranties provided by their manufacturers, which the Contractor will assign or pass through to the Owner at Final Completion; the Contractor makes no independent warranty on those items. The Owner must report a warranty claim in writing during the warranty period, and the Contractor will inspect within [WARRANTY RESPONSE PERIOD, e.g., 10 days] and repair or replace defective Work at no charge. This warranty does not cover damage from ordinary wear, normal settlement and shrinkage, lack of maintenance, misuse, alterations or repairs by others, acts of nature, or work performed by the Owner or by contractors the Owner engaged directly. Statutory warranty rights that cannot be waived under applicable law are not affected by this section.

13. 13. Cleanup, Debris, and Site Safety

The Contractor will keep the Project reasonably free of accumulated waste and debris during the Work and will remove all construction debris, packaging, surplus materials, and tools at completion, leaving the Project in broom-clean condition. Debris will be disposed of lawfully and hauling is [INCLUDED IN / BILLED SEPARATELY FROM] the Contract Price. The Contractor is responsible for the safety of its own means, methods, sequences, and procedures, for compliance with applicable occupational safety regulations, and for securing the site at the end of each work day, including barricades, covered openings, and posted warnings where appropriate. The Owner will keep occupants, children, pets, and visitors out of active work areas. The Contractor will protect finished surfaces, landscaping, and adjacent property from damage caused by the Work and will repair damage it causes.

14. 14. Termination, Suspension, and Dispute Resolution

The Owner may terminate this Contract for convenience on [OWNER TERMINATION NOTICE, e.g., 10 days] written notice, in which case the Owner will pay for all Work performed, materials ordered or delivered, and reasonable demobilization costs through the termination date, plus [TERMINATION FEE, e.g., a percentage of the unearned overhead and profit]. Either Party may terminate for a material breach that is not cured within [CURE PERIOD, e.g., 10 days] after written notice, and the Contractor may suspend the Work for nonpayment as provided in Section 5. This Contract is governed by the laws of the State of [GOVERNING STATE]. Before filing any claim, the Parties will meet at the Project to attempt resolution and will then submit the dispute to non-binding mediation in [MEDIATION LOCATION]. Any unresolved dispute will be decided by [BINDING ARBITRATION UNDER [ARBITRATION RULES] IN [ARBITRATION LOCATION] / THE STATE OR FEDERAL COURTS IN [VENUE COUNTY AND STATE]], and the prevailing Party may recover reasonable attorney fees and costs.

15. 15. Signatures

By signing below, each Party acknowledges that it has read this Contract and its exhibits, understands them, and agrees to be bound as of the Effective Date. OWNER: [OWNER NAME]. Signature: _____. Printed Name: [OWNER SIGNER NAME]. Date: [DATE]. CONTRACTOR: [CONTRACTOR NAME]. Signature: _____. Printed Name: [CONTRACTOR SIGNER NAME]. Title: [TITLE]. License Number: [LICENSE NUMBER]. Date: [DATE]. This Contract may be signed in counterparts, and electronic signatures have the same effect as original signatures on a single document.

16. Disclaimer

This template is provided for general informational purposes only and is not legal advice. Construction contracts are heavily regulated at the state and local level: licensing, bonding, permitted deposit amounts, mandatory contract disclosures, lien notice deadlines, retainage limits, and home improvement cancellation rights all vary by jurisdiction and many of them cannot be contracted away. Review and adapt this document for your own project, and consult a licensed construction attorney in your state before using it on a significant job. Use of this template does not create an attorney-client relationship with ScanContract.