

Contract

I. PARTIES

This contract (hereinafter referred to as "Agreement") is made and entered into on _____ by and between _____, (hereinafter referred to as "Owner"), and _____ (hereinafter referred to as "Contractor"). In consideration of the mutual promises contained herein, Contractor conditions below:

II. GENERAL SCOPE OF WORK DESCRIPTION

(Additional Scope of Work page(s) attached: _____)

A. LUMP SUM PRICE FOR ALL WORK ABOVE*

* This Agreement will expire 15 days after the date at the top of page one of this Agreement if not accepted in writing by Owner and returned to Contractor within that time.

B. NOTES AND CLARIFICATIONS

If any conflict should arise between the plans, specifications, addenda to plans, and this Agreement, then the terms and conditions of this Agreement shall be controlling and binding upon the parties to this Agreement.

III. GENERAL CONDITIONS FOR THE AGREEMENT ABOVE

A. EXCLUSIONS

This Agreement does not include labor or materials for the following work:

Contractor

Owner

Owner

1. PROJECT-SPECIFIC EXCLUSIONS:

- Any work not specifically described in Section II of this contract or detailed in contractor supplied drawing.

2. STANDARD EXCLUSIONS: Unless specifically included in the "General Scope of Work" section above, this Agreement does not include labor or materials for the following work: Testing, removal and disposal of any materials containing asbestos (or any other hazardous material as defined by the EPA). Custom milling of any wood for use in project. Moving Owner's property around the site. Labor or materials required to repair or replace any Owner-supplied materials. Final construction cleaning (Contractor will leave site in "broom swept" condition). Landscaping and irrigation work of any kind. Correction of existing out-of-plumb or out-of-level conditions in existing structure. Correction of concealed substandard framing. Rerouting/removal of vents, pipes, ducts, structural members, wiring or conduits, steel mesh which may be discovered in the removal of walls or the cutting of openings in walls (except as otherwise noted). Removal and replacement of existing rot or insect infestation. Failure of surrounding part of existing structure, despite Contractor's good faith efforts to minimize damage, such as plaster or drywall cracking and popped nails in adjacent rooms or blockage of pipes or plumbing fixtures caused by loosened rust within pipes. Exact matching of existing finishes. Repair of damage to roadways, driveways, or sidewalks that could occur when construction equipment and vehicles are being used in the normal course of construction. Cost of correcting errors and omissions by the Owner's design professionals and separate contractors or agents. Cost of correcting/testing/remediating mold/fungus/mildew and organic pathogens unless caused by the sole and active negligence of Contractor as a direct result of a construction defect that caused sudden and significant water infiltration into a part of the structure. Cost to modify and/or remanufacture custom brackets and other custom-fabricated materials that are manufactured per plans and/or specifications but do not fit properly into the structure.

B. DATE OF WORK COMMENCEMENT AND SUBSTANTIAL COMPLETION

Commence work: _____. Construction time through substantial completion: _____, not including delays and adjustments for delays caused by: holidays; inclement weather; accidents; shortage of labor or materials; additional time required for Change Order and additional work; delays caused by Owner, Owner's design professionals, agents, and separate contractors; and other delays unavoidable or beyond the control of the Contractor.

C. CHARGES FOR ADDITIONAL WORK: CONCEALED CONDITIONS, DEVIATION FROM SCOPE OF WORK, AND CHANGES IN THE WORK

1. CONCEALED CONDITIONS: This Agreement is based solely on the observations Contractor

Contractor

Owner

Owner

was able to make with the project in its condition at the time the work of this Agreement was bid. If additional concealed conditions are discovered once work has commenced or after this Agreement is executed which were not visible at the time this Agreement was bid, Contractor will point out these concealed conditions to Owner, and these concealed conditions will be treated as Additional Work under this Agreement. Contractor and Owner may execute a Change Order for this Additional Work. Contractor is released, held harmless, and indemnified by Owner from all pre-existing mold, fungus, mildew, and organic pathogen problems and is not responsible for costs or damages associated with correcting, containing, testing, or remediating the same.

2. DEVIATION FROM SCOPE OF WORK: Any alteration or deviation from the Scope of Work referred to in this Agreement involving extra costs of materials or labor (including any overage on ALLOWANCE work and any changes in the Scope of Work) required by Owner, Owner's design professional, Owner's agent, or governmental plan checkers or field building inspectors) will be treated as Additional Work under this Agreement resulting in an additional charge to Owner as set forth herein. This includes work already performed by Contractor but is requested to be performed in a different manner by Owner or Owner's agent. Unless Homeowner specifically requests performance of work to be completed in a specific manner before performance, Contractor will perform all specifications to his discretion. Contractor and Owner may execute a Change Order for any of this Additional Work.

Additional work will under this contract will be separately estimated as a fixed price Change Order or billed at an hourly rate of \$ /per hour.

Contractor to supervise, coordinate, and charge profit and overhead on the following: all Additional Work under this Agreement, Additional Work caused by concealed conditions, all overages on allowance work, all Owner-furnished materials, and all work of Owner's separate contractors who are working on site at same time as Contractor (any time in between when Contractor has commenced work and when the work is 100% complete by Contractor). The amount of the additional work will be reasonably determined by the Contractor.

D. PAYMENT SCHEDULE AND PAYMENT TERMS

1. PAYMENT SCHEDULE:

Total

Contractor

Owner

Owner

* Interest in the amount of _____ per month will be charged on all late payments under this Agreement.

2. PAYMENT OF CHANGE ORDERS/ADDITIONAL WORK: Payment for Additional Work is due upon completion of either all or part of the Additional Work and submittal of invoice by Contractor. Unless Homeowner specifically requests, performance of the above specifications will be completed in a typical workmanlike manner including typical installations of moldings and trim. Installation requests that are not standard in the industry may incur an additional charge if not requested prior to initial installation.

E. WARRANTY

Thank you for choosing our company to perform this work for you. Your satisfaction with our work is a high priority for us however, not all possible complaints are covered by our warranty. Contractor does provide a limited warranty against material defects on all Contractor- and subcontractor-supplied labor and materials used in this project for a period of one year following substantial completion of all work. This warranty covers normal usage only. You must contact the Contractor at the address on page one of this Agreement in writing for warranty service immediately upon discovering an item in need of warranty service. If the matter is urgent, you must also call the Contractor and send written notice of the need for warranty service. Failure to notify the Contractor of the need for warranty service within ten days of discovery of a warranty item may void this warranty. Additionally, Owner's hiring of others or direct actions by Owner or Owner's separate contractors to repair a warranty item are not covered by this warranty and will not be reimbursed by Contractor.

No warranty is provided by Contractor on any materials furnished by the Owner for installation. No warranty is provided on any existing materials that are moved and/or reinstalled by the Contractor within the dwelling or the property (including any warranty that existing/used materials will not be damaged during the removal and reinstallation process). One year after substantial completion of the project, the Owner's sole remedy (for materials and labor) on all materials that are covered by a manufacturer's warranty is strictly with the manufacturer, not with the Contractor.

Repair of the following items and related damages of every kind are specifically excluded from Contractor's warranty: problems caused by lack of Owner maintenance; problems caused by Owner abuse, Owner misuse, vandalism, Owner modification, or alteration; and ordinary wear and tear. Damages resulting from mold, fungus, and other organic pathogens are excluded from this warranty unless caused by the sole and active negligence of contractor as a direct result of a construction defect which caused sudden and significant amounts of water infiltration into a part of the structure. Deviations that arise such as the minor cracking of concrete, stucco, and plaster; minor stress fractures in drywall due to the curing of lumber; warping and deflection of wood; shrinking/cracking of grouts and caulking; fading of paints and finishes exposed to sunlight are all typical (not material) defects in construction, and are strictly excluded from Contractor's warranty.

THE EXPRESS WARRANTIES CONTAINED HEREIN ARE IN LIEU OF ALL OTHER WARRANTIES,

Contractor

Owner

Owner

EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY, HABITABILITY, OR FITNESS FOR A PARTICULAR USE OR PURPOSE. THIS LIMITED WARRANTY EXCLUDES CONSEQUENTIAL, INCIDENTAL, AND SPECIAL DAMAGES AND LIMITS THE DURATION OF IMPLIED WARRANTIES TO THE FULLEST EXTENT PERMISSIBLE UNDER STATE AND FEDERAL LAW. THIS LIMITED WARRANTY MAY NOT BE VERBALLY MODIFIED BY ANY PERSON. THIS LIMITED WARRANTY IS GOVERNED BY THE LAWS OF THE STATE WHERE THE WORK WAS PERFORMED.

F. WORK STOPPAGE AND TERMINATION OF CONTRACT FOR DEFAULT

Contractor shall have the right to stop all work on the project and keep the job idle if payments are not made to Contractor strictly in accordance with the Payment Schedule in this Agreement, or if Owner repeatedly fails or refuses to furnish Contractor with access to the job site and/or product selections or information necessary for the advancement of Contractor's work. Simultaneous with stopping work on the project, the Contractor must give Owner written notice of the nature of Owner's material breach of this Agreement and must also give the Owner a 14-day period in which to cure this breach of contract. Owner to follow this same notice procedure with Contractor if Owner alleges Contractor is in material breach of this Agreement.

If work is stopped due to any of the above reasons (or for any other material breach of contract by Owner) for a period of 14 days, and the Owner has failed to take significant steps to cure his default, then Contractor may, without prejudicing any other remedies Contractor may have, give written notice of termination of the Agreement to Owner and demand payment for all completed work and materials ordered through the date of work stoppage, and any other reasonable loss sustained by Contractor, including Contractor's Profit and Overhead at the rate of 20% on the balance of the incomplete work under the Agreement. Thereafter, Contractor is relieved from all other contractual duties, including all Punch List and warranty work.

G. DISPUTE RESOLUTION AND ATTORNEY'S FEES

Any controversy or claim arising out of or related to this Agreement involving an amount less than \$5,000 (or the maximum limit of the Small Claims court) must be heard in the Small Claims Division of the Municipal Court in the county where the Contractor's office is located. Any dispute over the dollar limit of the Small Claims Court arising out of this Agreement may be submitted to an experienced private construction arbitrator that shall be mutually selected by the parties to conduct a binding arbitration in accordance with the arbitration laws of the state of Maryland or submitted to mediation provided by the Maryland Home Improvement Commission. Any controversy or claim arising out of or related to this Agreement involving an amount more than \$5,000 may also be heard in the District or Circuit court of

_____.

The prevailing party in any legal proceeding related to this Agreement shall be entitled to payment of reasonable attorney's fees, costs, and post-judgment interest at the legal rate.

H. ENTIRE AGREEMENT, SEVERABILITY, AND MODIFICATION

Contractor

Owner

Owner

This Agreement and attached contractor supplied drawing (if applicable) represents and contains the entire agreement and understanding between the parties. Prior discussions or verbal representations by Contractor or Owner that are not contained in this Agreement are not a part of this Agreement. In the event that any provision of this Agreement is at any time held by a Court to be invalid or unenforceable, the parties agree that all other provisions of this Agreement will remain in full force and effect. Any future modification of this Agreement should be made in writing and executed by Owner and Contractor.

I have read, understood and I agree to all the terms and conditions contained in the Agreement above. I understand that I have 5 days from the date of this contract, or 7 days from the date of this contract if I am 65 years of age or older, to cancel this agreement without penalty.

DATE For _____

DATE OWNER'S SIGNATURE

DATE OWNER'S SIGNATURE

Under Maryland Home Improvement Commission regulations, the following notices are required in all home improvement contracts:

“Every home improvement contract must contain a notice that gives the telephone number of MHIC and states that each contractor and subcontractor must hold a current MHIC license and anyone can ask MHIC about a contractor.”

MHIC
500 North Calvert Street
Baltimore Maryland 21202
1-888-218-5925 or 410-230-6309

1. Formal mediation of disputes between homeowners and contractors is available through the Maryland Home Improvement Commission;
2. The Maryland Home Improvement Commission administers the Guaranty Fund, which may compensate homeowners for certain actual losses caused by acts or omissions of licensed contractors, and
3. A homeowner may request that a contractor purchase a performance bond for additional protection against losses not covered by the Guaranty Fund.

Contractor

Owner

Owner

Cancellation Notice

Date of Transaction: _____

You may cancel this transaction, without any penalty or obligation, within five (5) business days, or seven (7) business days if you are over the age of 65, from the above date. In order to cancel this transaction, you must complete and submit this form to the address or email below:

_____ or by email to: _____

If you cancel, any payments made by you under the terms of this contract, will be returned to you within 15 business days following receipt by the seller of this cancellation notice.

If you cancel, you must make available to the seller any materials delivered to your home or in your possession in substantially the same condition as when they were received. If you cancel and any materials delivered to your home or in your possession are not returned, or returned in a substantially different condition, including any condition that may reduce the usability or value of the material, you will be liable to the seller for any reduced value in the material as a result of buyer's exclusive action.

Name of Contractor: _____

Name(s) of Buyer: _____

Date of Contract Transaction: _____

Cancellation Notice must be received no later than midnight of _____

I hereby cancel this transaction

Date

Buyer

Date

Buyer

Contractor

Owner

Owner

Contractor

Owner

Owner