

CONSTRUCTION AGREEMENT

THIS AGREEMENT is made and entered into this ____ day of _____, _____, between _____, whose address is _____, hereinafter referred to as "Owner", and _____, a _____ corporation, whose address is _____, hereinafter referred to as "Contractor".

In consideration of the mutual covenants set forth below, Contractor and Owner agree as follows:

1. DESCRIPTION OF AND TIME FOR WORK. Contractor shall perform in accordance with the contract plans and specifications, hereinafter called "contract documents", more particularly described in Exhibit "A", the following described work at _____ located in _____, more particularly described in Exhibit "B". Contractor shall construct _____ consisting of a _____ square feet.
2. OWNER'S REPRESENTATIVE. Owner's representative (if applicable) for this project is _____.
3. CONTRACT SUM OR AGREED PAYMENT TO CONTRACTOR. Owner agrees to pay Contractor for the described work the total sum of _____ (\$ _____) Dollars. Payment of this amount is subject to additions or deductions in accordance with Sections 15 and 16 hereof, and the other documents to which this contract is subject.
4. PROGRESS PAYMENTS.
 - (a) Contractor shall submit to architect a schedule of values on the _____ of each month.
 - (b) Architect will examine said forms and approve, if appropriate, said amounts by the 5th day of the following month and submit said approval, if appropriate, to Owner or to Owner's lending institution for payment to Contractor.
 - (c) Within five (5) days thereof, Owner or Owner's lending institution shall pay Contractor ninety (90%) percent of the amount approved by architect and retain ten (10%) percent as agreed retainage. The final progress payment will be made when a Certificate of Occupancy is issued by the appropriate governmental authority. Upon issuance of the Certificate of Occupancy, Owner may retain that portion of the contract sum computed as the lesser sum of the following:
 - (i) Ten (10%) percent of the contract sum, or
 - (ii) Upon request for a final punch list by Contractor, an evaluation will be made by the Owner's representative of the cost to complete the punch list. Owner may retain three hundred (300%) percent of the cost of completing the punch list. Any progress payment not made within the time limits set forth above will earn interest at the rate of 18%, or, the minimum rate permissible at law.
5. FINAL PAYMENT. Owner shall make final payment to Contractor within thirty (30) days after the work is completed, if the contract is at that time fully performed, and if Contractor has delivered to Owner a complete release of all liens arising out of the contract herein, or receipts in full covering all labor, materials, and equipment for which a lien could be filed, or, in the alternative, a bond satisfactory to Owner indemnifying him against such liens.

6. STARTING AND COMPLETION DATES. Work under this contract shall begin upon issuance of a Notice of Commencement, and all work shall be completed within _____ (_____) days after issuance of the Notice of Commencement.
7. CONTRACT DOCUMENTS. The contract documents on which the agreement between the Owner and Contractor is based, which contain the plans and specifications in accordance with which the work is to be done, and which provide for the method of payment of the contract sum, are as follows:
 - (a) This Agreement, with supplementary agreements and conditions attached thereto;
 - (b) The plans and specifications, with addenda attached thereto, issued before execution of this Agreement, and any amendments hereafter to be made;
 - (c) Written interpretations of the contract documents and directives to be made from time to time by Owner's representative; and
 - (d) Work change orders issued, or to be issued.

The contract documents together form the contract for the work herein described. The parties intend that the documents include provisions for all labor, materials, equipment, supplies, and other items necessary for the execution and completion of the work and all terms and conditions of payment. The documents also include all work and procedures not expressly indicated therein necessary for proper execution of this project. The contract documents are to be separately executed, in duplicate, by Owner and Contractor. Contractor, by executing the documents, represents that he has inspected and is familiar with the work site and the local conditions under which the work is to be performed.

8. DUTIES AND AUTHORITY OF OWNER'S REPRESENTATIVE. The duties and authority of Owner's representative are designated as follows:
 - (a) General Contract Administration. The primary function of Owner's representative is to provide general administration of the contract. In performing these duties he shall represent Owner during the entire period of construction.
 - (b) Inspection, Opinions, and Progress Reports. The representative shall keep familiar with the progress and quality of the work by making periodic visits to the work site. He will make general determinations as to whether the work is proceeding in accordance with the contract documents.
 - (c) Access to Work Site for Inspections. Owner's representative shall be given free access to the work at all times during its preparation and progress. However, he is not required to make exhaustive or continuous on-site inspections to perform his duties of checking and reporting on work progress.
 - (d) Rejection and Stoppage of Work. Owner's representative shall have the authority to reject or stop work or a portion thereof which in his opinion does not conform to the contract documents.
 - (e) Progress Payment Certificates. Owner's representatives will determine the amount owing to Contractor as the work progresses. Such determination shall be based on Contractor's application and representative's inspections and observations. Representative shall issue certificates for progress payments and final payment in accordance with Sections 4 and 5 hereof.

THIS IS A 7-PAGE CONTRACT plus attached schedules.