

HOME IMPROVEMENT CONTRACT

THIS HOME IMPROVEMENT CONTRACT (the “Agreement”) is made as of the _____ day of _____, 20____, by and between:

CONTRACTOR: [Insert Contractor Legal Name], a duly licensed home improvement contractor _____, with a valid Certificate of Authority from the New York State Department of Taxation and Finance with a principal place of business at _____, City of _____, State of _____ (hereinafter “Contractor”).

OWNER: _____, residing at New York City of _____, State of _____ (hereinafter “Owner”).

The Contractor and Owner are sometimes referred to herein individually as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, Owner is the fee owner of the premises located at the address stated above (the “Property”) and desires to engage Contractor to perform certain home improvement work at the Property;

WHEREAS, Contractor is duly qualified and willing to furnish all labor, materials, equipment, and supervision necessary to complete said work;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the Parties agree as follows:

1. Scope of Work

Contractor shall furnish all labor, materials, equipment, tools, and supervision required to complete the improvements described in Exhibit A attached hereto and incorporated herein by reference (the “Work”). The Work shall be performed in a good and workmanlike manner, in accordance with applicable laws, codes, and ordinances.

2. Contract Price & Payment Schedule

2.1 Contract Price. Owner agrees to pay Contractor, and Contractor agrees to accept, as full compensation for performance of the Work, the lump-sum amount of _____, subject to adjustments for approved Change Orders.

2.2 Payment Schedule. The Contract Price shall be paid in the installments set forth in Exhibit B (the “Payment Schedule”). Owner shall make each payment within five (5) business days after receipt of Contractor’s invoice for the corresponding milestone.

2.3 Deposit of Funds. To the extent required by New York Lien Law Article 3-A or other applicable law, Contractor shall hold progress payments in a separate project trust account and apply such funds solely to costs associated with the Project.

2.4 Late Payments. Any payment not received when due shall bear interest at the rate of one and one-half percent (1.5%) per month (or the maximum rate permitted by law, if lower) from the due date until paid. Contractor may suspend the Work upon forty-eight (48) hours’ written notice if any payment remains overdue.

3. Time of Performance

3.1 Commencement & Completion. Contractor shall commence the Work on or about _____, 20____ (“Commencement Date”) and shall achieve Substantial Completion on or about _____, 20____ (“Substantial Completion Date”), subject to extensions for Excusable Delays as defined herein.

3.2 Excusable Delays. Contractor shall be entitled to equitable extensions of time for delays beyond Contractor’s reasonable control, including but not limited to acts of God, labor disputes, material shortages, adverse weather, or changes ordered by or delays caused by Owner.

4. Change Orders

No deviation from or addition to the Work shall be made without a written change order signed by both Parties (“Change Order”). Each Change Order shall describe the changed Work, any adjustment in the Contract Price, and any adjustment in the schedule. See Exhibit D for change order.

5. Permits, Inspections & Compliance

Contractor shall obtain and pay for all permits, licenses, and inspections required for the Work, except as otherwise provided in Exhibit A. The Work shall comply with all applicable laws, regulations, building codes, and zoning ordinances.

6. Insurance & Risk of Loss

6.1 Contractor Insurance. Contractor shall maintain (a) Commercial General Liability insurance with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, (b) Workers’ Compensation and Disability Benefits as required by New York law, and (c) Automobile Liability insurance covering owned and non-owned vehicles with limits of not less than \$1,000,000 combined single limit.

6.2 Owner Insurance. Owner shall maintain property insurance (Builder's Risk or equivalent) covering the Work and existing structures against loss or damage to full replacement value.

6.3 Risk of Loss. Risk of loss shall remain with Contractor until Substantial Completion, except for loss or damage caused by Owner or Owner-retained contractors.

7. Warranties

Contractor warrants that all Work shall be free from defects in workmanship and materials for a period of one (1) year from the date of Substantial Completion. Manufacturer warranties shall be assigned to Owner to the extent permissible. This warranty excludes normal wear and tear and damage caused by misuse or negligence of Owner.

8. Mechanic's Lien Notice

ANY CONTRACTOR, SUBCONTRACTOR, OR SUPPLIER WHO PROVIDES LABOR OR MATERIALS FOR YOUR HOME IMPROVEMENT PROJECT AND IS NOT PAID MAY HAVE A LEGAL RIGHT TO PLACE A LIEN AGAINST YOUR PROPERTY. IF A LIEN IS FILED AGAINST YOUR PROPERTY, YOU COULD BE REQUIRED TO PAY THE LIEN OR FACE COURT-ORDERED SALE OF YOUR PROPERTY. TO AVOID THIS RESULT, MAKE SURE YOU RECEIVE A WRITTEN PARTIAL OR FINAL LIEN WAIVER FROM EVERY SUPPLIER AND SUBCONTRACTOR BEFORE YOU PAY CONTRACTOR.

9. Right of Rescission

Pursuant to New York General Business Law, Owner may cancel this Agreement without penalty or obligation within three (3) business days from the date Owner receives a fully executed copy of this Agreement. If Owner elects to cancel, any property traded in and payments made by Owner under the Agreement, and any negotiable instrument executed by Owner will be returned within ten (10) business days following receipt by Contractor of the Owner's cancellation notice, and any security interest arising out of the transaction will be canceled. To cancel, Owner must mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, to Contractor at the address specified in this Agreement, no later than midnight of the third business day following the receipt of the executed Agreement. Owner may cancel this Agreement at any time before midnight of the third business day after the date Owner signs the Agreement. See Exhibit E for cancellation notice.

10. Owner Responsibilities

Owner shall (a) provide Contractor reasonable access to the Property, including utility services; (b) secure and protect pets, valuables, and fragile items; (c) timely review and sign Change Orders; and (d) make all payments when due.

11. Safety & Hazardous Materials

Contractor shall comply with OSHA and all safety regulations. Unless specifically included in the Scope of Work, Contractor shall not be responsible for identification, abatement, or removal of asbestos, lead, mold, or other hazardous materials.

12. Indemnification

To the fullest extent permitted by law, Contractor shall indemnify and hold harmless Owner from and against claims, damages, losses, and expenses, including reasonable attorney fees, arising out of or resulting from performance of the Work, but only to the extent caused by the negligent acts or omissions of Contractor, its employees, or subcontractors.

13. Limitation of Liability

Notwithstanding anything to the contrary, Contractor's total liability arising out of this Agreement shall not exceed the Contract Price. In no event shall Contractor be liable for consequential, incidental or punitive damages.

14. Dispute Resolution

Any dispute arising under or relating to this Agreement that cannot be resolved by negotiation within thirty (30) days shall be submitted to binding arbitration administered by the American Arbitration Association ("AAA") under its Construction Industry Arbitration Rules then in effect. The arbitration shall take place in the county where the Property is located. Judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

15. Termination

15.1 Termination for Convenience by Contractor. Contractor may terminate this Agreement for convenience upon seven (7) days' written notice to Owner. In the event of such termination, Contractor shall be entitled to payment for (a) Work executed up to the termination date, (b) reasonable demobilization costs, and (c) any other costs directly attributable to the termination.

15.2 Termination for Cause. Either Party may terminate this Agreement upon written notice if the other Party (a) materially breaches any provision and fails to cure within seven (7) days, or (b) becomes insolvent or bankrupt.

16. Attorney Fees

The prevailing Party in any arbitration or litigation arising under this Agreement shall be entitled to recover its reasonable attorney fees and costs.

17. Miscellaneous

17.1 Governing Law. This Agreement shall be governed by the laws of the State of New York, without regard to conflict-of-laws principles.

17.2 Assignment. Neither Party may assign this Agreement without the prior written consent of the other, except Contractor may assign to a financing company for the limited purpose of factoring receivables.

17.3 Entire Agreement. This Agreement, together with all Exhibits, constitutes the entire understanding between the Parties and supersedes all prior agreements, oral or written.

17.4 Amendment. This Agreement may be amended only by a written instrument signed by both Parties.

17.5 Severability. If any provision is held invalid, the remainder shall remain in full force and effect.

17.6 Counterparts & Electronic Signatures. This Agreement may be executed in counterparts and by electronic signature, each of which shall be deemed an original.

18. Signatures

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

CONTRACTOR:

By:

Title:

Date:

OWNER:

By:

Date:

SAMPLE

EXHIBIT A – SCOPE OF WORK

SAMPLE

EXHIBIT B – PAYMENT SCHEDULE

Milestone payments shall be made as follows:

SAMPLE

EXHIBIT C – PROJECT SCHEDULE

SAMPLE

EXHIBIT D – CHANGE ORDER FORM

Project:

Change Order No.:

Date:

Description of Change:

Increase/Decrease in Contract Price:

Adjustment to Schedule (days):

CONTRACTOR SIGNATURE:

OWNER SIGNATURE:

SAMPLE

EXHIBIT E – NOTICE OF CANCELLATION

You may cancel this transaction, without any penalty or obligation, within THREE (3) BUSINESS DAYS from the date you receive a fully executed copy of this Agreement.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within TEN (10) BUSINESS DAYS following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, to:

NOT LATER THAN MIDNIGHT OF _____, 20__ .

I HEREBY CANCEL THIS TRANSACTION.

Buyer's Signature

Date:

SAMPLE